

**State of Illinois**  
**REGIONAL OFFICE OF EDUCATION #11**  
**CLARK, COLES, CUMBERLAND, DOUGLAS,**  
**EDGAR, MOULTRIE AND SHELBY COUNTIES**  
**FINANCIAL AUDIT**  
**(In Accordance with the Single Audit Act**  
**and OMB Circular A-133)**  
**FOR THE YEAR ENDED JUNE 30, 2005**

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

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 FOR THE YEAR ENDED JUNE 30, 2005

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REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES

AGENCY OFFICIALS

Regional Superintendent  
(Current and during the Audit Period)

Mr. John McNary

Assistant Regional Superintendent  
(Current, Acting Effective July 4, 2005)

Mr. Nik Groothuis

Assistant Regional Superintendent  
(During the Audit Period and Retired Effective May 27, 2005)

Mr. Kenneth Schwengel

Office is located at:

730 7<sup>th</sup> Street  
Charleston, Illinois 61920

**REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR,  
MOULTRIE, AND SHELBY COUNTIES  
JUNE 30, 2005**

**COMPLIANCE REPORT SUMMARY**

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

**AUDITORS' REPORTS**

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

**SUMMARY OF AUDIT FINDINGS**

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Findings	1	2
Repeated findings	0	0
Prior recommendations implemented or not repeated	2	3

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

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS ( <i>GOVERNMENT AUDITING STANDARDS</i> )		
05-1	12	Controls over Compliance with Laws and Regulations
FINDINGS AND QUESTIONED COSTS ( <i>FEDERAL COMPLIANCE</i> )		
None		

PRIOR FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

04-1                    15                    Reporting of revenues and expenditures

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

04-2                    15                    Inadequate monitoring of subrecipients

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on August 26, 2005. Attending were John McNary, Superintendent, and Clatus B. Bierman, CPA, Partner, Kemper CPA Group, LLP. Responses to the recommendations were provided by Mr. McNary.

## **FINANCIAL STATEMENT**

### **REPORT SUMMARY**

The audit of the accompanying basic financial statements of the Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby Counties Regional Office of Education #11 was performed by Kemper CPA Group LLP, CPAs.

Based on their audit, the auditors expressed an unqualified opinion on the Regional Office of Education #11's basic financial statements.

## INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby Counties Regional Office of Education #11, as of and for the year ended June 30, 2005, which collectively comprise the Regional Office of Education #11's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Office of Education #11's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #11, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 26, 2005, on our consideration of the Regional Office of Education #11's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 16a through 16h and 46 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional Office of Education #11'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 accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Handwritten signature of Kemper CPA Group, LLP in cursive script.

*Certified Public Accountants and Consultants*

Marion, Illinois  
August 26, 2005

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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #11 as of and for the year ended June 30, 2005, which collectively comprise the Regional Office of Education #11's basic financial statements and have issued our report thereon dated August 26, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Regional Office of Education #11's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Regional Office of Education #11'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*. However, we noted an immaterial instance of noncompliance which is required by the *Guidelines to Auditing and Reporting for a Regional Office of Education*, to be reported on the accompanying Schedule of Findings and Questioned Costs as item 05-1.

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

*Kemper CPA Group, LLP*

*Certified Public Accountants and Consultants*

Marion, Illinois  
August 26, 2005

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

Honorable William G. Holland  
Auditor General  
State of Illinois

Compliance

We have audited the compliance of the Regional Office of Education #11 with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The Regional Office of Education #11's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Regional Office of Education #11's management. Our responsibility is to express an opinion on the Regional Office of Education #11's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Regional Office of Education #11's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Regional Office of Education #11's compliance with those requirements.

In our opinion, Regional Office of Education #11 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

## Internal Control Over Compliance

The management of the Regional Office of Education #11 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Regional Office of Education #11's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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



*Kemper CPA Group LLP*  
*Certified Public Accountants and Consultants*

Marion, Illinois  
August 26, 2005

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 SUMMARY OF AUDITOR'S RESULTS  
 JUNE 30, 2005

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

**Financial Statements**

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

**Federal Awards**

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

Identification of **major** programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.289A	Standards Aligned Classroom – Statewide Professional Development

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

Auditee qualified as a low-risk auditee?	No
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REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2005

**SECTION II – FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

**Finding No. 05-1 – Controls Over Compliance with Laws and Regulations**

**Criteria/specific requirement:**

The Illinois School Code 105 ILCS 5/3-14.11 states that the Regional Superintendent shall examine at least once each year all books, accounts, and vouchers of every school treasurer in his educational service region, and if he finds any irregularities in them, to report them at once, in writing, to the trustees in Class II county school units, to the respective school boards of those school districts which form a part of a Class II county school unit but which are not subject to the jurisdiction of the trustees of schools of any township in which any such district is located, or to the respective school boards of the district in Class I county school units whose duty it shall be to take immediately such action as the case demands.

This mandate has existed in its current form since at least 1953.

**Condition:**

The Regional Office is not examining all books, accounts, and vouchers of every school treasurer in his educational service area at least once each year. Regional Office officials noted that they believe this mandate is outdated and that they are satisfying the intent of the statute by other reviews they undertake. For example, the Regional Superintendent signs off on the Annual Financial Reports from the school districts in his region. In addition, the Regional Office gets a spreadsheet from the Illinois State Board of Education (ISBE) that outlines all of the school districts and their audit exceptions, if any. The Regional Office follows up with school districts having exceptions and gets the corrective action and forwards it to ISBE.

While these are reviews involving the finances of school treasurers, they are not in the level of detail required by 105 ILCS 5/3-14.11.

**Effect:**

The Regional Office of Education #11 did not comply with statutory requirements.

**Cause:**

The Regional Superintendent was unaware of the statutory requirements.

**Recommendation:**

The Regional Office of Education #11 should comply with the requirements of 105 ILCS 5/3-14.11. If the Regional Office believes the statutory mandate is obsolete or otherwise unnecessary, then it should seek legislative action to revise the statute accordingly.

**Management's response:**

In 1953, there were 102 county superintendents and their duties were a lot less numerous than today. Few schools had budgets that exceeded \$500,000. Under such conditions, this law probably made sense. During the past 50+ years, various practices have evolved eliminating the need for this type of monitoring. In the 21<sup>st</sup> century, all schools have multi-million dollar budgets that are: 1.) audited annually by professionally certified outside auditing firms; 2.) audits are filed for public record & inspection; and 3.) this is tracked through the process by the procedures mentioned above in the section titled "Condition". Requiring the ROE's to do another review would be redundant, costly, and require the hiring of teams of new staff members in each ROE to carry out the task. The latter begs the question of which level(s) of government would bear the cost to carry out this task and how costly might that be to reinstitute the practice?

We are grateful for the OAG's assistance in calling this to our collective attention because it provides the Regional Offices of Education with additional justification to request that the General Assembly delete this and other obsolete sections from the statutes. We will seek a legislative solution to this and other obsolete passages.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2005

**SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:**

**Instances of Noncompliance:**

None

**Reportable Conditions:**

None

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
CORRECTIVE ACTION PLANS FOR CURRENT YEAR AUDIT FINDINGS  
JUNE 30, 2005

CORRECTIVE ACTION PLAN

Finding No. 05-1

Condition:

The Regional Office is not examining all books, accounts, and vouchers of every school treasurer in his educational service area at least once each year. Regional Office officials noted that they believe this mandate is outdated and that they are satisfying the intent of the statute by other reviews they undertake. For example, the Regional Superintendent signs off on the Annual Financial Reports from the school districts in his region. In addition, the Regional Office gets a spreadsheet from the Illinois State Board of Education (ISBE) that outlines all of the school districts and their audit exceptions, if any. The Regional Office follows up with school districts having exceptions and gets the corrective action and forwards it to ISBE.

While these are reviews involving the finances of school treasurers, they are not in the level of detail required by 105 ILCS 5/3-14.11.

Plan:

The Regional Office of Education #11 will comply with the requirements of 105 ILCS 5/3-14.11. If the Regional Office believes the statutory mandate is obsolete or otherwise unnecessary, then it will seek legislative action to revise the statute accordingly.

Anticipated Completion Date:

Immediately upon learning of the oversight.

Contact Person:

John McNary, Regional Superintendent of Schools

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2005

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
04-1	Reporting of Revenue and Expenditures	Corrective Action Taken
04-2	Inadequate Monitoring of Sub-recipients	Corrective Action Taken

## MANAGEMENT'S DISCUSSION AND ANALYSIS

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,  
AND SHELBY COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2005

The Regional Office of Education #11 for the counties of Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby 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, 2005. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements which follow.

This is the second fiscal year the Regional Office of Education #11 has implemented new reporting standards with significant change in content and structure. Much of the information is not easily comparable to years prior to FY04. However, future year's comparisons will be meaningful and will go further in explaining the Regional Office of Education #11's financial position and results of operations.

**Financial Highlights**

- Within the Governmental Funds, the General Fund balance increased by \$33,574 from \$352,722 in FY04 to \$386,296 in FY05 and the Education Fund balance increased by \$3,295 from \$43,053 to \$46,348.
- Within the Proprietary Fund, Total Net Assets decreased from \$153,682 to \$123,193. This marked a decrease of \$30,489.

**Using This Annual Report**

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office's financial activities.
- The government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the Regional Office of Education as a whole and present an overall view of the Office's finances.
- The fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the Regional Office'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.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,  
AND SHELBY COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2005

**Reporting the Office as a Whole**

**The Statement of Net Assets and the Statement of Activities**

The government-wide statements report information about the Regional Office of Education #11 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the Office's assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

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

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

In the government-wide financial statements, the Regional Office of Education #11's activities are divided into two categories:

- Governmental activities: Most of the Regional Office of Education #11's basic services are included here, such as local, State, and federal grant-funded programs, support services, and administration.
- Business-type activities: The Regional Office of Education #11 charges fees to help cover costs of certain services and workshops it provides.

The fund financial statements provide detailed information about the Regional Office's funds, focusing on its most significant or "major" funds - not the Regional Office of Education as a whole. Funds are accounting devices that allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by State law. The Regional Office of Education #11 establishes other funds to control and manage money for particular purposes.

The Regional Office of Education #11 has the following types of funds:

1. Governmental funds account for all of the Office's services. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Office's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements a reconciliation between the governmental fund financial statements and the government-wide financial statements follow each of the related

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,  
 AND SHELBY COUNTIES  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2005

**Reporting the Office as a Whole (Concluded)**

governmental fund financial statements. The Office's governmental funds include the General Fund and the Special Revenue Funds. The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

2. The Proprietary Fund is used to account for registration fees from workshops and other services sponsored by the Regional Office of Education #11. The Proprietary Fund's required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Fund Net Assets, and Statement of Cash Flows.
3. Fiduciary funds are used to account for assets held by the Regional Office of Education #11 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The fiduciary funds required financial statements include a Statement of Fiduciary Net Assets. The Regional Office of Education #11 excludes these assets from the government-wide financial statements because it cannot use these assets to finance its operations.

**Government –Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of the financial position. The Regional Office's net assets at the end of FY05 totaled \$661,265. This compared to \$664,704 at the end of FY04. The analysis that follows provides a summary of the Office's net assets at June 30, 2005 for the governmental and business-type activities.

**CONDENSED STATEMENT OF NET ASSETS**

**Governmental Activities**

	2005	2004	Increase / (Decrease)
Current Assets	\$ 851,683	\$ 666,735	184,948
Capital assets, being depreciated, net	17,158	29,580	(12,422)
Total Assets	868,841	696,315	172,526
Current Liabilities	330,769	185,293	145,476
Net Assets:			
Invested in capital assets	17,158	29,580	(12,422)
Unrestricted	520,914	481,442	39,472
Total Net Assets	\$ 538,072	\$ 511,022	27,050

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,  
 AND SHELBY COUNTIES  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2005

**Government –Wide Financial Analysis (Continued)**

A prior period adjustment was made to the beginning net asset balance in FY05. See Note 11 in the Notes to the Financial Statements for a more detailed explanation of the prior period adjustment. Fiscal year 2004 amounts shown above reflect the prior period adjustment made. The Regional Office of Education's governmental assets exceeded governmental liabilities (net assets) by \$538,072, which was an increase of \$27,050. Cash and cash equivalents made up the majority of current assets. The increase in current assets is due to the increase in current liabilities - accrued amounts due back to other governments that had not yet been paid as of the fiscal year end. These factors combined led to the increase in governmental net assets.

**CONDENSED STATEMENT OF NET ASSETS**

**Business-type Activities**

	2005	2004	Increase / (Decrease)
Current Assets	\$ 121,442	\$ 151,502	(30,060)
Capital assets, being depreciated, net	1,751	3,562	(1,811)
Total Assets	123,193	155,064	(31,871)
Current Liabilities	-	1,382	(1,382)
Net Assets:			
Invested in capital assets	1,751	3,562	(1,811)
Unrestricted	121,442	150,120	(28,678)
Total Net Assets	\$ 123,193	\$ 153,682	(30,489)

The Regional Office of Education #11 uses its business-type net assets to provide workshop and training services to school districts in the region. The decrease in current assets and net assets is due to fewer workshops being held in fiscal year 2005 as compared to fiscal year 2004.

**STATEMENT OF ACTIVITIES**

The following analysis shows the changes in net assets for governmental and business-type activities for the year ended June 30, 2005:

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,  
 AND SHELBY COUNTIES  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2005

**Government –Wide Financial Analysis (Continued)**

**STATEMENT OF ACTIVITIES**

**Governmental Activities**

	<u>2005</u>	<u>2004</u>	<u>Increase / (Decrease)</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ -	\$ 14,756	(14,756)
Operating grants and contributions	2,181,183	2,130,698	50,485
General revenues:			
Local sources	359,260	346,807	12,453
State sources	225,246	223,710	1,536
On-behalf payments	256,900	264,331	(7,431)
Investment earnings	21,307	3,784	17,523
Transfer in	714	8,968	(8,254)
Transfer out	(10,838)	(33)	(10,805)
Total Revenues	<u>3,033,772</u>	<u>2,993,021</u>	40,751
Expenses:			
Instructional Services			
Salaries and benefits	910,687	851,628	59,059
Purchased Services	320,765	319,408	1,357
Supplies and materials	77,097	66,655	10,442
Payments to other governments	1,202,725	1,263,674	(60,949)
Other objects	220,894	227,993	(7,099)
Depreciation expense	17,654	24,284	(6,630)
Administrative Expense:			
On-Behalf payments	256,900	264,331	(7,431)
Total Expenses	<u>3,006,722</u>	<u>3,017,973</u>	(11,251)
Change in Net Assets	27,050	(24,952)	52,002
Net Assets - Beginning	<u>511,022</u>	<u>535,974</u>	(24,952)
Net Assets - Ending	<u><u>\$ 538,072</u></u>	<u><u>\$ 511,022</u></u>	27,050

Revenues for governmental activities were \$3,033,772 and expenses were \$3,006,722. The increase in total revenues is due to several factors. The Institute Fund is in the first year of a new five-year cycle for teacher certification and the number of people requiring certification renewal is the highest during this year. Also, the school districts in the region provided money in order to

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,  
 AND SHELBY COUNTIES  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2005

**Government –Wide Financial Analysis (Concluded)**

fingerprint substitute teachers. Salaries and benefits increased due to using an in-house employee to provide certain services instead of using a contract individual as had been done in prior years. Payments to other government units decreased due to the timing of the Statewide Professional Development grant period which did not end until after the fiscal year end.

**STATEMENT OF ACTIVITIES**

**Business-Type Activities**

	2005	2004	Increase / (Decrease)
Revenues:			
Program Revenues:			
Charges for Services	\$ 56,650	\$ 98,796	(42,146)
General Revenue:			
Investment earnings	2,304	781	1,523
Transfer in	10,838	33	10,805
Transfer out	(714)	(8,968)	8,254
Total Revenues	69,078	90,642	(21,564)
Expenses:			
Salaries and benefits	55,655	97,521	(41,866)
Purchased Services	37,338	47,493	(10,155)
Supplies and materials	4,763	9,211	(4,448)
Other objects	-	9,266	(9,266)
Depreciation	1,811	1,811	-
Total Expenses	99,567	165,302	(65,735)
Change in Net Assets	(30,489)	(74,660)	44,171
Net Assets - Beginning	153,682	228,342	(74,660)
Net Assets - Ending	\$ 123,193	\$ 153,682	(30,489)

Revenues for the business-type activities were \$69,078 and expenses were \$99,567. This resulted in an overall decrease in total net assets of \$30,489. The decrease in charges for services, salaries and benefits, and purchased services was due to the Regional Office providing fewer workshops to school districts as compared to FY04.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,  
AND SHELBY COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2005

**Financial Highlights of the Regional Office of Education #11 Funds**

As previously noted, the Regional Office of Education #11 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Fund Highlights:**

- The return on investments (certificates of deposit, short term investments, and interest earned on float), were increased because of the increase in interest rates.
- County support for the Regional Office of Education #11 grew by only 1.99% to \$249,425.
- There was an increase in the state aid foundation level to \$4,964 per student from \$4,810. This helped to maintain the dollars provided for the Safe Schools (Bridges) Program.

**Proprietary Fund Highlights:**

The Regional Office of Education #11's Local Workshop Fund has decreased due to the financial conditions of the school districts in the region. The school districts funding has decreased and they have become more selective in allowing teachers to attend workshops that are only for required training purposes. The Office has determined that it is not cost effective to hold workshops for fewer than 10 participants and therefore held fewer workshops this year than in the past.

**Budgetary Highlights:**

The Regional Office of Education #11 annually adopts budgets and is not required to do so with grantors for several funds. The Institute Fund, the Direct Services Budget and the Special Funds Budget are prepared by the Regional Superintendent and serve as a guideline for activities and expenditures. The Regional Superintendent annually prepares an Office Operations Budget and submits it to the seven 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 of Education #11 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Schedules showing the budget amounts compared to the Office's actual financial activity are included in the supplementary information of this report.

**Capital Assets**

Capital assets of the Regional Office of Education #11 include office equipment, computers, audio-visual equipment and office furniture. The Regional Office of Education #11 maintains an inventory of capital assets which have been accumulated over time. In addition, the Regional Office of Education #11 has adopted a depreciation schedule which reflects the level of Net Capital Assets. The Regional Office's ending net capital balance for fiscal year 2005 is \$18,909, which is the total original cost of the capital assets less accumulated depreciation.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,  
AND SHELBY COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2005

**Economic Factors and Next Year's Budget**

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

- The State of Illinois Foundation level used in the calculation of State Aid was increased to \$5,164 per student.
- Although the interest rate on investments remains low, it has been steadily increasing.
- Several grants have remained near or at previous levels. In addition, the Standards Aligned Classroom Grant has been reduced again.
- County Board support of the Regional Office of Education #11 grew by 3.00% to \$256,925 for the period of time December 1, 2005 to November 30, 2006.

**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 Regional Office of Education #11 at 730 7<sup>th</sup> Street, Charleston, IL 61920.

## BASIC FINANCIAL STATEMENTS

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2005

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets:			
Cash	\$ 839,756	\$ 121,442	\$ 961,198
Due from other funds	-	-	-
Due from other governments:			
State	11,927	-	11,927
Total Current Assets	<u>851,683</u>	<u>121,442</u>	<u>973,125</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	17,158	1,751	18,909
Total Noncurrent Assets	<u>17,158</u>	<u>1,751</u>	<u>18,909</u>
Total Assets	<u>868,841</u>	<u>123,193</u>	<u>992,034</u>
Liabilities			
Current Liabilities:			
Accounts payable	39,551	-	39,551
Due to other governments	278,420	-	278,420
Deferred revenue	12,798	-	12,798
Total Current Liabilities	<u>330,769</u>	<u>-</u>	<u>330,769</u>
Net Assets			
Invested in capital assets	17,158	1,751	18,909
Unrestricted	520,914	121,442	642,356
Total Net Assets	<u>\$ 538,072</u>	<u>\$ 123,193</u>	<u>\$ 661,265</u>

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

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2005

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary Government:						
Governmental Activities:						
Instructional Services:						
Current:						
Salaries and benefits	\$ 910,687	\$ -	\$ 616,153	\$ (294,534)	\$ -	\$ (294,534)
Purchased services	320,765	-	135,478	(185,287)	-	(185,287)
Supplies and materials	77,097	-	32,187	(44,910)	-	(44,910)
Depreciation expense	17,654	-	-	(17,654)	-	(17,654)
Capital outlay	-	-	5,232	5,232	-	5,232
Payments to other governments	1,202,725	-	1,201,610	(1,115)	-	(1,115)
Other objects	220,894	-	190,523	(30,371)	-	(30,371)
Administrative:						
On-behalf payments - State	256,900	-	-	(256,900)	-	(256,900)
Total Governmental Activities	<u>3,006,722</u>	<u>-</u>	<u>2,181,183</u>	<u>(825,539)</u>	<u>-</u>	<u>(825,539)</u>
Business-Type Activities						
Operating	97,756	56,650	-	-	(41,106)	(41,106)
Depreciation	1,811	-	-	-	(1,811)	(1,811)
Total Business-Type Activities	<u>99,567</u>	<u>56,650</u>	<u>-</u>	<u>-</u>	<u>(42,917)</u>	<u>(42,917)</u>
Total Primary Government	<u>\$ 3,106,289</u>	<u>\$ 56,650</u>	<u>\$ 2,181,183</u>	<u>(825,539)</u>	<u>(42,917)</u>	<u>(868,456)</u>
General Revenues:						
Local sources				359,260	-	359,260
State sources				225,246	-	225,246
On-behalf payments				256,900	-	256,900
Investment earnings				21,307	2,304	23,611
Transfer In				714	10,838	11,552
Transfer Out				(10,838)	(714)	(11,552)
Total General Revenues, Special and Extraordinary Items and Transfers				<u>852,589</u>	<u>12,428</u>	<u>865,017</u>
Change in Net Assets				27,050	(30,489)	(3,439)
Net Assets - Beginning				<u>511,022</u>	<u>153,682</u>	<u>664,704</u>
Net Assets - Ending				<u>\$ 538,072</u>	<u>\$ 123,193</u>	<u>\$ 661,265</u>

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

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2005

	General Fund	Education Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
<b>Assets</b>					
Cash	\$ 386,296	\$ 364,702	\$ 88,758	\$ -	\$ 839,756
Due from other funds	-	5,441	-	(5,441)	-
Due from other governments:					
State	-	11,927	-	-	11,927
Total Assets	<u>\$ 386,296</u>	<u>\$ 382,070</u>	<u>\$ 88,758</u>	<u>\$ (5,441)</u>	<u>\$ 851,683</u>
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 39,551	\$ -	\$ -	\$ 39,551
Due to other funds	-	5,441	-	(5,441)	-
Due to other governments	-	277,932	488	-	278,420
Deferred revenue	-	12,798	-	-	12,798
Total Liabilities	<u>-</u>	<u>335,722</u>	<u>488</u>	<u>(5,441)</u>	<u>330,769</u>
<b>Fund Balances:</b>					
Unreserved, reported in:					
General fund	386,296	-	-	-	386,296
Special revenue funds	-	46,348	88,270	-	134,618
Total Fund Balances	<u>386,296</u>	<u>46,348</u>	<u>88,270</u>	<u>-</u>	<u>520,914</u>
Total Liabilities and Fund Balances	<u>\$ 386,296</u>	<u>\$ 382,070</u>	<u>\$ 88,758</u>	<u>\$ (5,441)</u>	<u>\$ 851,683</u>

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

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2005

Fund Balances—Total Governmental Funds \$ 520,914

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

Capital assets used in governmental activities are not  
financial resources and therefore, are not reported in the funds. 17,158

Net Assets of Governmental Activities \$ 538,072

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

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	General Fund	Education Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
Revenues:					
Local sources	\$ 292,907	\$ 29,614	\$ 39,471	\$ -	\$ 361,992
State sources	270,668	570,581	8,320	-	849,569
State sources- payments made on behalf of region	256,900	-	-	-	256,900
Federal sources	-	1,554,128	-	-	1,554,128
Total Revenues	<u>820,475</u>	<u>2,154,323</u>	<u>47,791</u>	<u>-</u>	<u>3,022,589</u>
Expenditures:					
Current:					
Salaries and benefits	252,972	652,518	5,197	-	910,687
Purchased services	96,512	193,285	30,968	-	320,765
Supplies and materials	13,430	60,404	3,263	-	77,097
Capital outlay	2,732	2,500	-	-	5,232
Payments to other governments	-	1,202,725	-	-	1,202,725
Other objects	190,274	26,760	3,860	-	220,894
Payments made on behalf of region	256,900	-	-	-	256,900
Total Expenditures	<u>812,820</u>	<u>2,138,192</u>	<u>43,288</u>	<u>-</u>	<u>2,994,300</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>7,655</u>	<u>16,131</u>	<u>4,503</u>	<u>-</u>	<u>28,289</u>
Other Financing Sources (Uses):					
Transfers in	19,990	3,000	-	(22,276)	714
Transfers out	(12,617)	(17,693)	(2,804)	22,276	(10,838)
Interest	18,546	1,857	904	-	21,307
Total Other Financing Sources (Uses)	<u>25,919</u>	<u>(12,836)</u>	<u>(1,900)</u>	<u>-</u>	<u>11,183</u>
Net Change in Fund Balances	33,574	3,295	2,603	-	39,472
Fund Balances - Beginning	<u>352,722</u>	<u>43,053</u>	<u>85,667</u>	<u>-</u>	<u>481,442</u>
Fund Balances - Ending	<u>\$ 386,296</u>	<u>\$ 46,348</u>	<u>\$ 88,270</u>	<u>\$ -</u>	<u>\$ 520,914</u>

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

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2005

Net Change in Fund Balances—Total Governmental Funds \$ 39,472

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 (\$2,500 and \$2,732 was expended from State and local funding, respectively.)	\$ 5,232	
Depreciation expense	<u>(17,654)</u>	<u>(12,422)</u>

Change in Net Assets of Governmental Activities \$ 27,050

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

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 JUNE 30, 2005

	Business-Type Activities- Enterprise Funds	
	Local Workshops	Totals
Assets:		
Current Assets:		
Cash	\$ 121,442	\$ 121,442
Total Current Assets	121,442	121,442
Noncurrent Assets:		
Capital assets, being depreciated, net	1,751	1,751
Total Noncurrent Assets	1,751	1,751
Total Assets	123,193	123,193
Net Assets		
Invested in capital assets	1,751	1,751
Unrestricted	121,442	121,442
Total Net Assets	\$ 123,193	\$ 123,193

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

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Business-Type Activities— Enterprise Funds	
	Local Workshops	Totals
Operating Revenues:		
Local sources	\$ 56,650	\$ 56,650
Total Operating Revenues	56,650	56,650
Operating expenses:		
Salaries and benefits	55,655	55,655
Purchased services	37,338	37,338
Supplies and materials	4,763	4,763
Depreciation expense	1,811	1,811
Total Operating Expenses	99,567	99,567
Operating Income (Loss)	(42,917)	(42,917)
Nonoperating Revenues:		
Interest income	2,304	2,304
Total Nonoperating Revenue	2,304	2,304
Income (Loss) Before Contributions, Gains, Losses, and Transfers	(40,613)	(40,613)
Capital contributions		
Transfers in	10,838	10,838
Transfers (out)	(714)	(714)
Change in Net Assets	(30,489)	(30,489)
Total Net Assets - Beginning	153,682	153,682
Total Net Assets - Ending	\$ 123,193	\$ 123,193

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

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Business-Type Activities- Enterprise Funds	
	Local	Totals
	Workshops	
Cash Flows From Operating Activities:		
Workshop receipts	\$ 56,650	\$ 56,650
Payments to providers of services	(43,483)	(43,483)
Payments to employees	(55,655)	(55,655)
Net Cash Provided by (Used for) Operating Activities	(42,488)	(42,488)
Cash Flows From Noncapital Financing Activities:		
Cash transfers from other funds	40,940	40,940
Cash transfers to other funds	(714)	(714)
Net Cash Provided by Noncapital Financing Activities	40,226	40,226
Cash Flows from Investing Activities:		
Interest received on investments	2,304	2,304
Net Cash Provided by Investing Activities	2,304	2,304
Net Increase in Cash and Cash Equivalents	42	42
Cash and Cash Equivalents - Beginning	121,400	121,400
Cash and Cash Equivalents - Ending	\$ 121,442	\$ 121,442
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating income (loss)	\$ (42,917)	\$ (42,917)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation	1,811	1,811
Change in assets and liabilities:		
Decrease in accounts payable	(1,382)	(1,382)
Net Cash Provided by (Used for) Operating Activities	\$ (42,488)	\$ (42,488)

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

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 STATEMENT OF FIDUCIARY NET ASSETS  
 JUNE 30, 2005

	Agency Funds
Assets	
Cash	\$ 188
Due from other governments	1,155,310
Total Assets	\$ 1,155,498
Liabilities	
Accounts payable	\$ 188
Due to other governments	1,155,310
Total Liabilities	\$ 1,155,498

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

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education #11 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2005, the Regional Office of Education #11 implemented Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*, GASB Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*, an Amendment of GASB Statement No. 34, GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, and GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, an Amendment of GASB Statement No. 34 which changes note disclosure requirements for governmental entities. The Regional Office of Education #11 implemented these standards early because they do not have a significant impact on the financial statements.

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

A. FINANCIAL REPORTING ENTITY

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

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #11's districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

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

REGIONAL OFFICE OF EDUCATION #11  
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. FINANCIAL REPORTING ENTITY (Concluded)

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the region, or see that no payments are made unless the treasurer has filed or renewed the 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, 2005, the Regional Office of Education #11 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 #11. Such activities are reported as a single major special revenue fund (Education Fund).

B. SCOPE OF THE REPORTING ENTITY

The Regional Office of Education #11 reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #11 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Regional Office of Education #11, 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 #11 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 #11 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #11 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education #11 being considered a component unit of the entity.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #11's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Regional Office of Education #11 has one business-type activity that relies on fees and charges for support.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Concluded)

The Regional Office of Education #11's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present a summary of governmental and business-type activities for the Regional Office of Education #11 accompanied by a total column. These statements are presented on an "economic resources" measurement as prescribed by GASB Statement No. 34. All of the Regional Office of Education #11's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services, and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

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

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

D. 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 nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the government-wide financial statements.

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

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. PROPRIETARY FUND FINANCIAL STATEMENTS

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and nonmajor funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

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

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

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education #11; therefore, revenues are recognized

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

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

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

G. FUND ACCOUNTING

The Regional Office of Education #11 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 #11 uses governmental, proprietary, and fiduciary funds.

GOVERNMENTAL FUNDS

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

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and 2) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education #11 has presented all major funds that met the above qualifications.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

The Regional Office of Education #11 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education #11. It is used to account for the expenditures, which benefit all school districts in the region except those required to be accounted for in other funds. General Funds include the following:

County - This fund is used to account for all financial resources except those required to be accounted for in other funds.

Direct Service - This fund is used to account for interest that is earned on deposits in the Distributive Fund's interest-bearing checking account.

ROE/ISC Operations - This fund accounts for the resources associated with all the individual funds within the Education Fund which are not required to be accounted for in any specific fund within the Education Fund.

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

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

Title IV – Safe & Drug Free School Formula - This program accounts for the proceeds from federal grants expended under the Safe and Drug Free Schools program. The program concentrates on developing Regional Prevention Groups (RPG) and coordination of school policies, curriculum, family support, and community activities to improve the effectiveness of prevention efforts.

Pathways - This program accounts for money received from local districts to provide services for the districts' 16-21 year old drop out students. The Region subcontracts Lake Land College to provide the services.

Illinois Violence Prevention Authority - This program accounts for State funds received to develop and implement the operation of violence prevention activities in Regional Office of Education #11.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Standards Aligned Classroom (SAC) Statewide Professional Development - This program accounts for the proceeds from the Statewide Professional Development grant. This grant is for the funding of statewide professional development activities that will be conducted by 44 Regional Offices of Education, including the Regional Office of Education #11, and the three Intermediate Service Centers in Suburban Cook County in the amount of State funds approved by the Illinois State Board of Education. This grant is administered by Regional Office of Education #11.

Title I - School Improvements - This program accounts for the activities resulting from the Region's participation in the Title I School Improvement grant. Financing is provided from federal grants administered by the Illinois State Board of Education.

Title II - Math & Science - This program enhances the content knowledge and teaching skills of classroom teachers in the areas of mathematics and science.

Truants Alternative Optional Education - This program accounts for the proceeds from State grants expended under a program to reduce student truancy.

Regional Safe Schools - This program accounts for the proceeds from the Regional Safe Schools monies. The program concentrates on the education of students who have been expelled from the school districts served by Regional Office of Education #11.

Youth Services - This program accounts for the general state aid and non grant expenditures for the Truancy Program and Regional Safe Schools Program which are both youth service activities.

Title I – Reading First Part B SEA Funds – This program provides support for the Reading First Reading Academies that focus training on the best practices in reading and are targeted to the K-2 teachers.

Learning Behavior – This program provides a learning behavior specialist to provide one on one counseling to local districts.

Title II – Teacher Quality – The program provides funding to support academic achievement of all students by helping schools to improve teacher and principal quality.

Area IV System of Support- This program was formed to assist area schools and districts within six regional offices in Area IV with systematic and sustainable improvement efforts.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Concluded)

The Regional Office of Education #11 reports the following nonmajor governmental funds:

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

Institute Fund - This fund accounts for fees from registrations. These funds are used to help pay certain administrative expenses incurred to conduct workshops and for general meetings with teachers and other school personnel.

General Educational Development Fund (GED) – This fund accounts for proceeds earned from students who pay to participate in the high school equivalency program. These proceeds are used to pay administrative expenses incurred to administer the GED program.

Bus Driver Training – This fund accounts for the fees charged for annual training courses. Proceeds from these fees are used to pay administrative expenses incurred pertaining to the program.

Supervisory Fund - This fund accounts for proceeds provided to the Regional Superintendent by the Illinois State Board of Education to be used for travel and related expenses.

PROPRIETARY FUND

Proprietary Funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education #11 on a cost reimbursement basis are reported.

The Regional Office of Education #11 reports the following proprietary fund:

Local Workshops – The local workshops fund is used to account for the workshop registration fees and expenses related to workshops sponsored by the Regional Office of Education #11.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIDUCIARY FUND

Agency Funds - Agency Funds are used to account for assets held by the Regional Office of Education #11 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. The Regional Office of Education #11's Agency Funds include the following:

Distributive Fund - This fund accounts for the proceeds apportioned to the Region that in turn distributes the proceeds to the member school districts.

Regional Trustee Fund - This fund accounts for the proceeds from the sale of school properties, royalties, and other receipts by the Superintendent that are forwarded to school districts. It is also used to account for detachment request fees received from landowners. The remainder of fees after expenses of the detachment hearing are returned to the landowner.

Interest on Distributive Fund - Interest on the distributive fund is transferred semi-annually to recipients.

H. NET ASSETS

Net assets present the difference between assets and liabilities in the Statement of Net Assets. Net assets are reported as restricted when there are legal limitations imposed on their use by legislation or external restrictions by grantors, laws or regulations of other governments.

I. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit.

J. INVENTORY

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

K. CAPITAL ASSETS

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

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

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

L. COMPENSATED ABSENCES

Sick pay must be accumulated but does not vest with the employee. Vacation time can be carried over up to a maximum of five days per year. However, any accruals as of June 30 are considered immaterial by management and not reflected in the basic financial statements.

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. BUDGET INFORMATION

The Regional Office of Education #11 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Fund. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted nor are they required to be. The General Fund and certain programs within the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results are presented as supplemental information. Budget information has been provided in supplementary schedules for the following funds: ROE/ISC Operations, Title IV – Safe and Drug Free School - Formula, Standards Aligned Classroom Statewide Professional Development, Truant Alternative/Optional Education, Regional Safe Schools, Title I – Reading First Part B SEA Funds, Title II – Teacher Quality, and Area IV - System of Support.

NOTE 2 – DEPOSITS AND INVESTMENTS

The Regional Office of Education #11 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, 2005, the carrying amount of the Regional Office of Education #11's government-wide and Agency fund deposits were \$961,198 and \$188, respectively, and the bank balances were \$969,933 and \$1,697,426, respectively.

At June 30, 2005, \$224,465 of the Regional Office of Education #11's cash deposits was insured by the Federal Deposit Insurance Corporation. Another \$744,767 was collateralized by securities pledged by the Regional Office's financial institution on behalf of the Regional Office.

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NOTE 2 – DEPOSITS AND INVESTMENTS (Concluded)

B. INVESTMENTS

The Regional Office of Education #11 does not have a formal investment policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2005, the Regional Office of Education #11 had investments with carrying and fair value of \$1,698,127 invested in the Illinois Funds Money Market Fund.

CREDIT RISK

At June 30, 2005, 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.

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.

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.

NOTE 3 - DEFINED BENEFIT PENSION PLAN

The Regional Office of Education #11's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at [www.imrf.org/pubs/pubs\\_homepage.htm](http://www.imrf.org/pubs/pubs_homepage.htm) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

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NOTE 3 - DEFINED BENEFIT PENSION PLAN (Concluded)

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by State statute. The Regional Office of Education #11 is required to contribute at an actuarially determined rate. The employer rate for calendar year 2004 was 19.53 percent of payroll. The Regional Office of Education #11 contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2004 was 2 years.

For December 31, 2004, the Regional Office of Education #11's annual pension cost of \$42,154 was equal to the Regional Office of Education #11's required and actual contributions. The required contribution was determined as part of the December 31, 2002 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2004 actuarial valuation were based on the 1999-2001 experience study.

A. TREND INFORMATION

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contribution</u>	<u>Net Pension Obligation</u>
12/31/04	42,154	100%	\$0
12/31/03	45,358	100%	0
12/31/02	63,965	100%	0
12/31/01	57,192	100%	0
12/31/00	55,836	100%	0
12/31/99	45,067	100%	0
12/31/98	36,942	100%	0
12/31/97	17,367	100%	0
12/31/96	12,487	100%	0
12/31/95	7,208	100%	0

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NOTE 4 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The Regional Office of Education #11 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multi-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 through June 30, 2005 was 9 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. In addition, virtually all members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not part of the retirement plan. The member THIS Fund contribution was 0.5 percent during the year ended June 30, 2005, and the member THIS Fund health insurance contribution was 0.75 percent.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #11's TRS-covered employees.

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #11. For the year ended June 30, 2005, State of Illinois contributions were based on 11.76 percent of creditable earnings, and the Regional Office of Education #11 recognized revenue and expenditures of \$65,751 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2004 and 2003, the State of Illinois contribution rates as percentages of creditable earnings were 13.98 percent (\$67,561) and 13.01 percent (\$69,633) respectively.

The Regional Office of Education #11 makes three other types of employer contributions directly to TRS.

- **2.2 formula contributions.** For the year ended June 30, 2005, and June 30, 2004, employers contributed 0.58 percent of creditable earnings for the 2.2 formula change. Contributions for the years ending June 30, 2005, and June 30, 2004 were \$3,243 and 2,803, respectively. For the year ended June 30, 2003, part of the employer's 2.2 formula contribution (0.58 percent of pay) was reduced as a result of a new employer THIS fund contribution for retiree health insurance (0.4 percent of pay). The remaining 0.18 percent was submitted to TRS. Contributions for the year ended June 30, 2003 were \$943.
- **Federal and trust fund contributions.** When TRS members are paid from federal and trust funds administered by the Regional Office of Education #11, there is a statutory requirement for the Regional Office of Education #11 to pay an employer pension contribution from those funds. For the three years ended June 30, 2005, the employer pension contribution was 10.5 percent of salaries paid from those funds. For the year ended June 30, 2005, salaries totaling \$69,516 were paid from federal and trust funds that required employer contributions of \$7,299. For the year ended June 30, 2004, and June 30, 2003, required Regional Office of Education #11 contributions were \$1,231 and \$1,610, respectively.

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NOTE 4 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

- **Early retirement option.** The Regional Office of Education #11 is 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. No member or employer contributions are required if the member has 34 years of service. The maximum employer payment of 100 percent of the member's highest salary used in the calculation of final average salary is required if the member is 55 years old. For the years ended June 30, 2005, June 30, 2004, and June 30, 2003, the Regional Office of Education #11 paid no employer contributions under the Early Retirement Option.

Changes

Public Act 94-0004, which was signed into law on June 1, 2005, contained a number of provisions affecting employer and active member contributions. Most will not be effective or impact financial statements until the year ending June 30, 2006. The changes are summarized below:

- **Active member contributions.** The active member contribution rate will increase from the current 9.0 percent of creditable earnings to 9.4 percent beginning July 1, 2005. The increase is to help cover the cost of the new ERO program and will be refunded if the member does not retire under ERO.
- **State/federal contributions.** Under a policy adopted by the Board of Trustees before Public Act 94-0004 was enacted, the employer contribution rate for employees paid from federal funds will be the same as the rate paid by the state. Under Public Act 94-0004, the state contribution rate in FY 2006 was reduced to 7.06 percent of pay. Therefore, the employer contribution rate for employees paid from federal funds in FY2006 will be 7.06 percent, a decrease from the current 10.5 percent.
- **New employer contributions.**
  - **Salary increases over 6 percent.** If employers grant salary increases in excess of 6 percent that are used in final average salary calculations, the employer will make a lump-sum contribution to TRS to cover that cost of the portion of the benefit due to salary increases over 6 percent. Public Act 94-0004 exempts salary increases granted under contracts and collective bargaining agreements in effect on June 1, 2005.
  - **Sick leave in excess of normal allotment.** If employers grant sick leave near retirement in excess of the normal allotment and that sick leave is counted as service credit, the employer will make a lump-sum contribution to TRS. The act exempts sick leave granted under contracts and collective bargaining agreements in effect on June 1, 2005.
- **Early Retirement Option.** In addition to the changes described above, the following changes were made to ERO:
  - Both active member and employer ERO contribution rates are increased. For employers, the maximum contribution increases from the current 100 percent of the member's highest salary used in the calculation of final average salary to 117.5 percent.

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 JUNE 30, 2005

NOTE 4 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Concluded)

- The waiver of member and employer ERO contributions when the member has 34 years of service ended with the program that expired June 30, 2005.
- A "Pipeline ERO" program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007.
- Public Act 94-0004 provides for a review of the member and employer ERO contributions every five years to ensure that the program is revenue neutral.

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, 2004. The report for the year ended June 30, 2005 is expected to be available in late 2005. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, PO Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at [trs.illinois.gov](http://trs.illinois.gov).

NOTE 5 - INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2005 consist of the following individual due to/from other funds in the governmental fund balance sheet and the proprietary fund Statement of Net Assets. The balances between governmental funds were eliminated in the government-wide Statement of Net Assets.

Due To	Due From	Amount
Youth Services	Truants Alternative/Optional Education	\$ 5,441
Total		<u>\$ 5,441</u>

TRANSFERS

Interfund transfer in/out to other fund balances at June 30, 2005 consist of the following individual transfers in/out other funds in the governmental fund balance sheet. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities; however, the transfers between the governmental funds and the business-type funds were not eliminated.

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2005

NOTE 5 - INTERFUND ACTIVITY (Concluded)

Transfer In	Transfer Out	Amount
Governmental Funds:	Governmental Funds:	
County	SAC Statewide Professional Development	\$ 5,000
County	Youth Services	10,007
Direct Service	Institute	2,000
Youth Services	Direct Service	3,000
County	General Education Development	125
County	Bus Driver	125
County	Institute	554
County	Direct Service	300
County	ROE/ISC Operations	1,165
Governmental Funds:	Proprietary Fund:	
County	Local Workshops	436
ROE/ISC Operations	Local Workshops	278
Proprietary Fund:	Governmental Funds:	
Local Workshops	Direct Service	2,500
Local Workshops	Title II Math & Science	2,218
Local Workshops	SAC Statewide Professional Development	464
Local Workshops	Learning Behavior	4
Local Workshops	ROE/ISC Operations	5,652
Total		<u>\$ 33,828</u>

NOTE 6 – CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education #11 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental fund statements. The following table provides a summary of changes in capital assets for the year ended June 30, 2005:

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005

NOTE 6 – CAPITAL ASSETS (Concluded)

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
Governmental Activities				
General Funds:				
Office Operating	\$ 69,087	\$ 2,732	\$ -	\$ 71,819
ROE/ISC Operations	11,749	-	-	11,749
Total for General Funds	<u>80,836</u>	<u>2,732</u>	<u>-</u>	<u>83,568</u>
Education Funds:				
Regional Safe Schools	73,130	-	-	73,130
Youth Services	16,829	-	-	16,829
Title I - Reading First Part B SEA	4,496	-	-	4,496
Title II - Teacher Quality	890	2,500	-	3,390
Technology Enhancing Education	7,244	-	-	7,244
Total for Education Funds	<u>102,589</u>	<u>2,500</u>	<u>-</u>	<u>105,089</u>
Total - Governmental Activities	<u>183,425</u>	<u>5,232</u>	<u>-</u>	<u>188,657</u>
Less: Accumulated Depreciation	<u>153,845</u>	<u>17,654</u>	<u>-</u>	<u>171,499</u>
Investment in Capital Assets, Net Governmental Activities	<u>\$ 29,580</u>	<u>\$ (12,422)</u>	<u>\$ -</u>	<u>\$ 17,158</u>
	Balance			Balance
	July 1, 2004	Additions	Deletions	June 30, 2005
Business-Type Activities:				
Local	\$ 21,345	\$ -	\$ -	\$ 21,345
Total Business-Type Activities	21,345	-	-	21,345
Less: Accumulated Depreciation	<u>17,783</u>	<u>1,811</u>	<u>-</u>	<u>19,594</u>
Investment in Capital Assets, Net	<u>\$ 3,562</u>	<u>\$ (1,811)</u>	<u>\$ -</u>	<u>\$ 1,751</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, 2005 of \$17,654 and \$1,811 was charged to governmental activities and business-type activities, respectively. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

NOTE 7 - RISK MANAGEMENT

The Regional Office of Education #11 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 #11 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.

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
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 JUNE 30, 2005

NOTE 8 – ON BEHALF PAYMENTS

The State of Illinois paid the following salaries on behalf of the Regional Office of Education #11:

Regional Superintendent Salary	\$ 88,540
Regional Superintendent Fringe Benefit (Includes State paid insurance)	16,099
Assistant Regional Superintendent Salary	73,045
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)	13,465
TRS Pension contribution	<u>65,751</u>
 Total	 <u>\$256,900</u>

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

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

NOTE 9 – DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #11's Agency Fund, General Fund and various grant programs have funds due to and due from various other governmental units which consist of the following:

Due From Other Governments:

<u>Fiduciary Fund</u>	
Illinois State Board of Education	\$1,155,310
<u>Education Fund</u>	
Local Governments	1,000
Illinois State Board of Education	8,008
Federal Government	<u>2,919</u>
Total	<u>\$1,167,237</u>

Due To Other Governments:

<u>Fiduciary Fund</u>	
Local School Districts	\$1,155,310
<u>Education Fund</u>	
Local Government	13,250
Federal Government	264,682
<u>Nonmajor Special Revenue</u>	
Illinois State Board of Education	<u>488</u>
Total	<u>\$1,433,730</u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
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 JUNE 30, 2005

NOTE 10 – OPERATING LEASES

The Regional Office of Education #11 has entered into several operating lease agreements for its office facilities, Bridges Alternative School Program, Regional Safe Schools Program, a postage meter, two copiers, and office space for the Illinois Technical Assistance Network (ITAN). During the year ended June 30, 2005 rentals under lease obligations were \$85,451. Future minimum rentals are as follows for the years ending June 30:

2006	\$ 65,004
2007	57,924
2008	57,924
2009	52,362
2010	46,800
Thereafter	<u>487,500</u>
Total	<u>\$ 767,514</u>

NOTE 11 – PRIOR PERIOD ADJUSTMENT

Title II Math and Science incorrectly reported \$9,638 of cash in the prior year that should have been reported in the Agency Fund. The following is the effect of this correction on the beginning Education Fund's fund balance and the Governmental Activity's beginning Net Assets:

Education Fund	
Fund Balance – July 1, 2004	\$ 52,691
Effect of Reclassification	<u>(9,638)</u>
Fund Balance, Restated – July 1, 2004	<u>\$ 43,053</u>
Governmental Activities	
Net Assets – July 1, 2004	\$ 520,660
Effect of Reclassification	<u>(9,638)</u>
Net Assets, Restated – July 1, 2004	<u>\$ 511,022</u>

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

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 ILLINOIS MUNICIPAL RETIREMENT FUND  
 SCHEDULE OF FUNDING PROGRESS  
 (UNAUDITED)  
 JUNE 30, 2005

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Unfunded Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ( (b-a)/c )
12/31/04	478,419	541,658	63,239	88.32%	215,843	29.30%
12/31/03	491,088	540,779	49,691	90.81%	232,843	21.34%
12/31/02	518,042	510,298	(7,744)	101.52%	272,540	0.00%
12/31/01	373,015	459,020	86,005	81.26%	257,853	33.35%
12/31/00	258,514	405,075	146,561	63.82%	236,893	61.87%
12/31/99	270,741	438,985	168,244	61.67%	247,898	67.87%
12/31/98	192,961	407,710	214,749	47.33%	241,925	88.77%
12/31/97	120,151	249,498	129,347	48.16%	226,667	57.06%
12/31/96	371,339	471,851	100,512	74.68%	185,542	54.17%
12/31/95	149,802	371,397	221,595	40.33%	60,496	366.30%

On a market value basis, the actuarial value of assets as of December 31, 2004 is \$480,264.

On a market basis, the funded ratio would be 88.67%.

\* Digest of changes

The actuarial assumptions used to determine the actuarial accrued liability for 2003 are based on the 1999-2001 Experience Study. The principal changes were:

- Fewer members are expected to take refunds early in their career.
- For Regular members, fewer normal and early retirements are expected to occur.

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 COMBINING SCHEDULE OF ACCOUNTS  
 GENERAL FUND  
 JUNE 30, 2005

	<u>County</u>	<u>Direct Service</u>	<u>ROE/ISC Operations</u>	<u>TOTALS</u>
Assets				
Cash	\$ 157,921	\$ 94,628	\$ 133,747	\$ 386,296
Total Assets	<u>\$ 157,921</u>	<u>\$ 94,628</u>	<u>\$ 133,747</u>	<u>\$ 386,296</u>
Fund Balances				
Unreserved	\$ 157,921	\$ 94,628	\$ 133,747	\$ 386,296
Total Fund Balances	<u>\$ 157,921</u>	<u>\$ 94,628</u>	<u>\$ 133,747</u>	<u>\$ 386,296</u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GENERAL FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2005

	County	Direct Service	ROE/ISC Operations	TOTALS
<b>Revenues</b>				
Local sources	\$ 271,299	\$ 21,199	\$ 409	\$ 292,907
State sources	-	190,618	80,050	270,668
State sources-payments made of behalf of region	256,900	-	-	256,900
<b>Total Revenues</b>	<b>528,199</b>	<b>211,817</b>	<b>80,459</b>	<b>820,475</b>
<b>Expenditures</b>				
Salaries and benefits	174,120	-	78,852	252,972
Purchased services	56,972	28,065	11,475	96,512
Supplies and materials	13,430	-	-	13,430
Capital outlay	2,732	-	-	2,732
Other objects	-	190,274	-	190,274
Payments made on behalf of region	256,900	-	-	256,900
<b>Total Expenditures</b>	<b>504,154</b>	<b>218,339</b>	<b>90,327</b>	<b>812,820</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>24,045</b>	<b>(6,522)</b>	<b>(9,868)</b>	<b>7,655</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	17,712	2,000	278	19,990
Transfers out	-	(5,800)	(6,817)	(12,617)
Interest	1,345	15,558	1,643	18,546
<b>Total Other Financing Sources (Uses)</b>	<b>19,057</b>	<b>11,758</b>	<b>(4,896)</b>	<b>25,919</b>
<b>Net Change in Fund Balances</b>	<b>43,102</b>	<b>5,236</b>	<b>(14,764)</b>	<b>33,574</b>
<b>Fund Balance - Beginning</b>	<b>114,819</b>	<b>89,392</b>	<b>148,511</b>	<b>352,722</b>
<b>Fund Balance - Ending</b>	<b>\$ 157,921</b>	<b>\$ 94,628</b>	<b>\$ 133,747</b>	<b>\$ 386,296</b>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND ACCOUNTS  
 ROE/ISC OPERATIONS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Local	\$ -	\$ -	\$ 409
State	80,050	80,050	80,050
Total Revenues	<u>80,050</u>	<u>80,050</u>	<u>80,459</u>
Expenditures			
Current:			
Salaries and benefits	78,875	78,875	78,852
Purchased services	1,175	1,175	11,475
Total Expenditures	<u>80,050</u>	<u>80,050</u>	<u>90,327</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(9,868)</u>
Other Financing Sources (Uses)			
Transfer in	-	-	278
Transfer out	-	-	(6,817)
Interest	-	-	1,643
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(4,896)</u>
Net Change in Fund Balance	-	-	(14,764)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>148,511</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,747</u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2005

	Title IV - Safe & Drug Free School - Formula	Pathways	Illinois Violence Prevention Authority	SAC Statewide Professional Development	Title I - School Improvements
<b>Assets</b>					
Cash	\$ -	\$ 12,250	\$ 3,448	\$ 264,173	\$ 509
Due from other funds	-	-	-	-	-
Due from other governments	-	1,000	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 13,250</b>	<b>\$ 3,448</b>	<b>\$ 264,173</b>	<b>\$ 509</b>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Due to other governments	-	13,250	-	264,173	509
Deferred revenue	-	-	3,448	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>13,250</b>	<b>3,448</b>	<b>264,173</b>	<b>509</b>
<b>Fund Balances</b>					
Unreserved	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 13,250</b>	<b>\$ 3,448</b>	<b>\$ 264,173</b>	<b>\$ 509</b>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2005

	Title II - Math & Science	Truants Alternative Optional Education	Regional Safe Schools	Youth Services	Title I - Reading First Part B SEA
<b>Assets</b>					
Cash	\$ -	\$ -	\$ -	\$ 78,362	\$ 8,253
Due from other funds	-	-	-	5,441	-
Due from other governments	-	5,441	-	2,096	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 5,441</b>	<b>\$ -</b>	<b>\$ 85,899</b>	<b>\$ 8,253</b>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 39,551	\$ -
Due to other funds	-	5,441	-	-	-
Due to other governments	-	-	-	-	-
Deferred revenue	-	-	-	-	8,253
<b>Total Liabilities</b>	<b>-</b>	<b>5,441</b>	<b>-</b>	<b>39,551</b>	<b>8,253</b>
<b>Fund Balances</b>					
Unreserved	-	-	-	46,348	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,348</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 5,441</b>	<b>\$ -</b>	<b>\$ 85,899</b>	<b>\$ 8,253</b>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2005

	Learning Behavior	Title II - Teacher Quality	Area IV - System of Support	Total
<b>Assets</b>				
Cash	\$ -	\$ -	\$ (2,293)	\$ 364,702
Due from other funds	-	-	-	5,441
Due from other governments	-	-	3,390	11,927
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,097</b>	<b>\$ 382,070</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 39,551
Due to other funds	-	-	-	5,441
Due to other governments	-	-	-	277,932
Deferred revenue	-	-	1,097	12,798
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>1,097</b>	<b>335,722</b>
<b>Fund Balances</b>				
Unreserved	-	-	-	46,348
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,348</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,097</b>	<b>\$ 382,070</b>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLFS, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Title IV - Safe & Drug Free School - Formula	Pathways	Illinois Violence Prevention Authority	SAC Statewide Professional Development	Title I - School Improvements
<b>Revenues</b>					
Local sources	\$ -	\$ 26,500	\$ -	\$ -	\$ -
State sources	-	-	17,078	-	-
Federal sources	13,074	-	-	1,301,590	-
<b>Total Revenues</b>	<b>13,074</b>	<b>26,500</b>	<b>17,078</b>	<b>1,301,590</b>	<b>-</b>
<b>Expenditures</b>					
Salaries and benefits	239	-	15,312	53,962	-
Purchased services	-	-	1,598	53,370	-
Supplies and materials	-	-	182	2,031	2
Capital outlay	-	-	-	-	-
Payments to other governments	13,710	-	-	1,186,863	-
Other objects	260	26,500	-	-	-
<b>Total Expenditures</b>	<b>14,209</b>	<b>26,500</b>	<b>17,092</b>	<b>1,296,226</b>	<b>2</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(1,135)</b>	<b>-</b>	<b>(14)</b>	<b>5,364</b>	<b>(2)</b>
<b>Other Financing Sources (Uses):</b>					
Transfer in	-	-	-	-	-
Transfer out	-	-	-	(5,464)	-
Interest	1,135	-	14	100	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,135</b>	<b>-</b>	<b>14</b>	<b>(5,364)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>
<b>Fund Balances - Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Fund Balances - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Title II - Math and Science	Truants Alternative Optional Education	Regional Safe Schools	Youth Services	Title I - Reading First Part B SEA
<b>Revenues</b>					
Local sources	\$ -	\$ -	\$ -	\$ 3,114	\$ -
State sources	-	101,525	212,949	228,580	-
Federal sources	-	-	-	68,017	29,025
<b>Total Revenues</b>	<b>-</b>	<b>101,525</b>	<b>212,949</b>	<b>299,711</b>	<b>29,025</b>
<b>Expenditures</b>					
Salaries and benefits	-	95,560	212,399	155,653	15,161
Purchased services	-	6,009	615	93,078	1,812
Supplies and materials	-	-	-	38,947	12,052
Capital outlay	-	-	-	-	-
Payments to other governments	-	-	-	-	-
Other objects	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>101,569</b>	<b>213,014</b>	<b>287,678</b>	<b>29,025</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>					
	<b>-</b>	<b>(44)</b>	<b>(65)</b>	<b>12,033</b>	<b>-</b>
<b>Other Financing Sources (Uses):</b>					
Transfer in	-	-	-	3,000	-
Transfer out	(2,218)	-	-	(10,007)	-
Interest	-	44	65	489	-
<b>Total Other Financing Sources (Uses)</b>	<b>(2,218)</b>	<b>44</b>	<b>65</b>	<b>(6,518)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(2,218)</b>	<b>-</b>	<b>-</b>	<b>5,515</b>	<b>-</b>
<b>Fund Balances - Beginning</b>	<b>2,218</b>	<b>-</b>	<b>-</b>	<b>40,833</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 46,348</b>	<b>\$ -</b>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Learning Behavior	Title II - Teacher Quality	Area IV - System of Support	TOTAL
<b>Revenues</b>				
Local sources	\$ -	\$ -	\$ -	\$ 29,614
State sources	-	-	10,449	570,581
Federal sources	-	1,455	140,967	1,554,128
<b>Total Revenues</b>	<b>-</b>	<b>1,455</b>	<b>151,416</b>	<b>2,154,323</b>
<b>Expenditures</b>				
Salaries and benefits	-	-	104,232	652,518
Purchased services	-	1,459	35,344	193,285
Supplies and materials	-	-	7,190	60,404
Capital outlay	-	-	2,500	2,500
Payments to other governments	-	-	2,152	1,202,725
Other objects	-	-	-	26,760
<b>Total Expenditures</b>	<b>-</b>	<b>1,459</b>	<b>151,418</b>	<b>2,138,192</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>-</b>	<b>(4)</b>	<b>(2)</b>	<b>16,131</b>
<b>Other Financing Sources (Uses):</b>				
Transfer in	-	-	-	3,000
Transfer out	(4)	-	-	(17,693)
Interest	4	4	2	1,857
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>4</b>	<b>2</b>	<b>(12,836)</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,295</b>
<b>Fund Balances - Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,053</b>
<b>Fund Balances - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 46,348</b>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 TITLE IV - SAFE & DRUG FREE SCHOOL - FORMULA  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal	\$ 13,039	\$ 13,039	\$ 13,074
Total Revenues	<u>13,039</u>	<u>13,039</u>	<u>13,074</u>
Expenditures			
Salaries and benefits	-		239
Purchased services	12,800	12,800	-
Supplies and materials	239	239	-
Payments to other governments	-	-	13,710
Other objects	-	-	260
Total Expenditures	<u>13,039</u>	<u>13,039</u>	<u>14,209</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(1,135)</u>
Other Financing Sources (Uses)			
Interest	-	-	1,135
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,135</u>
Net Change in Fund Balance	-	-	-
Fund Balance -Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 STANDARDS ALIGNED CLASSROOM  
 STATEWIDE PROFESSIONAL DEVELOPMENT  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal	\$ 1,300,000	\$ 1,300,000	\$ 1,301,590
Total Revenues	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,301,590</u>
Expenditures			
Salaries and benefits	81,997	81,997	53,962
Purchased services	95,428	95,428	53,370
Supplies and materials	-	-	2,031
Payments to other governments	<u>1,122,575</u>	<u>1,122,575</u>	<u>1,186,863</u>
Total Expenditures	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,296,226</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>5,364</u>
Other Financing Sources (Uses)			
Transfer out	-	-	(5,464)
Interest	<u>-</u>	<u>-</u>	<u>100</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(5,364)</u>
Net Change in Fund Balance	-	-	-
Fund Balance -Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 TRUANT ALTERNATIVE / OPTIONAL EDUCATION  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State	\$ 101,525	\$ 101,525	\$ 101,525
Total Revenues	<u>101,525</u>	<u>101,525</u>	<u>101,525</u>
Expenditures			
Salaries and benefits	96,165	96,165	95,560
Purchased services	5,360	5,360	6,009
Total Expenditures	<u>101,525</u>	<u>101,525</u>	<u>101,569</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(44)</u>
Other Financing Sources (Uses)			
Interest	<u>-</u>	<u>-</u>	<u>44</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>44</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance -Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 REGIONAL SAFE SCHOOLS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budget Amounts		Actual Amounts
	Original	Final	
Revenues			
State	\$ 212,949	\$ 212,949	\$ 212,949
Total Revenues	<u>212,949</u>	<u>212,949</u>	<u>212,949</u>
Expenditures			
Salaries and benefits	212,399	212,399	212,399
Purchased services	550	550	615
Total Expenditures	<u>212,949</u>	<u>212,949</u>	<u>213,014</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(65)</u>
Other Financing Sources (Uses)			
Interest	<u>-</u>	<u>-</u>	<u>65</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>65</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance -Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 TITLE I - READING FIRST PART B SEA FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal	\$ 37,194	\$ 37,194	\$ 29,025
Total Revenues	<u>37,194</u>	<u>37,194</u>	<u>29,025</u>
Expenditures			
Salaries and benefits	22,533	22,533	15,161
Purchased services	2,400	2,400	1,812
Supplies and materials	12,261	12,261	12,052
Total Expenditures	<u>37,194</u>	<u>37,194</u>	<u>29,025</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance -Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 TITLE II - TEACHER QUALITY  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal	\$ 1,455	\$ 1,455	\$ 1,455
Total Revenues	<u>1,455</u>	<u>1,455</u>	<u>1,455</u>
Expenditures			
Purchased services	1,455	1,455	1,459
Total Expenditures	<u>1,455</u>	<u>1,455</u>	<u>1,459</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(4)</u>
Other Financing Sources (Uses)			
Interest	<u>-</u>	<u>-</u>	<u>4</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4</u>
Net Change in Fund Balance	-	-	-
Fund Balance -Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 AREA IV - SYSTEM OF SUPPORT  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State	\$ -	\$ -	\$ 10,449
Federal	180,851	194,919	140,967
Total Revenues	180,851	194,919	151,416
Expenditures			
Salaries and benefits	99,760	115,715	104,232
Purchased services	55,728	49,891	35,344
Supplies and materials	22,363	21,813	7,190
Capital outlay	1,000	4,500	2,500
Payments to other governments	2,000	3,000	2,152
Total Expenditures	180,851	194,919	151,418
Excess (Deficiency) of Revenues Over Expenditures	-	-	(2)
Other Financing Sources (Uses)			
Interest	-	-	2
Total Other Financing Sources (Uses)	-	-	2
Net Change in Fund Balance	-	-	-
Fund Balance -Beginning	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2005

	Institute	General Education Development	Bus Driver Training	Supervisory	TOTALS
<b>Assets</b>					
Cash	\$ 70,593	\$ 9,484	\$ 6,684	\$ 1,997	\$ 88,758
Total Assets	<u>\$ 70,593</u>	<u>\$ 9,484</u>	<u>\$ 6,684</u>	<u>\$ 1,997</u>	<u>\$ 88,758</u>
<b>Liabilities</b>					
Due to other governments	\$ 488	\$ -	\$ -	\$ -	\$ 488
Total Liabilities	<u>488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>488</u>
<b>Fund Balances</b>					
Unreserved	<u>70,105</u>	<u>9,484</u>	<u>6,684</u>	<u>1,997</u>	<u>88,270</u>
Total Fund Balances					
Total Liabilities and Fund Balances	<u>\$ 70,593</u>	<u>\$ 9,484</u>	<u>\$ 6,684</u>	<u>\$ 1,997</u>	<u>\$ 88,758</u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Institute	General Education Development	Bus Driver Training	Supervisory	TOTALS
<b>Revenues</b>					
Local sources	\$ 26,459	\$ 10,892	\$ 2,120	\$ -	\$ 39,471
State sources	-	-	1,320	7,000	8,320
<b>Total Revenues</b>	<b>26,459</b>	<b>10,892</b>	<b>3,440</b>	<b>7,000</b>	<b>47,791</b>
<b>Expenditures</b>					
Salaries and benefits	-	5,197	-	-	5,197
Purchased services	17,073	5,239	2,742	5,914	30,968
Supplies and materials	817	2,363	83	-	3,263
Other objects	3,820	40	-	-	3,860
<b>Total Expenditures</b>	<b>21,710</b>	<b>12,839</b>	<b>2,825</b>	<b>5,914</b>	<b>43,288</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>4,749</b>	<b>(1,947)</b>	<b>615</b>	<b>1,086</b>	<b>4,503</b>
<b>Other Financing Sources (Uses)</b>					
Transfer out	(2,554)	(125)	(125)	-	(2,804)
Interest	676	115	74	39	904
<b>Total Other Financing Sources (Uses)</b>	<b>(1,878)</b>	<b>(10)</b>	<b>(51)</b>	<b>39</b>	<b>(1,900)</b>
<b>Net Change in Fund Balances</b>	<b>2,871</b>	<b>(1,957)</b>	<b>564</b>	<b>1,125</b>	<b>2,603</b>
<b>Fund Balances - Beginning</b>	<b>67,234</b>	<b>11,441</b>	<b>6,120</b>	<b>872</b>	<b>85,667</b>
<b>Fund Balances - Ending</b>	<b>\$ 70,105</b>	<b>\$ 9,484</b>	<b>\$ 6,684</b>	<b>\$ 1,997</b>	<b>\$ 88,270</b>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 AGENCY FUNDS  
 JUNE 30, 2005

	Distributive	Regional Trustee Fund	TOTALS
Assets			
Cash	\$ -	\$ 188	\$ 188
Due from other governments	1,155,310	-	1,155,310
	\$ 1,155,310	\$ 188	\$ 1,155,498
Total Assets			
	\$ 1,155,310	\$ 188	\$ 1,155,498
Liabilities			
Accounts payable	\$ -	\$ 188	\$ 188
Due to other governments	1,155,310	-	1,155,310
	\$ 1,155,310	\$ 188	\$ 1,155,498
Total Liabilities			
	\$ 1,155,310	\$ 188	\$ 1,155,498

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>DISTRIBUTIVE</u>				
Assets				
Cash	\$ -	\$ 62,297,364	\$ 62,297,364	\$ -
Due from other governments	767,829	1,155,310	767,829	1,155,310
Total Assets	<u>\$ 767,829</u>	<u>\$ 63,452,674</u>	<u>\$ 63,065,193</u>	<u>\$ 1,155,310</u>
Liabilities				
Due to other governments	\$ 767,829	\$ 63,452,674	\$ 63,065,193	\$ 1,155,310
Total Liabilities	<u>\$ 767,829</u>	<u>\$ 63,452,674</u>	<u>\$ 63,065,193</u>	<u>\$ 1,155,310</u>
<u>REGIONAL TRUSTEE FUND</u>				
Assets				
Cash	\$ 446	\$ -	\$ 258	\$ 188
Total Assets	<u>\$ 446</u>	<u>\$ -</u>	<u>\$ 258</u>	<u>\$ 188</u>
Liabilities				
Accounts payable	\$ 446	\$ -	\$ 258	\$ 188
Total Liabilities	<u>\$ 446</u>	<u>\$ -</u>	<u>\$ 258</u>	<u>\$ 188</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets				
Cash	\$ 446	\$ 62,297,364	\$ 62,297,622	\$ 188
Due from other governments	767,829	1,155,310	767,829	1,155,310
Total Assets	<u>\$ 768,275</u>	<u>\$ 63,452,674</u>	<u>\$ 63,065,451</u>	<u>\$ 1,155,498</u>
Liabilities				
Accounts payable	\$ 446	\$ -	\$ 258	\$ 188
Due to other governments	767,829	63,452,674	63,065,193	1,155,310
Total Liabilities	<u>\$ 768,275</u>	<u>\$ 63,452,674</u>	<u>\$ 63,065,451</u>	<u>\$ 1,155,498</u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES  
 YEAR ENDED JUNE 30,2005

	Marshall CUSD #C-2	Martinsville CUSD #C-3	Casey Westfield CUSD #C-4	Mattoon CUSD #2	Oakland CUSD #5	Neoga CUSD #3	Cumberland CUSD #77	Arthur CUSD #305	Arcola CUSD #306	Shiloh CUSD #1
ADA Safety & Ed Block Grant	\$ 39,863	\$ 11,431	\$ 32,619	\$ 93,416	\$ 10,625	\$ 23,635	\$ 28,918	\$ 13,628	\$ 19,844	\$ 12,873
Bilingual Ed. Downst. - TBE	-	-	-	2,774	-	-	-	-	1,049	-
Bilingual Ed. - Downst. - TPI	-	-	-	-	-	-	-	-	9,179	-
Driver Education	13,414	5,011	11,796	27,568	4,857	9,867	9,895	5,499	8,428	4,882
National School Lunch	114,756	47,838	152,286	413,089	36,772	78,171	113,375	34,243	55,687	69,211
Early Child- State Preschool at Risk	-	-	-	1,962,603	-	-	-	-	-	161,289
General State Aid	4,632,920	1,453,502	3,882,438	8,569,371	1,078,501	1,776,600	3,787,354	851,845	1,633,216	469,971
General State Aid - Hold Harmless	-	-	-	-	-	455,058	-	187,955	-	185,476
Learn and Serve America	-	425	-	-	-	-	-	-	3,200	-
K-6 Reading Improvement	52,027	14,899	47,024	132,898	19,767	26,740	40,803	26,819	24,303	23,002
Other Federal Funds	-	-	-	-	-	-	-	-	-	-
ROE/ISC Operations	-	-	-	-	-	-	-	-	-	-
Reading First Grant	-	-	-	-	-	-	-	-	-	-
Regional Safe School	-	-	-	-	-	-	-	-	-	-
Safe and Drug Free School	6,733	2,564	7,144	33,996	-	3,326	7,663	6,144	2,725	-
School Bus Driver Training	-	-	-	-	-	-	-	-	-	-
School Breakfast Program	21,505	9,525	34,349	95,342	9,216	-	-	5,250	9,978	19,725
School Breakfast Incentive	-	17	120	450	23	-	-	20	142	55
Special Education- Extraordinary	118,437	34,861	96,845	311,042	19,855	157,755	115,745	31,663	28,718	16,274
Special Education- Orphan- Ind.	9,022	-	31,456	130,741	-	26,878	-	-	-	5,228
Special Education- Orphan- Smr. Ind.	-	-	-	-	-	-	-	-	-	-
Special Education- Summer School	-	-	637	-	-	320	-	-	-	-
Special Education- Personnel	145,241	24,795	133,470	638,918	40,400	66,000	106,622	56,800	62,913	70,036
Special Education- Pvt. Facility	12,451	-	9,113	410	-	13,340	-	-	5,816	1,799
State Free Breakfast & Lunch	5,928	2,608	7,565	23,117	2,251	2,684	3,656	1,047	2,918	4,596
Summer Bridges Program	-	-	-	-	-	-	-	-	-	-
Supervisory	-	-	-	-	-	-	-	-	-	-
Teacher Leaders	6,000	-	-	-	-	-	3,000	-	-	-
Technology Enhancing Education - Formula	5,628	2,134	8,246	15,573	4,751	-	6,880	6,827	4,721	5,563
Title I- Even Start	-	-	-	183,165	-	-	-	-	-	-
Title I- Low Income	235,825	88,420	293,061	935,670	140,396	102,077	268,511	250,193	93,873	208,912
Title I - Comprehensive School Reform	-	-	-	-	-	-	-	-	-	-
Title II	58,872	26,278	71,290	254,806	13,899	34,414	62,043	72,649	22,301	45,618
IASA Title VI- Formula	6,901	2,118	5,895	15,893	16,708	4,148	20,784	3,498	3,894	18,980
Transition Assistane	-	-	-	-	-	-	-	-	-	11,215
Transportation- Reg.	348,131	165,143	284,943	516,992	141,210	149,573	343,820	111,766	78,104	101,136
Transportation- Sp. Ed.	71,898	40,671	123,794	187,517	46,442	77,703	115,388	44,862	132,218	56,834
Truants Alt/Optional Ed.	-	-	-	-	-	-	-	-	-	-
IL Funds Interest	-	-	-	-	-	-	-	-	-	-
	<u>\$ 5,905,552</u>	<u>\$ 1,932,240</u>	<u>\$ 5,234,091</u>	<u>\$ 14,545,351</u>	<u>\$ 1,585,673</u>	<u>\$ 3,008,289</u>	<u>\$ 5,034,457</u>	<u>\$ 1,710,708</u>	<u>\$ 2,203,227</u>	<u>\$ 1,492,675</u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES  
 YEAR ENDED JUNE 30, 2005

	Kansas CUSD #3	Paris Crestwood CUSD #4	Chrisman CUSD #6	Lovington CUSD #303	Cowden Herrick CUSD #3A	Shelbyville CUSD #4	Central A&M CUSD #21	Lake Land College	ROE #11 State Distributive	Youth Service and Bridges	Total
ADA Safety & Ed Block Grant	\$ 7,334	\$ 20,467	\$ 11,562	\$ 8,931	\$ 13,270	\$ 34,498	\$ 27,287	\$ -	\$ -	\$ -	\$ 410,201
Bilingual Ed. Downst. - TBE	-	-	-	-	-	-	-	-	-	-	3,823
Bilingual Ed. - Downst. - TPI	-	-	-	-	-	-	-	-	-	-	9,179
Driver Education	2,467	7,658	3,340	2,800	4,754	12,874	8,993	-	-	-	144,103
National School Lunch	23,914	35,051	36,341	27,175	61,356	119,467	86,831	-	-	16,508	1,522,071
Early Child- State Preschool at Risk	-	-	-	-	-	-	83,941	-	-	-	2,207,833
General State Aid	690,261	1,779,866	1,002,542	756,198	1,937,245	3,554,913	2,684,462	190,618	-	272,278	41,004,101
General State Aid - Hold Harmless	-	-	-	-	-	-	-	-	-	-	828,489
Learn and Serve America	-	-	-	-	-	-	-	-	-	-	3,625
K-6 Reading Improvement	13,276	22,325	15,114	11,137	17,529	38,424	32,884	-	-	-	558,971
Other Federal Funds	-	-	-	-	-	-	-	-	1,300,000	-	1,300,000
ROE/ISC Operations	-	-	-	-	-	-	-	-	80,050	-	80,050
Reading First Grant	-	-	-	-	-	-	-	-	37,194	-	37,194
Regional Safe School	-	-	-	-	-	-	-	-	-	217,025	217,025
Safe and Drug Free School	1,111	2,340	1,877	1,806	1,761	7,546	6,668	-	8,704	-	102,108
School Bus Driver Training	-	-	-	-	-	-	-	-	1,320	-	1,320
School Breakfast Program	-	-	20,373	4,798	12,699	25,148	21,757	-	-	8,376	298,041
School Breakfast Incentive	-	-	65	-	213	158	197	-	-	154	1,614
Special Education- Extraordinary	10,760	43,332	10,364	34,672	46,577	73,996	55,203	-	-	-	1,206,099
Special Education- Orphan- Ind.	-	9,022	-	-	-	21,115	879,168	-	-	-	1,112,630
Special Education- Orphan- Smr. Ind.	-	-	-	-	-	-	33,438	-	-	-	33,438
Special Education- Summer School	-	-	-	-	-	1,130	-	-	-	-	2,087
Special Education- Personnel	24,400	76,014	37,600	57,346	24,993	203,066	-	-	-	-	1,768,614
Special Education- Pvt. Facility	-	4,439	-	-	-	19,480	-	-	-	-	66,848
State Free Breakfast & Lunch	882	1,008	2,571	1,491	3,423	6,861	4,527	-	-	1,342	78,475
Summer Bridges Program	-	18,750	-	-	-	-	-	-	-	-	18,750
Supervisory	-	-	-	-	-	-	-	-	7,000	-	7,000
Teacher Leaders	-	-	-	-	-	-	-	-	-	-	9,000
Technology Enhancing Education - Formula	2,661	2,023	1,487	939	2,364	3,585	3,206	-	-	-	76,588
Title I- Even Start	-	-	-	-	-	-	-	-	-	-	183,165
Title I- Low Income	115,442	88,433	62,718	43,139	126,966	163,377	108,384	-	-	-	3,325,397
Title I - Comprehensive School Reform	-	-	52,419	-	-	-	-	-	-	-	52,419
Title II	9,834	29,201	20,025	17,080	36,289	53,095	43,358	-	-	1,453	872,505
IASA Title VI- Formula	1,694	3,249	2,070	1,449	3,206	5,975	5,012	-	-	346	121,820
Transition Assistane	-	51,246	-	-	-	-	-	-	-	-	62,461
Transportation- Reg.	47,633	255,546	84,277	96,151	80,208	105,950	177,325	-	-	-	3,087,908
Transportation- Sp. Ed.	15,745	57,312	57,226	76,979	66,213	107,230	62,770	-	-	-	1,340,802
Truants Alt/Optional Ed.	-	-	-	-	-	-	-	-	-	117,822	117,822
IL Funds Interest	-	-	-	-	-	-	-	-	23,788	-	23,788
	\$ 967,414	\$ 2,507,282	\$ 1,421,971	\$ 1,142,091	\$ 2,439,066	\$ 4,557,888	\$ 4,325,411	\$ 190,618	\$ 1,458,056	\$ 635,304	\$ 62,297,364

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2005

<u>Federal Grantor/Pass Through</u> <u>Grantor, Program or Cluster Title</u>	<u>CFDA</u> <u>Number</u>	<u>Project # or</u> <u>Contract #</u>	<u>Expenditures</u> <u>7/1/04-6/30/05</u>
<b>U.S. Department of Agriculture passed through</b>			
<b>Illinois State Board of Education</b>			
School Breakfast Program	10.553	05-4220-00	\$ 7,585
National School Lunch Program	10.555	05-4210-00	<u>14,707</u>
<b>Total U.S. Department of Agriculture passed through Illinois State Board of Education</b>		<b>Total</b>	<u>22,292</u>
<b>U.S. Department of Education passed through</b>			
<b>Illinois State Board of Education</b>			
Standards Aligned Classroom			
Statewide Professional Development	84.298A	05-4999-00	1,301,590 (M)
Title V - Innovative Programs	84.298A	05-4100-00	<u>346</u>
			1,301,936
Title IV - Safe and Drug Free School - Formula	84.186A	05-4400-00	13,039
Title IV - Safe and Drug Free School - Formula	84.186A	04-4400-00	<u>35</u>
			13,074
Title I - Reading First Part B SEA Funds	84.357A	05-4337-02	29,025
Title II - Teacher Quality	84.367A	05-4932-00	<u>1,455</u>
<b>Total U.S. Department of Education passed through Illinois State Board of Education</b>		<b>Total</b>	<u>1,345,490</u>
<b>U.S. Department of Education</b>			
<b>passed through Regional Office of Education #32</b>			
System of Support	84.281A	05-4935-00	<u>140,967</u>
<b>Total U.S. Department of Education passed through Regional Office of Education #32</b>		<b>Total</b>	<u>140,967</u>
<b>U.S. Department of Health &amp; Human Services</b>			
<b>passed through Illinois State Board of Education</b>			
Regional Safe School State Aid (TANF)	93.558	05-3001-93	<u>45,379</u>
<b>Total U.S. Department of Health &amp; Human Services passed through Illinois State Board of Education</b>		<b>Total</b>	<u>45,379</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 1,554,128</u>

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR,  
MOULTRIE, AND SHELBY COUNTIES  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Regional Office of Education #11 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented on this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - SUBRECIPIENTS

Of the federal expenditures presented in the schedule, Regional Office of Education #11 provided federal awards to subrecipients as follows:

Program Title: Standards Aligned Classroom Statewide Professional Development  
Federal CFDA #: 84.298A  
Amount provided to subrecipients: \$ 1,186,863

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM

Standards Alignment Classroom Statewide Professional Development: This program's objectives are to support statewide education reform efforts. The program provides funding to enable implementation of promising educational reform programs, school improvement programs, and support programs to provide library services and instructional and media materials. The funding assists in meeting the educational needs of all students, including at-risk youth and develops and implements education programs to improve school, student, and teachers performance, including professional development activities and class size reduction programs.

NOTE 4 - NON-CASH ASSISTANCE

NONE

NOTE 5 - AMOUNT OF INSURANCE

NONE

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

NONE