

**State of Illinois  
HAMILTON/JEFFERSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #25  
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**

HAMILTON/JEFFERSON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #25  
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 June 30, 2005

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REGIONAL OFFICE OF EDUCATION #25

OFFICIALS

Regional Superintendent  
(Current and during the Audit Period)

Honorable P.E. Cross

Assistant Regional Superintendent  
(Current and during the Audit Period)

Mrs. Cheryl Settle

Offices are located at:

Jefferson County Office  
1714 Broadway  
Mt. Vernon, IL 62864

Hamilton County Office  
Hamilton County Courthouse  
McLeansboro, IL 62859

REGIONAL OFFICE OF EDUCATION #25

COMPLIANCE REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	1	2
Repeated audit findings	0	1
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 (GOVERNMENT AUDITING STANDARDS)		
05-1	12	Controls over Compliance with Laws and Regulations
FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)		
NONE		

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

04-1	15	Internal Controls over Disbursements and Purchases
04-2	15	Controls Over Compliance with Laws and Regulations

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

04-1	15	Internal Controls over Disbursements and Purchases
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EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on September 2, 2005. Attending were P.E. Cross, Regional Superintendent, and Tami Knight, CPA, Manager, Kemper CPA Group, LLP. Responses to the recommendations were provided by P.E. Cross, Regional Superintendent.

# FINANCIAL STATEMENT REPORT

## SUMMARY

The audit of the accompanying basic financial statements of the Regional Office of Education #25 was performed by Kemper CPA Group LLP.

Based on their audit, the auditors expressed an unqualified opinion on the Regional Office of Education #25's basic financial statements.

INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #25, as of and for the year ended June 30, 2005, which collectively comprise the Regional Office of Education #25's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Office of Education #25'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 #25, 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 September 2, 2005, on our consideration of the Regional Office of Education #25'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-16h, and 50 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional Office of Education #25's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Disbursements to School District Treasurer's and Other Entities 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 Treasurer's 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.

A handwritten signature in black ink that reads "Kemper CPA Group, LLP". The signature is written in a cursive, flowing style.

*Certified Public Accountants and Consultants*

Mt. Vernon, Illinois  
September 2, 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 #25, as of and for the year ended June 30, 2005, which collectively comprise the Regional Office of Education #25's basic financial statements and have issued our report thereon dated September 2, 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 #25'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 over financial reporting 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 #25'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 *Guidelines to Auditing and Reporting for a Regional Office of Education*, to be reported in the accompanying Schedule of Findings and Questioned Costs as item 05-1.

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*

Mt. Vernon, Illinois  
September 2, 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 #25 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 #25'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 #25's management. Our responsibility is to express an opinion on the Regional Office of Education #25'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 #25's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Regional Office of Education #25's compliance with those requirements.

In our opinion, Regional Office of Education #25 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 #25 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 #25's internal control over compliance with the 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.

A handwritten signature in black ink that reads "Kemper CPA Group LLP". The signature is written in a cursive, flowing style.

*Certified Public Accountants and Consultants*

Mt. Vernon, Illinois  
September 2, 2005

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED 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
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Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)?	No
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Identification of **major** programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.366	Mathematics and Science Partnership
84.213C	Even Start
84.318X	Technology Enhancing Education - Competitive

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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HAMILTON/JEFFERSON REGIONAL OFFICE OF EDUCATION #25  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2005

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**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 #25 did not comply with statutory requirements.

**Cause:**

The Regional Superintendent was unaware of the statutory requirements.

**Recommendation:**

The Regional Office of Education #25 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.

HAMILTON/JEFFERSON REGIONAL OFFICE OF EDUCATION #25  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2005

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

**INSTANCES OF NONCOMPLIANCE:**

NONE

**REPORTABLE CONDITIONS:**

NONE

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
CORRECTIVE ACTION PLAN 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 #25 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:

Honorable P.E. Cross, Regional Superintendent of Schools

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2005

<b><u>Finding No.</u></b>	<b><u>Condition</u></b>	<b><u>Current Status</u></b>
04-1	Internal Controls over Disbursements and Purchases	Corrective Action Taken
04-2	Controls Over Compliance with Laws and Regulations	Corrective Action Taken

## MANAGEMENT'S DISCUSSION AND ANALYSIS

HAMILTON/JEFFERSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #25  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2005

The Regional Office of Education #25 for Hamilton and Jefferson Counties 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 follows.

2005 Financial Highlights

- Within the Governmental Funds, the General Fund revenues were \$926,249 and \$1,061,192 in fiscal year 2005 and 2004, respectively. General Fund expenditures were \$966,092 and \$1,106,505 for fiscal year 2005 and 2004, respectively. These decreases are due to cuts in budgets and funding for the following programs: ROE/ISC Operations, ISBE Emotional and Behavioral Disabilities State Network, and Office Operations.
- Within the Governmental Funds, the Special Revenue Funds recorded total revenues of \$2,470,629 and \$2,269,486 in fiscal year 2005 and 2004, respectively. The Special Revenue Funds recorded total expenditures of \$2,441,436 and \$2,155,624 for fiscal year 2005 and 2004, respectively. This increase is due to new funding in Even Start and Finger Printing and an increase of funding in Early Childhood Block Grant, Mathematics and Science Partnership, Title I School Improvement and Accountability System of Support SOS and Technology Enhancing Education Competitive, and also significant decreases in many programs such as Regional Safe Schools, Truants Alternative and Optional Education, and COPS which resulted in a net increase.
- The Proprietary Fund revenues were \$122,659 and \$163,106 in fiscal year 2005 and 2004, respectively. Proprietary Fund expenses were \$133,381 and \$119,707 for fiscal year 2005 and 2004, respectively. The decrease in revenue is due to payments not received from participants at the Mt. Vernon Conference and the increase in expenses is due to the purchase of new equipment and software for the Testing program.

Using This 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.
- 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.

HAMILTON/JEFFERSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #25  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2005

Using This Report (Concluded)

- Required supplementary information further explains and supports the financial statements and supplementary information provides detail information about the non-major funds.

Reporting the Office as a Whole

The Statement of Net Assets and the Statement of Activities

The government-wide statements report information about the Regional Office of Education #25 as a whole. The Statement of Net Assets includes all of the assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid, using accounting methods similar to those used by private-sector companies.

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

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

In the government-wide financial statements, the Regional Office of Education #25's activities are divided into two categories:

- **Governmental activities:** Most of the Regional Office of Education #25's basic services are included here, such as regular and special education instruction, student and instructional staff support services and administration. Local school districts, federal and State grants and State aid finance most of these activities.
- **Business-type activities:** The Regional Office of Education #25 charges fees to help cover the 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 #25 as a whole. Funds are accounting devices which 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 #25 established other funds to control and manage money for particular purposes.

The Office has three kinds of funds:

HAMILTON/JEFFERSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #25  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2005

Reporting the Office as a Whole

- 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 Regional Office of Education #25's programs. Because this information does not encompass the additional long-term focus of the government-wide statements a reconciliation between the government-wide statements and the governmental fund statements follow each of the related governmental fund statements. The Regional Office of Education #25'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) Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education #25's service region on a cost reimbursement basis is reported. The proprietary funds required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Fund Net Assets, and a Statement of Cash Flows.
- 3) Fiduciary funds are used to account for assets held by the Regional Office of Education #25 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 Regional Office of Education #25 excludes these assets from the government-wide financial statements because it cannot use these assets to finance its operations. The fiduciary funds required financial statements include a Statement of Fiduciary Net Assets.

Government-Wide Financial Analysis

The Statement of Net Assets reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. The difference between the Regional Office of Education #25's assets and liabilities is its net assets. As noted earlier, net assets may serve over time as a useful indicator of financial position. The Hamilton/Jefferson Counties Regional Office of Education #25 net assets at the end of fiscal year 2005 totaled \$475,872. This compared to \$478,352 at the end of fiscal year 2004.

This section will explain the differences between the current and prior year's assets, liabilities, and changes in net assets. The Regional Office of Education #25's financial activities include both governmental and business-type activities. The analysis that follows provides a summary of the Regional Office of Education's net assets at June 30, 2005 for the governmental and business-type activities.

HAMILTON/JEFFERSON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #25  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 For the Year Ended June 30, 2005

Government-Wide Financial Analysis (Continued)

CONDENSED STATEMENT OF NET ASSETS

GOVERNMENTAL ACTIVITIES

	2005	2004	Increase / (Decrease)
Current Assets	\$ 540,650	\$ 517,707	22,943
Capital Assets, being depreciated, net	83,882	69,797	14,085
Total Assets	624,532	587,504	37,028
Current Liabilities	181,337	152,551	28,786
Net Assets:			
Invested in Capital Assets	83,882	69,797	14,085
Unrestricted	359,313	365,156	(5,843)
Total Net Assets	\$ 443,195	\$ 434,953	8,242

The Regional Office of Education #25's governmental assets exceeded governmental liabilities (net assets) by \$443,195 at the close of the fiscal year. Cash and cash equivalents made up the majority of assets. The Regional Office of Education's net assets remained relatively consistent from fiscal year 2004 and 2005 due to no new funding.

BUSINESS-TYPE ACTIVITIES

	2005	2004	Increase / (Decrease)
Current Assets	\$ 30,969	\$ 40,786	(9,817)
Capital Assets, being depreciated, net	1,708	2,613	(905)
Total Assets	32,677	43,399	(10,722)
Net Assets:			
Invested in Capital Assets	1,708	2,613	(905)
Unrestricted	30,969	40,786	(9,817)
Total Net Assets	\$ 32,677	\$ 43,399	(10,722)

The Regional Office of Education #25 uses its business-type net assets to provide workshop and testing services to school districts in the region and surrounding areas. The decrease in the unrestricted net assets of the business-type fund was due to payments not received from participants at the Mt. Vernon Conference and an increase in expenses is due to the purchase of new equipment and software for the Testing program.

HAMILTON/JEFFERSON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #25  
 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:			
Operating Grants and Contributions	\$ 1,867,116	\$ 2,106,244	(239,128)
General Revenues	<u>1,561,541</u>	<u>1,256,045</u>	305,496
Total Revenues	<u>3,428,657</u>	<u>3,362,289</u>	66,368
Expenses:			
Program Expenses:			
Instructional Services			
Salaries and Benefits	1,571,249	1,671,702	(100,453)
Purchased Services	1,346,546	1,080,002	266,544
Supplies and Materials	179,401	143,596	35,805
Depreciation Expense	33,675	38,051	(4,376)
Administrative Expense:			
On-Behalf Payments - State & Local	<u>289,544</u>	<u>367,701</u>	(78,157)
Total Expenses	<u>3,420,415</u>	<u>3,301,052</u>	119,363
Change in Net Assets	8,242	61,237	(52,995)
Net Assets - Beginning	<u>434,953</u>	<u>373,716</u>	61,237
Net Assets - Ending	<u>\$ 443,195</u>	<u>\$ 434,953</u>	8,242

Governmental Activities

Total revenue increased approximately \$66,000 from fiscal year 2004 to 2005; due to new funding in Even Start and Finger Printing and an increase of funding in Early Childhood Block Grant, Mathematics and Science Partnership, Title I School Improvement and Accountability System of Support SOS and Technology Enhancing Education Competitive. Salaries and benefits decreased approximately \$100,000 from fiscal year 2004 to 2005; this was the result of several employees retiring in FY03 that were not replaced due to the lack of funding. Purchased services increased approximately \$267,000 from fiscal year 2004 to 2005; this was due to a large technology workshop sponsored for teachers in the region.

HAMILTON/JEFFERSON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #25  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 For the Year Ended June 30, 2005

Government-Wide Financial Analysis (Concluded)

BUSINESS-TYPE ACTIVITIES

	<u>2005</u>	<u>2004</u>	<u>Increase / (Decrease)</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 122,659	\$ 163,106	(40,447)
Total Revenues	<u>122,659</u>	<u>163,106</u>	(40,447)
Expenses:			
Program Expenses:			
Instructional Services			
Salaries and Benefits	27,816	34,867	(7,051)
Purchased Services	102,023	82,830	19,193
Supplies and Materials	2,637	1,909	728
Depreciation Expense	905	101	804
Total Expenses	<u>133,381</u>	<u>119,707</u>	13,674
Change in Net Assets	(10,722)	43,399	(54,121)
Net Assets - Beginning	<u>43,399</u>	<u>-</u>	43,399
Net Assets - Ending	<u>\$ 32,677</u>	<u>\$ 43,399</u>	(10,722)

Business-Type Activities

The decrease in revenue is due to non payment of funds for participants at the Mt. Vernon Conference and the increase in expenses is due to the purchase of new equipment and software for the Testing program.

Financial Analysis of the Regional Office of Education #25 Funds

As previously noted, the Regional Office of Education #25 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Regional Office of Education #25's governmental funds reported combined fund balances of \$372,042 and \$378,823 for fiscal year end June 30, 2005 and 2004, respectively, which is a slight decrease.

- The General Fund is the principal operating fund. The fund balance in the general fund decreased \$35,976 to \$110,187. The decrease is due to cuts in budgets and funding for the following programs: ROE/ISC Operations, ISBE Emotional and Behavioral Disabilities State Network, and Office Operations.

HAMILTON/JEFFERSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #25  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2005

Financial Analysis of the Regional Office of Education #25 Funds (Concluded)

- The special revenue funds increased from the prior year in the amount of \$29,195 to an ending fund balance of \$261,855. This increase is due to new funding in Even Start and Finger Printing and an increase of funding in Early Childhood Block Grant, Mathematics and Science Partnership, Title I School Improvement and Accountability System of Support SOS and Technology Enhancing Education Competitive, and also sufficient decreases in many programs such as Regional Safe Schools, Truants Alternative and Optional Education, ROE/ISC Operations, ISBE Emotional and Behavioral Disabilities State Network, and COPS which resulted in a net increase.

The Proprietary funds decreased from the prior year in the amount of \$10,722 to an ending net asset balance of \$32,677. This decrease primarily relates to non-payment of participants of the Mt. Vernon Conference.

Budgetary Highlights

The Regional Office of Education #25 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 but are not required to be legally adopted. The State Board reviews the proposed budget and either grants approval or returns it without approval with comments. Any unapproved budget must be resubmitted to the State Board for final approval. The budget may be amended during the year utilizing procedures prescribed by the State Board. 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 in this report.

Capital Assets

Capital Assets of the Regional Office of Education #25 include office equipment, computers, audio-visual equipment and office furniture. The Regional Office of Education #25 maintains an inventory of capital assets which have been accumulated over time. The increase for FY05 in the governmental activities was \$47,760 and came as a result of grant money and other funds being used to purchase equipment, and other equipment being provided to the Regional Office of Education #25. No fixed assets were disposed of during the year. In addition, the Regional Office of Education #25 has adopted a depreciation schedule which reflects the level of Net Governmental and Business-Type Activities Capital Assets. More detailed information about capital assets is available in Note 6 to the financial statements.

Economic Factors and Next Year's Budget

Some of the most important factors affecting the financial health of the Regional Office in the future are:

- The State of Illinois Foundation level used in the calculation per student;
- The interest rate on investments;
- Grants that remain at constant levels or are reduced drastically; and
- County Board support dollars that remain at constant levels or are increased slightly.

HAMILTON/JEFFERSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #25  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2005

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 #25 at 1714 Broadway, Mt. Vernon, Illinois 62864.

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2005

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash	\$ 360,146	\$ 19,409	\$ 379,555
Due from other governments:			
Local	20,945	11,560	32,505
State	106,164	-	106,164
Federal	53,395	-	53,395
Total current assets	<u>540,650</u>	<u>30,969</u>	<u>571,619</u>
Noncurrent assets:			
Capital assets, being depreciated, net	83,882	1,708	85,590
Total noncurrent assets	<u>83,882</u>	<u>1,708</u>	<u>85,590</u>
<b>TOTAL ASSETS</b>	<u>624,532</u>	<u>32,677</u>	<u>657,209</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	151,830	-	151,830
Deferred revenue	29,507	-	29,507
Total current liabilities	<u>181,337</u>	<u>-</u>	<u>181,337</u>
<b>TOTAL LIABILITIES</b>	<u>181,337</u>	<u>-</u>	<u>181,337</u>
<b>NET ASSETS</b>			
Invested in capital assets	83,882	1,708	85,590
Unrestricted (deficit)	359,313	30,969	390,282
<b>TOTAL NET ASSETS</b>	<u>\$ 443,195</u>	<u>\$ 32,677</u>	<u>\$ 475,872</u>

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

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
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		
				Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
Current:						
Instructional services:						
Salaries and benefits	\$ 1,571,249	\$ -	\$ 1,055,065	\$ (516,184)	\$ -	\$ (516,184)
Purchased services	1,346,546	-	665,082	(681,464)	-	(681,464)
Supplies and materials	179,401	-	99,209	(80,192)	-	(80,192)
Capital outlay	-	-	47,760	47,760	-	47,760
Depreciation	33,675	-	-	(33,675)	-	(33,675)
Administrative:						
On-behalf payments - State	289,544	-	-	(289,544)	-	(289,544)
Total governmental activities	<u>3,420,415</u>	<u>-</u>	<u>1,867,116</u>	<u>(1,553,299)</u>	<u>-</u>	<u>(1,553,299)</u>
Business-type activities:						
Registration/Testing Fee	133,381	122,659	-	-	(10,722)	(10,722)
Total business-type activities	<u>133,381</u>	<u>122,659</u>	<u>-</u>	<u>-</u>	<u>(10,722)</u>	<u>(10,722)</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 3,553,796</u>	<u>\$ 122,659</u>	<u>\$ 1,867,116</u>	<u>(1,553,299)</u>	<u>(10,722)</u>	<u>(1,564,021)</u>
GENERAL REVENUES:						
Local sources				813,740	-	813,740
State sources				454,388	-	454,388
On-behalf payments - State				289,544	-	289,544
Investment earnings				3,869	-	3,869
Total general revenues				<u>1,561,541</u>	<u>-</u>	<u>1,561,541</u>
CHANGE IN NET ASSETS				8,242	(10,722)	(2,480)
NET ASSETS - BEGINNING				434,953	43,399	478,352
NET ASSETS - ENDING				<u>\$ 443,195</u>	<u>\$ 32,677</u>	<u>\$ 475,872</u>

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

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2005

	General Fund	Education Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 128,021	\$ 219,296	\$ 12,829	\$ -	\$ 360,146
Due from other funds	-	87,574	-	(74,845)	12,729
Due from other governments:					
Local	7,876	3,662	9,407	-	20,945
State	-	106,164	-	-	106,164
Federal	-	53,395	-	-	53,395
<b>TOTAL ASSETS</b>	<b>\$ 135,897</b>	<b>\$ 470,091</b>	<b>\$ 22,236</b>	<b>\$ (74,845)</b>	<b>\$ 553,379</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 25,710	\$ 126,120	\$ -	\$ -	\$ 151,830
Due to other funds	-	65,438	9,407	(74,845)	-
Deferred revenue	-	29,507	-	-	29,507
<b>Total Liabilities</b>	<b>25,710</b>	<b>221,065</b>	<b>9,407</b>	<b>(74,845)</b>	<b>181,337</b>
<b>FUND BALANCES</b>					
Unreserved, reported in:					
General fund	110,187	-	-	-	110,187
Special revenue fund	-	249,026	12,829	-	261,855
<b>Total Fund Balances</b>	<b>110,187</b>	<b>249,026</b>	<b>12,829</b>	<b>-</b>	<b>372,042</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 135,897</b>	<b>\$ 470,091</b>	<b>\$ 22,236</b>	<b>\$ (74,845)</b>	<b>\$ 553,379</b>

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

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS	\$ 372,042
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.	83,882
The Internal Service Fund is used to charge the costs of vehicles and their repairs and maintenance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the Statement of Net Assets.	<u>(12,729)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 443,195</u>

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

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005

	General Fund	Education Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
<b>REVENUES</b>					
Local sources	\$ 578,907	\$ 196,430	\$ 10,493	\$ -	\$ 785,830
State sources	57,798	1,442,581	11,934	-	1,512,313
State sources-payments made on behalf of region	289,544	-	-	-	289,544
Federal sources	-	809,191	-	-	809,191
Total revenues	<u>926,249</u>	<u>2,448,202</u>	<u>22,427</u>	<u>-</u>	<u>3,396,878</u>
<b>EXPENDITURES</b>					
Current:					
Instructional Services					
Salaries and benefits	109,667	1,455,451	6,116	-	1,571,234
Purchased services	544,314	766,636	8,639	-	1,319,589
Supplies and materials	20,164	155,927	3,310	-	179,401
Capital outlay	2,403	45,357	-	-	47,760
On-behalf payments	289,544	-	-	-	289,544
Total expenditures	<u>966,092</u>	<u>2,423,371</u>	<u>18,065</u>	<u>-</u>	<u>3,407,528</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>					
	<u>(39,843)</u>	<u>24,831</u>	<u>4,362</u>	<u>-</u>	<u>(10,650)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	4,617	3,654	-	(8,271)	-
Transfers out	(4,617)	(3,654)	-	8,271	-
Interest	3,867	-	2	-	3,869
Total other financing sources (uses)	<u>3,867</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>3,869</u>
<b>NET CHANGE IN FUND BALANCES</b>					
	(35,976)	24,831	4,364	-	(6,781)
<b>FUND BALANCES - BEGINNING</b>					
	<u>146,163</u>	<u>224,195</u>	<u>8,465</u>	<u>-</u>	<u>378,823</u>
<b>FUND BALANCES - ENDING</b>					
	<u>\$ 110,187</u>	<u>\$ 249,026</u>	<u>\$ 12,829</u>	<u>\$ -</u>	<u>\$ 372,042</u>

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

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

NET CHANGE IN FUND BALANCES — GOVERNMENTAL FUNDS \$ (6,781)

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	\$ 47,760	
Depreciation expense	<u>(33,675)</u>	14,085

The Internal Service Fund is used to charge the costs of vehicles and their repairs and maintenance to individual funds. The net revenue (expense) of the internal service fund is reported as governmental activities in the Statement of Activities.

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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 8,242

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2005

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Fund
	Other Enterprise Funds	Total	
<b>ASSETS</b>			
Current assets:			
Cash	\$ 19,409	\$ 19,409	\$ -
Due from other governments	11,560	11,560	-
Total current assets	<u>30,969</u>	<u>30,969</u>	<u>-</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation:	1,708	1,708	-
Total noncurrent assets	<u>1,708</u>	<u>1,708</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>32,677</u>	<u>32,677</u>	<u>-</u>
<b>LIABILITIES</b>			
Current liabilities:			
Due to other funds	-	-	12,729
Total current liabilities	<u>-</u>	<u>-</u>	<u>12,729</u>
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>12,729</u>
<b>NET ASSETS</b>			
Invested in capital assets	1,708	1,708	-
Unrestricted (deficit)	30,969	30,969	(12,729)
<b>TOTAL NET ASSETS</b>	<u>\$ 32,677</u>	<u>\$ 32,677</u>	<u>\$ (12,729)</u>

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

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Fund
	Other Enterprise Funds	Total	
<b>OPERATING REVENUES</b>			
Local sources	\$ 122,659	\$ 122,659	\$ 27,910
Total operating revenues	<u>122,659</u>	<u>122,659</u>	<u>27,910</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	27,816	27,816	15
Purchased services	102,023	102,023	26,957
Supplies and materials	2,637	2,637	-
Depreciation	905	905	-
Total operating expenses	<u>133,381</u>	<u>133,381</u>	<u>26,972</u>
CHANGE IN NET ASSETS	(10,722)	(10,722)	938
TOTAL NET ASSETS - BEGINNING	<u>43,399</u>	<u>43,399</u>	<u>(13,667)</u>
TOTAL NET ASSETS - ENDING	<u>\$ 32,677</u>	<u>\$ 32,677</u>	<u>\$ (12,729)</u>

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

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Fund
	Other Enterprise Funds	Totals	
Cash flows from operating activities:			
Receipts from customers	\$ 111,099	\$ 111,099	\$ 26,972
Payments to suppliers and providers of goods and services	-	(104,660)	(26,957)
Payments to employees	(27,816)	(27,816)	(15)
Net cash provided by (used for) operating activities	<u>(21,377)</u>	<u>(21,377)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(21,377)	(21,377)	-
Cash - beginning	<u>40,786</u>	<u>40,786</u>	<u>-</u>
Cash - ending	<u>\$ 19,409</u>	<u>\$ 19,409</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (10,722)	\$ (10,722)	\$ 938
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	905	905	-
Change in assets and liabilities:			
(Increase) in Due from Other Governments	(11,560)	(11,560)	-
Increase (Decrease) in Due to Other Funds	<u>-</u>	<u>-</u>	<u>(938)</u>
Net cash provided by (used for) operating activities	<u>\$ (21,377)</u>	<u>\$ (21,377)</u>	<u>\$ -</u>

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

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
JUNE 30, 2005

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 596,280
Due from other funds	29,553
Due from other governments	<u>298,712</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 924,545</u></u>
<b>LIABILITIES</b>	
Due to other funds	\$ 29,553
Due to other governments	<u>894,992</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 924,545</u></u>

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

HAMILTON/JEFFERSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #25  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education #25 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2005, the Regional Office of Education #25 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 #25 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 Management’s Discussion and Analysis, government-wide financial statements, required supplementary information and the elimination of the effects of internal service activities and the use of account groups to the already required fund financial statements and notes.

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 #25’s districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with state law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

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

HAMILTON/JEFFERSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #25  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

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 Regional Office of Education #25, or see that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2005, the Regional Office of Education #25 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 #25. Such activities are reported as a single major special revenue fund (Education Fund).

B. SCOPE OF THE REPORTING ENTITY

The Regional Office of Education #25 reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #25 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Regional Office of Education #25, 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 #25 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 #25 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #25 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education #25 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 #25's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by state and

HAMILTON/JEFFERSON COUNTIES  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

federal grants and other intergovernmental revenues. The Regional Office of Education #25 has two business-type activities that rely on fees and charges for support.

The Regional Office of Education #25's government-wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of governmental and business-type activities for the Regional Office of Education #25 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 #25's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services, and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

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

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

D. 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.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. PROPRIETARY FUND FINANCIAL STATEMENTS (Concluded)

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.

E. 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.

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

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NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

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

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

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

G. FUND ACCOUNTING

The Regional Office of Education #25 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 #25 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.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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 #25 has presented all major funds that met the above qualifications.

The Regional Office of Education #25 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education #25. 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:

University College Classes – This fund provides the opportunity for teachers and administrators to earn graduate credit through participation in weekend classes in programs leading to advanced degrees. Programs currently offered include a Masters Degree in Guidance and Counseling and a Masters or Specialist Degree in School Administration from EIU and a Masters in Curriculum and Instruction from SIUC.

ROE/ISC Operation – This fund accounts for comprehensive services to improve education in the region in the areas of gifted, staff development, administrator academies, school improvement, and technology.

ISBE Emotional and Behavioral Disabilities State Network Grant – This fund is a three county collaborative effort to develop and improve the continuum of community-based services and supports for children with or at risk of developing severe emotional or behavioral disabilities and their families.

Partners in Quality Education – This fund is a fiscal agent for a collaborative agreement between the 18 school districts for in-service activities.

Special Projects – This fund accounts for the purchases and daily operation for the Regional Office of Education #25.

Office Operations – The fund accounts for the shared expenses incurred in the operation of the Regional Superintendent's office by Hamilton and Jefferson counties.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Payroll – This fund accounts for the over/under payments for Teachers Retirement System and insurance withholdings that arise from changes in withholding rates.

Regional In-Service Meeting – The fund accounts for local registration fees and expenses associated with school improvement.

Regional VI Illinois Association of Regional Superintendents of Schools – This fund accounts for registration fees and expenses associated with Region VI meetings.

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

ROE/ISC Technology – This program provides support and technical assistance to the Regional Office and the 18 school districts.

ISBE Contracts – This is for special programs initiated by the Illinois State Board of Education.

Title I Reading First Part B SEA Funds– This program is designed to ensure that K-3 teachers have the skills they need to teach the five essential components of reading instruction as defined by the No Child Left Behind Legislation.

Illinois Violence Prevention Authority – This program is a fiscal agent for the 2<sup>nd</sup> Judicial Circuits Local Family Violence Coordinators Council and supports their efforts.

Penny Severns – This program provides opportunities for families to read, grow, and learn together during the summer months. The program keeps families active in educational activities when traditional schools are not in session.

Early Childhood Block Grant (3705-01) – This program provides training programs for the parents of children from birth to age 3, with activities requiring substantial interaction between parent and child.

Early Childhood Block Grant (3705-50) – This program provides training for the parents of children ages 3 to kindergarten enrollment, assisting parents to become full partners in the education of their children.

HAMILTON/JEFFERSON COUNTIES  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

- School Improvement – This program accounts for local funds for school improvement activities.
- Title IV Safe and Drug Free School - Formula – This entitlement program is a multi-district, cooperative grant agreement of 13 school districts in Jefferson County and will provide professional development sessions to school personnel on prevention, education and early intervention strategies as related to drugs and violence.
- Rural Vision – This program is a cooperative of royalty payments.
- Southern Thirty – This is an educational program for the Southern Thirty Adolescent Center.
- Regional Safe Schools – This program provides educational options for students that have been chronically suspended or are eligible for expulsion.
- Truants Alternative Optional Education – This program provides services for students that are truant, chronic truant, dropouts, and potential dropouts and provides options to regular school attendance (Alternative Schools) and/or attendance worker intervention designed to improve student attendance at school and prevent students from dropping out of school.
- Job Training Partnership Act – This program provides work based learning opportunities and/or work experiences for WIA (Workforce Investment Act Title I) eligible youth ages 14-21.
- Early Childhood Block Grant (3705-00) – This program serves children ages 3-5 (not age eligible for kindergarten) who are determined by a screening process to be at risk of academic failure. Focus is on the Illinois Early Learning Standards.
- Standards Aligned Classroom – This program involves teams of teachers using assessments as a base for aligning curriculum to state standards.
- McKinney Education for Homeless Children – This program provides training and technical assistance to school districts to help assist school officials in understanding and complying with the McKinney-Vento Act.
- Mathematics and Science Partnerships – This program is a professional development program designed to improve the content knowledge and pedagogical skills of 5<sup>th</sup> through 12<sup>th</sup> grade teachers in mathematics and science.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Community Oriented Policing Servicing School Safety – This program provides school safety surveys for each school building and also provides security/monitoring systems for selected schools.

Technology Enhancing Education - Competitive– This program is administered by the Learning Technology Center 6 North on behalf of the Regional Offices of Education #12, #20, and #25 and the school districts in those regions and is a professional development into the classroom learning environment.

Illinois Virtual High School Program – This program is designed to create awareness and to increase the use of virtual high school programs, i.e., make available to students courses that are not available in local school offerings.

Title I School Improvement and Accountability System of Support – This program is designed to provide assistance to those schools/school districts that do not meet Adequate Yearly Progress (AYP) as defined by the No Child Left Behind Act.

State Aid – This program accounts for aid provided by the state based on the students that attend the Alternative School and Safe School programs.

Even Start – This program is designed to break the cycle of illiteracy by improving educational opportunities for low income families.

Finger Printing – This program is used to bill school districts semi-annually for the number of employees fingerprinted as well as a prorated amount for substitutes.

The Regional Office of Education #25 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 – This fund accounts for teacher certificate registration, issuance and evaluation fees for processing certificates, and expenses of meetings of a professional nature.

General Education Development – This fund accounts for the receipts and expenses pertaining to the G.E.D./High School Equivalency program for high school dropouts.

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NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Concluded)

Bus Driver Training – This fund accounts for state and local receipts and expenses as a result of training school district bus drivers.

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

PROPRIETARY FUNDS

Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education #25 on a cost reimbursement basis are reported.

The Regional Office of Education #25 reports the following nonmajor proprietary funds:

Mt. Vernon Conference - This fund accounts for the two-day statewide teacher's conference that provides exhibit booths and presentations on various curriculum and interest areas for participants representing all areas and grade levels.

Testing - This fund provides materials for and results from administering standardized achievement tests, cognitive skills tests, and local assessments to the schools within the region.

The Regional Office of Education #25 reports the following internal service fund:

Internal Service Fund - The use of vehicles is accounted for in this fund. The Agency Fund and Education Fund accounts using these vehicles include the following: Early Childhood Block Grant (3705-00), Truants Alternative Optional Education, and the Regional Cooperative Board.

FIDUCIARY FUNDS

Agency Funds - Agency Funds are used to account for assets held by the Regional Office of Education #25 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency Funds include the following:

Distributive Fund – This fund distributes monies received by the state out to the school districts and other entities.

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NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIDUCIARY FUNDS (Concluded)

Regional Vocational Board – This fund supports facilitation, administration, and coordination for the following grants: Carl D. Perkins Vocational and Applied Technology Grant, Career and Technical Education Improvement Grant, Elementary Career Development Program Grant, Career and Technical Education Formula Reimbursement, Agriculture Education Incentive Funding Grant, and Work-Based Learning Grant.

Regional Cooperative Board – Fund that accounts for the Regional Office of Education’s operating accounts.

Clearing – This fund receives money from teachers and distributes this money to the Illinois State Board of Education for teacher certifications. It also receives and pays fees for any petitions to annex in the district.

Interest on Distributive Fund – The Regional Office of Education #25 has agreements with all districts in the region whereby the Regional Office of Education #25 is allowed to keep the interest for expenditures benefiting all districts.

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. The Regional Office of Education #25 considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

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 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

HAMILTON/JEFFERSON COUNTIES  
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NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. CAPITAL ASSETS (Concluded)

capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

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

L. COMPENSATED ABSENCES

Non-certified and certified employees who work 12 calendar months earn up to 20 vacation days for a full year of service. The accumulated total of vacation days may never exceed 30 days. In the event that a program terminates, no vacation days will be honored past the ending date of the program. Certified employees who work less than 12 calendar months per year do not earn vacation days. Employees receive up to 12 sick days annually and the unused portion is accumulated up to 180 days and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay and therefore; no liability is accrued.

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 #25 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 do so. The General Fund and certain programs within the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results are presented as supplemental information. Budget to actual statements have been provided in supplementary schedules for the following funds: ROE/ISC Operations, ISBE Emotional and Behavioral Disabilities State Network Grant, Office Operations, ROE/ISC Technology, Title I Reading First Part B SEA Funds, Illinois Violence Prevention Authority, Penny Severns, Early Childhood Block Grant (3705-01), Early Childhood Block Grant (3705-50), Southern Thirty, Regional Safe Schools, Truants Alternative Optional Education, Job Training Partnership Act, Early Childhood Block Grant (3705-00), McKinney Education for Homeless Children, Mathematics and Science Partnerships, Technology Enhancing Education - Competitive, and Even Start.

HAMILTON/JEFFERSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #25  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 2 – CASH

The Regional Office of Education #25 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 #25's government-wide and Agency fund deposits were \$379,555 and \$596,280, respectively, and the bank balances were \$520,715 and \$675,814, respectively. Of the total bank balances as of June 30, 2005, \$245,303 was secured by federal depository insurance and \$235,326 was collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education #25's name.

B. INVESTMENTS

The Regional Office of Education #25 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 #25 had investments with carrying and fair value of \$715,900 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.

HAMILTON/JEFFERSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #25  
NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 3 - DEFINED BENEFIT PENSION PLAN

The Regional Office of Education #25's defined benefit pension plan, Illinois Municipal Retirement Fund (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.

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 #25 is required to contribute at an actuarially determined rate. The employer rate for calendar year 2004 was 12.05 percent of payroll. The Regional Office of Education #25's 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 5 years.

For December 31, 2004, the Regional Office of Education #25's annual pension cost of \$46,097 was equal to the Regional Office of Education #25'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% per 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	46,097	100%	\$0
12/31/03	30,424	100%	0
12/31/02	27,457	100%	0
12/31/01	35,757	100%	0
12/31/00	25,568	100%	0
12/31/99	5,401	100%	0
12/31/98	19,507	100%	0
12/31/97	14,166	100%	0
12/31/96	18,707	100%	0
12/31/95	25,118	100%	0

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

The Regional Office of Education #25 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 Teacher's Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not part of this retirement plan. The employer 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 #25's TRS-covered employees.

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #25. 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 #25 recognized revenue and expenditures of \$94,230 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 (\$114,792) and 13.01 percent (\$112,467) respectively.

The Regional Office of Education #25 makes three other types of employer contributions directly to TRS.

- **2.2 formula contributions.** For the years 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 \$4,647 and \$4,762, 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 \$1,556.
- **Federal and trust fund contributions.** When TRS members are paid from federal and trust funds administered by the Regional Office of Education #25, there is a statutory requirement for the Regional Office of Education #25 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 20, 2005, salaries totaling \$80,518 were paid from federal and trust funds that required employer contributions of \$8,454. For the years ended June 30, 2004 and June 30, 2003, required Regional Office of Education #25 contributions were \$5,148 and \$6,813, respectively.

HAMILTON/JEFFERSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #25  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

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

- **Early Retirement Option.** The Regional Office of Education #25 is required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option. 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 year ending June 30, 2005, 2004, and 2003, the Regional Office of Education #25 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 FY 2006 will be 7.06 percent, a decrease from the current 10.50 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 the 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.
  - 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.

HAMILTON/JEFFERSON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #25  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2005

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

- 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 Teacher's 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.

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. These balances were eliminated in the government-wide Statement of Net Assets.

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Education Fund	\$87,574	\$65,438
Special Revenue	-	9,407
Internal Service Fund	-	<u>12,729</u>
Totals	<u>\$87,574</u>	<u>\$87,574</u>

TRANSFERS

Interfund transfer out/in to other fund balances at June 30, 2005 consists of the following individual transfer out/in to other funds in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

<u>General Fund</u>	<u>Transfer Out</u>	<u>Transfer In</u>
University College Classes	\$ 4,617	\$ -
Payroll	-	4,617
<u>Education Fund</u>		
Early Childhood Block Grant (3705-01)	412	-
Early Childhood Block Grant (3705-50)	412	-
Early Childhood Block Grant (3705-00)	-	1,236
Community Oriented Policing Servicing School Safety	-	2,418
State Aid	2,418	-
Even Start	<u>412</u>	<u>-</u>
Totals	<u>\$ 8,271</u>	<u>\$ 8,271</u>

HAMILTON/JEFFERSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #25  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 6 - CAPITAL ASSET ACTIVITY

In accordance with GASB Statement No. 34, the Regional Office of Education #25 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:

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2005</u>
Governmental Activities:				
<u>General Fund</u>				
ROE/ISC Operation	\$ 46,409	\$ -	\$ -	\$ 46,409
Special Projects	101,517	2,403	-	103,920
<u>Education Fund</u>				
ROE/ISC Technology	2,000	-	-	2,000
Title I Reading First Part B SEA Funds	1,610	-	-	1,610
Early Childhood Block Grant (3705-50)	680	-	-	680
Title IV Safe and Drug Free School	10,749	-	-	10,749
Southern Thirty	13,484	2,844	-	16,328
Early Childhood Block Grant (3705-00)	14,388	1,648	-	16,036
Mathematics and Science Partnerships	-	10,140	-	10,140
Community Oriented Policing Servicing				
School Safety	25,128	4,863	-	29,991
Technology Enhancing Education	3,770	3,710	-	7,480
Title I School Improvement and				
Accountability System of Support	-	1,230	-	1,230
State Aid	95,766	20,922	-	116,688
Scientific Literacy	52,594	-	-	52,594
Technology Literacy	13,500	-	-	13,500
Governmental Funds Total Assets	<u>\$ 381,595</u>	<u>\$ 47,760</u>	<u>\$ -</u>	<u>\$ 429,355</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 \$33,675 was charged to governmental funds. The following table provides a summary of changes in accumulated depreciation for the year ended June 30, 2005:

HAMILTON/JEFFERSON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #25  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2005

NOTE 6 - CAPITAL ASSET ACTIVITY (Continued)

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2005</u>
Governmental Activities:				
<u>General Fund</u>				
ROE/ISC Operation	\$ 46,187	\$ 205	\$ -	\$ 46,392
Special Projects	70,645	9,607	-	80,252
<u>Education Fund</u>				
ROE/ISC Technology	2,000	-	-	2,000
Title I Reading First Part B SEA Funds	403	537	-	940
Early Childhood Block Grant (3705-40)	6	68	-	74
Title IV Safe and Drug Free School	10,749	-	-	10,749
Southern Thirty	13,484	790	-	14,274
Early Childhood Block Grant (3705-00)	13,636	293	-	13,929
Mathematics and Science Partnerships	-	2,253	-	2,253
Community Oriented Policing Servicing				
School Safety	2,513	5,431	-	7,944
Technology Enhancing Education	470	1,360	-	1,830
Title I School Improvement and				
Accountability System of Support	-	205	-	205
State Aid	93,051	5,644	-	98,695
Scientific Literacy	45,154	7,282	-	52,436
Technology Literacy	13,500	-	-	13,500
<u>Governmental Funds</u>				
Total Accumulated Depreciation	<u>\$ 311,798</u>	<u>\$ 33,675</u>	<u>\$ -</u>	<u>\$ 345,473</u>

Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation. The following table provides a summary of changes in investment in fixed assets for the year ended June 30, 2005:

HAMILTON/JEFFERSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #25  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 6 - CAPITAL ASSET ACTIVITY (Continued)

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2005</u>
Governmental Activities:				
<u>General Fund</u>				
ROE/ISC Operation	\$ 222	\$ -	\$ 205	\$ 17
Special Projects	30,872	2,403	9,607	23,668
<u>Education Fund</u>				
ROE/ISC Technology	-	-	-	-
Title I Reading First Part B SEA Funds	1,207	-	537	670
Early Childhood Block Grant (3705-50)	674	-	68	606
Title IV Safe and Drug Free School	-	-	-	-
Southern Thirty	-	2,844	790	2,054
Early Childhood Block Grant (3705-00)	752	1,648	293	2,107
Mathematics and Science Partnerships	-	10,140	2,253	7,887
Community Oriented Policing Servicing				
School Safety	22,615	4,863	5,431	22,047
Technology Enhancing Education	3,300	3,710	1,360	5,650
Title I School Improvement and				
Accountability System of Support	-	1,230	205	1,025
State Aid	2,715	20,922	5,644	17,993
Scientific Literacy	7,440	-	7,282	158
Technology Literacy	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Governmental Funds				
Investment in Capital Assets	<u>\$ 69,797</u>	<u>\$ 47,760</u>	<u>\$ 33,675</u>	<u>\$ 83,882</u>

Purchases of business-type capital assets are capitalized when purchased. Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2005 of \$905 was charged to business-type activities. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation. The following table provides a summary of changes in total asset, accumulated depreciation, and investment in business-type capital assets for the year ended June 30, 2005:

HAMILTON/JEFFERSON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #25  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2005

NOTE 6 - CAPITAL ASSET ACTIVITY (Concluded)

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2005</u>
Business-type Activities:				
Mt. Vernon Conference	\$ 896	\$ -	\$ -	\$ 896
Testing	<u>1,818</u>	<u>-</u>	<u>-</u>	<u>1,818</u>
Business-type Activities				
Total Assets	<u>\$ 2,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,714</u>
Less Accumulated Depreciation for:				
Mt. Vernon Conference	\$ 50	\$ 299	\$ -	\$ 349
Testing	<u>51</u>	<u>606</u>	<u>-</u>	<u>657</u>
Business-type Activities				
Total Accumulated Depreciation	<u>101</u>	<u>905</u>	<u>-</u>	<u>1,006</u>
Mt. Vernon Conference	\$ 846	\$ -	\$ 299	\$ 547
Testing	<u>1,767</u>	<u>-</u>	<u>606</u>	<u>1,161</u>
Business-type Activities				
Investment in Capital Assets	<u>\$ 2,613</u>	<u>\$ -</u>	<u>\$ 905</u>	<u>\$ 1,708</u>

NOTE 7 - RISK MANAGEMENT

The Regional Office of Education #25 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 #25 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.

HAMILTON/JEFFERSON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #25  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2005

NOTE 8 – ON BEHALF PAYMENTS

The State of Illinois paid the following salaries on behalf of the Regional Office of Education #25:

Regional Superintendent Salary	\$ 84,731
Assistant Regional Superintendent Salary	76,263
Regional Superintendent Fringe Benefit (Includes State paid insurance)	15,907
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)	18,413
TRS Pension contributions	<u>94,230</u>
Total	<u>\$ 289,544</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 #25's Agency Fund, General Fund and various grant programs have funds due from various other governmental units which consist of the following:

Due From Other Governments:

<u>Fiduciary Fund</u>	
Illinois State Board of Education	\$ 235,049
Local Governments	63,663
<u>Proprietary Fund</u>	
Local Governments	11,560
<u>General Fund</u>	
Local Governments	7,876
<u>Education Fund</u>	
Local Governments	3,662
Illinois State Board of Education	106,164
Federal Government	53,395
<u>Nonmajor Funds</u>	
Local Governments	<u>9,407</u>
Total	<u>\$ 490,776</u>

HAMILTON/JEFFERSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #25  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 9 – DUE TO/FROM OTHER GOVERNMENTS (Concluded)

Due To Other Governments:

<u>Fiduciary Fund</u>	
Local School Districts	\$ 782,294
Local Governments	<u>112,698</u>
Total	<u>\$ 894,992</u>

NOTE 10 - OPERATING LEASE

The Education Fund has an annual renewable operating lease for its Alternative Education, Safe School, and Preschool Programs, as well as, its administrative office. Rent expense for 2005 totaled \$125,250.

NOTE 11 – RELATED PARTY TRANSACTIONS

The Regional Office of Education #25 subleases two groups of buildings from the Regional Coop Board with an annual agreement. Details provided in Note 10.

The Regional Office of Education #25 acts as fiscal agent for the Regional Coop Board and the Regional Superintendent is currently a member of its board.

HAMILTON AND JEFFERSON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #25  
 ILLINOIS MUNICIPAL RETIREMENT FUND  
 SCHEDULE OF FUNDING PROGRESS  
 (UNAUDITED)  
 June 30, 2005

Actuarial Valuation Date	Actuarial Value of Assets (a)	(2) Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	(3) Funded Ratio (a/b)	(4) Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/04	859,505	975,072	115,567	88.15%	382,548	30.21%
12/31/03	905,918	992,559	86,641	91.27%	493,089	17.57%
12/31/02	930,287	996,150	65,863	93.39%	524,991	12.55%
12/31/01	976,113	905,248	(70,865)	107.83%	504,330	0.00%
12/31/00	1,064,971	975,293	(89,678)	109.19%	549,841	0.00%
12/31/99	933,399	862,393	(71,006)	108.23%	562,638	0.00%
12/31/98	884,382	823,398	(60,984)	107.41%	500,177	0.00%
12/31/97	782,897	702,470	(80,427)	111.45%	331,744	0.00%
12/31/96	686,713	633,696	(53,017)	108.37%	380,215	0.00%
12/31/95	607,355	531,907	(75,448)	114.18%	428,629	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2004 is \$861,786. On a market basis, the funded ratio would be 88.38%.

\* Digest of changes

The actuarial assumptions used to determine the actuarial accrued liability for 2004 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.

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 COMBINING SCHEDULE OF ACCOUNTS  
 GENERAL FUND  
 JUNE 30, 2005

	University College Classes	ROE/ISC Operation	ISBE Emotional and Behavioral Disabilities State Network Grant	Partners in Quality Education	Special Projects
<b>ASSETS</b>					
Cash	\$ 72,890	\$ -	\$ 3,746	\$ 142	\$ 34,633
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 72,890</b>	<b>\$ -</b>	<b>\$ 3,746</b>	<b>\$ 142</b>	<b>\$ 34,633</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 6,960	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>6,960</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Unreserved	65,930	-	3,746	142	34,633
<b>Total Fund Balances</b>	<b>65,930</b>	<b>-</b>	<b>3,746</b>	<b>142</b>	<b>34,633</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 72,890</b>	<b>\$ -</b>	<b>\$ 3,746</b>	<b>\$ 142</b>	<b>\$ 34,633</b>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 COMBINING SCHEDULE OF ACCOUNTS  
 GENERAL FUND  
 JUNE 30, 2005

	Office Operations	Payroll	Regional In-Service Meeting	Region VI Illinois Association of Regional Superintendents of Schools	TOTALS
<b>ASSETS</b>					
Cash	\$ 11,250	\$ -	\$ 3,232	\$ 2,128	\$ 128,021
Due from other funds	-	-	-	-	-
Due from other governments	7,876	-	-	-	7,876
<b>TOTAL ASSETS</b>	<b>\$ 19,126</b>	<b>\$ -</b>	<b>\$ 3,232</b>	<b>\$ 2,128</b>	<b>\$ 135,897</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 18,750	\$ -	\$ -	\$ -	\$ 25,710
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>18,750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,710</b>
<b>FUND BALANCES</b>					
Unreserved	376	-	3,232	2,128	110,187
<b>Total Fund Balances</b>	<b>376</b>	<b>-</b>	<b>3,232</b>	<b>2,128</b>	<b>110,187</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 19,126</b>	<b>\$ -</b>	<b>\$ 3,232</b>	<b>\$ 2,128</b>	<b>\$ 135,897</b>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GENERAL FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2005

	University College Classes	ROE/ISC Operation	ISBE Emotional and Behavioral Disabilities State Network Grant	Partners in Quality Education	Special Projects
<b>REVENUES</b>					
Local sources	\$ 336,169	\$ -	\$ 20,987	\$ -	\$ 115,676
State sources	-	57,798	-	-	-
State sources-payments made on behalf of region	-	289,544	-	-	-
Total Revenues	<u>336,169</u>	<u>347,342</u>	<u>20,987</u>	<u>-</u>	<u>115,676</u>
<b>EXPENDITURES</b>					
Current:					
Salaries and benefits	-	32,376	16,513	-	-
Purchased services	390,962	20,731	728	-	89,695
Supplies and materials	100	4,691	-	-	12,677
Capital outlay	-	-	-	-	2,403
On-behalf payments	-	289,544	-	-	-
Total Expenditures	<u>391,062</u>	<u>347,342</u>	<u>17,241</u>	<u>-</u>	<u>104,775</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer out	(4,617)	-	-	-	-
Transfer in	-	-	-	-	-
Interest	-	-	-	-	3,867
Total other financing sources (uses)	<u>(4,617)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,867</u>
NET CHANGE IN FUND BALANCES	(59,510)	-	3,746	-	14,768
FUND BALANCES - BEGINNING	<u>125,440</u>	<u>-</u>	<u>-</u>	<u>142</u>	<u>19,865</u>
FUND BALANCES - ENDING	<u>\$ 65,930</u>	<u>\$ -</u>	<u>\$ 3,746</u>	<u>\$ 142</u>	<u>\$ 34,633</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GENERAL FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Office Operations	Payroll	Regional In-Service Meeting	Region VI Illinois Association of Regional Superintendents of Schools	TOTALS
<b>REVENUES</b>					
Local sources	\$ 93,859	\$ -	\$ 7,130	\$ 5,086	\$ 578,907
State sources	-	-	-	-	57,798
State sources-payments made on behalf of region	-	-	-	-	289,544
Total Revenues	<u>93,859</u>	<u>-</u>	<u>7,130</u>	<u>5,086</u>	<u>926,249</u>
<b>EXPENDITURES</b>					
Current:					
Salaries and benefits	60,778	-	-	-	109,667
Purchased services	31,664	-	5,814	4,720	544,314
Supplies and materials	1,041	-	1,655	-	20,164
Capital outlay	-	-	-	-	2,403
On-behalf payments	-	-	-	-	289,544
Total Expenditures	<u>93,483</u>	<u>-</u>	<u>7,469</u>	<u>4,720</u>	<u>966,092</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer out	-	-	-	-	(4,617)
Transfer in	-	4,617	-	-	4,617
Interest	-	-	-	-	3,867
Total other financing sources (uses)	<u>-</u>	<u>4,617</u>	<u>-</u>	<u>-</u>	<u>3,867</u>
NET CHANGE IN FUND BALANCES	376	4,617	(339)	366	(35,976)
FUND BALANCES - BEGINNING	<u>-</u>	<u>(4,617)</u>	<u>3,571</u>	<u>1,762</u>	<u>146,163</u>
FUND BALANCES - ENDING	<u>\$ 376</u>	<u>\$ -</u>	<u>\$ 3,232</u>	<u>\$ 2,128</u>	<u>\$ 110,187</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2004 to June 30, 2005)  
 GENERAL FUND ACCOUNTS  
 ROE/ISC OPERATIONS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State	\$ 57,798	\$ 57,798	\$ 57,798
State sources - payments made on behalf of region	-	-	289,544
Total Revenues	<u>57,798</u>	<u>57,798</u>	<u>347,342</u>
EXPENDITURES			
Current:			
Salaries and benefits	33,500	32,380	32,376
Purchased services	16,650	20,719	20,731
Supplies and materials	7,648	4,699	4,691
On-behalf payments	-	-	289,544
Total Expenditures	<u>57,798</u>	<u>57,798</u>	<u>347,342</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2004 to June 30, 2005)  
 GENERAL FUND ACCOUNTS  
 ISBE EMOTIONAL AND BEHAVIORAL DISABILITIES STATE NETWORK GRANT  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Local	\$ 21,000	\$ 21,000	\$ 20,987
Total Revenues	<u>21,000</u>	<u>21,000</u>	<u>20,987</u>
EXPENDITURES			
Current:			
Salaries and benefits	19,362	19,362	16,513
Purchased services	1,638	1,638	728
Total Expenditures	<u>21,000</u>	<u>21,000</u>	<u>17,241</u>
NET CHANGE IN FUND BALANCES	-	-	3,746
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,746</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of November 1, 2003 to October 31, 2004 and  
 November 1, 2004 to October 31, 2005)  
 GENERAL FUND ACCOUNTS  
 OFFICE OPERATIONS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts				Actual Amounts
	Original		Final		
	11/1/03 to 10/31/2004	11/1/04 to 10/31/2005	11/1/03 to 10/31/2004	11/1/04 to 10/31/2005	
REVENUES					
Local	\$ 61,040	\$ 61,230	\$ 61,040	\$ 61,230	\$ 93,859
Total Revenues	<u>61,040</u>	<u>61,230</u>	<u>61,040</u>	<u>61,230</u>	<u>93,859</u>
EXPENDITURES					
Current:					
Salaries and benefits	29,704	30,295	29,704	30,295	60,778
Purchased services	29,991	29,650	29,991	29,650	31,664
Supplies and materials	1,345	1,285	1,345	1,285	1,041
Total Expenditures	<u>61,040</u>	<u>61,230</u>	<u>61,040</u>	<u>61,230</u>	<u>93,483</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	376
FUND BALANCES - BEGINNING	-	-	-	-	-
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 376</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2005

	ROE/ISC Technology	ISBE Contracts	Title I Reading First Part B SEA Funds	Illinois Violence Prevention Authority	Penny Severns	Early Childhood Block Grant (3705-01)	Early Childhood Block Grant (3705-50)
<b>ASSETS</b>							
Cash	\$ -	\$ 7,895	\$ 1,689	\$ 7,729	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	1,376	1,322	3,822
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 7,895</b>	<b>\$ 1,689</b>	<b>\$ 7,729</b>	<b>\$ 1,376</b>	<b>\$ 1,322</b>	<b>\$ 3,822</b>
<b>LIABILITIES</b>							
Current:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 681	\$ -
Due to other funds	-	-	-	-	1,376	641	3,822
Deferred revenue	-	7,895	1,689	7,729	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>7,895</b>	<b>1,689</b>	<b>7,729</b>	<b>1,376</b>	<b>1,322</b>	<b>3,822</b>
<b>FUND BALANCES</b>							
Unreserved	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 7,895</b>	<b>\$ 1,689</b>	<b>\$ 7,729</b>	<b>\$ 1,376</b>	<b>\$ 1,322</b>	<b>\$ 3,822</b>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2005

	School Improvement	Title IV Safe and Drug Free School - Formula	Rural Vision	Southern Thirty	Regional Safe Schools	Truants Alternative and Optional Education
<b>ASSETS</b>						
Cash	\$ 2,349	\$ 1,639	\$ 11,443	\$ 2,642	\$ 7,941	\$ 20,630
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	3,065
<b>TOTAL ASSETS</b>	<b>\$ 2,349</b>	<b>\$ 1,639</b>	<b>\$ 11,443</b>	<b>\$ 2,642</b>	<b>\$ 7,941</b>	<b>\$ 23,695</b>
<b>LIABILITIES</b>						
<b>Current:</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 7,941	\$ 20,630
Due to other funds	-	-	-	-	-	3,065
Deferred revenue	2,349	1,639	-	-	-	-
<b>Total Liabilities</b>	<b>2,349</b>	<b>1,639</b>	<b>-</b>	<b>-</b>	<b>7,941</b>	<b>23,695</b>
<b>FUND BALANCES</b>						
Unreserved	-	-	11,443	2,642	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>11,443</b>	<b>2,642</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,349</b>	<b>\$ 1,639</b>	<b>\$ 11,443</b>	<b>\$ 2,642</b>	<b>\$ 7,941</b>	<b>\$ 23,695</b>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2005

	Job Training Partnership Act	Early Childhood Block Grant (3705-00)	Standards Aligned Classroom	McKinney Education for Homeless Children	Mathematics and Science Partnerships (4936-00 & 4936-01)	Community Oriented Policing Servicing School Safety
<b>ASSETS</b>						
Cash	\$ -	\$ -	\$ 1,729	\$ -	\$ 44	\$ -
Due from other funds	-	-	-	-	-	-
Due from other governments	10,837	99,355	-	-	22,503	-
<b>TOTAL ASSETS</b>	<b>\$ 10,837</b>	<b>\$ 99,355</b>	<b>\$ 1,729</b>	<b>\$ -</b>	<b>\$ 22,547</b>	<b>\$ -</b>
<b>LIABILITIES</b>						
Current:						
Accounts payable	\$ -	\$ 81,162	\$ -	\$ -	\$ 8,216	\$ -
Due to other funds	10,837	18,193	-	-	14,053	-
Deferred revenue	-	-	1,729	-	278	-
<b>Total Liabilities</b>	<b>10,837</b>	<b>99,355</b>	<b>1,729</b>	<b>-</b>	<b>22,547</b>	<b>-</b>
<b>FUND BALANCES</b>						
Unreserved	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 10,837</b>	<b>\$ 99,355</b>	<b>\$ 1,729</b>	<b>\$ -</b>	<b>\$ 22,547</b>	<b>\$ -</b>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2005

	Technology Enhancing Education - Competitive	Illinois Virtual High School Program	Title I School Improvement and Accountability System of Support	State Aid	Even Start	Finger Printing	Total
<b>ASSETS</b>							
Cash	\$ -	\$ 2,000	\$ 4,199	\$ 147,367	\$ -	\$ -	\$ 219,296
Due from other funds	-	-	-	87,574	-	-	87,574
Due from other governments	-	-	-	-	20,055	886	163,221
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 2,000</b>	<b>\$ 4,199</b>	<b>\$ 234,941</b>	<b>\$ 20,055</b>	<b>\$ 886</b>	<b>\$ 470,091</b>
<b>LIABILITIES</b>							
Current:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 7,490	\$ -	\$ 126,120
Due to other funds	-	-	-	-	12,565	886	65,438
Deferred revenue	-	2,000	4,199	-	-	-	29,507
Total Liabilities	-	2,000	4,199	-	20,055	886	221,065
<b>FUND BALANCES</b>							
Unreserved	-	-	-	234,941	-	-	249,026
Total Fund Balances	-	-	-	234,941	-	-	249,026
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 2,000</b>	<b>\$ 4,199</b>	<b>\$ 234,941</b>	<b>\$ 20,055</b>	<b>\$ 886</b>	<b>\$ 470,091</b>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2005

	ROE/ISC Technology	ISBE Contracts	Title I Reading First Part B SEA Funds	Illinois Violence Prevention Authority	Penny Severns	Early Childhood Block Grant (3705-01)	Early Childhood Block Grant (3705-50)
<b>REVENUES</b>							
Local sources	\$ 16,351	\$ -	\$ -	\$ 130	\$ -	\$ -	\$ -
State sources	-	-	-	11,573	5,272	5,873	101,822
Federal sources	-	-	23,954	-	-	-	-
<b>Total Revenue</b>	<b>16,351</b>	<b>-</b>	<b>23,954</b>	<b>11,703</b>	<b>5,272</b>	<b>5,873</b>	<b>101,822</b>
<b>EXPENDITURES</b>							
Current:							
Salaries and benefits	15,697	-	18,239	9,366	2,305	4,011	75,482
Purchased services	654	-	2,543	1,745	1,150	1,095	15,834
Supplies and materials	-	-	3,172	592	1,817	355	10,094
Capital outlay	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>16,351</b>	<b>-</b>	<b>23,954</b>	<b>11,703</b>	<b>5,272</b>	<b>5,461</b>	<b>101,410</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer in	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	(412)	(412)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(412)</b>	<b>(412)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES - BEGINNING</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2005

	School Improvement	Title IV Safe and Drug Free School - Formula	Rural Vision	Southern Thirty	Regional Safe Schools	Truants Alternative Optional Education
<b>REVENUES</b>						
Local sources	\$ 13,355	\$ -	\$ 11,443	\$ 115,544	\$ -	\$ 4,764
State sources	-	-	-	-	78,603	130,021
Federal sources	-	-	-	-	10,778	17,330
Total Revenue	<u>13,355</u>	<u>-</u>	<u>11,443</u>	<u>115,544</u>	<u>89,381</u>	<u>152,115</u>
<b>EXPENDITURES</b>						
Current:						
Salaries and benefits	-	-	-	88,180	51,357	94,954
Purchased services	12,869	-	-	19,946	29,500	53,532
Supplies and materials	486	-	-	1,932	8,524	3,629
Capital outlay	-	-	-	2,844	-	-
Total Expenditures	<u>13,355</u>	<u>-</u>	<u>-</u>	<u>112,902</u>	<u>89,381</u>	<u>152,115</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer in	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	11,443	2,642	-	-
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,443</u>	<u>\$ 2,642</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Job Training Partnership Act	Early Childhood Block Grant (3705-00)	Standards Aligned Classroom	McKinney Education for Homeless Children	Mathematics and Science Partnerships (4936-00 & 4936-01)	Community Oriented Policing Servicing School Safety
<b>REVENUES</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	613,765	-	-	-	-
Federal sources	62,090	-	77,778	26,467	282,068	13,301
Total Revenue	<u>62,090</u>	<u>613,765</u>	<u>77,778</u>	<u>26,467</u>	<u>282,068</u>	<u>13,301</u>
<b>EXPENDITURES</b>						
<b>Current:</b>						
Salaries and benefits	57,988	494,402	20,091	24,617	45,405	9,830
Purchased services	1,564	78,263	57,445	1,537	215,533	1,026
Supplies and materials	2,538	40,688	242	313	10,990	-
Capital outlay	-	1,648	-	-	10,140	4,863
Total Expenditures	<u>62,090</u>	<u>615,001</u>	<u>77,778</u>	<u>26,467</u>	<u>282,068</u>	<u>15,719</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer in	-	1,236	-	-	-	2,418
Transfer out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,418</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-	-	-
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Technology Enhancing Education - Competitive	Illinois Virtual High School Program	Title I School Improvement and Accountability System of Support	State Aid	Even Start	Finger Printing	TOTAL
<b>REVENUES</b>							
Local sources	\$ -	\$ -	\$ 439	\$ 18,414	\$ -	\$ 15,990	\$ 196,430
State sources	-	-	24,042	471,610	-	-	1,442,581
Federal sources	65,651	-	105,036	9,738	115,000	-	809,191
Total Revenue	<u>65,651</u>	<u>-</u>	<u>129,517</u>	<u>499,762</u>	<u>115,000</u>	<u>15,990</u>	<u>2,448,202</u>
<b>EXPENDITURES</b>							
Current:							
Salaries and benefits	-	-	32,560	333,068	77,899	-	1,455,451
Purchased services	60,310	-	95,423	72,410	28,267	15,990	766,636
Supplies and materials	1,631	-	304	60,198	8,422	-	155,927
Capital outlay	3,710	-	1,230	20,922	-	-	45,357
Total Expenditures	<u>65,651</u>	<u>-</u>	<u>129,517</u>	<u>486,598</u>	<u>114,588</u>	<u>15,990</u>	<u>2,423,371</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer in	-	-	-	-	-	-	3,654
Transfer out	-	-	-	(2,418)	(412)	-	(3,654)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,418)</u>	<u>(412)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	10,746	-	-	24,831
<b>FUND BALANCES - BEGINNING</b>	-	-	-	224,195	-	-	224,195
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 249,026</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2004 to June 30, 2005)  
 EDUCATION FUND ACCOUNTS  
 ROE/ISC TECHNOLOGY  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Local	\$ 16,351	\$ 16,351	\$ 16,351
Total Revenues	<u>16,351</u>	<u>16,351</u>	<u>16,351</u>
EXPENDITURES			
Current:			
Salaries and Benefits	16,351	16,351	15,697
Purchased Services	-	-	654
Total Expenditures	<u>16,351</u>	<u>16,351</u>	<u>16,351</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2004 to June 30, 2005)  
 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	\$ 23,954	\$ 23,954	\$ 23,954
Total Revenues	<u>23,954</u>	<u>23,954</u>	<u>23,954</u>
EXPENDITURES			
Current:			
Salaries and Benefits	17,644	17,644	18,239
Purchased Services	3,110	3,110	2,543
Supplies and Materials	3,200	3,200	3,172
Total Expenditures	<u>23,954</u>	<u>23,954</u>	<u>23,954</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of January 1, 2004 to December 31, 2004 and  
 December 15, 2004 to December 31, 2005)  
 EDUCATION FUND ACCOUNTS  
 ILLINOIS VIOLENCE PREVENTION AUTHORITY  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts				Actual Amounts
	Original		Final		
	1/1/04 to 12/31/04	12/15/04 to 12/31/05	1/1/04 to 12/31/04	12/15/04 to 12/31/05	
REVENUES					
Local	\$ -	\$ -	\$ -	\$ -	\$ 130
State	15,450	19,500	15,450	19,500	11,573
Total Revenues	<u>15,450</u>	<u>19,500</u>	<u>15,450</u>	<u>19,500</u>	<u>11,703</u>
EXPENDITURES					
Current:					
Salaries and Benefits	13,300	15,900	13,300	15,900	9,366
Purchased Services	1,628	2,300	1,628	2,300	1,745
Supplies and Materials	422	800	422	800	592
Capital Outlay	100	500	100	500	-
Total Expenditures	<u>15,450</u>	<u>19,500</u>	<u>15,450</u>	<u>19,500</u>	<u>11,703</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of May 31, 2005 to August 31, 2005)  
 EDUCATION FUND ACCOUNTS  
 PENNY SEVERNS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State	\$ 4,800	\$ 4,800	\$ 5,272
Total Revenues	<u>4,800</u>	<u>4,800</u>	<u>5,272</u>
EXPENDITURES			
Current:			
Salaries and Benefits	1,143	1,143	2,305
Purchased Services	2,418	2,418	1,150
Supplies and Materials	974	974	1,817
Other Objects	265	265	-
Total Expenditures	<u>4,800</u>	<u>4,800</u>	<u>5,272</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2004 to June 30, 2005)  
 EDUCATION FUND ACCOUNTS  
 EARLY CHILDHOOD BLOCK GRANT (3705-01)  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
State	\$ 5,873	\$ 5,873	\$ 5,873
Total Revenues	<u>5,873</u>	<u>5,873</u>	<u>5,873</u>
EXPENDITURES			
Current:			
Salaries and Benefits	4,857	4,857	4,011
Purchased Services	851	851	1,095
Supplies and Materials	165	165	355
Total Expenditures	<u>5,873</u>	<u>5,873</u>	<u>5,461</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>412</u>
OTHER FINANCING SOURCES (USES):			
Transfer out	<u>-</u>	<u>-</u>	<u>(412)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(412)</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of August 9, 2004 to August 31, 2005)  
 EDUCATION FUND ACCOUNTS  
 EARLY CHILDHOOD BLOCK GRANT (3705-50)  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State	\$ 118,363	\$ 118,363	\$ 101,822
Total Revenues	<u>118,363</u>	<u>118,363</u>	<u>101,822</u>
EXPENDITURES			
Current:			
Salaries and Benefits	92,758	92,758	75,482
Purchased Services	14,759	14,759	15,834
Supplies and Materials	8,846	8,846	10,094
Capital Outlay	2,000	2,000	-
Total Expenditures	<u>118,363</u>	<u>118,363</u>	<u>101,410</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>412</u>
OTHER FINANCING SOURCES (USES):			
Transfer out	-	-	(412)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(412)</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of September 1, 2004 to August 31, 2005)  
 EDUCATION FUND ACCOUNTS  
 SOUTHERN THIRTY  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
Local	\$ 109,242	\$ 109,242	\$ 115,544
Total Revenues	<u>109,242</u>	<u>109,242</u>	<u>115,544</u>
EXPENDITURES			
Current:			
Salaries and Benefits	99,688	99,688	88,180
Purchased Services	5,054	5,054	19,946
Supplies and Materials	4,500	4,500	1,932
Capital Outlay	-	-	2,844
Total Expenditures	<u>109,242</u>	<u>109,242</u>	<u>112,902</u>
NET CHANGE IN FUND BALANCES	-	-	2,642
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,642</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2004 to June 30, 2005)  
 EDUCATION FUND ACCOUNTS  
 REGIONAL SAFE SCHOOLS  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
State	\$ -	\$ -	\$ 78,603
Federal	89,381	89,381	10,778
Total Revenues	<u>89,381</u>	<u>89,381</u>	<u>89,381</u>
<b>EXPENDITURES</b>			
Current:			
Salaries and Benefits	55,044	55,044	51,357
Purchased Services	27,635	27,635	29,500
Supplies and Materials	6,702	6,702	8,524
Total Expenditures	<u>89,381</u>	<u>89,381</u>	<u>89,381</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2004 to June 30, 2005)  
 EDUCATION FUND ACCOUNTS  
 TRUANTS ALTERNATIVE OPTIONAL EDUCATION  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
Local	\$ -	\$ -	\$ 4,764
State	128,865	128,865	130,021
Federal	-	-	17,330
Total Revenues	<u>128,865</u>	<u>128,865</u>	<u>152,115</u>
EXPENDITURES			
Current:			
Salaries and Benefits	98,676	98,676	94,954
Purchased Services	25,964	25,964	53,532
Supplies and Materials	4,225	4,225	3,629
Total Expenditures	<u>128,865</u>	<u>128,865</u>	<u>152,115</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of September 1, 2004 to August 31, 2005)  
 EDUCATION FUND ACCOUNTS  
 JOB TRAINING PARTNERSHIP ACT  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
Federal	\$ 65,000	\$ 65,000	\$ 62,090
Total Revenues	<u>65,000</u>	<u>65,000</u>	<u>62,090</u>
EXPENDITURES			
Current:			
Salaries and Benefits	58,799	58,799	57,988
Purchased Services	5,940	5,940	1,564
Supplies and Materials	261	261	2,538
Total Expenditures	<u>65,000</u>	<u>65,000</u>	<u>62,090</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2004 to June 30, 2005)  
 EDUCATION FUND ACCOUNTS  
 EARLY CHILDHOOD BLOCK GRANT (3705-00)  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUES			
State	\$ 613,765	\$ 613,765	\$ 613,765
Total Revenues	<u>613,765</u>	<u>613,765</u>	<u>613,765</u>
EXPENDITURES			
Current:			
Salaries and Benefits	501,787	500,087	494,402
Purchased Services	80,601	76,681	78,263
Supplies and Materials	26,377	36,997	40,688
Capital Outlay	5,000	-	1,648
Total Expenditures	<u>613,765</u>	<u>613,765</u>	<u>615,001</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(1,236)</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	1,236
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,236</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2004 to June 30, 2005)  
 EDUCATION FUND ACCOUNTS  
 MCKINNEY EDUCATION FOR HOMELESS CHILDREN  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal	\$ 19,365	\$ 26,467	\$ 26,467
Total Revenues	<u>19,365</u>	<u>26,467</u>	<u>26,467</u>
EXPENDITURES			
Current:			
Salaries and Benefits	17,803	24,279	24,617
Purchased Services	1,330	1,870	1,537
Supplies and Materials	232	318	313
Total Expenditures	<u>19,365</u>	<u>26,467</u>	<u>26,467</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of September 1, 2004 to August 31, 2005)  
 EDUCATION FUND ACCOUNTS  
 MATHEMATICS AND SCIENCE PARTNERSHIPS (4936-00 & 4936-01)  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal	\$ 211,851	\$ 277,020	\$ 282,068
Total Revenues	<u>211,851</u>	<u>277,020</u>	<u>282,068</u>
EXPENDITURES			
Current:			
Salaries and Benefits	30,650	41,850	45,405
Purchased Services	158,201	214,530	215,533
Supplies and Materials	10,000	10,500	10,990
Capital Outlay	13,000	10,140	10,140
Total Expenditures	<u>211,851</u>	<u>277,020</u>	<u>282,068</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of September 1, 2004 to August 31, 2005)  
 EDUCATION FUND ACCOUNTS  
 TECHNOLOGY ENHANCING EDUCATION - COMPETITIVE  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal	\$ 29,053	\$ 29,053	\$ 65,651
Total Revenues	<u>29,053</u>	<u>29,053</u>	<u>65,651</u>
EXPENDITURES			
Current:			
Purchased Services	25,945	25,945	60,310
Supplies and Materials	3,108	3,108	1,631
Capital Outlay	-	-	3,710
Total Expenditures	<u>29,053</u>	<u>29,053</u>	<u>65,651</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2004 to June 30, 2005)  
 EDUCATION FUND ACCOUNTS  
 EVEN START  
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal	\$ 115,000	\$ 115,000	\$ 115,000
Total Revenues	<u>115,000</u>	<u>115,000</u>	<u>115,000</u>
EXPENDITURES			
Current:			
Salaries and Benefits	75,970	78,370	77,899
Purchased Services	31,830	29,430	28,267
Supplies and Materials	7,200	7,200	8,422
Total Expenditures	<u>115,000</u>	<u>115,000</u>	<u>114,588</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>412</u>
OTHER FINANCING SOURCES (USES)			
Transfer out	-	-	(412)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(412)</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2005

	Institute	General Education Development	Bus Driver Training	Supervisory	TOTALS
<b>ASSETS</b>					
Cash	\$ 7,763	\$ 3,208	\$ 1,691	\$ 167	\$ 12,829
Due from other governments	-	9,407	-	-	9,407
<b>TOTAL ASSETS</b>	<b>\$ 7,763</b>	<b>\$ 12,615</b>	<b>\$ 1,691</b>	<b>\$ 167</b>	<b>\$ 22,236</b>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ 9,407	\$ -	\$ -	\$ 9,407
Total Liabilities	-	9,407	-	-	9,407
<b>FUND BALANCES</b>					
Unreserved	7,763	3,208	1,691	167	12,829
Total Fund Balances	7,763	3,208	1,691	167	12,829
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,763</b>	<b>\$ 12,615</b>	<b>\$ 1,691</b>	<b>\$ 167</b>	<b>\$ 22,236</b>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 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	\$ 3,755	\$ 5,858	\$ 880	\$ -	\$ 10,493
State sources	-	9,407	360	2,167	11,934
Total Revenues	<u>3,755</u>	<u>15,265</u>	<u>1,240</u>	<u>2,167</u>	<u>22,427</u>
<b>EXPENDITURES</b>					
Current:					
Salaries and benefits	-	6,116	-	-	6,116
Purchased services	1,368	4,707	564	2,000	8,639
Supplies and materials	-	3,310	-	-	3,310
Total Expenditures	<u>1,368</u>	<u>14,133</u>	<u>564</u>	<u>2,000</u>	<u>18,065</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Interest income	<u>2</u>	-	-	-	<u>2</u>
Total other financing sources (uses)	<u>2</u>	-	-	-	<u>2</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,389	1,132	676	167	4,364
<b>FUND BALANCES - BEGINNING</b>	5,374	2,076	1,015	-	8,465
<b>FUND BALANCES - ENDING</b>	<u>\$ 7,763</u>	<u>\$ 3,208</u>	<u>\$ 1,691</u>	<u>\$ 167</u>	<u>\$ 12,829</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 COMBINING STATEMENT OF NET ASSETS  
 NONMAJOR PROPRIETARY FUNDS  
 JUNE 30, 2005

	Enterprise Funds		Total Proprietary Funds
	Mt. Vernon Conference	Testing	
<b>ASSETS</b>			
Current assets:			
Cash	\$ 18,211	\$ 1,198	\$ 19,409
Due from other governments	-	11,560	11,560
Total current assets	18,211	12,758	30,969
Noncurrent assets:			
Capital assets, net of accumulated depreciation:	547	1,161	1,708
Total noncurrent assets	547	1,161	1,708
<b>TOTAL ASSETS</b>	<b>18,758</b>	<b>13,919</b>	<b>32,677</b>
<b>NET ASSETS</b>			
Invested in capital assets	547	1,161	1,708
Unrestricted (deficit)	18,211	12,758	30,969
<b>TOTAL NET ASSETS</b>	<b>\$ 18,758</b>	<b>\$ 13,919</b>	<b>\$ 32,677</b>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
 IN FUND NET ASSETS  
 NONMAJOR PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Enterprise Funds		Total Proprietary Funds
	Mt. Vernon Conference	Testing	
OPERATING REVENUES			
Local sources	\$ 81,395	\$ 41,264	\$ 122,659
Total operating revenues	81,395	41,264	122,659
OPERATING EXPENSES			
Salaries and benefits	12,793	15,023	27,816
Purchased services	69,921	32,102	102,023
Supplies and materials	2,637	-	2,637
Depreciation	299	606	905
Total operating expenses	85,650	47,731	133,381
CHANGE IN NET ASSETS	(4,255)	(6,467)	(10,722)
TOTAL NET ASSETS - BEGINNING	23,013	20,386	43,399
TOTAL NET ASSETS - ENDING	\$ 18,758	\$ 13,919	\$ 32,677

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Enterprise Funds</u>		Total Proprietary Funds
	<u>Mt. Vernon Conference</u>	<u>Testing</u>	
Cash flows from operating activities:			
Receipts from customers	\$ 81,395	\$ 29,704	\$ 111,099
Payments to suppliers and providers of goods and services	(72,558)	(32,102)	(104,660)
Payments to employees	(12,793)	(15,023)	(27,816)
Net cash provided by (used for) operating activities	<u>(3,956)</u>	<u>(17,421)</u>	<u>(21,377)</u>
Net increase (decrease) in cash and cash equivalents	(3,956)	(17,421)	(21,377)
Cash - beginning	<u>22,167</u>	<u>18,619</u>	<u>40,786</u>
Cash - ending	<u>\$ 18,211</u>	<u>\$ 1,198</u>	<u>\$ 19,409</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (4,255)	\$ (6,467)	\$ (10,722)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	299	606	905
Change in assets and liabilities: (Increase) in Due from Other Governments	<u>-</u>	<u>(11,560)</u>	<u>(11,560)</u>
Net cash provided by (used for) operating activities	<u>\$ (3,956)</u>	<u>\$ (17,421)</u>	<u>\$ (21,377)</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 AGENCY FUNDS  
 JUNE 30, 2005

	<u>Distributive</u>	<u>Regional Vocational Board</u>	<u>Clearing</u>	<u>Regional Cooperative Board</u>	<u>Totals</u>
<b>ASSETS</b>					
Cash	\$ 547,245	\$ -	\$ 1,211	\$ 47,824	\$ 596,280
Due from other funds	-	-	-	29,553	29,553
Due from other governments	235,049	29,553	-	34,110	298,712
<b>Total Assets</b>	<b><u>\$ 782,294</u></b>	<b><u>\$ 29,553</u></b>	<b><u>\$ 1,211</u></b>	<b><u>\$ 111,487</u></b>	<b><u>\$ 924,545</u></b>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ 29,553	\$ -	\$ -	\$ 29,553
Due to other governments	782,294	-	1,211	111,487	894,992
<b>Total Liabilities</b>	<b><u>\$ 782,294</u></b>	<b><u>\$ 29,553</u></b>	<b><u>\$ 1,211</u></b>	<b><u>\$ 111,487</u></b>	<b><u>\$ 924,545</u></b>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2005</u>
<u>DISTRIBUTIVE</u>				
ASSETS				
Cash	\$ -	\$ 26,368,663	\$ 25,821,418	\$ 547,245
Due from other governments	145,202	235,049	145,202	235,049
Total Assets	<u>\$ 145,202</u>	<u>\$ 26,603,712</u>	<u>\$ 25,966,620</u>	<u>\$ 782,294</u>
LIABILITIES				
Due to other governments	\$ 145,202	\$ 26,603,712	\$ 25,966,620	\$ 782,294
Total Liabilities	<u>\$ 145,202</u>	<u>\$ 26,603,712</u>	<u>\$ 25,966,620</u>	<u>\$ 782,294</u>
 <u>REGIONAL VOCATIONAL BOARD</u>				
ASSETS				
Cash	\$ 5,882	\$ 448,059	\$ 453,941	\$ -
Due from other governments	-	29,553	-	29,553
Total Assets	<u>\$ 5,882</u>	<u>\$ 477,612</u>	<u>\$ 453,941</u>	<u>\$ 29,553</u>
LIABILITIES				
Due to other funds	\$ -	\$ 29,553	\$ -	\$ 29,553
Due to other governments	5,882	448,059	453,941	-
Total Liabilities	<u>\$ 5,882</u>	<u>\$ 477,612</u>	<u>\$ 453,941</u>	<u>\$ 29,553</u>
 <u>CLEARING</u>				
ASSETS				
Cash	\$ 957	\$ 3,620	\$ 3,366	\$ 1,211
Total Assets	<u>\$ 957</u>	<u>\$ 3,620</u>	<u>\$ 3,366</u>	<u>\$ 1,211</u>
LIABILITIES				
Due to other governments	\$ 957	\$ 3,620	\$ 3,366	\$ 1,211
Total Liabilities	<u>\$ 957</u>	<u>\$ 3,620</u>	<u>\$ 3,366</u>	<u>\$ 1,211</u>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2005</u>
<u>REGIONAL COOPERATIVE BOARD</u>				
<u>ASSETS</u>				
Cash	\$ 65,545	\$ 389,250	\$ 406,971	\$ 47,824
Due from other funds	-	29,553	-	29,553
Due from other governments	30,781	34,110	30,781	34,110
Total Assets	<u>\$ 96,326</u>	<u>\$ 452,913</u>	<u>\$ 437,752</u>	<u>\$ 111,487</u>
<u>LIABILITIES</u>				
Due to other governments	<u>\$ 96,326</u>	<u>\$ 452,913</u>	<u>\$ 437,752</u>	<u>\$ 111,487</u>
Total Liabilities	<u>\$ 96,326</u>	<u>\$ 452,913</u>	<u>\$ 437,752</u>	<u>\$ 111,487</u>
<u>TOTALS ALL AGENCY FUNDS</u>				
<u>ASSETS</u>				
Cash	\$ 72,384	\$ 27,209,592	\$ 26,685,696	\$ 596,280
Due from other funds	-	29,553	-	29,553
Due from other governments	175,983	298,712	175,983	298,712
Total Assets	<u>\$ 248,367</u>	<u>\$ 27,537,857</u>	<u>\$ 26,861,679</u>	<u>\$ 924,545</u>
<u>LIABILITIES</u>				
Due to other funds	\$ -	\$ 29,553	\$ -	\$ 29,553
Due to other governments	248,367	27,508,304	26,861,679	894,992
Total Liabilities	<u>\$ 248,367</u>	<u>\$ 27,537,857</u>	<u>\$ 26,861,679</u>	<u>\$ 924,545</u>

HAMILTON/JEFFERSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #25  
DISTRIBUTIVE FUND  
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES  
FOR THE YEAR ENDED JUNE 30, 2005

	Hamilton Co. Unit 10	Waltonville Unit 1	Field Grade School 3	Woodlawn Grade School 4	Opdyke belle- Rive 5	Grand Prairie Grade 6	Dodds Grade School 7	Ina Grade School 8
ADA Safety and Ed B Gran	\$ 35,285	\$ 9,513	\$ 7,358	\$ 8,553	\$ 5,371	\$ 3,105	\$ 5,113	\$ 4,174
Breakfast Start Up	-	-	-	-	-	-	-	-
Children at Risk	443,581	-	-	-	-	-	-	-
Driver Education	12,770	3,469	-	-	-	-	-	-
Early Childhood St Pre School	-	-	-	-	-	-	-	-
Even Start	-	-	-	-	-	-	-	-
Fast Growth Grants	-	-	-	-	-	-	-	9,922
II Breakfast Incentive	577	-	-	-	-	41	15	52
II Sec 18-8 State Aid	4,833,246	990,457	973,423	1,014,636	730,060	408,310	697,483	578,213
Learn and Serve America	-	-	-	-	-	-	-	-
K-6 Reading Improvement	52,743	10,654	13,567	17,405	15,093	5,481	9,283	8,460
Mathematics & Science Partnership	-	-	-	-	-	-	-	-
National School Lunch	173,453	29,389	29,993	38,446	22,466	18,296	19,132	23,311
Orphanage Tuition	-	-	-	-	-	-	-	-
Other Federal Programs	-	-	-	-	-	-	-	-
Reg Safe School Program	-	-	-	-	-	-	-	-
ROE/ESC Operations	-	-	-	-	-	-	-	-
Safe & Drug Free School	10,230	919	1,168	1,687	1,968	-	778	-
School Bus Driver Training	-	-	-	-	-	-	-	-
School Breakfast Program	55,754	-	-	-	-	7,478	5,171	5,316
Special Education - Extraordinary	83,441	79,454	61,917	16,538	41,133	26,426	34,529	20,095
Special Education - Orphan	-	16,939	8,684	7,950	19,604	-	4,022	-
Special Education - Personnel	143,554	55,475	60,666	52,210	40,400	16,019	25,232	23,580
Special Education - Pvt. Facility	-	4,761	-	-	-	-	-	-
Special Education - Summer School	-	-	-	-	-	-	-	-
State Aid Hold Harmless	-	-	-	-	-	-	-	-
State Free Breakfast & Lunch	13,289	1,034	1,078	1,431	866	1,404	1,101	1,440
Supervisory	-	-	-	-	-	-	-	-
Teacher Education	-	-	-	-	-	-	-	-
Technology Enhancing	8,603	1,524	962	1,516	2,530	408	876	1,013
Title I - Low Income	401,555	67,852	27,678	65,404	104,625	22,056	31,705	41,612
Title I - Reading First	-	-	-	-	-	-	-	-
Title II - Teacher Quality	72,941	16,787	10,707	16,716	24,364	6,329	10,153	9,014
Title VI - Formula	6,385	1,431	1,211	1,671	1,384	944	843	776
Title VI - Community Service	-	-	-	-	-	-	-	-
Transition Assistance	-	-	128	45,869	-	-	-	-
Transportation - Reg.	458,953	76,569	130,945	100,089	73,171	54,386	77,772	64,137
Transportation - Sp. Ed.	100,705	34,866	34,960	5,550	18,499	14,290	-	13,109
Truants Alternative/Op	-	-	-	-	-	-	-	-
Voc Ed Agric Education	-	-	-	-	-	-	-	-
Voc Ed Title IIC Secondary	-	-	-	-	-	-	-	-
VocEd Second Prog Impro	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 6,907,065</b>	<b>\$ 1,401,093</b>	<b>\$ 1,364,445</b>	<b>\$ 1,395,671</b>	<b>\$ 1,101,534</b>	<b>\$ 584,973</b>	<b>\$ 923,208</b>	<b>\$ 804,224</b>

HAMILTON/JEFFERSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #25  
DISTRIBUTIVE FUND  
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURER'S AND OTHER ENTITIES  
FOR THE YEAR ENDED JUNE 30, 2005

	McClellan Grade 12	Bethel Grade 82	Farrington Grade 99	Mt. Vernon Township High 201	Webber Township High 204	Woodlawn High 205	Hamm/Jeff Alterna- tive	Regional Coop Fund	Totals
ADA Safety and Ed B Gran	\$ 1,984	\$ 3,092	\$ 1,564	\$ 37,361	\$ 5,367	\$ 5,580	\$ -	\$ -	\$ 133,420
Breakfast Start Up	-	-	2,700	-	-	-	-	-	2,700
Children at Risk	-	-	-	-	-	-	-	-	443,581
Driver Education	-	-	-	36,771	6,578	5,139	-	-	64,727
Early Childhood St Pre School	-	-	-	-	-	-	-	669,007	669,007
Even Start	-	-	-	-	-	-	-	94,945	94,945
Fast Growth Grants	-	-	-	-	-	13,090	-	-	23,012
II Breakfast Incentive	24	182	3,500	42,638	-	-	200	-	47,229
II Sec 18-8 State Aid	251,105	38,834	246,399	4,019,701	737,859	893,170	482,012	-	16,894,908
Learn and Serve America	-	-	-	-	-	-	-	742	742
K-6 Reading Improvement	3,862	6,311	4,644	-	-	-	-	-	147,503
Mathematics & Science Partnership	-	-	-	-	-	-	-	314,124	314,124
National School Lunch	9,168	27,470	9,830	53,034	5,171	11,899	32,258	-	503,316
Orphanage Tuition	-	-	-	142,357	-	-	-	-	142,357
Other Federal Programs	-	-	-	79,294	-	-	-	-	79,294
Reg Safe School Program	-	-	-	-	-	-	-	89,381	89,381
ROE/ESC Operations	-	-	-	-	-	-	-	57,798	57,798
Safe & Drug Free School	197	580	-	7,996	-	353	-	-	25,876
School Bus Driver Training	-	-	-	-	-	-	-	360	360
School Breakfast Program	2,294	10,472	4,602	23,734	486	-	7,720	-	123,027
Special Education - Extraordinary	1,870	3,562	10,902	97,750	56,895	14,158	-	-	548,670
Special Education - Orphan	9,588	-	-	89,154	-	248	-	-	156,189
Special Education - Personnel	14,324	23,291	8,000	204,747	35,181	22,664	1,032	-	726,375
Special Education - Pvt. Facility	-	-	-	5,776	-	-	-	-	10,537
Special Education - Summer School	-	-	-	2,640	-	-	-	-	2,640
State Aid Hold Harmless	14,037	266,603	-	-	-	-	-	-	280,640
State Free Breakfast & Lunch	610	1,930	665	5,637	321	436	903	-	32,145
Supervisory	-	-	-	-	-	-	-	2,000	2,000
Teacher Education	-	-	-	4,000	-	-	-	-	4,000
Technology Enhancing	-	583	789	7,224	1,469	-	-	-	27,497
Title I - Low Income	-	22,967	37,727	200,172	71,991	64,730	-	-	1,160,074
Title I - Reading First	-	-	-	-	-	-	-	23,954	23,954
Title II - Teacher Quality	3,614	5,581	2,708	78,603	11,277	2,221	-	-	271,015
Title VI - Formula	286	551	455	7,100	1,048	303	-	-	24,388
Title VI - Community Service	-	-	-	-	-	-	-	1,829	1,829
Transition Assistance	-	-	11,288	-	-	-	-	-	57,285
Transportation - Reg.	98,240	34,619	42,188	335,796	69,137	50,904	-	-	1,666,906
Transportation - Sp. Ed.	9,262	8,523	-	113,750	6,080	-	-	-	359,594
Truants Alternative/Op	-	-	-	81,000	-	-	128,865	-	209,865
Voc Ed Agric Education	-	-	-	-	-	-	-	15,571	15,571
Voc Ed Title IIC Secondary	-	-	-	-	-	-	-	118,509	118,509
VocEd Second Prog Impro	-	-	-	-	-	-	-	264,428	264,428
<b>TOTAL</b>	<b>\$ 420,465</b>	<b>\$ 455,151</b>	<b>\$ 387,961</b>	<b>\$ 5,676,235</b>	<b>\$ 1,008,860</b>	<b>\$ 1,084,895</b>	<b>\$ 652,990</b>	<b>\$ 1,652,648</b>	<b>\$ 25,821,418</b>

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2005

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # (1st eight digits) or Contract #</u>	<u>Federal Expenditures 7/1/04 - 6/30/05</u>
<b>U.S. Dept. of Education</b>			
<b>passed through Illinois State Board of Education:</b>			
Title I Reading First Part B SEA Funds	84.357	04-4337-02	1,689
Title I Reading First Part B SEA Funds	84.357	05-4337-02	<u>22,265</u>
Total Title I Reading Part B SEA Funds			<u>23,954</u>
 Even Start	 84.213C	 05-4335-00	 115,000 (M)
 Mathematics and Science Partnership	 84.366	 04-4936-00	 180,888 (M)
Mathematics and Science Partnership	84.366	05-4936-00	<u>60,569 (M)</u>
Mathematics and Science Partnership	84.366	05-4936-01	<u>40,611 (M)</u>
Total Mathematics and Science Partnership			<u>282,068</u>
			<u>421,022</u>
 <b>U.S. Dept. of Agriculture</b>			
<b>passed through Illinois State Board of Education:</b>			
National School Lunch	10.555	04-4210-00	2,891
National School Lunch	10.555	05-4210-00	<u>8,740</u>
Total National School Lunch			<u>11,631</u>
 School Breakfast Program	 10.553	 04-4220-00	 1,344
School Breakfast Program	10.553	05-4220-00	<u>4,355</u>
Total School Breakfast Program			<u>5,699</u>
 <b>U.S. Dept. of Human Services</b>			
<b>passed through Illinois State Board of Education:</b>			
Regional Safe School State Aid (TANF)	93.558	05-3001-93	9,738
Regional Safe School (TANF)	93.558	05-3696-00	<u>10,778</u>
Total Regional Safe Schools			<u>20,516</u>
 <b>Total through Illinois State Board of Education</b>			 <u>458,868</u>
 <b>U.S. Dept. of Education/Management</b>			
<b>Training and Consulting Corporation:</b>			
Job Training Partnership Act	17.250	1Y-PY03-YOUTH-2	7,335
Job Training Partnership Act	17.250	1Y-PY03-YOUTH-6	5,026
Job Training Partnership Act	17.250	1Y-PY04-YOUTH-3	<u>49,729</u>
 <b>Total through Department of Education</b>			 <u>62,090</u>

The accompanying notes are an integral part of this schedule.

HAMILTON/JEFFERSON COUNTIES REGIONAL OFFICE OF EDUCATION #25  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2005

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	Project # (1st eight digits) or Contract #	Federal Expenditures 7/1/04 - 6/30/05
<b>U.S. Department of Education</b>			
<b>passed through Franklin/Williamson Counties Regional Office of Education #21</b>			
McKinney Education for Homeless Children	84.196A	05-4920-00	<u>26,467</u>
<b>Total through U.S. Department of Education</b> <b>through Franklin/Williamson Counties Regional Office Of Education #21</b>			<u>26,467</u>
<b>U.S. Department of Education</b>			
<b>passed through Alexander/Johnson/Massac/Pulaski/Union Counties</b>			
<b>Regional Office of Education #2</b>			
Title V Innovative Programs - SEA Projects	84.298A	05-4105-SS	4,385
Title I School Improvement and Accountability	84.010A	04-4331-SS	8,151
Title I School Improvement and Accountability	84.010A	05-4331-SS	87,273
Title II Teacher Quality - Leadership Grant	84.367A	05-4935-SS	<u>5,227</u>
<b>Total through U.S. Department of Education</b> <b>through Alexander/Johnson/Massac/Pulaski/Union Counties</b> <b>Regional Office of Education #2</b>			<u>105,036</u>
<b>U.S. Department of Education</b>			
<b>passed through Clay/Lawrence/Crawford/Jasper/Richland Counties</b>			
<b>Regional Office of Education #12</b>			
Technology Enhancing Education - Competitive	84.318X	05-4972-00	<u>65,651 (M)</u>
<b>Total through U.S. Department of Education</b> <b>through Clay/Lawrence/Crawford/Jasper/Richland Counties</b> <b>Regional Office of Education #12</b>			<u>65,651</u>
<b>U.S. Department of Education</b>			
<b>passed through Clark/Coles/Cumberland/Douglas/Edgar/</b>			
<b>Moultrie/Shelby Counties Regional Office of Education #11</b>			
Standards Aligned Classroom	84.289A	05-4999-00	<u>77,778</u>
<b>Total through U.S. Department of Education</b> <b>through Clark/Coles/Cumberland/Douglas/Edgar/Moultrie/</b> <b>Shelby Counties Regional Office of Education #11</b>			<u>77,778</u>
<b>U.S. Department of Justice</b>			
Community Oriented Policing Servicing School Safety	16.710	2003-CK-WX-0256	<u>13,301</u>
<b>Total through U.S. Department of Justice</b>			<u>13,301</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 809,191</u>

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

HAMILTON/JEFFERSON COUNTIES  
 REGIONAL OFFICE OF EDUCATION #25  
 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 ROE #25 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 #25 provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA #</u>	<u>Amount provided to subrecipients</u>
Mathematics and Science Partnership	84.366	\$ 164,511
Standards Aligned Classroom	84.289A	\$ 19,942

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM

Even Start is designed to break the cycle of illiteracy by improving educational opportunities for low income families. Early Childhood, Adult Literacy, Parenting Education and Interactive Literacy Activities between parents and their children are required components of this grant.

The Mathematics and Science Partnership helps improve the knowledge and pedagogical skills of 5<sup>th</sup> through 12<sup>th</sup> grade teachers in mathematics and science.

Technology Enhancing Education - Competitive is a program that supports the technology services and technology engaged learning and integration training.

Teen Reach is a program that provides after school activities for students between the ages of 6 and 17. The Regional Office of Education #25 was notified by Illinois DHS after their June 30, 2004 audit was complete that the funding for the Teen Reach program was TANF funding. Expenditures during the year of June 30, 2004 of \$81,590 were tested as a major program during the June 30, 2005 audit. The Teen Reach funding is not listed on the June 30, 2005 Schedule of Expenditures of Federal Awards.

NOTE 4 - NON-CASH ASSISTANCE

None

HAMILTON/JEFFERSON COUNTIES  
REGIONAL OFFICE OF EDUCATION #25  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 5 - AMOUNT OF INSURANCE

None

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

None