

State of Illinois
JACKSON AND PERRY COUNTIES
REGIONAL OFFICE OF EDUCATION #30
FINANCIAL AUDIT
(In Accordance with the Single Audit Act & OMB Circular A-133)
For the Year Ended June 30, 2005

Performed as Special Assistant Auditors
for the Office of the Auditor General

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30

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FOR THE YEAR ENDED JUNE 30, 2005

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JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30

OFFICIALS

Regional Superintendent
(Current, Acting Effective December 1, 2004)

Mr. Robert Koehn

Regional Superintendent
(Acting Effective July 1, 2004 through November 30, 2004)

Mr. John E. Hawkins

Assistant Regional Superintendent
(Current – Acting Effective July 1, 2004)

Ms. Donna Boros

Offices are located at:

Jackson County Office
Jackson County Court House
Murphysboro, IL 62966

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30

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

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 AUDITINGS STANDARDS) | | |
| 05-1 | 12a | Controls Over Compliance with Laws and Regulations |
| 05-2 | 12c | Inadequate Internal Controls Over Disbursement Process |

| | | |
|--|-----|---|
| FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE) | | |
| 05-2 | 12c | Inadequate Internal Controls Over Disbursement Process |

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)
None

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)
None

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on September 23, 2005. Attending were Robert Koehn, Regional Superintendent, Donna Borrás, Assistant Regional Superintendent and Tami S. Colpitts-Knight, CPA, Manager, Kemper CPA Group LLP. Responses to the recommendations were provided by Robert Koehn, Regional Superintendent.

FINANCIAL STATEMENT REPORT

SUMMARY

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jackson and Perry Counties Regional Office of Education #30, 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 our report dated September 26, 2005, on our consideration of the Jackson and Perry Counties Regional Office of Education #30's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jackson and Perry Counties Regional Office of Education #30's basic financial statements. The combining and individual nonmajor fund financial statements, Schedule of Disbursements to School District Treasurer's and Other Entities, and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Guidelines to Auditing and Reporting for a Regional Office of Education*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, Schedule of Disbursements to School District Treasurer's and Other Entities, budgetary comparison schedules 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 cursive script that reads "Kemper CPA Group, LLP".

Certified Public Accountants and Consultants

Mt. Vernon, Illinois
September 26, 2005

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

Honorable William G. Holland
Auditor General
State of Illinois

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Jackson and Perry Counties Regional Office of Education #30'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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Regional Office of Education #30's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying Schedule of Findings and Questions Costs as item 05-2.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is a material weakness.

Compliance and Other Matters

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

A handwritten signature in cursive script that reads "Kemper CPA Group, LLP".

Certified Public Accountants and Consultants

Mt. Vernon, Illinois
September 26, 2005

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133 criteria as required by *Guidelines to Auditing and Reporting for a Regional Office of Education*. Those standards and criteria require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Jackson and Perry Counties Regional Office of Education #30's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Jackson and Perry Counties Regional Office of Education #30's compliance with those requirements.

In our opinion, Jackson and Perry Counties Regional Office of Education #30 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005. We noted an immaterial instance of noncompliance which is required by the *Guidelines to Auditing and Reporting for a Regional Office of Education*, to be reported on the accompanying Schedule of Findings and Questioned Costs as item 05-2.

Internal Control Over Compliance

The management of the Jackson and Perry Counties Regional Office of Education #30 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Jackson and Perry Counties Regional Office of Education #30's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133 criteria as required by *Guidelines to Auditing and Reporting for a Regional Office of Education*.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the Regional Office of Education #30's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. A reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 05-2.

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 errors 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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is a material weakness.

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.



Certified Public Accountants and Consultants

Mt. Vernon, Illinois
September 26, 2005

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30

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

Identification of **major** programs:

| CFDA Number(s) | Name of Federal Program or Cluster |
|-----------------------|---|
| 84.318X | Technology – Enhancing Education – Competitive |
| 84.010A | Title I – School Improvement and Accountability |

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

Auditee qualified as a low-risk auditee? No

JACKSON AND PERRY COUNTIES
REGIONAL OFFICE OF EDUCATION #30
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005

SECTION II – FINANCIAL STATEMENT FINDINGS

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

Criteria/specific requirement:

- A. The Illinois School Code 105 ILCS 5/3-14.21 states that the Regional Superintendent shall inspect and survey all public schools under his or her supervision and notify the board of education, or the trustees of schools in a district with trustees, in writing before July 30, whether or not the several schools in their district have been kept as required by law, using forms provided by the State Board of Education which are based on the Health/Life Safety Code for Public Schools adopted under Section 2-3.12. The Regional Superintendent shall report his or her findings to the State Board of Education on forms provided by the State Board of Education.

- B. 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:

- A. The Regional Office of Education #30 did not submit the required Annual Inspection Report, as provided by the Illinois State Board of Education, for their fiscal year 2004 inspections prior to July 30, 2005.

- B. 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 #30 did not comply with statutory requirements.

JACKSON AND PERRY COUNTIES
REGIONAL OFFICE OF EDUCATION #30
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 (Concluded)

Cause:

- A. The Regional Superintendent was unaware of the date the reports were required to be submitted.
- B. The Regional Superintendent was unaware of the statutory requirements.

Recommendation:

- A. The Regional Office of Education #30 should ensure it complies with the requirements of 105 ILCS 5/3-14.21. The Regional Office should ensure it submits the Annual Inspection Reports for all school districts in its region prior to July 30.
- B. The Regional Office of Education #30 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:

- A. The Regional Superintendent agrees with the finding.
- B. 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 21st 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.

JACKSON AND PERRY COUNTIES
REGIONAL OFFICE OF EDUCATION #30
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 05-2 - Inadequate Internal Controls over Disbursement Process

Federal Program Name & Year: Title I – School Improvement & Accountability, (b) Technology – Enhancing Education - Competitive

Project Number: (a) 05-4331-SS, (b) 05-4972-01

CFDA Number: (a) 84.010A, (b) 84.318X

Passed Through: (a and b) Illinois State Board of Education

Federal Agency: (a and b) U.S. Department of Education

Criteria/specific requirement:

The Regional Superintendent of Schools is responsible for establishing and maintaining an internal control system to prevent errors and fraud.

Condition:

In our testing of 125 disbursements we noted the following:

- 1) Invoices were not canceled after payment in 4 instances.
- 2) Mathematical errors were noted on the supporting documentation in 3 instances.
- 3) An authorization form was not signed by a program director or Superintendent in 1 instance.
- 4) The account allocation on the check and purchase order did not match the general ledger detail in 1 instance.
- 5) A contract labor agreement did not specify the amount of fee to be paid for the service rendered in 1 instance.
- 6) An over-limit fee was paid on a credit card disbursement - \$20

Questioned Costs:

Title I – School Improvement & Accountability - \$ 2,855

Technology – Enhancing Education - Competitive - \$ 1,516

Context:

N/A

Effect:

Duplicate payments of expenditures are possible if invoices are not canceled after payment. The lack of accurate supporting documentation and proper authorization makes it difficult to determine if the expenditure was allowable pursuant to grant provisions.

JACKSON AND PERRY COUNTIES
REGIONAL OFFICE OF EDUCATION #30
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 05-2 - Inadequate Internal Controls over Disbursement Process (Concluded)

Cause:

Lack of oversight on the part of management of the Regional Office of Education #30.

Auditors' Recommendation:

The Regional Office of Education #30 should implement internal controls to ensure there is proper cancellation of the invoices and other supporting documentation to prevent duplicate payments. In addition, supporting documentation should include the amount to be disbursed, be mathematically accurate, checked for appropriate fund allocation, and signed authorizations should be attached to every invoice before payment of the expenditure to prevent any unauthorized disbursements.

Management's Response:

The Regional Superintendent agrees with the finding.

JACKSON AND PERRY COUNTIES
REGIONAL OFFICE OF EDUCATION #30
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:

Finding No. 05-2 – Inadequate Internal Controls over Disbursement Process (finding details on page 12c-12d)

REPORTABLE CONDITIONS:

Finding No. 05-2 – Inadequate Internal Controls over Disbursement Process (finding details on page 12c-12d)

JACKSON AND PERRY COUNTIES
REGIONAL OFFICE OF EDUCATION #30
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2005

Corrective Action Plan

Finding No. 05-1

Condition:

- A. The Regional Office of Education #30 did not submit the required Annual Inspection Report, as provided by the Illinois State Board of Education, for their fiscal year 2004 inspections prior to July 30, 2005.

- B. 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:

- A. The Regional Office of Education #30 will ensure it complies with the requirements of 105 ILCS 5/3-14.21. The Regional Office will ensure it submits the Annual Inspection Reports for all school districts in its region prior to July 30.

- B. The Regional Office of Education #30 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 Date of Completion:

Immediately upon learning of oversight.

Name of Contact Person:

Mr. Robert Koehn, Regional Superintendent

Finding No. 05-2

Condition:

In our testing of 125 disbursements we noted the following:

- 1) Invoices were not canceled after payment in 4 instances.
- 2) Mathematical errors were noted on the supporting documentation in 3 instances.
- 3) An authorization form was not signed by a program director or Superintendent in 1 instance.
- 4) The account allocation on the check and purchase order did not match the general ledger detail in 1 instance.
- 5) A contract labor agreement did not specify the amount of fee to be paid for the service rendered in 1 instance.
- 6) An over-limit fee was paid on a credit card disbursement - \$20

JACKSON AND PERRY COUNTIES
REGIONAL OFFICE OF EDUCATION #30
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2005

Corrective Action Plan (Concluded)

Finding No. 05-2 (Concluded)

Plan:

The Regional Office of Education #30 will implement internal controls to ensure there is proper cancellation of the invoices and other supporting documentation to prevent duplicate payments. In addition, supporting documentation will include the amount to be disbursed, be mathematically accurate, checked for appropriate fund allocation, and signed authorizations will be attached to every invoice before payment of the expenditure to prevent any unauthorized disbursements.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Name of Contact Person:

Mr. Robert Koehn, Regional Superintendent

JACKSON AND PERRY COUNTIES
REGIONAL OFFICE OF EDUCATION #30
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2005

NO PRIOR AUDIT FINDINGS

MANAGEMENT'S DISCUSSION AND ANALYSIS

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005

The Jackson and Perry Counties Regional Office of Education #30 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2005. We encourage readers to consider this information in conjunction with the Regional Office of Education #30's financial statements, which follow.

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

2005 FINANCIAL HIGHLIGHTS

- Governmental fund total net assets decreased from \$429,067 in fiscal year 2004 to \$404,775 in fiscal year 2005.
- In FY05, the governmental funds fund balance indicated a decrease of \$9,495. This decrease resulted from increased expenditures in employee benefits and costs associated with increases in services and in-service expenses.

USING THIS ANNUAL REPORT

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office of Education #30's financial activities.
- The government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the Regional Office of Education #30 as a whole and present an overall view of the Regional Office of Education #30's finances.
- The fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the Regional Office of Education #30's operations in more detail than the government-wide financial statements by providing information about the most significant funds.
- Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- Supplementary information further explains and supports the financial statements, and provides detailed information about the non-major funds.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005

Reporting The Regional Office of Education #30 As A Whole

The Statement of Net Assets and the Statement of Activities

The government-wide financial statements report information about the Regional Office of Education #30 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

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

- Over time, increases or decreases in the net assets are an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the Regional Office of Education #30's overall health, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the State level need to be considered.

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

- ***Governmental activities:*** Most of the Regional Office of Education #30's basic services are included here, such as regular and special education instruction, student and instructional staff support services and administration. Local school districts, federal and state grants and State aid finance most of these activities.
- ***Business-type activities:*** The Regional Office of Education #30 charges fees to help cover the costs of certain services and workshops it provides.

Fund Financial Statements

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

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005

Reporting The Regional Office of Education #30 As A Whole (Concluded)

Fund Financial Statements (Concluded)

1. Governmental funds account for most of the Regional Office of Education #30's basic services. These focus on how cash and other financial assets that can readily be converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Regional Office of Education #30's programs. Because this information does not encompass the additional long-term focus of the government-wide statements a reconciliation between the government-wide statements and the governmental fund statements follow each of the related governmental fund statements. The Regional Office of Education #30's governmental funds include: the General Fund and the Special Revenue Funds. The governmental fund's required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.
2. Proprietary funds account for services for which the Regional Office of Education charges fees under a cost-reimbursement method. The proprietary fund's required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Fund Net Assets, and a Statement of Cash Flows.
3. Fiduciary funds account for assets that belong to others over which the Regional Office of Education #30 is the trustee, or fiduciary. The Regional Office of Education #30 is responsible for ensuring that the assets reported in these funds are used only for their intended purpose and by those to whom the assets belong. The Regional Office of Education #30 excludes these assets from the government-wide financial statements because it cannot use these assets to finance its operations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Statement of Net Assets reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. The difference between the Regional Office of Education #30's assets and liabilities is its net assets. As noted earlier, net assets may serve over time as a useful indicator of financial position. The Jackson and Perry Counties Regional Office of Education #30 net assets at the end of fiscal year 2005 totaled approximately \$522,761. This compared to approximately \$563,778 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 #30's financial activities include both governmental and business-type activities. The analysis that follows provides a summary of the Regional Office of Education's net assets at June 30, 2005 for the governmental and business-type activities.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

CONDENSED STATEMENT OF NET ASSETS

GOVERNMENTAL ACTIVITIES

| | 2005 | 2004 | Increase / (Decrease) |
|--|------------|------------|--------------------------|
| Current Assets | \$ 391,091 | \$ 326,671 | 64,420 |
| Capital assets, being depreciated, net | 104,765 | 119,562 | (14,797) |
| Total Assets | 495,856 | 446,233 | 49,623 |
| Current Liabilities | 91,081 | 17,166 | 73,915 |
| Net Assets: | | | |
| Invested in capital assets | 104,765 | 119,562 | (14,797) |
| Unrestricted | 300,010 | 309,505 | (9,495) |
| Total Net Assets | \$ 404,775 | \$ 429,067 | (24,292) |

The Regional Office of Education #30's governmental assets exceeded governmental liabilities (net assets) by \$404,775 at the close of the fiscal year. Cash and cash equivalents made up the majority of assets. The Regional Office of Education #30 uses its governmental net assets to perform general operations and to provide professional services to school districts in the region and surrounding areas. The increase in current assets is due to the increase in current liabilities - accrued expenditures that had not yet been paid as of the fiscal year end.

BUSINESS-TYPE ACTIVITIES

| | 2005 | 2004 | Increase / (Decrease) |
|--|------------|------------|--------------------------|
| Current Assets | \$ 119,073 | \$ 137,385 | (18,312) |
| Capital assets, being depreciated, net | 1,587 | - | 1,587 |
| Total Assets | 120,660 | 137,385 | (16,725) |
| Current Liabilities | 2,674 | 2,674 | - |
| Net Assets: | | | |
| Invested in capital assets | 1,587 | - | 1,587 |
| Unrestricted | 116,399 | 134,711 | (18,312) |
| Total Net Assets | \$ 117,986 | \$ 134,711 | (16,725) |

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The Regional Office of Education #30 uses its business-type net assets to provide workshop and training services to school districts in Jackson and Perry Counties and surrounding areas. The decrease in current assets and net assets is due to fewer workshops being held in fiscal year 2005 as compared to fiscal year 2004.

STATEMENT OF ACTIVITIES

GOVERNMENTAL ACTIVITIES

| | <u>2005</u> | <u>2004</u> | <u>Increase / (Decrease)</u> |
|------------------------------------|-------------------|-------------------|----------------------------------|
| Revenues: | | | |
| Program Revenues: | | | |
| Operating Grants and Contributions | \$ 502,977 | \$ 675,508 | (172,531) |
| General Revenues | <u>661,315</u> | <u>446,329</u> | 214,986 |
| Total Revenues | <u>1,164,292</u> | <u>1,121,837</u> | 42,455 |
| Expenses: | | | |
| Instructional Services | | | |
| Salaries and benefits | 440,211 | 380,117 | 60,094 |
| Purchased services | 220,250 | 170,722 | 49,528 |
| Supplies and materials | 68,597 | 109,221 | (40,624) |
| Other objects | 218 | 410 | (192) |
| Payments to other governments | 101,848 | 98,128 | 3,720 |
| Depreciation | 21,924 | 25,353 | (3,429) |
| Administrative Expense: | | | |
| On-Behalf payments - State & Local | <u>335,536</u> | <u>329,402</u> | 6,134 |
| Total Expenses | <u>1,188,584</u> | <u>1,113,353</u> | 75,231 |
| Change in Net Assets | (24,292) | 8,484 | (32,776) |
| Net Assets - Beginning | <u>429,067</u> | <u>420,583</u> | 8,484 |
| Net Assets - Ending | <u>\$ 404,775</u> | <u>\$ 429,067</u> | (24,292) |

Revenues from governmental activities were \$1,164,292 and expenses were \$1,188,584. The Regional Office of Education #30 total revenues increased primarily due to an increase in local revenue from Jackson and Perry Counties in FY05 as well as an increase in the Title I (RESPRO) grant allocation to serve local schools. Total expenditures were increased due to increases in employee benefits and costs associated with increases in services and in-service expenses. The Regional Office of Education #30 used carryover net asset balances to pay for the additional services offered to and needed by local school districts and other constituencies that were in excess of revenues.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

STATEMENT OF ACTIVITIES

BUSINESS-TYPE ACTIVITIES

| | 2005 | 2004 | Increase / (Decrease) |
|------------------------|------------|------------|--------------------------|
| Revenues: | | | |
| Program Revenues: | | | |
| Charges for Services | \$ 12,368 | \$ 19,477 | (7,109) |
| General Revenues | 2,384 | 3,791 | (1,407) |
| Total Revenues | 14,752 | 23,268 | (8,516) |
| Expenses: | | | |
| Salaries and benefits | - | 7,070 | (7,070) |
| Purchased services | 21,755 | 11,944 | 9,811 |
| Supplies and materials | 9,269 | - | 9,269 |
| Depreciation | 453 | - | 453 |
| Total Expenses | 31,477 | 19,014 | 12,463 |
| Change in Net Assets | (16,725) | 4,254 | (20,979) |
| Net Assets - Beginning | 134,711 | 130,457 | 4,254 |
| Net Assets - Ending | \$ 117,986 | \$ 134,711 | (16,725) |

Revenues from business-type activities were \$14,752 and expenses were \$31,477. The Regional Office of Education #30's business-type activities include workshops that involve charges for service. Expenses include purchases of goods and supplies to support these activities. The decrease in charges for services was due to the Regional Office providing fewer workshops to school districts as compared to fiscal year 2004. The decrease in salaries and benefits was due to the workshop coordinator not being replaced in fiscal year 2005. The Regional Office of Education #30 allocated a portion of rent, utilities, and cleaning expenses to this fund which increased purchased services. All of these factors combined led to the decrease in ending net assets.

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS

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

The Regional Office of Education #30's governmental funds reported combined fund balances of \$300,010, a decrease of \$9,495 below last year's ending fund balance of \$309,505. The primary reason for the decrease in combined fund balances in fiscal year 2005 was due to the significant increase in expenditures in employee benefit costs without the same increase in revenue.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS (Concluded)

Governmental Fund Highlights

- There was a reduction in dollars received in the ROE Operations Fund and certain other grants when compared to fiscal year 2004.
- The dollar return on investments (certificates of deposit, short term investments, and interest earned on float), were reduced because of low interest rates.
- An unanticipated increase in IMRF from .0911% to .2875% for employee benefits significantly impacted the funding balances.
- Additional mandatory employee insurance costs in some programs resulted in decrease in governmental fund balances.

Proprietary Fund Highlights:

- Fewer workshops were sponsored in FY05 due to not having a workshop coordinator throughout the year.
- Rent, utilities, and cleaning expenses were allocated to this program in FY05 based on the square footage used. In the past, these expenses have been covered by a grant that the Regional Office of Education #30 did not receive this year.

BUDGETARY HIGHLIGHTS

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital Assets of the Regional Office of Education #30 include office equipment, computers, audio-visual equipment and office furniture. The Regional Office of Education #30 maintains an inventory of capital assets, which have been accumulated over time. The decrease in capital assets for fiscal year 2005 was \$14,797 and came as a result of nearly equal offsetting additions and deletions with depreciation values considered. The Regional Office of Education #30's ending net capital asset balance for fiscal year 2005 is \$104,765, which is the total original cost of the capital assets less accumulated depreciation. More detailed information about capital assets is available in Note 5 of the Notes to the Financial Statements.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

- The State of Illinois Foundation level used in the calculation of amount of state aid granted for each student has increased to \$5,164.
- The interest rate on investments remains low and will impact interest earned.
- Several grants have been reduced in funding including but not limited to ROE/Operations, TAEOP, Learning Technology Center and Title I School Improvement (RESPRO). In addition, some grants are no longer available.
- Mandatory fingerprinting is affecting the School Service Fund.
- Increased travel and utility costs will impact expenditures in all funds
- IMRF has been reduced to a .2374% rate from .2875% which should help reduce employee benefit costs.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
STATEMENT OF NET ASSETS
JUNE 30, 2005

| | Primary Government | | |
|--|----------------------------|-----------------------------|------------|
| | Governmental Activities | Business-Type Activities | Total |
| Assets | | | |
| Current Assets: | | | |
| Cash | \$ 240,993 | \$ 119,073 | \$ 360,066 |
| Due from other governments | | | |
| State | 150,098 | - | 150,098 |
| Total Current Assets | 391,091 | 119,073 | 510,164 |
| Noncurrent Assets: | | | |
| Capital assets, being depreciated, net | 104,765 | 1,587 | 106,352 |
| Total Assets | 495,856 | 120,660 | 616,516 |
| Liabilities | | | |
| Current Liabilities: | | | |
| Accounts payable | 14,442 | - | 14,442 |
| Due to other governments | | | |
| Local | 18,300 | 2,674 | 20,974 |
| Deferred revenue | 58,339 | - | 58,339 |
| Total Current Liabilities | 91,081 | 2,674 | 93,755 |
| Net Assets | | | |
| Invested in capital assets | 104,765 | 1,587 | 106,352 |
| Unrestricted | 300,010 | 116,399 | 416,409 |
| Total Net Assets | \$ 404,775 | \$ 117,986 | \$ 522,761 |

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | |
|---|---------------------|-------------------------|--|--|-----------------------------|-------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Primary government: | | | | | | |
| Governmental Activities: | | | | | | |
| Instructional Services | | | | | | |
| Current: | | | | | | |
| Salaries and benefits | \$ 440,211 | \$ - | \$ 434,733 | \$ (5,478) | \$ - | \$ (5,478) |
| Purchased services | 220,250 | - | 47,046 | (173,204) | - | (173,204) |
| Supplies and materials | 68,597 | - | 14,071 | (54,526) | - | (54,526) |
| Capital outlay | - | - | 7,127 | 7,127 | - | 7,127 |
| Other objects | 218 | - | - | (218) | - | (218) |
| Payments to other governments | 101,848 | - | - | (101,848) | - | (101,848) |
| Depreciation | 21,924 | - | - | (21,924) | - | (21,924) |
| Administrative: | | | | | | |
| On-behalf payments - State | 210,714 | - | - | (210,714) | - | (210,714) |
| On-behalf payments - local | 124,822 | - | - | (124,822) | - | (124,822) |
| Total Governmental Activities | <u>1,188,584</u> | <u>-</u> | <u>502,977</u> | <u>(685,607)</u> | <u>-</u> | <u>(685,607)</u> |
| Business-Type Activities: | | | | | | |
| Registration Fees | 31,477 | 12,368 | - | - | (19,109) | (19,109) |
| Total Business-Type Activities | <u>31,477</u> | <u>12,368</u> | <u>-</u> | <u>-</u> | <u>(19,109)</u> | <u>(19,109)</u> |
| Total Primary Government | <u>\$ 1,220,061</u> | <u>\$ 12,368</u> | <u>\$ 502,977</u> | <u>(685,607)</u> | <u>(19,109)</u> | <u>(704,716)</u> |
| General Revenues: | | | | | | |
| Local sources | | | | 60,894 | - | 60,894 |
| State sources | | | | 253,237 | - | 253,237 |
| On-behalf payments | | | | 335,536 | - | 335,536 |
| Investment earnings | | | | 11,648 | 2,384 | 14,032 |
| Total General Revenues, Special and Extraordinary Items, and Transfers | | | | <u>661,315</u> | <u>2,384</u> | <u>663,699</u> |
| Change in Net Assets | | | | (24,292) | (16,725) | (41,017) |
| Net Assets - Beginning | | | | <u>429,067</u> | <u>134,711</u> | <u>563,778</u> |
| Net Assets - Ending | | | | <u>\$ 404,775</u> | <u>\$ 117,986</u> | <u>\$ 522,761</u> |

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005

| | General Fund | Education Fund | Institute Fund | Other Non-Major Funds | Eliminations | Total Governmental Funds |
|--|------------------|-------------------|-------------------|-----------------------------|--------------------|--------------------------------|
| Assets | | | | | | |
| Cash | \$ 23,073 | \$ 155,379 | \$ 57,874 | \$ 4,667 | \$ - | \$ 240,993 |
| Due from other funds | - | 68,878 | - | - | (68,878) | - |
| Due from other governments | | | | | | |
| State | - | 150,098 | - | - | - | 150,098 |
| Total Assets | <u>\$ 23,073</u> | <u>\$ 374,355</u> | <u>\$ 57,874</u> | <u>\$ 4,667</u> | <u>\$ (68,878)</u> | <u>\$ 391,091</u> |
| Liabilities | | | | | | |
| Accounts payable | \$ 5,449 | \$ 8,993 | \$ - | \$ - | \$ - | \$ 14,442 |
| Due to other funds | - | 68,680 | - | 198 | (68,878) | - |
| Due to other governments | | | | | | |
| Local | - | 18,300 | - | - | - | 18,300 |
| Deferred revenue | - | 58,339 | - | - | - | 58,339 |
| Total Liabilities | <u>5,449</u> | <u>154,312</u> | <u>-</u> | <u>198</u> | <u>(68,878)</u> | <u>91,081</u> |
| Fund Balances | | | | | | |
| Unreserved, reported in: | | | | | | |
| General fund | 17,624 | - | - | - | - | 17,624 |
| Special revenue funds | - | 220,043 | 57,874 | 4,469 | - | 282,386 |
| Total Fund Balances | <u>17,624</u> | <u>220,043</u> | <u>57,874</u> | <u>4,469</u> | <u>-</u> | <u>300,010</u> |
| Total Liabilities and Fund Balances | <u>\$ 23,073</u> | <u>\$ 374,355</u> | <u>\$ 57,874</u> | <u>\$ 4,667</u> | <u>\$ (68,878)</u> | <u>\$ 391,091</u> |

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2005

| | |
|---|--------------------------|
| Total Fund Balances—Governmental Funds | \$ 300,010 |
| 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. | <u>104,765</u> |
| Net Assets of Governmental Activities | <u><u>\$ 404,775</u></u> |

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

| | General Fund | Education Fund | Institute Fund | Other Non-Major Funds | Eliminations | Total Governmental Funds |
|--|------------------|-------------------|-------------------|-----------------------------|--------------|--------------------------------|
| Revenues: | | | | | | |
| Local sources | \$ 11,985 | \$ 21,077 | \$ 18,921 | \$ 8,911 | \$ - | \$ 60,894 |
| Local sources - payments from other governments | 124,822 | - | - | - | - | 124,822 |
| State sources | 61,496 | 449,109 | - | 2,360 | - | 512,965 |
| State sources - payments from other governments | 210,714 | - | - | - | - | 210,714 |
| Federal sources | - | 243,249 | - | - | - | 243,249 |
| Total Revenues | <u>409,017</u> | <u>713,435</u> | <u>18,921</u> | <u>11,271</u> | <u>-</u> | <u>1,152,644</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Instructional Services | | | | | | |
| Salaries and benefits | 56,559 | 380,653 | - | 2,999 | - | 440,211 |
| Purchased services | 20,793 | 176,106 | 16,263 | 7,088 | - | 220,250 |
| Supplies and materials | 7,998 | 58,683 | - | 1,916 | - | 68,597 |
| Capital outlay | - | 7,127 | - | - | - | 7,127 |
| Other objects | - | - | 218 | - | - | 218 |
| Payments to other governments | - | 101,848 | - | - | - | 101,848 |
| On-behalf payments | 335,536 | - | - | - | - | 335,536 |
| Total Expenditures | <u>420,886</u> | <u>724,417</u> | <u>16,481</u> | <u>12,003</u> | <u>-</u> | <u>1,173,787</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(11,869)</u> | <u>(10,982)</u> | <u>2,440</u> | <u>(732)</u> | <u>-</u> | <u>(21,143)</u> |
| Other Financing Sources (Uses): | | | | | | |
| Transfers in | - | 328 | - | - | (328) | - |
| Transfers out | (328) | - | - | - | 328 | - |
| Interest | 4,952 | 5,331 | 1,259 | 106 | - | 11,648 |
| Total Other Financing Sources (Uses) | <u>4,624</u> | <u>5,659</u> | <u>1,259</u> | <u>106</u> | <u>-</u> | <u>11,648</u> |
| Net Change in Fund Balances | (7,245) | (5,323) | 3,699 | (626) | | (9,495) |
| Fund Balances - Beginning | <u>24,869</u> | <u>225,366</u> | <u>54,175</u> | <u>5,095</u> | | <u>309,505</u> |
| Fund Balances - Ending | <u>\$ 17,624</u> | <u>\$ 220,043</u> | <u>\$ 57,874</u> | <u>\$ 4,469</u> | <u>\$ -</u> | <u>\$ 300,010</u> |

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

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

Net change in fund balances—total governmental funds \$ (9,495)

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 | \$ 7,127 | |
| Depreciation expense | (21,924) | (14,797) |

Change in net assets of governmental activities \$ (24,292)

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2005

| | Business-Type Activities- Enterprise Fund | |
|--|--|------------|
| | Local | |
| | Workshops | Total |
| Assets: | | |
| Current Assets: | | |
| Cash | \$ 119,073 | \$ 119,073 |
| Noncurrent Assets: | | |
| Capital assets, being depreciated, net | 1,587 | 1,587 |
| Total Current Assets | 120,660 | 120,660 |
| Liabilities: | | |
| Current Liabilities: | | |
| Due to other governments | | |
| Local | 2,674 | 2,674 |
| Total Current Liabilities | 2,674 | 2,674 |
| Net Assets | | |
| Invested in capital assets | 1,587 | 1,587 |
| Unrestricted | 116,399 | 116,399 |
| Total Net Assets | \$ 117,986 | \$ 117,986 |

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

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

| | Business-Type Activities— Enterprise Fund | |
|------------------------------|--|------------|
| | Local | |
| | Workshops | Total |
| Operating Revenues: | | |
| Local sources | \$ 12,368 | \$ 12,368 |
| Total Operating Revenues | 12,368 | 12,368 |
| Operating expenses: | | |
| Purchased services | 21,755 | 21,755 |
| Supplies and materials | 9,269 | 9,269 |
| Depreciation | 453 | 453 |
| Total Operating Expenses | 31,477 | 31,477 |
| Operating Income (Loss) | (19,109) | (19,109) |
| Nonoperating Revenues: | | |
| Interest income | 2,384 | 2,384 |
| Total Nonoperating Revenue | 2,384 | 2,384 |
| Change in Net Assets | (16,725) | (16,725) |
| Total Net Assets - Beginning | 134,711 | 134,711 |
| Total Net Assets - Ending | \$ 117,986 | \$ 117,986 |

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

| | Business-Type Activities- Enterprise Fund | |
|--|--|-------------|
| | Local | |
| | Workshops | Total |
| Cash Flows From Operating Activities: | | |
| Workshop receipts | \$ 12,368 | \$ 12,368 |
| Payments to providers of services | (31,024) | (31,024) |
| Net Cash Provided by (Used for) Operating Activities | (18,656) | (18,656) |
| Cash Flows from Capital and Related Financing Activities: | | |
| Purchases of capital assets | (2,040) | (2,040) |
| Net Cash Provided by (Used for) Capital and Related Financing Activities | (2,040) | (2,040) |
| Cash Flows from Investing Activities: | | |
| Interest received on investments | 2,384 | 2,384 |
| Net Cash Provided by Investing Activities | 2,384 | 2,384 |
| Net (Decrease) in Cash and Cash Equivalents | (18,312) | (18,312) |
| Cash and Cash Equivalents - Beginning | 137,385 | 137,385 |
| Cash and Cash Equivalents - Ending | \$ 119,073 | \$ 119,073 |
| | | |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities: | | |
| Operating Income (Loss) | \$ (19,109) | \$ (19,109) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities: | | |
| Depreciation | 453 | 453 |
| Net Cash Provided by (Used for) Operating Activities | \$ (18,656) | \$ (18,656) |

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2005

| | Agency Funds |
|----------------------------|-----------------|
| Assets | |
| Cash | \$ 5,220 |
| Due from other governments | 822,321 |
| Total Assets | \$ 827,541 |
| Liabilities | |
| Due to other governments | \$ 827,541 |
| Total Liabilities | \$ 827,541 |

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In 2005, the Jackson and Perry Counties Regional Office of Education #30 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 #30 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.

FINANCIAL REPORTING ENTITY

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

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

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL REPORTING ENTITY (Concluded)

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

For the period ended June 30, 2005, the Jackson and Perry Counties Regional Office of Education #30 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Jackson and Perry Counties Regional Office of Education #30. Such activities are reported as a single major special revenue fund (Education Fund).

SCOPE OF REPORTING ENTITY

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

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

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

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

FUND ACCOUNTING

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

Governmental Funds

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

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

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

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

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

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

Technology - Enhancing Education - Competitive - This fund provides staff development and materials for integrating technology into the classroom curriculum to the school districts.

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

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

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

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

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

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

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

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

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Concluded)

Proprietary Funds

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

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

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

Fiduciary Funds

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

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

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

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

NET ASSETS

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CASH AND CASH EQUIVALENTS

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

INVENTORY

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

CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$ 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 capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets as follows:

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

COMPENSATED ABSENCES

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

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

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.

BUDGET INFORMATION

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

NOTE 2 - CASH

The Jackson and Perry Counties Regional Office of Education #30 is allowed to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7.

Deposits

At June 30, 2005, the carrying amount of the Jackson and Perry Counties Regional Office of Education #30's government-wide and Agency Fund deposits were \$360,666 and \$5,220, respectively, and the bank balance was \$407,798 and \$812,931, respectively. Of the total bank balances as of June 30, 2005, \$104,395 was secured by federal depository insurance and \$1,116,334 was collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education #30's name.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

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

The Jackson and Perry Counties Regional Office of Education #30 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing 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 non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. Active TRS members are required to contribute 9 percent of their creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer.

In addition, virtually all members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not part of this retirement plan. The member THIS Fund contribution was 0.5 percent during the year ended June 30, 2005, and the member THIS Fund health insurance contribution was 0.75 percent.

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

- **On behalf contributions:** The State of Illinois makes employer pension contributions on behalf of the Jackson and Perry Counties Regional Office of Education #30. For the year ended June 30, 2005, State of Illinois contributions were based on 11.76 percent of creditable earnings, and the Jackson and Perry Counties Regional Office of Education #30 recognized revenue and expenditures of \$27,091 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 (\$35,387) and 13.01 percent (\$42,768) respectively.

The Jackson and Perry Counties Regional Office of Education #30 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 \$1,336 and \$1,468, respectively.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

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

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 \$591

- **Federal and trust fund contributions:** When TRS members are paid from federal and trust funds administered by the Jackson and Perry Counties Regional Office of Education #30, there is a statutory requirement for the Jackson and Perry Counties Regional Office of Education #30 to pay an employer pension from those funds. For the three years ended June 30, 2005, the employer pension contribution was 10.5 percent of salaries paid from those funds. For the year ended June 30, 2005, salaries totaling \$102,077 were paid from federal and trust funds that required employer contributions of \$10,718. For the years ended June 30, 2004 and June 30, 2003, required Jackson and Perry Counties Regional Office of Education #30 contributions were \$3,215 and \$6,115, respectively.
- **Early Retirement Option(ERO):** The Jackson and Perry Counties Regional Office of Education #30 is required to make one-time employer contributions to TRS for members who retired 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 Jackson and Perry Counties Regional Office of Education #30 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.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

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

- **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.
 - 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 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.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2005

NOTE 4 - 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 amounts represents temporary loans for over expenditures in the various programs. These balances were eliminated in the government-wide Statement of Net Assets.

| From | To | <u>Amount</u> |
|---|-----------------------|------------------|
| <u>Education Fund</u> | <u>Education Fund</u> | |
| Technology-Enhancing Education-Competitive | Regional Safe Schools | \$ 35,200 |
| Title I-School Improvement and Accountability | Regional Safe Schools | 33,480 |
| <u>Nonmajor Governmental</u> | | |
| Bus Driver Training | Regional Safe Schools | <u>198</u> |
| Total Due To / From Other Funds | | <u>\$ 68,878</u> |

Transfers

Interfund transfer in / out of other fund balances at June 30, 2005 consist of the following individual transfers in / out of other funds in the governmental fund balance sheet. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

| | In | Out |
|-----------------------------|---------------|---------------|
| <u>General Fund</u> | | |
| School Service | \$ - | \$ 328 |
| <u>Education Fund</u> | | |
| Standards Aligned Classroom | <u>328</u> | <u>-</u> |
| Total Transfers In / Out | <u>\$ 328</u> | <u>\$ 328</u> |

NOTE 5 - CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Jackson and Perry Counties Regional Office of Education #30 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental activities statements. Purchases of business-type capital assets are capitalized when purchased. Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2005 of \$21,924 and \$453 was charged to the governmental activities and business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2005:

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2005

NOTE 5 - CAPITAL ASSETS (Concluded)

| | <u>Balance</u> <u>July 1, 2004</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2005</u> |
|------------------------------------|---------------------------------------|--------------------|------------------|--|
| Governmental Funds: | | | | |
| <u>General Fund</u> | | | | |
| ROE/ISC Operations | \$ 129,965 | \$ - | \$ 1,199 | \$ 128,766 |
| <u>Education Fund</u> | | | | |
| Technology - Learning | | | | |
| Technology Centers | 117,874 | 1,574 | 6,586 | 112,862 |
| Technology - Enhancing | | | | |
| Education - Competitive | - | 1,449 | | 1,449 |
| Title I - Reading First Part B SEA | - | 808 | - | 808 |
| Regional Safe School | 116,455 | 3,296 | - | 119,751 |
| <u>Nonmajor Fund</u> | | | | |
| Bus Drivers Training | 9,924 | - | - | 9,924 |
| Governmental Funds | | | | |
| Total Capital Assets | 374,218 | 7,127 | 7,785 | 373,560 |
| Less: Accumulated Depreciation | 254,656 | 21,924 | 7,785 | 268,795 |
| Governmental Funds | | | | |
| Investment in Capital Assets, Net | <u>\$ 119,562</u> | <u>\$ (14,797)</u> | <u>\$ -</u> | <u>\$ 104,765</u> |
| Business-type Activities: | | | | |
| Local Workshop Registration | <u>\$ -</u> | <u>\$ 2,040</u> | <u>\$ -</u> | <u>\$ 2,040</u> |
| Business-type Activities | | | | |
| Total Capital Assets | - | 2,040 | - | 2,040 |
| Less: Accumulated Depreciation | - | 453 | - | 453 |
| Business-type Activities | | | | |
| Investment in Capital Assets, Net | <u>\$ -</u> | <u>\$ 1,587</u> | <u>\$ -</u> | <u>\$ 1,587</u> |

NOTE 6 - RISK MANAGEMENT

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

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2005

NOTE 7 – ON BEHALF PAYMENTS

Jackson County provides the Jackson and Perry Counties Regional Office of Education #30 with staff and pays certain expenditures on behalf of the Jackson and Perry Counties Regional Office of Education #30. The expenditures paid on the Jackson and Perry Counties Regional Office of Education #30's behalf for the year ended June 30, 2005, were as follows:

| | |
|------------------------|-------------------|
| Salaries and benefits | \$ 108,499 |
| Purchased Services | 15,099 |
| Supplies and Materials | <u>1,224</u> |
| Total | <u>\$ 124,822</u> |

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

| | |
|--|-------------------|
| Regional Superintendent Salary | \$ 84,737 |
| Regional Superintendent Benefits | |
| (Includes State paid insurance) | 11,533 |
| Assistant Regional Superintendent Salary | 76,263 |
| Assistant Regional Superintendent Benefits | |
| (Includes State paid insurance) | 11,090 |
| TRS Pension Contributions | <u>27,091</u> |
| Total | <u>\$ 210,714</u> |

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

NOTE 8 – OTHER REQUIRED INDIVIDUAL FUND DISCLOSURE

The Regional Office of Education #30 had individual funds with a deficit fund balance at June 30, 2005, as follows:

| | |
|------------------------|----------|
| <u>Nonmajor Funds:</u> | |
| Bus Driver Training | \$ (198) |

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2005

NOTE 9– DUE TO/FROM OTHER GOVERNMENTS

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

Due from Other Governments:

Fiduciary Fund

| | |
|-----------------------------------|------------|
| Illinois State Board of Education | \$ 822,321 |
|-----------------------------------|------------|

Education Fund

| | |
|----------------------------------|--------|
| Regional Office of Education #21 | 35,200 |
|----------------------------------|--------|

| | |
|---------------------------------|--------|
| Regional Office of Education #2 | 33,480 |
|---------------------------------|--------|

| | |
|-----------------------------------|---------------|
| Illinois State Board of Education | <u>81,418</u> |
|-----------------------------------|---------------|

| | |
|-------|-------------------|
| Total | <u>\$ 972,419</u> |
|-------|-------------------|

Due to Other Governments:

Fiduciary Fund

| | |
|------------------------|------------|
| Local School Districts | \$ 822,534 |
|------------------------|------------|

| | |
|-------------------|-------|
| Local Governments | 5,007 |
|-------------------|-------|

Education Fund

| | |
|---------------------------------|--------|
| Regional Office of Education #2 | 18,300 |
|---------------------------------|--------|

Proprietary Fund

| | |
|-------------------|--------------|
| Local Governments | <u>2,674</u> |
|-------------------|--------------|

| | |
|-------|-------------------|
| Total | <u>\$ 848,515</u> |
|-------|-------------------|

SUPPLEMENTAL INFORMATION

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2005

| | School Service | ROE/ISC Operations | TOTALS |
|-------------------------------------|-------------------|-----------------------|------------------|
| Assets | | | |
| Cash | \$ 17,624 | \$ 5,449 | \$ 23,073 |
| Total Assets | <u>\$ 17,624</u> | <u>\$ 5,449</u> | <u>\$ 23,073</u> |
| Liabilities | | | |
| Accounts Payable | \$ - | \$ 5,449 | \$ 5,449 |
| Total Liabilities | <u>-</u> | <u>5,449</u> | <u>5,449</u> |
| Fund Balances | | | |
| Unreserved | 17,624 | - | 17,624 |
| Total Fund Balances | <u>17,624</u> | <u>-</u> | <u>17,624</u> |
| Total Liabilities and Fund Balances | <u>\$ 17,624</u> | <u>\$ 5,449</u> | <u>\$ 23,073</u> |

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2005

| | School Service | ROE/ISC Operations | TOTALS |
|--|-------------------|-----------------------|------------------|
| Revenues: | | | |
| Local sources | \$ 11,985 | \$ - | \$ 11,985 |
| Local sources - payments made on behalf of region | 124,822 | - | 124,822 |
| State sources | - | 61,496 | 61,496 |
| State sources - payments made on behalf of region | 210,714 | - | 210,714 |
| Total Revenues | <u>347,521</u> | <u>61,496</u> | <u>409,017</u> |
| Expenditures: | | | |
| Current: | | | |
| Salaries and benefits | - | 56,559 | 56,559 |
| Purchased services | 17,303 | 3,490 | 20,793 |
| Supplies and materials | 6,551 | 1,447 | 7,998 |
| Payments made on behalf of region | 335,536 | - | 335,536 |
| Total Expenditures | <u>359,390</u> | <u>61,496</u> | <u>420,886</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(11,869)</u> | <u>-</u> | <u>(11,869)</u> |
| Other Financing Sources (Uses): | | | |
| Transfer out | (328) | - | (328) |
| Interest | 4,952 | - | 4,952 |
| Total Other Financing Sources (Uses) | <u>4,624</u> | <u>-</u> | <u>4,624</u> |
| Net Change in Fund Balances | (7,245) | - | (7,245) |
| Fund Balances - Beginning | <u>24,869</u> | <u>-</u> | <u>24,869</u> |
| Fund Balances - Ending | <u>\$ 17,624</u> | <u>\$ -</u> | <u>\$ 17,624</u> |

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 BUDGETARY COMPARISON SCHEDULE
 (For the Period 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 source | \$ 61,496 | \$ 61,496 | \$ 61,496 |
| Total Revenues | <u>61,496</u> | <u>61,496</u> | <u>61,496</u> |
| Expenditures: | | | |
| Current: | | | |
| Salaries and benefits | 56,546 | 56,546 | 56,559 |
| Purchased services | 3,503 | 3,503 | 3,490 |
| Supplies and materials | 1,447 | 1,447 | 1,447 |
| Total Expenditures | <u>61,496</u> | <u>61,496</u> | <u>61,496</u> |
| Net Change in Fund Balances | - | - | - |
| Fund Balances - Beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2005

| | Special Programs | Green Schools Demonstration Project | Technology- Enhancing Education- Competitive | Title I - School Improvement & Accountability | Truants Alternative/ Optional Education | McKinney Education For Homeless Children | Reading is Fundamental |
|--|---------------------|--|---|--|--|---|---------------------------|
| Assets | | | | | | | |
| Cash | \$ 8,037 | \$ 29,625 | \$ - | \$ - | \$ 23,203 | \$ 6,047 | \$ 329 |
| Due from other funds | - | - | - | - | - | - | - |
| Due from other governments | - | - | 35,200 | 33,480 | - | - | - |
| Total Assets | \$ 8,037 | \$ 29,625 | \$ 35,200 | \$ 33,480 | \$ 23,203 | \$ 6,047 | \$ 329 |
| Liabilities | | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - | \$ 6,036 | \$ - | \$ - |
| Due to other funds | - | - | 35,200 | 33,480 | - | - | - |
| Due to other governments | - | - | - | - | - | - | - |
| Deferred revenue | - | 29,625 | - | - | 17,167 | 6,047 | - |
| Total Liabilities | - | 29,625 | 35,200 | 33,480 | 23,203 | 6,047 | - |
| Fund Balances | | | | | | | |
| Unreserved | 8,037 | - | - | - | - | - | 329 |
| Total Fund Balances | 8,037 | - | - | - | - | - | 329 |
| Total Liabilities and Fund Balances | \$ 8,037 | \$ 29,625 | \$ 35,200 | \$ 33,480 | \$ 23,203 | \$ 6,047 | \$ 329 |

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2005

| | Title I - Reading First Part B SEA | Technology- Learning Technology Centers | Standards Aligned Classroom | Regional Safe Schools | Mathematics and Science Partnership | Total |
|--|--|--|-----------------------------------|--------------------------|---|-------------------|
| Assets | | | | | | |
| Cash | \$ 788 | \$ 55,167 | \$ - | \$ 27,651 | \$ 4,532 | \$ 155,379 |
| Due from other funds | - | - | - | 68,878 | - | 68,878 |
| Due from other governments | 3,137 | 12,390 | - | 65,891 | - | 150,098 |
| Total Assets | \$ 3,925 | \$ 67,557 | \$ - | \$ 162,420 | \$ 4,532 | \$ 374,355 |
| Liabilities | | | | | | |
| Accounts Payable | \$ 2,957 | \$ - | \$ - | \$ - | \$ - | \$ 8,993 |
| Due to other funds | - | - | - | - | - | 68,680 |
| Due to other governments | - | 18,300 | - | - | - | 18,300 |
| Deferred revenue | 968 | - | - | - | 4,532 | 58,339 |
| Total Liabilities | 3,925 | 18,300 | - | - | 4,532 | 154,312 |
| Fund Balances | | | | | | |
| Unreserved | - | 49,257 | - | 162,420 | - | 220,043 |
| Total Fund Balances | - | 49,257 | - | 162,420 | - | 220,043 |
| Total Liabilities and Fund Balances | \$ 3,925 | \$ 67,557 | \$ - | \$ 162,420 | \$ 4,532 | \$ 374,355 |

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2005

| | Special Programs | Green Schools Demonstration Project | Technology- Enhancing Education- Competitive | Title I - School Improvement & Accountability | Truants Alternative/ Optional Education | McKinney Education for Homeless Children | Reading is Fundamental |
|--|---------------------|--|---|--|--|---|---------------------------|
| Revenues: | | | | | | | |
| Local sources | \$ 11,761 | \$ 115 | \$ - | \$ - | \$ - | \$ - | \$ - |
| State sources | - | 17,959 | - | - | 124,589 | - | - |
| Federal sources | - | - | 82,502 | 101,420 | - | 20,420 | - |
| Total Revenue | <u>11,761</u> | <u>18,074</u> | <u>82,502</u> | <u>101,420</u> | <u>124,589</u> | <u>20,420</u> | <u>-</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| Salaries and benefits | - | 18,735 | 8,695 | 40,465 | 69,475 | 18,657 | - |
| Purchased services | 17 | 353 | 48,758 | 55,396 | 3,799 | 1,224 | - |
| Supplies and materials | 11,761 | - | 25,049 | 4,110 | 1,308 | 567 | - |
| Capital outlay | - | - | - | 1,449 | - | - | - |
| Payments to other governments | - | - | - | - | 50,106 | - | - |
| Total Expenditures | <u>11,778</u> | <u>19,088</u> | <u>82,502</u> | <u>101,420</u> | <u>124,688</u> | <u>20,448</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(17)</u> | <u>(1,014)</u> | <u>-</u> | <u>-</u> | <u>(99)</u> | <u>(28)</u> | <u>-</u> |
| Other Financing Sources (Uses): | | | | | | | |
| Transfer in | - | - | - | - | - | - | - |
| Interest | 147 | 1,014 | - | - | 99 | 28 | - |
| Total Other Financing Sources (Uses) | <u>147</u> | <u>1,014</u> | <u>-</u> | <u>-</u> | <u>99</u> | <u>28</u> | <u>-</u> |
| Net Change in Fund Balances | 130 | - | - | - | - | - | - |
| Fund Balance - Beginning | <u>7,907</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>329</u> |
| Fund Balance - Ending | <u>\$ 8,037</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 329</u> |

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2005

| | Title I - Reading First Part B SEA | Technology- Learning Technology Centers | Standards Aligned Classroom | Regional Safe Schools | Mathematics and Science Partnership | Total |
|--|--|--|-----------------------------------|-----------------------------|---|-------------------|
| Revenues: | | | | | | |
| Local sources | \$ - | \$ 5,000 | \$ - | \$ - | \$ 4,201 | \$ 21,077 |
| State sources | - | 148,680 | - | 157,881 | - | 449,109 |
| Federal sources | 27,801 | - | - | 11,106 | - | 243,249 |
| Total Revenue | 27,801 | 153,680 | - | 168,987 | 4,201 | 713,435 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Salaries and benefits | 8,974 | 81,466 | - | 130,489 | 3,697 | 380,653 |
| Purchased services | 10,655 | 16,493 | - | 38,907 | 504 | 176,106 |
| Supplies and materials | 7,364 | 1,612 | - | 6,912 | - | 58,683 |
| Capital outlay | 808 | 1,574 | - | 3,296 | - | 7,127 |
| Payments to other governments | - | 51,742 | - | - | - | 101,848 |
| Total Expenditures | 27,801 | 152,887 | - | 179,604 | 4,201 | 724,417 |
| Excess (Deficiency) of Revenues Over Expenditures | - | 793 | - | (10,617) | - | (10,982) |
| Other Financing Sources (Uses): | | | | | | |
| Transfer in | - | - | 328 | - | - | 328 |
| Interest | - | 116 | - | 3,927 | - | 5,331 |
| Total Other Financing Sources (Uses) | - | 116 | 328 | 3,927 | - | 5,659 |
| Net Change in Fund Balances | - | 909 | 328 | (6,690) | - | (5,323) |
| Fund Balance - Beginning | - | 48,348 | (328) | 169,110 | - | 225,366 |
| Fund Balance - Ending | \$ - | \$ 49,257 | \$ - | \$ 162,420 | \$ - | \$ 220,043 |

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

| | Budgeted Amounts | | Actual Amounts |
|--|------------------|----------------|-------------------|
| | Original | Final | |
| Revenues: | | | |
| State sources | \$ 124,568 | \$ 124,568 | \$ 124,589 |
| Total Revenues | <u>124,568</u> | <u>124,568</u> | <u>124,589</u> |
| Expenditures: | | | |
| Current: | | | |
| Salaries and benefits | 115,927 | 115,927 | 69,475 |
| Purchased services | 8,641 | 8,641 | 3,799 |
| Supplies and materials | - | - | 1,308 |
| Payments to other governments | - | - | 50,106 |
| Total Expenditures | <u>124,568</u> | <u>124,568</u> | <u>124,688</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>-</u> | <u>-</u> | <u>(99)</u> |
| Other Financing Sources (Uses): | | | |
| Interest | - | - | 99 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>99</u> |
| Net Change in Fund Balances | - | - | - |
| Fund Balances - Beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2004 to June 30, 2005)
 EDUCATION FUND ACCOUNTS
 TITLE I - READING FIRST PART B SEA
 FOR THE YEAR ENDED JUNE 30, 2005

| | Budgeted Amounts | | Actual Amounts |
|-----------------------------|------------------|---------------|-------------------|
| | Original | Final | |
| Revenues: | | | |
| Federal source | \$ 27,137 | \$ 27,137 | \$ 27,801 |
| Total Revenues | <u>27,137</u> | <u>27,137</u> | <u>27,801</u> |
| Expenditures: | | | |
| Current: | | | |
| Salaries and benefits | 7,728 | 7,728 | 8,974 |
| Purchased services | 12,100 | 12,100 | 10,655 |
| Supplies and materials | 6,309 | 6,309 | 7,364 |
| Capital outlay | 1,000 | 1,000 | 808 |
| Total Expenditures | <u>27,137</u> | <u>27,137</u> | <u>27,801</u> |
| Net Change in Fund Balances | - | - | - |
| Fund Balances - Beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 BUDGETARY COMPARISON SCHEDULE
 (For the Period July 1, 2004 to June 30, 2005)
 EDUCATION FUND ACCOUNTS
 TECHNOLOGY - LEARNING TECHNOLOGY CENTERS
 FOR THE YEAR ENDED JUNE 30, 2005

| | Budgeted Amounts | | Actual Amounts |
|--|--------------------|--------------------|-------------------------|
| | Original | Final | |
| Revenues: | | | |
| Local source | \$ - | \$ - | \$ 5,000 |
| State source | 148,680 | 148,680 | 148,680 |
| Total Revenues | <u>148,680</u> | <u>148,680</u> | <u>153,680</u> |
| Expenditures: | | | |
| Current: | | | |
| Salaries and benefits | 124,000 | 124,000 | 81,466 |
| Purchased services | 18,000 | 18,000 | 16,493 |
| Supplies and materials | 4,000 | 4,000 | 1,612 |
| Capital outlay | 2,680 | 2,680 | 1,574 |
| Payments to other governments | - | - | 51,742 |
| Total Expenditures | <u>148,680</u> | <u>148,680</u> | <u>152,887</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>-</u> | <u>-</u> | <u>793</u> |
| Other Financing Sources (Uses): | | | |
| Interest | <u>-</u> | <u>-</u> | <u>116</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>116</u> |
| Net Change in Fund Balances | - | - | 909 |
| Fund Balances - Beginning | <u>-</u> | <u>-</u> | <u>48,348</u> |
| Fund Balances - Ending | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 49,257</u></u> |

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 BUDGETARY COMPARISON SCHEDULE
 (For the Period July 1, 2004 to June 30, 2005)
 EDUCATION FUND ACCOUNTS
 REGIONAL SAFE SCHOOLS
 FOR THE YEAR ENDED JUNE 30, 2005

| | Budgeted Amounts | | Actual Amounts |
|--|--------------------|--------------------|--------------------------|
| | Original | Final | |
| Revenues: | | | |
| State sources | \$ 109,815 | \$ 109,815 | \$ 157,881 |
| Federal sources | - | - | 11,106 |
| Total Revenues | <u>109,815</u> | <u>109,815</u> | <u>168,987</u> |
| Expenditures: | | | |
| Current: | | | |
| Salaries and benefits | 100,006 | 100,006 | 130,489 |
| Purchased services | 8,609 | 8,609 | 38,907 |
| Supplies and materials | 1,200 | 1,200 | 6,912 |
| Capital outlay | - | - | 3,296 |
| Total Expenditures | <u>109,815</u> | <u>109,815</u> | <u>179,604</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>-</u> | <u>-</u> | <u>(10,617)</u> |
| Other Financing Sources (Uses): | | | |
| Interest | - | - | 3,927 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>3,927</u> |
| Net Change in Fund Balances | - | - | (6,690) |
| Fund Balances - Beginning | <u>-</u> | <u>-</u> | <u>169,110</u> |
| Fund Balances - Ending | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 162,420</u></u> |

Note: Regional Safe School State Aid funding of \$47,861, which is not required to have a budget, and the remaining fiscal year 2004 Title IV - Community Service grant of \$1,534 are accounted for in Regional Safe School, therefore, the actual expenditures will not reconcile to the budget amounts.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of March 15, 2004 to March 14, 2006)
 EDUCATION FUND ACCOUNTS
 GREEN SCHOOLS DEMONSTRATION PROJECT
 FOR THE YEAR ENDED JUNE 30, 2005

| | Budgeted Amounts | | Actual Amounts |
|--|--------------------|--------------------|--------------------|
| | Original | Final | |
| Revenues: | | | |
| Local sources | \$ 50,000 | \$ 50,000 | \$ 115 |
| State sources | - | - | 17,959 |
| Total Revenues | <u>50,000</u> | <u>50,000</u> | <u>18,074</u> |
| Expenditures: | | | |
| Current: | | | |
| Salaries and benefits | 44,370 | 44,370 | 18,735 |
| Purchased services | 5,630 | 5,630 | 353 |
| Total Expenditures | <u>50,000</u> | <u>50,000</u> | <u>19,088</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>-</u> | <u>-</u> | <u>(1,014)</u> |
| Other Financing Sources (Uses): | | | |
| Interest | - | - | 1,014 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>1,014</u> |
| Net Change in Fund Balances | - | - | - |
| Fund Balances - Beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances - Ending | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

Note: This grant has a two-year operating period and recognizes current year income based on the expenditures for that period.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2005

| | SPECIAL REVENUE FUNDS | | | Total |
|-------------------------------------|------------------------|-------------|-------------------------------------|-----------------------------------|
| | Bus Driver Training | Supervisory | General Education Development | Nonmajor Governmental Funds |
| Assets | | | | |
| Cash | \$ - | \$ 2,059 | \$ 2,608 | \$ 4,667 |
| Total Assets | \$ - | \$ 2,059 | \$ 2,608 | \$ 4,667 |
| Liabilities: | | | | |
| Due to other funds | \$ 198 | \$ - | \$ - | \$ 198 |
| Total Liabilities | 198 | - | - | 198 |
| Fund Balances: | | | | |
| Unreserved | (198) | 2,059 | 2,608 | 4,469 |
| Total Fund Balances | (198) | 2,059 | 2,608 | 4,469 |
| Total Liabilities and Fund Balances | \$ - | \$ 2,059 | \$ 2,608 | \$ 4,667 |

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005

| | SPECIAL REVENUE FUNDS | | | Total Nonmajor Governmental Funds |
|--|------------------------|-----------------|-------------------------------------|--|
| | Bus Driver Training | Supervisory | General Education Development | |
| Revenue: | | | | |
| Local sources | \$ 1,139 | \$ - | \$ 7,772 | \$ 8,911 |
| State sources | 360 | 2,000 | - | 2,360 |
| Total Revenues | <u>1,499</u> | <u>2,000</u> | <u>7,772</u> | <u>11,271</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Salaries and benefits | - | - | 2,999 | 2,999 |
| Purchased services | 1,240 | 1,693 | 4,155 | 7,088 |
| Supplies and materials | 5 | - | 1,911 | 1,916 |
| Total Expenditures | <u>1,245</u> | <u>1,693</u> | <u>9,065</u> | <u>12,003</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>254</u> | <u>307</u> | <u>(1,293)</u> | <u>(732)</u> |
| Other Financing Sources: | | | | |
| Interest | 3 | 31 | 72 | 106 |
| Total Other Financing Sources | <u>3</u> | <u>31</u> | <u>72</u> | <u>106</u> |
| Net Change in Fund Balances | 257 | 338 | (1,221) | (626) |
| Fund Balance - Beginning | <u>(455)</u> | <u>1,721</u> | <u>3,829</u> | <u>5,095</u> |
| Fund Balance - Ending | <u>\$ (198)</u> | <u>\$ 2,059</u> | <u>\$ 2,608</u> | <u>\$ 4,469</u> |

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2005

| | Distributive Fund | Education for Employment | Totals |
|--------------------------|----------------------|--------------------------------|------------|
| Assets | | | |
| Cash | \$ 213 | \$ 5,007 | \$ 5,220 |
| Due from ISBE | 822,321 | - | 822,321 |
| Total Assets | \$ 822,534 | \$ 5,007 | \$ 827,541 |
| Liabilities | | | |
| Due to other governments | \$ 822,534 | \$ 5,007 | \$ 827,541 |
| Total Liabilities | \$ 822,534 | \$ 5,007 | \$ 827,541 |

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005

| | <u>Balance 7/1/04</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance 6/30/05</u> |
|--------------------------------------|---------------------------|----------------------|----------------------|----------------------------|
| <u>Distributive Fund</u> | | | | |
| Assets | | | | |
| Cash | \$ 139 | \$ 53,712,194 | \$ 53,712,120 | \$ 213 |
| Due from ISBE | 945,636 | 822,321 | 945,636 | 822,321 |
| Total Assets | <u>\$ 945,775</u> | <u>\$ 54,534,515</u> | <u>\$ 54,657,756</u> | <u>\$ 822,534</u> |
| Liabilities | | | | |
| Due to other governments | \$ 945,775 | \$ 54,534,515 | \$ 54,657,756 | \$ 822,534 |
| Total Liabilities | <u>\$ 945,775</u> | <u>\$ 54,534,515</u> | <u>\$ 54,657,756</u> | <u>\$ 822,534</u> |
| <u>Education for Employment</u> | | | | |
| Assets | | | | |
| Cash | \$ 6,684 | \$ - | \$ 1,677 | \$ 5,007 |
| Total Assets | <u>\$ 6,684</u> | <u>\$ -</u> | <u>\$ 1,677</u> | <u>\$ 5,007</u> |
| Liabilities | | | | |
| Due to other governments | \$ 6,684 | \$ - | \$ 1,677 | \$ 5,007 |
| Total Liabilities | <u>\$ 6,684</u> | <u>\$ -</u> | <u>\$ 1,677</u> | <u>\$ 5,007</u> |
| <u>Totals - All Agency Funds</u> | | | | |
| Assets | | | | |
| Cash | \$ 6,823 | \$ 53,712,194 | \$ 53,713,797 | \$ 5,220 |
| Due from ISBE | 945,636 | 822,321 | 945,636 | 822,321 |
| Total Assets | <u>\$ 952,459</u> | <u>\$ 54,534,515</u> | <u>\$ 54,659,433</u> | <u>\$ 827,541</u> |
| Liabilities | | | | |
| Due to other governments | \$ 952,459 | \$ 54,534,515 | \$ 54,659,433 | \$ 827,541 |
| Total Liabilities | <u>\$ 952,459</u> | <u>\$ 54,534,515</u> | <u>\$ 54,659,433</u> | <u>\$ 827,541</u> |

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

| | #86 Desoto | #95 Carbondale | #130 Giant City | #165 Carbondale | #176 Trico | #186 Murphysboro | #196 Elverado | #5 Tamaroa | #50 Pinckneyville | #101 Pinckneyville | #204 Pinckneyville | #300 DuQuoin | Educational Service Region | Regional Delivery System | Totals |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|-------------------|----------------------|-----------------------|-----------------------|---------------------|----------------------------------|--------------------------------|----------------------|
| ADA Safety/Education Block Grant | \$ 6,832 | \$ 36,169 | \$ 7,770 | \$ 29,978 | \$ 27,040 | \$ 58,455 | \$ 13,883 | \$ 3,519 | \$ 17,222 | \$ 13,568 | \$ 5,841 | \$ 41,533 | \$ - | \$ - | \$ 261,810 |
| Bilingual | - | 14,334 | - | 4,946 | - | - | - | - | - | - | - | - | - | - | 19,280 |
| Driver Education | - | - | - | 32,870 | 10,638 | 26,314 | 5,628 | - | - | 13,644 | - | 14,439 | - | - | 103,533 |
| Early Childhood - Block Grant | - | 384,166 | - | - | - | 3,779,955 | - | - | - | - | - | - | - | - | 4,164,121 |
| Even Start | - | - | - | 109,000 | - | 379,596 | - | - | - | - | - | - | - | - | 488,596 |
| Fast Growth Funds | 12,595 | - | - | - | - | - | - | - | - | - | - | - | - | - | 12,595 |
| Federal School Breakfast Program | 7,544 | 91,213 | 4,738 | 51,840 | 26,012 | 116,456 | 27,693 | 9,796 | 3,101 | 6,040 | 5,037 | 59,593 | - | - | 409,063 |
| Forest Reserve | - | - | 59 | - | 1,074 | 2,924 | - | - | - | - | - | - | - | - | 4,057 |
| State Free Lunch and Breakfast | 2,801 | 24,365 | 1,183 | 11,057 | 6,037 | 29,985 | 4,881 | 1,789 | 50,782 | 1,256 | 915 | 13,754 | 1,224 | - | 150,029 |
| Gifted | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - | - | - | - | 2,674 | - | 2,674 |
| Learn and Serve America | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| McKinney Homeless | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| National School Lunch | 40,420 | 249,874 | 207,883 | 116,559 | - | 369,866 | 77,394 | 19,700 | 12,141 | 20,158 | 20,032 | 188,067 | - | - | 1,322,094 |
| National Board Certificate Initiatives | - | 6,000 | 3,000 | 7,000 | 112,601 | 4,000 | - | - | - | - | - | - | - | - | 132,601 |
| Orphanage Tuition | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Reading Improvement | 16,008 | 142,116 | 12,818 | - | 34,785 | 90,438 | 23,640 | 7,003 | 36,771 | - | 10,373 | 62,274 | - | - | 436,226 |
| Reading Improvement - Reading Rec. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Regional Safe Schools | - | - | - | - | - | - | - | - | - | - | - | - | 44,129 | - | 44,129 |
| Regular Transportation | 23,680 | 383,211 | 31,840 | 112,333 | 436,187 | 605,144 | 211,654 | 14,153 | 71,013 | 90,665 | - | 239,145 | - | - | 2,219,025 |
| ROE/SC Operations | - | - | - | - | - | - | - | - | - | - | - | - | 61,496 | - | 61,496 |
| School Breakfast Incentive | - | - | - | 602 | 273 | 848 | 3,625 | 293 | 51 | 98 | 48 | 635 | - | - | 6,473 |
| School Bus Driver Training | - | - | - | - | - | - | - | - | - | - | - | - | 360 | - | 360 |
| School Renovation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| School Technology Revolving | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Education Extraordinary | 38,574 | 240,137 | 33,822 | 127,426 | 154,849 | 530,002 | 41,351 | 15,428 | 125,117 | 11,320 | 31,484 | 127,170 | - | - | 1,476,680 |
| Special Education Orphanage | - | - | - | - | - | - | - | - | - | - | - | 4,260 | - | - | 4,260 |
| Special Education Orphanage Ind | - | 12,345 | - | 2,682 | 4,511 | 585,775 | - | - | - | 16,684 | - | - | 12,000 | - | 633,997 |
| Special Education Personnel | 36,883 | 209,600 | 22,092 | 138,971 | 100,900 | 1,011,550 | 38,949 | 13,874 | 84,449 | 34,115 | 27,404 | 190,139 | - | - | 1,908,926 |
| Special Education Pre-School | - | - | - | - | - | 116,596 | - | - | - | - | - | - | - | - | 116,596 |
| Special Education IDEA | - | - | - | - | - | 3,705,091 | - | - | - | - | - | - | - | - | 3,705,091 |
| Special Education Private Fac. | - | - | - | 11,567 | - | - | - | - | - | - | - | - | - | - | 11,567 |
| Special Education Summer School | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Education Transportation | 19,348 | 320,274 | 19,302 | 108,386 | 123,342 | 180,614 | 84,326 | 32,395 | 101,003 | 51,466 | 28,407 | 108,419 | - | - | 1,177,282 |
| State Aide | 874,819 | 2,189,337 | 868,351 | 2,065,748 | 2,913,672 | 8,088,686 | 1,957,706 | 554,569 | 2,175,544 | 1,440,592 | 429,796 | 5,644,280 | 57,433 | - | 29,260,533 |
| State Aide Hold Harmless | - | 267,157 | - | - | - | - | - | - | - | - | - | - | - | - | 267,157 |
| Summer Food | - | - | - | - | - | - | - | 86 | - | - | - | - | - | - | 86 |
| Supervisory | - | - | - | - | - | - | - | - | - | - | - | - | 2,000 | - | 2,000 |
| Technology - Learning Technology Centers | - | - | - | - | - | - | - | - | - | - | - | - | 142,146 | - | 142,146 |
| Technology Enhancing Education Formula | 2,260 | 23,164 | 950 | 7,932 | 5,222 | 22,533 | 4,394 | 1,240 | 4,797 | 26,954 | 1,345 | 11,454 | - | - | 112,245 |
| Technology Enhancing Education Competitive | - | - | 938 | - | - | 1,000 | - | - | - | 5,805 | - | - | - | - | 7,743 |
| Title I Accountability | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Title I Comprehensive School Reform | - | - | - | - | - | - | - | 50,000 | - | - | - | - | - | - | 50,000 |
| Title I Low Income | 101,198 | 847,756 | 100,302 | 297,835 | 198,819 | 915,133 | 144,300 | 49,531 | 118,017 | 35,168 | 47,262 | 400,748 | - | - | 3,256,069 |
| Title I Reading First Part SEA B | - | - | - | - | - | - | - | - | - | - | - | - | 24,000 | - | 24,000 |
| Title I School Improvement | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Title II Teacher Quality | 20,676 | 166,051 | 28,191 | 50,204 | 59,145 | 226,897 | 30,061 | 6,503 | 51,902 | 19,811 | 840 | 106,745 | - | - | 767,026 |
| Title IV 21st Century Comm Learning Ctr | - | - | - | - | - | - | 121,576 | - | - | - | - | - | - | - | 121,576 |
| Title IV Community Service | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Title IV Safe and Drug Free | 1,100 | 14,467 | 2,020 | 7,445 | 3,943 | 21,532 | 3,712 | 1,182 | 6,915 | 1,040 | 239 | 12,251 | - | - | 75,846 |
| Title V Innovative Program | 1,101 | 10,282 | 1,186 | 6,082 | - | 14,620 | 2,947 | 627 | 3,756 | 1,936 | 675 | 8,658 | - | - | 51,870 |
| Title VI Rural Ed Initiative | - | - | - | - | 3,470 | 68,136 | - | - | - | - | - | - | - | - | 71,606 |
| Transition Assistance | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Truants Alternative | - | - | - | 65,879 | - | - | - | - | - | - | - | - | 126,222 | - | 192,101 |
| Voc Ed Agriculture Education | - | - | - | - | - | - | - | - | - | - | - | - | - | 8,365 | 8,365 |
| Voc Ed Career Development | - | - | - | - | - | - | - | - | - | - | - | - | - | 286,468 | 286,468 |
| Voc Ed Coord Grants | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Voc Ed Jobs for Illinois Graduates | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Voc Ed Perkins Title II | - | - | - | - | - | - | - | - | - | - | - | - | - | 142,722 | 142,722 |
| Voc Ed Work Based Learning | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTALS | \$ 1,205,839 | \$ 5,632,018 | \$ 1,346,445 | \$ 3,366,342 | \$ 4,222,520 | \$ 20,952,146 | \$ 2,797,720 | \$ 781,688 | \$ 2,862,581 | \$ 1,790,320 | \$ 609,698 | \$ 7,233,564 | \$ 473,684 | \$ 437,555 | \$ 53,712,120 |

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

| Federal Grantor/ Pass-Through Grantor/ <u>Program or Cluster Title</u> | <u>CFDA Number</u> | Project # (1st eight digits) or <u>Contract #</u> | Federal <u>Expenditures</u> <u>7/1/04 - 6/30/05</u> |
|---|------------------------|--|---|
| U.S. Dept. of Education passed through Illinois State Board of Education: | | | |
| Title I - Reading First Part B SEA | 84.357A | 05-4337-02 | \$ 27,801 |
| Title IV - Community Service | 84.184C | 04-4420-00 | <u>1,534</u> |
| Total U.S. Dept. of Education passed through Illinois State Board of Education: | | | <u>29,335</u> |
| U.S. Dept. of Education passed through Alexander, Johnson, Massac, Pulaski, and Union Counties Regional Office of Education #2 | | | |
| Title I - School Improvement and Accountability | 84.010A | 05-4331-SS | <u>101,420 (M)</u> |
| Total U.S. Dept of Education through Alexander, Johnson, Massac, Pulaski, and Union Counties Regional Office of Education #2 | | | <u>101,420</u> |
| U.S. Dept. of Education passed through Franklin and Williamson Counties Regional Office of Education #21 | | | |
| Technology - Enhancing Education - Competitive | 84.318X | 05-4972-00 | 82,502 (M) |
| McKinney Education for Homeless Children | 84.196A | 05-4920-00 | <u>20,420</u> |
| Total U.S. Dept of Education through Franklin and Williamson Counties Regional Office of Education #21 | | | <u>102,922</u> |
| U.S. Dept. of Human Services passed through Illinois State Board of Education: | | | |
| Regional Safe School State Aid (TANF) | 93.558 | 05-3001-93 | <u>9,572</u> |
| Total U.S. Department of Human Services passed through Illinois State Board of Education | | | <u>9,572</u> |
| Total Expenditures of Federal Awards | | | <u><u>\$ 243,249</u></u> |

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

JACKSON AND PERRY COUNTIES REGIONAL OFFICE OF EDUCATION #30
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Jackson and Perry Counties Regional Office of Education #30 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented on this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - SUBRECIPIENTS

None

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM

Technology - Enhancing Education - Competitive - This fund provides staff development and materials for integrating technology into the classroom curriculum to the school districts in the Jackson and Perry Counties Regional Office of Education #30's region.

Title I - School Improvement and Accountability – This fund supports the improvement of basic programs operated by the Jackson and Perry Counties Regional Office of Education #30 by providing professional development for data analysis, school improvement plan/development, Standards-Aligned curriculum/instruction, and classroom assessment to System of Support Status schools on the Academic Early Warning and Watch.

NOTE 4 - NON-CASH ASSISTANCE

None

NOTE 5 - AMOUNT OF INSURANCE

\$5,032

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

None.