

**STATE OF ILLINOIS
SANGAMON COUNTY REGIONAL OFFICE
OF EDUCATION NO. 51**

**FINANCIAL AUDIT
(In Accordance with the Single Audit Act
and OMB Circular A-133)
For the Year Ended June 30, 2005**

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

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51

TABLE OF CONTENTS

| | PAGE |
|---|-------------|
| OFFICIALS | 1 |
| COMPLIANCE REPORT SUMMARY | 2 |
| FINANCIAL STATEMENT REPORT SUMMARY | 3 |
| FINANCIAL SECTION | |
| Independent Auditors’ Report..... | 4 |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> | 6 |
| Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 | 8 |
| Schedule of Findings and Questioned Costs | 10 |
| Financial Statement Findings..... | 11 |
| Federal Award Findings..... | 13 |
| Corrective Action Plan for Current Year Audit Findings..... | 14 |
| Summary Schedule of Prior Audit Findings..... | 15 |
| Management’s Discussion and Analysis | 16 |
| BASIC FINANCIAL STATEMENTS | |
| Government-wide Financial Statements | |
| Statement of Net Assets..... | 23 |
| Statement of Activities..... | 24 |
| Fund Financial Statements | |
| Governmental Funds - Balance Sheet | 25 |
| Governmental Funds – Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets | 26 |
| Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances | 27 |
| Governmental Funds – Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities | 28 |
| Proprietary Funds – Statement of Net Assets | 29 |
| Proprietary Funds – Statement of Revenues, Expenses, and Changes in Fund Net Assets | 30 |
| Proprietary Funds – Statement of Cash Flows..... | 31 |
| Fiduciary Funds – Statement of Fiduciary Net Assets..... | 32 |
| Notes to Financial Statements | 33 |

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51

TABLE OF CONTENTS

REQUIRED SUPPLEMENTARY INFORMATION

IMRF Schedule of Funding Progress (Unaudited) 57

SUPPLEMENTAL INFORMATION

General Fund Accounts:

Combining Schedule of Accounts 58
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances..... 59
Budgetary Comparison Schedule – ROE/ISC Operations..... 60

Education Fund Accounts:

Combining Schedule of Accounts 61
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances..... 65

Budgetary Comparison Schedules:

Regional Safe School..... 68
Title V – Innovative Program 69
Transition Outreach Training for Adult Living Program 70
Sangamon County Truants Alternative Optional Education Program 71
Title I Reading First..... 72
Reading Improvement Block Grant..... 73
Area III Homeless Liaison Project 74
Title IV – Safe & Drug Free Sch – Formula..... 75
Learning Behavior Specialist 1 (LBS1)..... 76
State and Community Highway Safety..... 77
Learn & Serve America 78
Title II – Teacher Quality 79
Title IV – Community Service..... 80

Nonmajor Special Revenue Funds:

Combining Balance Sheet..... 81
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 82

Fiduciary Funds:

Combining Statement of Fiduciary Net Assets 83
Combining Statement of Changes in Assets and Liabilities - All Agency Funds 84

Schedule of Disbursements to School Treasurers and Others -

Distributive Fund 87

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51

TABLE OF CONTENTS

FEDERAL COMPLIANCE SECTION

| | |
|---|----|
| Schedule of Expenditures of Federal Awards | 88 |
| Notes to the Schedule of Expenditures of Federal Awards | 90 |

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
OFFICIALS**

| | |
|------------------------------------|--|
| Regional Superintendent | Ms. Helen Tolan (Current and during audit period) |
| Assistant Regional Superintendents | Mr. Greg Gardner (June 7, 2004 – July 15, 2005) Mr. Gary Sullivan (July 16, 2005 – present) |

Offices are located at:
200 South Ninth Street
Room 303 County Complex
Springfield, Illinois 62701-1629

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
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.

AUDITOR’S REPORTS

The auditor’s reports on compliance and on internal controls do not contain scope limitations, disclaimers, or other significant nonstandard language.

SUMMARY OF AUDIT FINDINGS

| <u>Number of</u> | <u>This Audit</u> | <u>Prior Audit</u> |
|---|--------------------------|---------------------------|
| Audit findings | 1 | 3 |
| Repeated audit findings | 0 | 0 |
| Prior recommendations implemented or not repeated | 3 | 0 |

SUMMARY OF FINDINGS AND QUESTIONED COSTS

| Item No. | Pages | Description |
|-----------------|--------------|--|
| | | Findings (<i>Government Auditing Standards</i>) |
| 05-01 | 11-12 | Controls Over Compliance with Laws and Regulations |

Findings (Federal Compliance)

None.

Prior Audit Findings not Repeated (*Government Auditing Standards*)

| | | |
|-------|----|-----------------------------------|
| 04-01 | 15 | Noncompliance with State Mandates |
|-------|----|-----------------------------------|

Prior Audit Findings not Repeated (Federal Compliance)

| | | |
|-------|----|---|
| 04-02 | 15 | Improper Allocation of Costs |
| 04-03 | 15 | Computerized Accounting System Deficiencies |

EXIT CONFERENCE

The finding and recommendation appearing in this report was discussed with ROE personnel at an informal exit conference on September 30, 2005 at ROE No. 51. Attending were Helen Tolan, Regional Superintendent, and Mimi Power, Bookkeeper and Leslie Ruyle, Supervisor, and Jill Daugherty, Staff Accountant from Sikich, LLP. Response to the recommendation was provided by Helen Tolan, Regional Superintendent, via email on January 9, 2006.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
FINANCIAL STATEMENT REPORT
SUMMARY**

The audit of the accompanying basic financial statements of the Sangamon County Regional Office of Education No. 51 was performed by Sikich, LLP.

Based on their audit, the auditors expressed an unqualified opinion on the Sangamon County Regional Office of Education No. 51's basic financial statements.



Independent Auditors' Report

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sangamon County Regional Office of Education No. 51, as of and for the year ended June 30, 2005, which collectively comprise the Sangamon County Regional Office of Education No. 51's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Office of Education No. 51'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 Sangamon County Regional Office of Education No. 51, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 30, 2005 on our consideration of the Sangamon County Regional Office of Education No. 51's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 16 through 22 and 57 are 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 Sangamon County Regional Office of Education No. 51's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School Treasurers and Others – Distributive Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School Treasurers and Others – Distributive Fund, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sikich LLP

Springfield, Illinois
September 30, 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 Sangamon County Regional Office of Education No. 51, as of and for the year ended June 30, 2005, which collectively comprise the Sangamon County Regional Office of Education No. 51's basic financial statements and have issued our report thereon dated September 30, 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 Sangamon County Regional Office of Education No. 51's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sangamon County Regional Office of Education No. 51'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 a certain 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 05-01.

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.

Sikich LLP

Springfield, Illinois
September 30, 2005



**Report on Compliance With Requirements
Applicable to Each Major Program and on Internal Control Over
Compliance in Accordance With OMB Circular A-133**

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the compliance of the Sangamon County Regional Office of Education No. 51 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 Sangamon County Regional Office of Education No. 51'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 Sangamon County Regional Office of Education No. 51's management. Our responsibility is to express an opinion on the Sangamon County Regional Office of Education No. 51's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Sangamon County Regional Office of Education No. 51'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 Sangamon County Regional Office of Education No. 51's compliance with those requirements.

In our opinion, the Sangamon County Regional Office of Education No. 51 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of the Sangamon County Regional Office of Education No. 51 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Sangamon County Regional Office of Education No. 51's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

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

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

Sikich LLP

Springfield, Illinois
September 30, 2005

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
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 no
 Reportable condition(s) identified that is not
 considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal Control over major programs:
 Material weakness(es) identified? yes no
 Reportable condition(s) identified that is not
 considered to be material weaknesses? yes 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
 Circular A-133, Section .510(a)? yes no

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|---|
| 84.357 | Title I – Reading First Part B SEA Funds |

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

Auditee qualified as low-risk auditee? yes no

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION NO. 51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2005**

FINDING NO. 05-01 – Controls Over Compliance with Laws and Regulations

CRITERIA/SPECIFIC REQUIREMENT:

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

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

CONDITION:

The Regional Office is not examining all books, accounts, and vouchers of every school treasurer in her 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 her 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 No. 51 did not comply with statutory requirements.

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION NO. 51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2005**

FINDING NO. 05-01 – Continued

CAUSE:

The Sangamon County Regional Office of Education No. 51’s management believed that their review of each school district’s annual report and subsequent follow up with those school districts having audit exceptions would be adequate for compliance with the requirements of 105 ILCS 5/3-14.11.

RECOMMENDATION:

The Regional Office of Education No. 51 should comply with the requirements of 105 ILCS 5/3-14.11. If the Regional Office believes the statutory mandate is obsolete or otherwise unnecessary, then it should seek legislative action to revise the statute accordingly.

MANAGEMENT’S RESPONSE:

In 1953, there were 102 county superintendents and their duties were a lot less numerous than today. Few schools had budgets that exceeded \$500,000. Under such conditions, this law probably made sense. During the past 50+ years, various practices have evolved eliminating the need for this type of monitoring. In the 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 and 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.

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION NO. 51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III – FEDERAL AWARD FINDINGS
For the Year Ended June 30, 2005**

INSTANCES OF NON COMPLIANCE:

None

REPORTABLE CONDITIONS:

None

**SANGAMON COUNTY
REGIONAL OFFICE OF EDUCATION NO. 51
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2005**

Corrective Action Plan

FINDING 05-01 – Controls Over Compliance with Laws and Regulations

CONDITION:

The Regional Office is not examining all books, accounts, and vouchers of every school treasurer in her 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 her region. In addition, the Regional Office gets a spreadsheet from the Illinois State Board of Education (ISBE) that outlines all of the school districts and their audit exceptions, if any. The Regional Office follows up with school districts having exceptions and gets the corrective action and forwards it to ISBE.

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

PLAN:

The Regional Office will seek a legislative solution to this and other obsolete passages.

ANTICIPATED DATE OF COMPLETION:

As soon as possible.

CONTACT PERSON:

Helen Tolan, Regional Superintendent

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2005**

| <u>Finding Number</u> | <u>Condition</u> | <u>Current Status</u> |
|----------------------------------|---|----------------------------------|
| 04-01 | Noncompliance with State Mandates | Not repeated. |
| 04-02 | Improper allocation of costs | Not repeated. |
| 04-03 | Computerized accounting system deficiencies | Not repeated |

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2005

Sangamon County Regional Office of Education No. 51 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 Agency's financial statements, which follow.

Sangamon County Regional Office of Education No. 51 implemented new reporting standards for past fiscal year 2004 with significant changes in content and structure. This report will include past year financial activity, along with fiscal year 2005 activity, making comparisons of the financial position and results of operations more meaningful.

2005 FINANCIAL HIGHLIGHTS

General Fund revenues decreased from \$395,030 in fiscal year 2004 to \$328,172 in fiscal year 2005, while General Fund expenditures increased from \$356,443 in fiscal year 2004 to \$359,461 in fiscal year 2005. The Regional Office experienced a decrease in the General Fund balance from \$185,180 in fiscal year 2004 to \$156,679 in fiscal year 2005.

The decrease in General Fund revenues was attributable in part to the reclassification of our Local Workshop Fund to an Enterprise Fund. Revenues and expenses for the Local Workshop Fund are no longer included in the General Fund balances and are presented with Proprietary Funds. The increase in expenditures was due primarily to costs associated with the upgrade of computer equipment in the Staff Development office.

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 Office's financial activities.
- The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the Sangamon County Regional Office of Education No. 51 as a whole and present an overall view of the Office's finances.
- The fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the Office's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- Supplementary Information further explains and supports the financial statements with a comparison of the Office's detailed information for each category of funds and also provides detailed information about the non-major funds.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2005

Reporting the Agency as a Whole

The Statement of Net Assets and the Statement of Activities

The government-wide statements report information about the Sangamon County Regional Office of Education No. 51 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the Sangamon County ROE No. 51 assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

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

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

Fund Financial Statements

The fund financial statements provide detailed information about the Regional Office's funds, focusing on its most significant or "major" funds. Funds are accounting devices which allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by State law. The Regional Office of Education No. 51 established other funds to control and manage money for particular purposes.

The Office has three kinds of Fund classifications:

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

- 2) Proprietary funds account for services for which the Regional Office of Education No. 51 charges fees under a cost-reimbursement method. These fees cover the costs of certain services and workshops it provides.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2005

The proprietary fund's required 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.

- 3) Fiduciary funds account for services for which the Sangamon County Regional Office of Education No. 51 acts as fiscal agent for individuals and private or governmental organizations.

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

A summary reconciliation between the government-wide financial statements and the fund financial statements are included after each fund financial statement.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of financial position. Sangamon County Regional Office of Education No. 51's net assets at the end of fiscal year 2004 totaled approximately \$1,242,139. At the end of fiscal year 2005, the net assets were approximately \$1,207,242. The analysis that follows provides a summary of the Office's net assets at June 30, 2005 and 2004.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2005**

**CONDENSED STATEMENT OF NET ASSETS
June 30, 2005 and 2004**

| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|---------------------|-----------------------------|-------------|---------------------|---------------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| ASSETS | | | | | | |
| Current assets | \$ 2,050,035 | \$ 1,459,162 | \$ 29,303 | \$ - | \$ 2,079,338 | \$ 1,459,162 |
| Capital assets, net of depreciation | <u>23,755</u> | <u>30,465</u> | <u>-</u> | <u>-</u> | <u>23,755</u> | <u>30,465</u> |
| TOTAL ASSETS | <u>\$ 2,073,790</u> | <u>\$ 1,489,627</u> | <u>\$ 29,303</u> | <u>\$ -</u> | <u>\$ 2,103,093</u> | <u>\$ 1,489,627</u> |
| LIABILITIES | | | | | | |
| Current liabilities | \$ 892,804 | \$ 243,506 | \$ - | \$ - | \$ 892,804 | \$ 243,506 |
| Compensated absences | <u>3,047</u> | <u>3,982</u> | <u>-</u> | <u>-</u> | <u>3,047</u> | <u>3,982</u> |
| TOTAL LIABILITIES | <u>895,851</u> | <u>247,488</u> | <u>-</u> | <u>-</u> | <u>895,851</u> | <u>247,488</u> |
| NET ASSETS | | | | | | |
| Investments in capital assets, net of related debt | 23,755 | 30,465 | - | - | 23,755 | 30,465 |
| Unrestricted | <u>1,154,184</u> | <u>1,211,674</u> | <u>29,303</u> | <u>-</u> | <u>1,183,487</u> | <u>1,211,674</u> |
| TOTAL NET ASSETS | <u>\$ 1,177,939</u> | <u>\$ 1,242,139</u> | <u>\$ 29,303</u> | <u>\$ -</u> | <u>\$ 1,207,242</u> | <u>\$ 1,242,139</u> |

The Regional Office of Education's net assets decreased by approximately \$34,897 from Fiscal Year 2004 to Fiscal Year 2005. This decrease occurred primarily in the Governmental Funds due to a decrease in grant funding for the McKinney Education for Homeless Children, Transition Outreach Training for Adult Living (TOTAL), and the Learning Behavioral Specialist 1 (LBS1) programs.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2005**

The following analysis shows the changes in net assets for the years ended June 30, 2005 and 2004.

**CHANGES IN NET ASSETS
For the Years Ended June 30, 2005 and 2004**

| | <u>Governmental</u> | | <u>Business-type</u> | | <u>Total</u> | |
|--|---------------------|---------------------|----------------------|-------------|---------------------|---------------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 122,020 | \$ 98,239 | \$ 59,328 | \$ - | \$ 181,348 | \$ 98,239 |
| Operating grants & contributions | 1,854,131 | 1,639,331 | - | - | 1,854,131 | 1,639,331 |
| General revenues: | | | | | | |
| Local sources | 183,416 | 261,331 | - | - | 183,416 | 261,331 |
| On-behalf payments | 263,302 | 246,849 | - | - | 263,302 | 246,849 |
| Investment income | 21,885 | 8,698 | - | - | 21,885 | 8,698 |
| Total revenues | <u>2,444,754</u> | <u>2,254,448</u> | <u>59,328</u> | <u>-</u> | <u>2,504,082</u> | <u>2,254,448</u> |
| Expenses: | | | | | | |
| Salaries and benefits | 1,138,908 | 1,107,974 | 2,805 | - | 1,141,713 | 1,107,974 |
| Purchased services | 814,981 | 573,871 | 17,418 | - | 832,399 | 573,871 |
| Supplies and materials | 74,999 | 38,390 | 9,802 | - | 84,801 | 38,390 |
| Depreciation | 12,695 | 14,035 | - | - | 12,695 | 14,035 |
| Capital outlay | 1,849 | 1,772 | - | - | 1,849 | 1,772 |
| Transfers-payments to other governmental units | 202,220 | 140,150 | - | - | 202,220 | 140,150 |
| On-behalf payments | <u>263,302</u> | <u>246,849</u> | <u>-</u> | <u>-</u> | <u>263,302</u> | <u>246,849</u> |
| Total expenses | <u>2,508,954</u> | <u>2,123,041</u> | <u>30,025</u> | <u>-</u> | <u>2,538,979</u> | <u>2,123,041</u> |
| Change in net assets | (64,200) | 131,407 | 29,303 | - | (34,897) | 131,407 |
| Net assets – beginning | <u>1,242,139</u> | <u>1,110,732</u> | <u>-</u> | <u>-</u> | <u>1,242,139</u> | <u>1,110,732</u> |
| Net assets – ending | <u>\$ 1,177,939</u> | <u>\$ 1,242,139</u> | <u>\$ 29,303</u> | <u>\$ -</u> | <u>\$ 1,207,242</u> | <u>\$ 1,242,139</u> |

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2005**

Governmental Activities

Revenues for governmental activities were \$2,444,754 and expenses were \$2,508,954. In a difficult budget year, the Regional Office of Education No. 51 was able to use some of the carryover balances to pay for the additional services offered to and needed by local school districts.

Business-Type Activities

Revenues for the Regional Office of Education No. 51's business-type activities and expenses combined for a balance of \$29,303. Prior to fiscal year 2005, the Office included workshop related activities in the General Fund.

Financial Analysis of the Regional Office of Education No. 51 Funds

As previously noted, the Regional Office of Education No. 51 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Office's governmental Funds reported combined fund balances of \$1,157,231, below last year's ending fund balance of \$1,215,656. The primary reason for the decrease in combined fund balances in fiscal year 2005 was due to a decrease in grant funding for the McKinney Education for Homeless Children, Transition Outreach Training for Adult Living (TOTAL), and the Learning Behavioral Specialist 1 (LBS1) programs.

Governmental Fund Highlights

- In 2003, the Governor of the State of Illinois line item vetoed a portion of the state financial support for school services. This veto resulted in a 51% reduction in dollars received. This reduction in funding continued for 2004-2005.
- County support for the Regional Office of Education No. 51 grew by approximately 5.8% to \$271,143.
- The Regional Office of Education No. 51 was successful in obtaining the Title IV Community Service Grant and Reading First Grants.

BUDGETARY HIGHLIGHTS

The Regional Office of Education No. 51 annually adopts budgets for several funds when required by the granting agency. The Regional Superintendent annually prepares an Office Operations Budget and submits it to the County Board members for their approval. The Office Operations Budget covers a fiscal year of December 1 through November 30. All grant budgets are prepared by the Regional Office of Education No. 51 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Schedules showing the budget amounts compared to the Office's actual financial activity are included in supplementary information of this report.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2005**

Capital Assets

Capital Assets of the Regional Office of Education No. 51 include office equipment, computers, audio-visual equipment and office furniture. The Regional Office of Education No. 51 maintains an inventory of capital assets which have been accumulated over time. The increase for fiscal year 2005 was a result of grant monies (Institute, Safe Schools, and Bus Driver Training) being used to purchase equipment. There were no dispositions during the fiscal year. The Regional Office of Education No. 51's ending net asset balance for fiscal year 2005 is \$23,755 which is the total original cost of the capital assets less accumulated depreciation. More detailed information about capital assets is available in Note No. 3 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the time these financial statements were prepared and audited, the Office 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 has increased to \$5,164 per student.
- The interest rate on investments remains low and will impact interest earned.
- Several grants have remained near or at previous funding levels. In addition, the School Services funding levels have been reduced.
- County Board support of the Regional Office of Education No. 51 grew by approximately 5.8% to \$271,143 for the period of time December 1, 2004 to November 30, 2005.
- The Regional Office of Education No. 51 increased their fingerprinting services.
- The number of students served by the Regional Office of Education No. 51 is expected to increase.

Contacting the Regional Office's Financial Management

This financial report is designed to provide the Regional Office's citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent of the Regional Office of Education No. 51, at 200 South 9th St., Room 303, Springfield, IL 62701.

BASIC FINANCIAL STATEMENTS

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
STATEMENT OF NET ASSETS
June 30, 2005

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|---------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | \$ 1,693,728 | \$ 29,303 | \$ 1,723,031 |
| Due from other governmental units and agencies | 356,307 | - | 356,307 |
| Total current assets | 2,050,035 | 29,303 | 2,079,338 |
| NONCURRENT ASSETS | | | |
| Capital assets, net of depreciation | 23,755 | - | 23,755 |
| TOTAL ASSETS | 2,073,790 | 29,303 | 2,103,093 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Accounts payable | 158,093 | - | 158,093 |
| Deferred revenue | 639,827 | - | 639,827 |
| Due to other governmental units and agencies | 94,884 | - | 94,884 |
| Total current liabilities | 892,804 | - | 892,804 |
| NONCURRENT LIABILITIES | | | |
| Compensated absences | 3,047 | - | 3,047 |
| TOTAL LIABILITIES | 895,851 | - | 895,851 |
| NET ASSETS | | | |
| Investments in capital assets, net of related debt | 23,755 | - | 23,755 |
| Unrestricted | 1,154,184 | 29,303 | 1,183,487 |
| TOTAL NET ASSETS | \$ 1,177,939 | \$ 29,303 | \$ 1,207,242 |

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

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
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 | Governmental Activities | Business-Type Activities | Total |
| PRIMARY GOVERNMENT | | | | | | |
| Governmental Activities: | | | | | | |
| Instructional Services: | | | | | | |
| Salaries and benefits | \$ 1,138,908 | \$ 9,538 | \$ 940,428 | \$ (188,942) | \$ - | \$ (188,942) |
| Purchased services | 814,981 | 112,482 | 657,252 | (45,247) | - | (45,247) |
| Supplies and materials | 74,999 | - | 72,234 | (2,765) | - | (2,765) |
| Depreciation | 12,695 | - | - | (12,695) | - | (12,695) |
| Capital outlay | 1,849 | - | 6,979 | 5,130 | - | 5,130 |
| Transfers - payments to other governmental units | 202,220 | - | 177,238 | (24,982) | - | (24,982) |
| Administrative: | | | | | | |
| On-behalf payments | 263,302 | - | - | (263,302) | - | (263,302) |
| Total Governmental Activities | 2,508,954 | 122,020 | 1,854,131 | (532,803) | - | (532,803) |
| Business-type Activities: | | | | | | |
| Other | 30,025 | 59,328 | - | - | 29,303 | 29,303 |
| Total Business-type Activities | 30,025 | 59,328 | - | - | 29,303 | 29,303 |
| Total Primary Government | \$ 2,538,979 | \$ 181,348 | \$ 1,854,131 | (532,803) | 29,303 | (503,500) |
| | | | | | | |
| | | | General Revenues: | | | |
| | | | Local sources | 183,416 | - | 183,416 |
| | | | On-behalf payments | 263,302 | - | 263,302 |
| | | | Investment income | 21,885 | - | 21,885 |
| | | | Total General Revenues | 468,603 | - | 468,603 |
| | | | Change in net assets | (64,200) | 29,303 | (34,897) |
| | | | Net Assets - beginning | 1,242,139 | - | 1,242,139 |
| | | | Net Assets - ending | \$ 1,177,939 | \$ 29,303 | \$ 1,207,242 |

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

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2005

| | General Fund | Education Fund | Teacher Institute Fund | Nonmajor Special Revenue Funds | Total Governmental Funds |
|---|-------------------|---------------------|------------------------------|--------------------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 151,518 | \$ 1,350,854 | \$ 174,620 | \$ 16,736 | \$ 1,693,728 |
| Due from other governmental units and agencies | 5,600 | 342,317 | - | 8,390 | 356,307 |
| Due from other funds | - | 20,068 | - | - | 20,068 |
| | | | | | |
| TOTAL ASSETS | \$ 157,118 | \$ 1,713,239 | \$ 174,620 | \$ 25,126 | \$ 2,070,103 |
| LIABILITIES AND FUND BALANCE | | | | | |
| LIABILITIES | | | | | |
| Due to other funds | \$ 25 | \$ 17,804 | \$ - | \$ 2,239 | \$ 20,068 |
| Accounts payable | 414 | 156,679 | 1,000 | - | 158,093 |
| Deferred revenue | - | 639,827 | - | - | 639,827 |
| Due to other governmental units and agencies | - | 94,884 | - | - | 94,884 |
| | | | | | |
| Total liabilities | 439 | 909,194 | 1,000 | 2,239 | 912,872 |
| FUND BALANCE | | | | | |
| Unreserved and undesignated | | | | | |
| General fund | 156,679 | - | - | - | 156,679 |
| Special revenue funds | - | 804,045 | 173,620 | 22,887 | 1,000,552 |
| | | | | | |
| Total fund balance | 156,679 | 804,045 | 173,620 | 22,887 | 1,157,231 |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 157,118 | \$ 1,713,239 | \$ 174,620 | \$ 25,126 | \$ 2,070,103 |

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

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
GOVERNMENTAL FUNDS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2005

| | |
|--|----------------------------|
| Total Fund balances - governmental funds | \$ 1,157,231 |
| 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. | 23,755 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds | <u>(3,047)</u> |
| Net assets of governmental activities | <u><u>\$ 1,177,939</u></u> |

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

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the Year Ended June 30, 2005

| | General Fund | Education Fund | Teacher Institute Fund | Nonmajor Special Revenue Funds | Total Governmental Funds |
|--|-------------------|-------------------|------------------------------|--------------------------------------|--------------------------------|
| REVENUES | | | | | |
| State sources | \$ 87,024 | \$ 841,689 | \$ - | \$ 2,440 | \$ 931,153 |
| Federal sources | - | 922,978 | - | - | 922,978 |
| Local sources | 22,619 | 195,770 | 52,613 | 56,319 | 327,321 |
| On-behalf payments | 218,529 | 44,773 | - | - | 263,302 |
| Total revenues | <u>328,172</u> | <u>2,005,210</u> | <u>52,613</u> | <u>58,759</u> | <u>2,444,754</u> |
| EXPENDITURES | | | | | |
| Salaries and benefits | 90,036 | 1,035,867 | - | 13,940 | 1,139,843 |
| Purchased services | 48,286 | 670,802 | 48,514 | 47,379 | 814,981 |
| Supplies and materials | 2,610 | 72,389 | - | - | 74,999 |
| Capital outlay | - | 7,834 | - | - | 7,834 |
| Transfers - payments to other governmental units | - | 202,220 | - | - | 202,220 |
| On-behalf payments | 218,529 | 44,773 | - | - | 263,302 |
| Total expenditures | <u>359,461</u> | <u>2,033,885</u> | <u>48,514</u> | <u>61,319</u> | <u>2,503,179</u> |
| Revenues over (under) expenditures | <u>(31,289)</u> | <u>(28,675)</u> | <u>4,099</u> | <u>(2,560)</u> | <u>(58,425)</u> |
| Other financing sources (uses) | | | | | |
| Transfers in | 4,390 | 3,805 | - | - | 8,195 |
| Transfers out | (1,602) | (6,593) | - | - | (8,195) |
| Total other financing sources | <u>2,788</u> | <u>(2,788)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (28,501) | (31,463) | 4,099 | (2,560) | (58,425) |
| FUND BALANCE, BEGINNING OF YEAR | <u>185,180</u> | <u>835,508</u> | <u>169,521</u> | <u>25,447</u> | <u>1,215,656</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 156,679</u> | <u>\$ 804,045</u> | <u>\$ 173,620</u> | <u>\$ 22,887</u> | <u>\$ 1,157,231</u> |

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

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2005

Net change in fund balances \$ (58,425)

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 | \$ 5,985 | |
| Depreciation expense | <u>(12,695)</u> | (6,710) |

Certain expenses in the Statement of Activities do not require the
use of current financial resources and, therefore, are not
reported as expenditures in governmental funds

935

Change in net assets of governmental activities \$ (64,200)

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
June 30, 2005

| | Business-type Activities Enterprise Funds |
|----------------------------|---|
| | SDC Workshop Fund |
| Assets | |
| Current assets | |
| Cash and cash equivalents | \$ 29,303 |
| Total Assets | 29,303 |
| Liabilities and Net Assets | |
| Total Liabilities | - |
| Net Assets | |
| Unrestricted | \$ 29,303 |

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

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Year Ended June 30, 2005

| | Business-type Activities <u>Enterprise Funds</u> |
|-------------------------------|--|
| | <u>SDC Workshop Fund</u> |
| Operating Revenues | |
| Local sources | <u>\$ 59,328</u> |
| Operating Expenses | |
| Salaries and benefits | 2,805 |
| Purchased services | 17,418 |
| Supplies and materials | <u>9,802</u> |
| Total operating expenses | <u>30,025</u> |
| | |
| Change in Net Assets | 29,303 |
| | |
| Net Assets, Beginning of year | <u>-</u> |
| | |
| Net Assets, End of year | <u><u>\$ 29,303</u></u> |

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

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2005

| | Business-type Activities Enterprise Funds |
|--|---|
| | SDC Workshop Fund |
| Cash Flows from Operating Activities: | |
| Receipts from customers | \$ 59,328 |
| Payments to suppliers and providers of goods and services | (27,220) |
| Payments to employees | (2,805) |
| Net cash from operating activities | 29,303 |
| Net increase in cash and cash equivalents | 29,303 |
| Cash and cash equivalents - Beginning of year | - |
| Cash and cash equivalents - End of year | \$ 29,303 |
| Reconciliation of operating income to net cash from operating activities: | |
| Operating income | \$ 29,303 |
| Net Cash from operating activities | \$ 29,303 |

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

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2005

| | Agency Funds |
|---|-------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 113,978 |
| Due from other governmental units and agencies | 264,804 |
| TOTAL ASSETS | \$ 378,782 |
| LIABILITIES | |
| Due to other governmental units and agencies | \$ 378,782 |
| TOTAL LIABILITIES | \$ 378,782 |

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

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Sangamon County Regional Office of Education No. 51 (ROE) have been prepared in conformity with generally accepted accounting principles accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies.

Reporting Entity

The ROE operates under the School Code (Articles 3 and 3A of *Illinois Compiled Statutes*, Chapter 105). The ROE encompasses Sangamon County, Illinois. The Regional Superintendent of Schools (Superintendent) serves as chief administrative officer of the ROE and is elected pursuant to Article 3, *Illinois Compiled Statutes*, Chapter 105. The principal financial duty of the Superintendent is to receive and distribute monies due to school districts from general state aid, state categorical grants, and various other sources.

The ROE's financial statements include all funds of the ROE.

These are the only activities considered to be part of (controlled by or dependent on) the ROE, as determined by the application of the criteria set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. The criteria for inclusion of an entity include, but are not limited to, legal standing, fiscal dependency, imposition of will, and potential for financial benefit or burden.

The ROE has determined no other outside agency meets any of the above criteria and, therefore, no other agency has been included as a component unit in the ROE's financial statements.

Furthermore, the ROE does not consider itself to be a component unit of any other entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by intergovernmental revenues and are reported separate from business-type activities, which rely to a significant extent on fees and charges for support.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

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 funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and reported in a single column.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay current liabilities. The ROE considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures relating to compensated absences are recorded only when payment is due.

Revenues from local sources consist primarily of fees charged to school districts for services rendered by the ROE. Miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Grant funds from the State of Illinois are considered to be earned to the extent of expenditures made under the provisions of the grant. Investment earnings are recorded as earned since they are measurable and available.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the Balance Sheet. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. The accrual basis of accounting is utilized by the proprietary fund type. Under this basis of accounting, revenues are recognized when earned and expenses are recognized when the related liability is incurred.

Under the provisions of GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the ROE 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.

The ROE reports the following major governmental funds:

General Fund - The General Fund is used to account for resources traditionally associated with government which are not required, legally or by sound financial management, to be accounted for in another fund. The ROE's General Fund accounts include the following:

Local – These funds are generated through fees earned for providing various administrative functions for entities including the Illinois State Board of Education, the Technology Conference and Illinois Special Education Administrators. These funds are used to assist in providing for the needs of the Staff Development Center not funded through State or county dollars.

ROE/ISC Operations – These funds are provided by ISBE, through a budget application process, to Regional Offices to provide staff development to district schools and teachers. The Staff Development Center offers Administrator Academy activities, School Improvement initiatives, and staff development opportunities in the areas of reading, math, science and technology. Monies are used for overhead costs and salaries of employees at the Staff Development Center.

Education Fund - The Education Fund includes proceeds from specific revenue sources (generally all State and federal grants except Supervisory Expense and ROE/ISC Operations) that are legally restricted to expenditures for specified purposes. The ROE's Education Fund accounts include the following:

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Regional Safe School – Provides programs for disruptive students who are eligible for suspension or expulsion. Provides individually designed curriculum, social skills training, career exploration and work experience opportunities, opportunities to work toward re-entry into the traditional programs, if appropriate.

Title V – Innovative Program – This program supports local education reform efforts that are consistent with and sustain statewide reform efforts; implement promising education reform programs, provide for innovative and educational improvement and assist in meeting the needs of at-risk and high-cost students.

Transition Outreach Training for Adult Living (TOTAL) Program – Initiative which provides training and technical assistance to individuals who work with secondary-age students who receive special education services.

School Directory – Published annually and distributed to all Sangamon County Schools. Includes employee listing, enrollment and demographic information for all Sangamon County Schools, public and private.

Administrative Discretionary – These funds are generated through fees earned for providing various administrative functions for entities including the Illinois State Board of Education, the Technology Conference and Illinois Special Education Administrators. These funds are used to assist in providing for the needs of the office not funded through State or county dollars. One way that this fund has been most important to the ROE is in providing for the technology needs of the Office.

Sangamon County Truants Alternative Optional Education Program (TAOEP) – A program devoted to ensuring that each referred at-risk student will be provided with individualized educational and supplemental services that meet the holistic needs of the student in the pursuit of their educational development. TAOEP offerings: identification of at-risk students and dropouts, truancy intervention services, academic intervention and remediation, parental skills development, and network with community agencies and businesses.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Illinois Student Exchange – This exchange program is run by the Illinois State Board of Education. It sends American students to Japan and brings Japanese students to our country. The ROE serves as administrative agent for this program.

Title I Reading First Part B SEA Funds – This program is designed to plan and implement Reading First Academies and provide professional development for teachers in Reading First Schools.

Reading Improvement Block Grant – Funds provide for the development of workshops to assist Sangamon County area teachers with effective reading curriculums and assessment.

Gifted Trainers – Training for supervisors and coordinators in gifted education.

McKinney Education for Homeless Children – This grant provides funds for providing information to schools, community members and government entities about the educational rights of homeless students.

Area III Homeless Liaison Project – The Homeless Education Liaison helps assist Sangamon County families overcoming barriers as well as achieving their rights by ensuring immediate school enrollment, promoting regular school attendance, and transportation.

Standards Aligned Classroom (SAC) – The Standards Aligned Classroom initiative helps educators rethink the relationship between assessment and effective schools. It centers on how we assess student achievement, and how we use assessment in the service of student success. Six teams from Sangamon County participated in the SAC initiative. Team meetings were held to help teachers align their curriculum with the Illinois Learning Standards and develop appropriate assessment using the Stiggins book and resources.

Certificate Renewal – This grant was provided by the Illinois State Board of Education to assist local professional development committees in fulfilling their responsibilities.

Illinois Department of Public Health (IDPH) Dental Sealant – This Illinois Department of Public Health grant provides funding to assist in providing a tooth sealant program for low income students in Sangamon County.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Background Checks – The ROE provides background checks/fingerprinting to all schools in Sangamon County for new hires. The schools send requests to the ROE, who forwards background check information to the Illinois State Police database. The fee for the background check and/or fingerprinting are paid by each school district.

Early School Leaver Conference – Monies provided by the Illinois State Board of Education to hold workshops for individuals involved in programs for students who leave the traditional school program before graduation.

Safe to Learn – Provides parent services and support for students who were enrolled in both the Safe Schools program and Sangamon County Learning Academy. Majority of support services included counseling for students and families.

Early Childhood – Provides workshops to assist teachers working in the area of early childhood development.

Title IV – Safe and Drug Free Sch – Formula – These funds are used to develop, implement, and evaluate comprehensive programs and activities, which are coordinated with other school and community based services and programs. Utilized to address consequences of violence and the illegal use of drugs, promote individual responsibility, and includes teaching students to recognize social and peer pressure to use illegal drugs and the skills for resisting illegal drug use.

State and Federal School Breakfast and Lunch – This program is designed to provide breakfast and lunch at free or reduced prices to eligible students, as determined in accordance with federal and state guidelines, as a healthy start to the school day to enhance the student's learning abilities. All meals provided must meet U.S. Department of Agriculture requirements for servings and nutrition.

System of Support – Grant monies to provide professional development activities to schools that are on Illinois' Academic Watch List. To be on the list, students in the buildings have made Adequate Yearly Progress for at least two years. The funding sources for this grant are Title I, Title II, and State appropriated monies.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Sangamon County Learning Academy (SCLA) Lunch Fund – These funds were donated to purchase lunches for students at the Sangamon County Learning Academy on days when lunches were not provided or for students in need.

Learning Behavior Specialist 1 (LBS1) – The LBS1 Training Sequence is designed to prepare special education teachers with LBS 1/Limited certificates or approvals to teach all students encompassed by the LBS1. It is approved to 60 Continuing Professional Development Units and involves a series of five strands designed around a learning model that represents at least 60 hours of learning activities divided between classroom instruction and self-study application activities. Completion of the full training sequence delivered by an ISBE-trained presenter will result in the removal of limitations from an LBS1 certificate or approval.

State & Community Highway Safety – Local Alcohol Prevention (LAP) – The goal of the Local Alcohol Prevention program is to increase public awareness activities and educational opportunities for students as well as residents of Sangamon County. Students of the 18 public and private Sangamon County High Schools become the decision makers and plan the activities for Youth Empowerment, Prevention Day and Middle School Positive Choices. These representatives are chosen by their schools to represent them at the committee meetings held monthly. This grant provides the ROE the opportunity to continue to meet and address the problems, educate the community, students and staff of Sangamon County on the perceptions and attitudes toward drinking and driving.

Learn & Serve America – These funds were awarded to support service-learning programs specifically for at-risk populations of suspended or expelled students participating in the Regional Safe Schools Program.

Title II – Teacher Quality – Provides professional development activities that improve the knowledge of teachers, principals and paraprofessionals in effective instructional practices. Also provides training in how to teach and address the needs of students with different learning styles.

Title IV – Community Service – The grant partners students with community service projects to enhance learning through service work. This project allowed students from Sangamon County Regional Safe Schools Program to work with the Southeast Branch of Lincoln Library to help enhance their Children’s Reading Room. Funds provided Safe School counseling, supervision, supplies and materials for the project.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Teacher Institute Fund - The Institute Fund accounts for teacher registration fees. This fund provides for professional development needs of the teachers in both public and non-public schools. These funds are also used to support the activities of the local professional development committee and the regional professional development review committee.

Additionally, the ROE reports the following fund types:

Governmental

Special Revenue Funds - Special Revenue Funds are used to account for the collection and disbursement of earmarked monies. The ROE's nonmajor Special Revenue Funds include the following:

General Education Development (GED) Certificate Fund – Illinois law requires the Regional Superintendent of Schools of each county/counties to administer the GED test. The GED tests are given at Lanphier High School once a month. Testing fees provide for testing materials and staff salaries.

Bus Driver Training Fund – Experienced drivers must take a two-hour refresher course annually, while all new drivers must take an eight-hour course in bus driver safety and first aid, prescribed by the Illinois State Board of Education and administered by the ROE.

Supervisory Expenses Fund – This fund was developed by the General Assembly to help support the day-to-day activities of the regional superintendent.

General Education Development (GED) Holistic Scoring Fund – The ROE provides scoring services for the written essay portion of the GED tests.

Proprietary

Proprietary funds account for activities whose costs are funded by fees and charges. These fees and charges are paid by external users for goods or services. The ROE utilizes the following proprietary fund:

SDC Workshop Fund – This fund is an enterprise fund established to track revenues received and expenses incurred in offering professional development workshops for teachers and administrators in Sangamon County.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Fiduciary

Agency Funds - Fiduciary Funds are used to account for assets held by the ROE in a trustee capacity or as an agent for individuals and private or governmental organizations. The Agency Funds are used to account for assets held by the ROE as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of operations. The ROE's Agency Funds include the following:

Distributive Fund – The Distributive account is an accounting method used to track the flow-through of monies from the Illinois State Board of Education to recipient Sangamon County schools.

Illinois Education and Technology Conference Fund – The ROE acts as the fiscal agent for this annual conference, which provides an opportunity to discover how educators can be an active part of the information revolution. Funding is derived from registration fees, vendor fees and sponsorship fees.

Cook County General Education Development (GED) Fund – The ROE acts as the fiscal agent for the General Education Development testing program for the Cook County area. The ROE maintains an office and support staff in the Cook County area.

Sangamon County Learning Academy Fund – This is a self-supporting account that provides services for students at the Sangamon County Learning Academy. Funds are derived from lunch money and registration fees.

Sangamon County Schoolmasters Fund – An organization of all Sangamon County superintendents and school directors. Membership fees are used to provide meetings and seminars for disseminating current information on administration issues.

Director's Conference – The Regional Office of Education acts as the Fiscal Agent for the annual Superintendents Conference hosted by the Illinois State Board of Education.

University of Illinois at Springfield (UIS) Roundtable Fund – The ROE acts as the treasurer for the UIS Roundtable. This organization of Sangamon County school administrators meets quarterly to discuss administrative issues. Membership fees provide food and workshop materials.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Cash and cash equivalents

Cash consists of demand deposits. Cash equivalents are defined as short-term, highly liquid investments readily convertible to cash with original maturities of three months or less. Cash equivalents consist of repurchase agreements.

Investments

Investments are stated at fair value using quoted market prices at June 30, 2005.

Due From Other Governmental Units and Agencies

Due from other governmental units and agencies is reported at gross with no allowance for uncollectibles since management feels the amount of any uncollectible accounts is immaterial.

Capital Assets

Capital assets, which include furniture and equipment, are reported in the governmental activities column in the government-wide financial statements. General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The ROE records all capital items, which are individually greater than \$1,000, with a useful life of greater than one year, as fixed assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation of the furniture and equipment is computed using the straight-line method over the following estimated useful lives:

| Assets | Years |
|-------------------------|-------|
| Furniture and equipment | 5 |

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Compensated Absences

Sick pay may be accumulated but does not vest with the employee. Vacation days are calculated on a twelve-month basis and a maximum of five unused vacation days may be carried over to the next year. A liability in the governmental funds is reported only if the benefit has matured.

Fund Equity

In the government-wide financial statements fund equity is displayed in three components:

Unrestricted net assets – All other net assets which do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Investment in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation.

Restricted net assets – Consists of net assets with constraints placed on the use either by (1) outside parties such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designated fund balances represent tentative plans for future use of financial resources that are subject to change.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, gains, losses, and other changes in fund balance during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncement

The GASB has issued Statement No. 40, *Deposit and Investment Risk Disclosures*, effective for the ROE fiscal year beginning July 1, 2004. GASB Statement No. 40 establishes additional disclosure requirements addressing common risks of investments. The Statement has no effect on the ROE’s net assets or changes in net assets.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 2 – DEPOSITS AND INVESTMENTS

Bank Deposits

The *Illinois Compiled Statutes* authorize the ROE to invest in U.S. Government, State of Illinois, and municipal securities; certificates of deposit or time savings deposits insured by the FDIC; mortgage notes, bonds, or debentures issued by the Federal Housing Administration; bonds and other obligations of the Federal National Mortgage Association; commercial paper rated within the three highest classifications by at least two standard rating services; credit union shares; and the Illinois Funds.

At June 30, 2005, the government-wide and agency fund's carrying amounts of the ROE's various bank deposits totaled \$1,723,031 and \$113,978, respectively. The bank balances totaled \$2,071,730. Included in the bank balance is \$2,028,256 deposited in repurchase agreements and \$9,188 invested in the Illinois Funds, leaving \$34,286 secured by federal depository insurance.

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

Investments

The ROE's investment policy requires that funds should be invested solely in investments authorized by the Public Funds Investment Act, 30 ILCS 235/2. As noted above, the ROE had investments of \$2,028,256 deposited in repurchase agreements and \$9,188 invested in the Illinois Funds.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the ROE will not be able to recover the value of its investments that are in possession of an outside party. However, the securities underlying the repurchase agreements noted above at June 30, 2005 were backed by U.S. Treasury.

Interest Rate Risk - The ROE's investment policy requires funds be invested solely in investments authorized by the Public Funds Investment Act, 30 ILCS 235/2.

Credit Risk - The Illinois Funds (the Fund) is an external investment pool authorized by the Illinois General Assembly. The Fund is exempt from registering with the Securities and Exchange Commission. The Fund is rated by Standard and Poors upon the request of the Fund's management. The most recent money market rating issued by Standard and Poors was AAAM. The fair value of the position in the Illinois Funds Investment Pool is the same as the value of the pool shares. Illinois State Statute provides the Illinois State Treasurer with regulatory oversight over the Pool.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 3 – CAPITAL ASSETS

Governmental Activities

Capital asset activity for the year ended June 30, 2005 is as follows:

| | Balance July 1, 2004 | Additions | Deletions | Balance June 30, 2005 |
|--|-------------------------------------|-------------------|------------------|--------------------------------------|
| Equipment | \$143,798 | \$ 5,985 | \$ - | \$ 149,783 |
| Less accumulated depreciation for: Equipment | <u>113,333</u> | <u>12,695</u> | <u>-</u> | <u>126,028</u> |
| Total capital assets, net of accumulated depreciation | <u>\$ 30,465</u> | <u>\$ (6,710)</u> | <u>\$ -</u> | <u>\$ 23,755</u> |

Depreciation was charged to Instructional Services.

NOTE 4 - LONG-TERM DEBT

The ROE records a liability associated with compensated absences. During the fiscal year, the amount in this account decreased by \$935. At June 30, 2005, the balance in this account was \$3,047.

| | Balance July 1, 2004 | Additions | Deletions | Balance June 30, 2005 |
|----------------------|-------------------------------------|------------------|------------------|--------------------------------------|
| Compensated absences | <u>\$ 3,982</u> | <u>\$ -</u> | <u>\$ 935</u> | <u>\$ 3,047</u> |

NOTE 5 - RETIREMENT PLANS

All certified personnel participate in the Teachers' Retirement System of the State of Illinois ("TRS"). All other employees who meet or exceed prescribed annual hourly standards are enrolled in the Illinois Municipal Retirement Fund ("IMRF").

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 5 - RETIREMENT PLANS (CONTINUED)

TRS Plan Description

The ROE participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration. TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate through June 30, 2005 was 9 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer.

In addition, virtually all members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a 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 ROE's TRS-covered employees:

- On-behalf contributions. The State of Illinois makes employer pension contributions on behalf of the ROE. For the year ended June 30, 2005, State of Illinois contributions were based on 11.76 percent of creditable earnings, and the ROE recognized revenue and expenditures of \$64,556 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2004 and June 30, 2003, the State of Illinois contribution rates as percentages of creditable earnings were 13.98 percent (\$68,249) and 13.01 percent (\$63,478), respectively.

The ROE 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 .58 percent of creditable earnings for the 2.2 formula change. Contributions for the years ending June 30, 2005, and June 30, 2004 were \$2,208 and \$1,878, respectively. For the year ended June 30, 2003, part of the employer's 2.2 formula contribution (0.58 percent of pay) was reduced as a result of a new employer THIS Fund contribution for retiree health insurance (0.4 percent of pay). The remaining 0.18 percent was submitted to TRS. Contributions for the year ended June 30, 2003 were \$878.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 5 - RETIREMENT PLANS (CONTINUED)

TRS Plan Description (Continued)

- Federal and trust fund contributions. When TRS members are paid from federal and trust funds administered by the ROE, there is a statutory requirement for the ROE to pay an employer pension contribution from those funds. For the three years ended June 30, 2005, the employer pension contribution was 10.5 percent of salaries paid from those funds. For the year ended June 30, 2005, salaries totaling \$60,439 were paid from federal and trust funds that required employer contributions of \$6,346. For the years ended June 30, 2004, and June 30, 2003, required ROE contributions were \$6,346 and \$12,760, respectively.
- Early Retirement Option. The ROE is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option. The payments vary depending on the age and salary of the member. No member or employer contributions are required if the member has 34 years of service. The maximum employer payment of 100 percent of the member's highest salary used in the calculation of final average salary is required if the member is 55 years old. For the year ended June 30, 2005, the ROE paid \$-0- for employer contributions under the Early Retirement Option. For the years ended June 30, 2004 and June 30, 2003, the ROE made no payments under the Early Retirement Option.

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 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 fiscal year 2006 was reduced to 7.06 percent of pay. Therefore, the employer contribution rate for employees paid from federal funds in fiscal year 2006 will be 7.06 percent, a decrease from the current 10.50 percent.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 5 - RETIREMENT PLANS (CONTINUED)

TRS Plan Description (Continued)

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 annual 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 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 members highest salary used in the calculation of the 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 on June 30, 2005.
- A “Pipeline ERO” program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007.
- Public Act 94-0004 provides for a review of the member and employer ERO contributions every five years to ensure that the program is revenue neutral.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer, and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2004. The report for the year ended June 30, 2005 is expected to be available in late 2005. The reports may be obtained by writing to the Teachers’ Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at www.trs.state.il.us.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 5 - RETIREMENT PLANS (CONTINUED)

Illinois Municipal Retirement Fund - TAOEP

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

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by State statute. TAOEP is required to contribute at an actuarially determined rate. The employer rate for calendar year 2004 was 8.21 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2004 was 5 years.

For December 31, 2004, TAOEP's annual pension cost of \$38,547 was equal to TAOEP's required and actual contributions. The required contribution was determined as part of the December 31, 2002 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50 percent investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 to 11.6 percent per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3 percent annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15 percent corridor. The assumptions used for the 2004 actuarial valuation were based on the 1999-2001 experience study.

Trend Information – IMRF

| Actuarial Valuation Date | Annual Pension Cost (APC) | Percentage of APC Contribute | Net Pension Obligation |
|---|--|---|-----------------------------------|
| 12/31/04 | \$ 38,547 | 100% | \$0 |
| 12/31/03 | 35,679 | 100 | 0 |
| 12/31/02 | 6,183 | 100 | 0 |

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 5 - RETIREMENT PLANS (CONTINUED)

Digest of Changes

Assumptions

The actuarial assumptions used to determine the actuarial accrued liability for 2004 are based on the 1999-2001 experience study.

The principal changes were:

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

Illinois Municipal Retirement Fund - SDC

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

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by State statute. SDC is required to contribute at an actuarially determined rate. The employer rate for calendar year 2004 was zero percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2004 was 3 years.

For December 31, 2004, SDC's annual pension cost of \$0 was equal to SDC's required and actual contributions. The required contribution was determined as part of the December 31, 2002 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50 percent investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 to 11.6 percent per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3 percent annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15 percent corridor. The assumptions used for the 2004 actuarial valuation were based on the 1999-2001 experience study.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 5 - RETIREMENT PLANS (CONTINUED)

Illinois Municipal Retirement Fund - SDC (Continued)

Trend Information – IMRF

| Actuarial Valuation Date | Annual Pension Cost (APC) | Percentage of APC Contribute | Net Pension Obligation |
|---|--|---|-----------------------------------|
| 12/31/04 | \$ 0 | 100% | \$0 |
| 12/31/03 | 27,919 | 100 | 0 |
| 12/31/02 | 35,324 | 100 | 0 |

Digest of Changes

Assumptions

The actuarial assumptions used to determine the actuarial accrued liability for 2004 are based on the 1999-2001 experience study.

The principal changes were:

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

NOTE 6 - ON-BEHALF PAYMENTS

ROE personnel are paid by Sangamon County, Illinois, in accordance with statutes. Employees of programs funded by federal and state grants are paid by the grant funds. Some fixed assets used solely by the ROE are purchased by Sangamon County. Ownership of those fixed assets remains with the County of Sangamon and, accordingly, the cost of these assets is not included in the ROE's financial statements.

The salaries, benefits, and TRS contributions of the Regional Superintendent and the Assistant Superintendent are paid by the State of Illinois. The amounts paid by the State of Illinois are as follows:

| | |
|---|-------------------|
| Regional Superintendent salary | \$ 88,540 |
| Regional Superintendent benefits (Includes State paid insurance) | 11,886 |
| Assistant Regional Superintendent salary | 79,686 |
| Assistant Regional Superintendent benefits (Includes State paid insurance) | <u>18,634</u> |
| Total | <u>\$ 198,746</u> |

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 6 - ON-BEHALF PAYMENTS (CONTINUED)

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

These awards are included in the financial statements of the General Fund as on-behalf payments. In addition to the \$198,746 above, on-behalf payments include \$64,556 for TRS contributions (which includes \$44,773 in the Education Fund) for other employees for a total of \$263,302 for the year ended June 30, 2005.

NOTE 7 – INTERFUND RECEIVABLES AND PAYABLES

Funds periodically borrow from other funds to cover temporary cash shortages. These loans are usually paid in full within a few months. No interest is charged on the loans outstanding. Following is a summary of the outstanding amounts due from (to) other funds as of June 30, 2005:

| <u>Fund</u> | <u>Due from Other Funds</u> | <u>Due to Other Funds</u> |
|--|---------------------------------|-------------------------------|
| General Fund | \$ - | \$ 25 |
| Education Fund | 20,068 | 17,804 |
| General Education Development Holistic Scoring | - | 2,239 |
| Total | <u>\$ 20,068</u> | <u>\$ 20,068</u> |

NOTE 8 - DUE TO/FROM OTHER GOVERNMENTAL UNITS AND AGENCIES

The Sangamon County Regional Office of Education No. 51’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:

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

**NOTE 8 – DUE TO/FROM OTHER GOVERNMENTAL UNITS AND AGENCIES
(CONTINUED)**

Due From Other Governments

General Fund:

| | |
|-------------------------------------|-----------------|
| Regional Office of Education No. 48 | \$ <u>5,600</u> |
|-------------------------------------|-----------------|

Education Fund:

| | |
|--|----------------|
| Illinois State Board of Education | 91 |
| Cook County General Education Development | 256,040 |
| Regional Office of Education No. 26 | 7,173 |
| Regional Office of Education No. 32 | 10,000 |
| Regional Office of Education No. 48 | 50,942 |
| Chicago Public Schools | 7,806 |
| Springfield Community Unit School District No. 186 | 346 |
| Illinois Department of Public Health | 719 |
| Illinois Department of Transportation | <u>9,200</u> |
| Total Education Fund | <u>342,317</u> |

Non-Major Special Revenue Funds:

| | |
|-------------------------------|--------------|
| GED scoring vendors (various) | <u>8,390</u> |
|-------------------------------|--------------|

Agency Funds:

| | |
|-----------------------------------|----------------|
| Illinois State Board of Education | <u>264,804</u> |
|-----------------------------------|----------------|

Total

\$ 621,111

Due To Other Governments:

Education Fund:

| | |
|-----------------------------------|------------------|
| Illinois State Board of Education | \$ <u>94,884</u> |
|-----------------------------------|------------------|

Agency Funds:

| | |
|--|----------------|
| Illinois Education and Technology Conference | 78,183 |
| Cook County General Education Development | 264,804 |
| Sangamon County Learning Academy | 18,314 |
| Sangamon County Schoolmasters | 3,528 |
| Director's Conference | 5,821 |
| University of Illinois at Springfield Roundtable | <u>8,132</u> |
| Total Agency Funds | <u>378,782</u> |

Total

\$ 473,666

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 9 - RISK MANAGEMENT

The ROE 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. Insurance to cover these risks is provided through Sangamon County. Claims from these risks have not exceeded commercial insurance coverage during the current fiscal year and the previous two fiscal years.

NOTE 10 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure of certain information concerning individual funds (which are presented only in combination on the financial statements). Funds having deficit fund balances and funds which overexpended appropriations during the year are required to be disclosed.

A. The following funds had a deficit fund balance at June 30, 2005:

| <u>Fund</u> | <u>Amount</u> |
|------------------------------------|---------------|
| Education Fund: | |
| Area III Homeless Liaison Project | \$ 1 |
| State and Community Highway Safety | 4 |

NOTE 11 - LEASE OBLIGATIONS

The ROE leases classroom, office, and laboratory space from the Capital Area Career Center. The ROE leases the space according to two separate lease agreements with 10,268 square feet leased at \$7.00 per square foot for the first year and \$7.25 per square foot for the second year and 3,460 square feet leased at \$7.00 per square foot. The leases expire on June 30, 2006 and 2005, respectively. Additionally, the ROE leases office space in Evanston for \$3,616 per month. The lease expires on June 30, 2005. Rent expense for the year ended June 30, 2005 was \$141,860. The ROE also leases a copier over a 60-month term ending June, 2007, and a phone system over a 48-month term ending August, 2007. Total equipment lease expense for the year ended June 30, 2005 was \$4,664. The remaining future minimum lease payments are:

| <u>Year ended</u> <u>June 30,</u> | |
|--------------------------------------|------------------|
| 2006 | \$ 79,107 |
| 2007 | 4,664 |
| 2008 | <u>279</u> |
| Total | <u>\$ 84,050</u> |

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 12 - BUDGETS

The following accounts prepare budgets:

| | |
|--|---|
| ROE/ISC Operations | Reading Improvement Block Grant |
| Regional Safe School | Area III Homeless Liaison Project |
| Title V – Innovative Program | Title IV – Safe and Drug Free |
| Transition Outreach Training for Adult Living Program | Sch – Formula |
| Sangamon County Truants Alternative Optional Education Program | Learning Behavior Specialist 1 |
| Title I Reading First | State & Community Highway Safety Learn & Serve America |
| | Title II – Teacher Quality |
| | Title IV- Community Service |

The grant budgets are submitted to grantor agencies for approval and funding; however, no legal budget is required or adopted. A funding agreement is entered into upon approval of the budget by the grantor. Any subsequent budget revisions must be approved by the grantor.

Budgets for the other funds of the ROE are not legally required and have not been prepared. Accordingly, no actual to budget comparison is included in the basic financial statements. The actual to budget comparisons are prepared on the modified accrual basis of accounting. The ROE is required to report, in its financial statements, payments made by the State of Illinois to the Teachers' Retirement System. These "on-behalf" payments of \$10,337, \$27,328, \$4,443 and \$2,665, which were not required to be budgeted, are recorded in the Regional Safe Schools, Sangamon County Truants Alternative and Optional Education Program Fund, Title I – Reading First and System of Support, respectively. These payments were recorded as both revenues and expenditures in accordance with GASB Statement No. 24.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 13 - INTERFUND TRANSFERS

During the year ended June 30, 2005, the following interfund transfers occurred:

| | <u>Transfers</u> | |
|--|------------------|-----------------|
| | <u>In</u> | <u>Out</u> |
| General Fund: | | |
| Local | \$ 4,390 | \$ 1,602 |
| Education Fund: | | |
| Regional Safe School | - | 4,390 |
| Administrative Discretionary | - | 2,203 |
| McKinney Education For Homeless Children | 254 | - |
| Illinois Department of Public Health | | |
| Dental Sealant | 1,949 | - |
| Safe To Learn | <u>1,602</u> | <u>-</u> |
| Total | <u>\$ 8,195</u> | <u>\$ 8,195</u> |

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

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
June 30, 2005

(Unaudited - See Accompanying Independent Auditor's Report)

| IMRF TAOEP | | | | | | |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL)- Entry (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
| 12/31/2004 | \$ 278,200 | \$ 333,691 | \$ 55,491 | 83.37% | \$ 469,519 | 11.82% |
| 12/31/2003 | 218,192 | 206,061 | (12,131) | 105.89% | 292,930 | (4.14%) |
| 12/31/2002 | 173,058 | 180,296 | 7,238 | 95.99% | 334,230 | 2.17% |
| 12/31/2001 | 162,527 | 150,949 | (11,578) | 107.67% | 299,790 | (3.86%) |
| 12/31/2000 | 142,208 | 99,993 | (42,215) | 142.22% | 136,787 | (30.86%) |
| 12/31/1999 | 110,722 | 72,160 | (38,562) | 153.44% | 117,093 | (32.93%) |

On a market basis, the actuarial value of assets as of December 31, 2004 is \$278,637. On a market basis, the funded ratio would be 83.50%.

| IMRF SDC | | | | | | |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL)- Entry (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
| 12/31/2004 | \$ 198,667 | \$ 130,062 | \$ (68,605) | 152.75% | \$ - | 0.00% |
| 12/31/2003 | 237,489 | 192,795 | (44,694) | 123.18% | 186,252 | (24.00%) |
| 12/31/2002 | 206,538 | 241,708 | 35,170 | 85.45% | 254,132 | 13.84% |
| 12/31/2001 | 166,689 | 248,858 | 82,169 | 66.98% | 281,846 | 29.15% |
| 12/31/2000 | 112,666 | 190,098 | 77,432 | 59.27% | 272,064 | 28.46% |
| 12/31/1999 | 66,250 | 128,788 | 62,538 | 51.44% | 230,635 | 27.12% |

On a market basis, the actuarial value of assets as of December 31, 2004 is \$199,102. On a market basis, the funded ratio would be 153.08%.

SUPPLEMENTAL INFORMATION

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51

**GENERAL FUND
COMBINING SCHEDULE OF ACCOUNTS
June 30, 2005**

| | <u>Local</u> | <u>ROE/ISC Operations</u> | <u>Total</u> |
|---|------------------------------|-------------------------------|------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 151,122 | \$ 396 | \$ 151,518 |
| Due from other governmental units and agencies | <u>5,600</u> | <u>-</u> | <u>5,600</u> |
| Total Assets | <u><u>\$ 156,722</u></u> | <u><u>\$ 396</u></u> | <u><u>\$ 157,118</u></u> |
| LIABILITIES AND FUND BALANCE | | | |
| LIABILITIES | | | |
| Due to other funds | \$ 25 | \$ - | \$ 25 |
| Accounts payable | <u>19</u> | <u>395</u> | <u>414</u> |
| Total Liabilities | 44 | 395 | 439 |
| FUND BALANCE | | | |
| Fund balance - unreserved | <u>156,678</u> | <u>1</u> | <u>156,679</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u><u>\$ 156,722</u></u> | <u><u>\$ 396</u></u> | <u><u>\$ 157,118</u></u> |

See accompanying Independent Auditor's Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51

**GENERAL FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2005**

| | <u>Local</u> | <u>ROE/ISC Operations</u> | <u>Total</u> |
|--|-----------------------|-------------------------------|-----------------------|
| REVENUES | | | |
| State sources | \$ - | \$ 87,024 | \$ 87,024 |
| Local sources | 22,619 | - | 22,619 |
| On-behalf payments from State | <u>218,529</u> | <u>-</u> | <u>218,529</u> |
| Total revenues | <u>241,148</u> | <u>87,024</u> | <u>328,172</u> |
| EXPENDITURES | | | |
| Salaries and benefits | 46,075 | 43,961 | 90,036 |
| Purchased services | 5,765 | 42,521 | 48,286 |
| Supplies and materials | 2,068 | 542 | 2,610 |
| On-behalf payments made to State | <u>218,529</u> | <u>-</u> | <u>218,529</u> |
| Total expenditures | <u>272,437</u> | <u>87,024</u> | <u>359,461</u> |
| Revenues over (under) expenditures | <u>(31,289)</u> | <u>-</u> | <u>(31,289)</u> |
| Other financing sources (uses) | | | |
| Transfers in | 4,390 | - | 4,390 |
| Transfers out | <u>(1,602)</u> | <u>-</u> | <u>(1,602)</u> |
| Total other financing sources | <u>2,788</u> | <u>-</u> | <u>2,788</u> |
| Net change in fund balances | (28,501) | - | (28,501) |
| FUND BALANCE, BEGINNING OF YEAR | <u>185,179</u> | <u>1</u> | <u>185,180</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 156,678</u> | <u>\$ 1</u> | <u>\$ 156,679</u> |

See accompanying Independent Auditor's Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
ROE/ISC OPERATIONS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2005

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|----------------------------|-------------------------|---------------|---|
| REVENUES | | | | |
| State sources | \$ 87,024 | \$ 87,024 | \$ 87,024 | \$ - |
| Total revenues | <u>87,024</u> | <u>87,024</u> | <u>87,024</u> | <u>-</u> |
| EXPENDITURES | | | | |
| Salaries and benefits | 43,202 | 43,202 | 43,961 | (759) |
| Purchased services | 43,822 | 43,322 | 42,521 | 801 |
| Supplies and materials | <u>-</u> | <u>500</u> | <u>542</u> | <u>(42)</u> |
| Total expenditures | <u>87,024</u> | <u>87,024</u> | <u>87,024</u> | <u>-</u> |
| Excess of revenues over expenditures | <u>\$ -</u> | <u>\$ -</u> | - | <u>\$ -</u> |
| FUND BALANCE, BEGINNING OF YEAR | | | <u>1</u> | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 1</u> | |

See accompanying Independent Auditor's Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
EDUCATION FUND
COMBINING SCHEDULE OF ACCOUNTS
June 30, 2005

| | Regional Safe School | Title V - Innovative Program | Transition Outreach Training for Adult Living Program | School Directory | Administrative Discretionary | Sangamon County Truants Alternative Optional Education Program |
|---|----------------------------|------------------------------------|---|------------------------|---------------------------------|--|
| ASSETS | | | | | | |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 245,531 | \$ 18 | \$ 85,265 | \$ 1,995 | \$ 241,566 | \$ 149,232 |
| Due from other governmental units and agencies | 256,040 | - | - | - | - | - |
| Due from other funds | 20,068 | - | - | - | - | - |
| TOTAL ASSETS | <u>\$ 521,639</u> | <u>\$ 18</u> | <u>\$ 85,265</u> | <u>\$ 1,995</u> | <u>\$ 241,566</u> | <u>\$ 149,232</u> |
| LIABILITIES AND FUND BALANCE | | | | | | |
| LIABILITIES | | | | | | |
| Due to other funds | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,279 |
| Accounts payable | 59,018 | - | 2,310 | - | 568 | 62,119 |
| Deferred revenues | 2,898 | - | 64,929 | - | - | 326 |
| Due to other governmental units and agencies | - | - | 17,860 | - | - | - |
| Total liabilities | 61,916 | - | 85,099 | - | 568 | 63,724 |
| FUND BALANCE (DEFICIT) | | | | | | |
| Fund balance (deficit) - unreserved | 459,723 | 18 | 166 | 1,995 | 240,998 | 85,508 |
| TOTAL LIABILITIES AND FUND BALANCE (DEFICIT) | <u>\$ 521,639</u> | <u>\$ 18</u> | <u>\$ 85,265</u> | <u>\$ 1,995</u> | <u>\$ 241,566</u> | <u>\$ 149,232</u> |

(Continued)

See accompanying Independent Auditor's Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
EDUCATION FUND
COMBINING SCHEDULE OF ACCOUNTS
June 30, 2005

| ASSETS | <u>Illinois Student Exchange</u> | <u>Title I Reading First</u> | <u>Reading Improvement Block Grant</u> | <u>Gifted Trainers</u> | <u>McKinney Education for Homeless Children</u> | <u>Area III Homeless Liaison Project</u> | <u>Standard Aligned Classroom</u> |
|---|--|--------------------------------------|--|----------------------------|---|--|---|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 7,258 | \$ 117,721 | \$ 12,751 | \$ - | \$ - | \$ - | \$ 24,465 |
| Due from other governmental units and agencies | - | 50,942 | 346 | - | - | 7,173 | - |
| Due from other funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL ASSETS | <u><u>\$ 7,258</u></u> | <u><u>\$ 168,663</u></u> | <u><u>\$ 13,097</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 7,173</u></u> | <u><u>\$ 24,465</u></u> |
| LIABILITIES AND FUND BALANCE | | | | | | | |
| LIABILITIES | | | | | | | |
| Due to other funds | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 7,174 | \$ - |
| Accounts payable | - | 8,470 | - | - | - | - | 18,435 |
| Deferred revenues | - | 137,171 | - | - | - | - | 6,030 |
| Due to other governmental units and agencies | <u>-</u> | <u>22,659</u> | <u>13,097</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total liabilities | - | 168,300 | 13,097 | - | - | 7,174 | 24,465 |
| FUND BALANCE (DEFICIT) | | | | | | | |
| Fund balance (deficit) - unreserved | <u>7,258</u> | <u>363</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1)</u> | <u>-</u> |
| TOTAL LIABILITIES AND FUND BALANCE (DEFICIT) | <u><u>\$ 7,258</u></u> | <u><u>\$ 168,663</u></u> | <u><u>\$ 13,097</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 7,173</u></u> | <u><u>\$ 24,465</u></u> |

(Continued)

See accompanying Independent Auditor's Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
EDUCATION FUND
COMBINING SCHEDULE OF ACCOUNTS
June 30, 2005

| ASSETS | Certificate Renewal | Illinois Department of Public Health Dental Sealant | Background Checks | Early School Leaver Conference | Safe to Learn | Early Childhood | Title IV - Safe & Drug Free Sch - Formula |
|---|------------------------|--|----------------------|--------------------------------------|------------------|--------------------|--|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 303 | \$ - | \$ 545 | \$ 1,414 | \$ - | \$ 4,000 | \$ - |
| Due from other governmental units and agencies | - | 719 | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | - | - |
| TOTAL ASSETS | <u>\$ 303</u> | <u>\$ 719</u> | <u>\$ 545</u> | <u>\$ 1,414</u> | <u>\$ -</u> | <u>\$ 4,000</u> | <u>\$ -</u> |
| LIABILITIES AND FUND BALANCE | | | | | | | |
| LIABILITIES | | | | | | | |
| Due to other funds | \$ - | \$ 157 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts payable | - | 562 | - | - | - | - | - |
| Deferred revenues | - | - | - | - | - | - | - |
| Due to other governmental units and agencies | - | - | - | - | - | - | - |
| Total liabilities | - | 719 | - | - | - | - | - |
| FUND BALANCE (DEFICIT) | | | | | | | |
| Fund balance (deficit) - unreserved | 303 | - | 545 | 1,414 | - | 4,000 | - |
| TOTAL LIABILITIES AND FUND BALANCE (DEFICIT) | <u>\$ 303</u> | <u>\$ 719</u> | <u>\$ 545</u> | <u>\$ 1,414</u> | <u>\$ -</u> | <u>\$ 4,000</u> | <u>\$ -</u> |

(Continued)

See accompanying Independent Auditor's Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
EDUCATION FUND
COMBINING SCHEDULE OF ACCOUNTS
June 30, 2005

| ASSETS | State & Federal School Breakfast & Lunch | System of Support | Sangamon County Learning Academy Lunch Fund | Learning Behavior Specialist 1 | State & Community Highway Safety | Learn & Serve America | Title II- Teacher Quality | Title IV- Community Service | Total |
|---|--|----------------------|--|--------------------------------------|---|-----------------------------|---------------------------------|-----------------------------------|---------------------|
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$ 882 | \$ 28,778 | \$ 23 | \$ 28,115 | \$ - | \$ 15,204 | \$ 84 | \$ 385,704 | \$ 1,350,854 |
| Due from other governmental units and agencies | 91 | - | - | 17,806 | 9,200 | - | - | - | 342,317 |
| Due from other funds | - | - | - | - | - | - | - | - | 20,068 |
| TOTAL ASSETS | <u>\$ 973</u> | <u>\$ 28,778</u> | <u>\$ 23</u> | <u>\$ 45,921</u> | <u>\$ 9,200</u> | <u>\$ 15,204</u> | <u>\$ 84</u> | <u>\$ 385,704</u> | <u>\$ 1,713,239</u> |
| LIABILITIES AND FUND BALANCE | | | | | | | | | |
| LIABILITIES | | | | | | | | | |
| Due to other funds | \$ - | \$ - | \$ - | \$ - | \$ 9,194 | \$ - | \$ - | \$ - | \$ 17,804 |
| Accounts payable | - | - | - | 4,553 | 10 | - | - | 634 | 156,679 |
| Deferred revenues | - | 28,344 | - | - | - | 15,108 | 84 | 384,937 | 639,827 |
| Due to other governmental units and agencies | - | - | - | 41,268 | - | - | - | - | 94,884 |
| Total liabilities | - | 28,344 | - | 45,821 | 9,204 | 15,108 | 84 | 385,571 | 909,194 |
| FUND BALANCE (DEFICIT) | | | | | | | | | |
| Fund balance (deficit) - unreserved | 973 | 434 | 23 | 100 | (4) | 96 | - | 133 | 804,045 |
| TOTAL LIABILITIES AND FUND BALANCE (DEFICIT) | <u>\$ 973</u> | <u>\$ 28,778</u> | <u>\$ 23</u> | <u>\$ 45,921</u> | <u>\$ 9,200</u> | <u>\$ 15,204</u> | <u>\$ 84</u> | <u>\$ 385,704</u> | <u>\$ 1,713,239</u> |

(Concluded)

See accompanying Independent Auditor's Report.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
EDUCATION FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the Year Ended June 30, 2005**

| | Regional Safe School | Title V - Innovative Program | Transition Outreach Training for Adult Living Program | School Directory | Administrative Discretionary | Sangamon County Truants Alternative Optional Education Program | Illinois Student Exchange | Title I Reading First | Reading Improvement Block Grant |
|--|----------------------------|------------------------------------|---|---------------------|---------------------------------|--|---------------------------------|-----------------------------|---------------------------------------|
| REVENUES | | | | | | | | | |
| State sources | \$ 340,997 | \$ - | \$ - | \$ - | \$ - | \$ 476,424 | \$ - | \$ - | \$ 23,903 |
| Federal sources | 34,383 | 406 | 280,884 | - | - | - | - | 279,305 | - |
| Local sources | 7,920 | 18 | 166 | 6,741 | 163,703 | 3,647 | - | 363 | - |
| On-behalf payment from State | 10,337 | - | - | - | - | 27,328 | - | 4,443 | - |
| Total revenues | 393,637 | 424 | 281,050 | 6,741 | 163,703 | 507,399 | - | 284,111 | 23,903 |
| EXPENDITURES | | | | | | | | | |
| Salaries and benefits | 203,793 | - | 162,684 | - | 113,893 | 417,328 | - | 45,183 | - |
| Purchased services | 203,765 | 406 | 113,319 | 7,790 | 38,168 | 58,014 | 976 | 80,453 | 16,470 |
| Supplies and materials | 5,972 | - | 4,881 | - | - | 2,486 | - | 39,358 | 7,433 |
| Capital outlay | 7,834 | - | - | - | - | - | - | - | - |
| Transfers - payments to other governmental units | - | - | - | - | - | 1,243 | - | 114,311 | - |
| On-behalf payment made to State | 10,337 | - | - | - | - | 27,328 | - | 4,443 | - |
| Total expenditures | 431,701 | 406 | 280,884 | 7,790 | 152,061 | 506,399 | 976 | 283,748 | 23,903 |
| Revenues over (under) expenditures | (38,064) | 18 | 166 | (1,049) | 11,642 | 1,000 | (976) | 363 | - |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Transfers out | (4,390) | - | - | - | (2,203) | - | - | - | - |
| Total other financing sources | (4,390) | - | - | - | (2,203) | - | - | - | - |
| Net change in fund balances | (42,454) | 18 | 166 | (1,049) | 9,439 | 1,000 | (976) | 363 | - |
| FUND BALANCE (DEFICIT) | | | | | | | | | |
| BEGINNING OF YEAR | 502,177 | - | - | 3,044 | 231,559 | 84,508 | 8,234 | - | - |
| FUND BALANCE (DEFICIT) | | | | | | | | | |
| END OF YEAR | <u>\$ 459,723</u> | <u>\$ 18</u> | <u>\$ 166</u> | <u>\$ 1,995</u> | <u>\$ 240,998</u> | <u>\$ 85,508</u> | <u>\$ 7,258</u> | <u>\$ 363</u> | <u>\$ -</u> |

(Continued)

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
EDUCATION FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the Year Ended June 30, 2005**

| | Gifted Trainers | McKinney Education for Homeless Children | Area III Homeless Liaison Project | Standard Aligned Classroom | Certificate Renewal | Illinois Department of Public Health Dental Sealant | Background Checks | Early School Leaver Conference | Safe to Learn | Early Childhood | Title IV - Safe & Drug Free Sch - Formula |
|--|--------------------|--|--|----------------------------------|------------------------|--|----------------------|--------------------------------------|------------------|--------------------|--|
| REVENUES | | | | | | | | | | | |
| State sources | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal sources | - | - | 63,204 | 18,544 | - | 7,195 | - | - | - | - | 248 |
| Local sources | - | - | - | - | - | - | 6,347 | - | - | - | - |
| On-behalf payment from State | - | - | - | - | - | - | - | - | - | - | - |
| Total revenues | - | - | 63,204 | 18,544 | - | 7,195 | 6,347 | - | - | - | 248 |
| EXPENDITURES | | | | | | | | | | | |
| Salaries and benefits | - | - | 48,238 | 6,025 | - | - | - | - | - | - | - |
| Purchased services | 58 | - | 13,385 | 10,997 | 922 | 7,665 | 6,282 | 591 | - | - | 248 |
| Supplies and materials | - | - | 1,582 | 1,522 | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - | - | - | - |
| Transfers - payments to other governmental units | - | - | - | - | - | - | - | - | - | - | - |
| On-behalf payment made to State | - | - | - | - | - | - | - | - | - | - | - |
| Total expenditures | 58 | - | 63,205 | 18,544 | 922 | 7,665 | 6,282 | 591 | - | - | 248 |
| Revenues over (under) expenditures | (58) | - | (1) | - | (922) | (470) | 65 | (591) | - | - | - |
| Other financing sources (uses) | | | | | | | | | | | |
| Transfers in | - | 254 | - | - | - | 1,949 | - | - | 1,602 | - | - |
| Transfers out | - | - | - | - | - | - | - | - | - | - | - |
| Total other financing sources | - | 254 | - | - | - | 1,949 | - | - | 1,602 | - | - |
| Net change in fund balances | (58) | 254 | (1) | - | (922) | 1,479 | 65 | (591) | 1,602 | - | - |
| FUND BALANCE (DEFICIT) | | | | | | | | | | | |
| BEGINNING OF YEAR | 58 | (254) | - | - | 1,225 | (1,479) | 480 | 2,005 | (1,602) | 4,000 | - |
| FUND BALANCE (DEFICIT) | \$ - | \$ - | \$ (1) | \$ - | \$ 303 | \$ - | \$ 545 | \$ 1,414 | \$ - | \$ 4,000 | \$ - |

(Continued)

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
EDUCATION FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the Year Ended June 30, 2005**

| | State & Federal School Breakfast & Lunch | System of Support | Sangamon County Learning Academy Lunch Fund | Learning Behavior Specialist 1 | State & Community Highway Safety | Learn & Serve America | Title II- Teacher Quality | Title IV- Community Service | Total |
|--|--|----------------------|--|--------------------------------------|---|-----------------------------|---------------------------------|-----------------------------------|-------------------|
| REVENUES | | | | | | | | | |
| State sources | \$ 365 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 841,689 |
| Federal sources | 7,768 | 79,675 | - | 106,831 | 30,994 | 4,891 | 1,153 | 7,497 | 922,978 |
| Local sources | 1,350 | 5,156 | - | 100 | - | 96 | - | 163 | 195,770 |
| On-behalf payment from State | - | 2,665 | - | - | - | - | - | - | 44,773 |
| Total revenues | 9,483 | 87,496 | - | 106,931 | 30,994 | 4,987 | 1,153 | 7,660 | 2,005,210 |
| EXPENDITURES | | | | | | | | | |
| Salaries and benefits | - | 32,823 | - | 5,900 | - | - | - | - | 1,035,867 |
| Purchased services | 8,510 | 47,021 | 400 | 12,306 | 30,998 | 3,642 | 1,007 | 7,409 | 670,802 |
| Supplies and materials | - | 4,553 | - | 3,089 | - | 1,249 | 146 | 118 | 72,389 |
| Capital outlay | - | - | - | - | - | - | - | - | 7,834 |
| Transfers - payments to other governmental units | - | - | - | 86,666 | - | - | - | - | 202,220 |
| On-behalf payment made to State | - | 2,665 | - | - | - | - | - | - | 44,773 |
| Total expenditures | 8,510 | 87,062 | 400 | 107,961 | 30,998 | 4,891 | 1,153 | 7,527 | 2,033,885 |
| Revenues over (under) expenditures | 973 | 434 | (400) | (1,030) | (4) | 96 | - | 133 | (28,675) |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - | 3,805 |
| Transfers out | - | - | - | - | - | - | - | - | (6,593) |
| Total other financing sources | - | - | - | - | - | - | - | - | (2,788) |
| Net change in fund balances | 973 | 434 | (400) | (1,030) | (4) | 96 | - | 133 | (31,463) |
| FUND BALANCE (DEFICIT) | | | | | | | | | |
| BEGINNING OF YEAR | - | - | 423 | 1,130 | - | - | - | - | 835,508 |
| FUND BALANCE (DEFICIT) | | | | | | | | | |
| END OF YEAR | \$ 973 | \$ 434 | \$ 23 | \$ 100 | \$ (4) | \$ 96 | \$ - | \$ 133 | \$ 804,045 |

(Concluded)

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
REGIONAL SAFE SCHOOL
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2005

| | Budget | Actual | Variance Favorable (Unfavorable) |
|--|----------------|-------------------|--|
| REVENUES | | | |
| State sources | \$ 242,023 | \$ 340,997 | \$ 98,974 |
| Federal sources | - | 34,383 | 34,383 |
| Local sources | - | 7,920 | 7,920 |
| On-behalf payments from State | - | 10,337 | 10,337 |
| | <u>242,023</u> | <u>393,637</u> | <u>151,614</u> |
| EXPENDITURES | | | |
| Salaries and benefits | 178,853 | 203,793 | (24,940) |
| Purchased services | 53,501 | 203,765 | (150,264) |
| Supplies and materials | 5,383 | 5,972 | (589) |
| Capital outlay | 4,286 | 7,834 | (3,548) |
| On-behalf payments made to State | - | 10,337 | (10,337) |
| | <u>242,023</u> | <u>431,701</u> | <u>(189,678)</u> |
| Deficiency of revenues over expenditures | <u>\$ -</u> | <u>(38,064)</u> | <u>\$ (38,064)</u> |
| Other financing sources (uses) | | | |
| Transfers out | | (4,390) | |
| Net change in fund balance | | (42,454) | |
| FUND BALANCE, BEGINNING OF YEAR | | 502,177 | |
| FUND BALANCE, END OF YEAR | | <u>\$ 459,723</u> | |

See accompanying Independent Auditor's Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
TITLE V - INNOVATIVE PROGRAM
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2005

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---------------------------------|--------------------|---------------------|---|
| REVENUES | | | |
| Federal sources | \$ 406 | \$ 406 | \$ - |
| Local sources | <u>-</u> | <u>18</u> | <u>18</u> |
| Total revenues | <u>406</u> | <u>424</u> | <u>18</u> |
| EXPENDITURES | | | |
| Purchased services | <u>406</u> | <u>406</u> | <u>-</u> |
| Total expenditures | <u>406</u> | <u>406</u> | <u>-</u> |
| Net change in fund balance | <u><u>\$ -</u></u> | 18 | <u><u>\$ 18</u></u> |
| FUND BALANCE, BEGINNING OF YEAR | | <u>-</u> | |
| FUND BALANCE, END OF YEAR | | <u><u>\$ 18</u></u> | |

See accompanying Independent Auditor's Report.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
TRANSITION OUTREACH TRAINING FOR ADULT LIVING PROGRAM
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2005**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|---------------------------|-----------------------------|---|
| REVENUES | | | |
| Federal sources | \$ 406,815 | \$ 280,884 | \$ (125,931) |
| Local sources | <u> -</u> | <u> 166</u> | <u> 166</u> |
| Total revenues | <u>406,815</u> | <u>281,050</u> | <u>(125,765)</u> |
| EXPENDITURES | | | |
| Salaries and benefits | 183,184 | 162,684 | 20,500 |
| Purchased services | 218,320 | 113,319 | 105,001 |
| Supplies and materials | <u> 5,311</u> | <u> 4,881</u> | <u> 430</u> |
| Total expenditures | <u>406,815</u> | <u>280,884</u> | <u>125,931</u> |
| Net change in fund balance | <u><u> -</u></u> | <u> 166</u> | <u><u> 166</u></u> |
| FUND BALANCE, BEGINNING OF YEAR | | <u> -</u> | |
| FUND BALANCE, END OF YEAR | | <u><u> 166</u></u> | |

See accompanying Independent Auditor's Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
SANGAMON COUNTY TRUANTS ALTERNATIVE OPTIONAL EDUCATION PROGRAM
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2005

| | Budget | Actual | Variance Favorable (Unfavorable) |
|--|------------|------------|--|
| REVENUES | | | |
| State sources | \$ 242,255 | \$ 476,424 | \$ 234,169 |
| Local sources | - | 3,647 | 3,647 |
| On-behalf payments from State | - | 27,328 | 27,328 |
| | 242,255 | 507,399 | 265,144 |
| EXPENDITURES | | | |
| Salaries and benefits | 198,972 | 417,328 | (218,356) |
| Purchased services | 43,236 | 58,014 | (14,778) |
| Supplies and materials | 47 | 2,486 | (2,439) |
| Transfers - payments to other governmental units | - | 1,243 | (1,243) |
| On-behalf payments made to State | - | 27,328 | (27,328) |
| | 242,255 | 506,399 | (264,144) |
| Net change in fund balance | \$ - | 1,000 | \$ 1,000 |
| FUND BALANCE, BEGINNING OF YEAR | | 84,508 | |
| FUND BALANCE, END OF YEAR | | \$ 85,508 | |

See accompanying Independent Auditor's Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
TITLE I READING FIRST
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2005

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|----------------|----------------|---|
| REVENUES | | | |
| Federal sources | \$ 455,733 | \$ 279,305 | \$ (176,428) |
| Local sources | - | 363 | 363 |
| On-behalf payments from State | - | 4,443 | 4,443 |
| Total revenues | <u>455,733</u> | <u>284,111</u> | <u>(171,622)</u> |
| EXPENDITURES | | | |
| Salaries and benefits | 113,310 | 45,183 | 68,127 |
| Purchased services | 110,969 | 80,453 | 30,516 |
| Supplies and materials | 66,201 | 39,358 | 26,843 |
| Transfers - payments to other governmental units | 165,253 | 114,311 | 50,942 |
| On-behalf payments made to State | - | 4,443 | (4,443) |
| Total expenditures | <u>455,733</u> | <u>283,748</u> | <u>171,985</u> |
| Net change in fund balance | <u>\$ -</u> | 363 | <u>\$ 363</u> |
| FUND BALANCE, BEGINNING OF YEAR | | <u>-</u> | |
| FUND BALANCE, END OF YEAR | | <u>\$ 363</u> | |

See accompanying Independent Auditor's Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
READING IMPROVEMENT BLOCK GRANT
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2005

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|---------------------------------|--------------------|--------------------|--|
| REVENUES | | | |
| State sources | <u>\$ 37,000</u> | <u>\$ 23,903</u> | <u>\$ (13,097)</u> |
| Total revenues | <u>37,000</u> | <u>23,903</u> | <u>(13,097)</u> |
| EXPENDITURES | | | |
| Purchased services | 24,600 | 16,470 | 8,130 |
| Supplies and materials | <u>12,400</u> | <u>7,433</u> | <u>4,967</u> |
| Total expenditures | <u>37,000</u> | <u>23,903</u> | <u>13,097</u> |
| Net change in fund balance | <u><u>\$ -</u></u> | <u>-</u> | <u><u>\$ -</u></u> |
| FUND BALANCE, BEGINNING OF YEAR | | <u>-</u> | |
| FUND BALANCE, END OF YEAR | | <u><u>\$ -</u></u> | |

See accompanying Independent Auditor's Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
AREA III HOMELESS LIAISON PROJECT
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2005

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|--|--------------------|----------------------|--|
| REVENUES | | | |
| Federal sources | \$ 57,000 | \$ 63,204 | \$ 6,204 |
| Total revenues | <u>57,000</u> | <u>63,204</u> | <u>6,204</u> |
| EXPENDITURES | | | |
| Salaries and benefits | 49,595 | 48,238 | 1,357 |
| Purchased services | 6,405 | 13,385 | (6,980) |
| Supplies and materials | <u>1,000</u> | <u>1,582</u> | <u>(582)</u> |
| Total expenditures | <u>57,000</u> | <u>63,205</u> | <u>(6,205)</u> |
| Net change in fund balance | <u><u>\$ -</u></u> | (1) | <u><u>\$ (1)</u></u> |
| FUND BALANCE, BEGINNING OF YEAR | | <u>-</u> | |
| FUND BALANCE (DEFICIT), END OF YEAR | | <u><u>\$ (1)</u></u> | |

See accompanying Independent Auditor's Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
TITLE IV - SAFE & DRUG FREE SCH - FORMULA
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2005

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|-------------------------------------|--------------------|--------------------|---|
| REVENUES | | | |
| Federal sources | <u>\$ 248</u> | <u>\$ 248</u> | <u>\$ -</u> |
| Total revenues | <u>248</u> | <u>248</u> | <u>-</u> |
| EXPENDITURES | | | |
| Purchased services | <u>248</u> | <u>248</u> | <u>-</u> |
| Total expenditures | <u>248</u> | <u>248</u> | <u>-</u> |
| Net change in fund balance | <u><u>\$ -</u></u> | <u>-</u> | <u><u>\$ -</u></u> |
| FUND BALANCE, BEGINNING OF YEAR | | <u>-</u> | |
| FUND BALANCE, END OF YEAR | | <u><u>\$ -</u></u> | |

See accompanying Independent Auditor's Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
LEARNING BEHAVIOR SPECIALIST 1
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2005

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable <u>(Unfavorable)</u> |
|--|----------------|----------------|---|
| REVENUES | | | |
| Federal sources | \$ 120,000 | \$ 106,831 | \$ (13,169) |
| Local sources | - | 100 | 100 |
| Total revenues | <u>120,000</u> | <u>106,931</u> | <u>(13,069)</u> |
| | | | |
| EXPENDITURES | | | |
| Salaries and benefits | 5,900 | 5,900 | - |
| Purchased services | 11,319 | 12,306 | (987) |
| Supplies and materials | 12,031 | 3,089 | 8,942 |
| Transfers - payments to other governmental units | <u>90,750</u> | <u>86,666</u> | <u>4,084</u> |
| Total expenditures | <u>120,000</u> | <u>107,961</u> | <u>12,039</u> |
| | | | |
| Net change in fund balance | <u>\$ -</u> | (1,030) | <u>\$ (1,030)</u> |
| | | | |
| FUND BALANCE, BEGINNING OF YEAR | | <u>1,130</u> | |
| | | | |
| FUND BALANCE, END OF YEAR | | <u>\$ 100</u> | |

See accompanying Independent Auditor's Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
STATE AND COMMUNITY HIGHWAY SAFETY
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2005

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|---|--------------------|----------------------|--|
| REVENUES | | | |
| Federal sources | <u>\$ 31,600</u> | <u>\$ 30,994</u> | <u>\$ (606)</u> |
| Total revenues | <u>31,600</u> | <u>30,994</u> | <u>(606)</u> |
| EXPENDITURES | | | |
| Purchased services | <u>31,600</u> | <u>30,998</u> | <u>602</u> |
| Total expenditures | <u>31,600</u> | <u>30,998</u> | <u>602</u> |
| Net change in fund balance | <u><u>\$ -</u></u> | <u>(4)</u> | <u><u>\$ (4)</u></u> |
| FUND BALANCE, BEGINNING OF YEAR | | <u>-</u> | |
| FUND BALANCE (DEFICIT), END OF YEAR | | <u><u>\$ (4)</u></u> | |

See accompanying Independent Auditor's Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
LEARN & SERVE AMERICA
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2005

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---------------------------------|--------------------|---------------------|---|
| REVENUES | | | |
| Federal sources | \$ 35,000 | \$ 4,891 | \$ (30,109) |
| Local sources | <u>-</u> | <u>96</u> | <u>96</u> |
| Total revenues | <u>35,000</u> | <u>4,987</u> | <u>(30,013)</u> |
| EXPENDITURES | | | |
| Purchased services | 33,280 | 3,642 | 29,638 |
| Supplies and materials | <u>1,720</u> | <u>1,249</u> | <u>471</u> |
| Total expenditures | <u>35,000</u> | <u>4,891</u> | <u>30,109</u> |
| Net change in fund balance | <u><u>\$ -</u></u> | <u>96</u> | <u><u>\$ 96</u></u> |
| FUND BALANCE, BEGINNING OF YEAR | | <u>-</u> | |
| FUND BALANCE, END OF YEAR | | <u><u>\$ 96</u></u> | |

See accompanying Independent Auditor's Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
TITLE II - TEACHER QUALITY
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2005

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---------------------------------|---------------|---------------|---|
| REVENUES | | | |
| Federal sources | \$ 1,237 | \$ 1,153 | \$ (84) |
| Total revenues | <u>1,237</u> | <u>1,153</u> | <u>(84)</u> |
| EXPENDITURES | | | |
| Purchased services | 1,000 | 1,007 | (7) |
| Supplies and materials | <u>237</u> | <u>146</u> | <u>91</u> |
| Total expenditures | <u>1,237</u> | <u>1,153</u> | <u>84</u> |
| Net change in fund balance | <u>\$ -</u> | - | <u>\$ -</u> |
| FUND BALANCE, BEGINNING OF YEAR | | <u>-</u> | |
| FUND BALANCE, END OF YEAR | | <u>\$ -</u> | |

See accompanying Independent Auditor's Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
TITLE IV - COMMUNITY SERVICE
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2005

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable <u>(Unfavorable)</u> |
|-------------------------------------|---------------------------|---------------------------|---|
| REVENUES | | | |
| Federal sources | \$ 28,249 | \$ 7,497 | \$ (20,752) |
| Local sources | <u> -</u> | <u> 163</u> | <u> 163</u> |
| Total revenues | <u>28,249</u> | <u>7,660</u> | <u>(20,589)</u> |
| EXPENDITURES | | | |
| Purchased services | 27,575 | 7,409 | 20,166 |
| Supplies and materials | <u> 674</u> | <u> 118</u> | <u> 556</u> |
| Total expenditures | <u>28,249</u> | <u>7,527</u> | <u>20,722</u> |
| Net change in fund balance | <u><u> -</u></u> | 133 | <u><u> 133</u></u> |
| FUND BALANCE, BEGINNING OF YEAR | | <u> -</u> | |
| FUND BALANCE, END OF YEAR | | <u><u> 133</u></u> | |

See accompanying Independent Auditor's Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2005

| | General Education Development Certificate | Bus Driver Training | Supervisory Expenses | General Education Development Holistic Scoring | Total |
|---|--|---------------------------|-------------------------|--|------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 2,860 | \$ 11,295 | \$ 2,581 | \$ - | \$ 16,736 |
| Due from other governmental units and agencies | - | - | - | 8,390 | 8,390 |
| TOTAL ASSETS | \$ 2,860 | \$ 11,295 | \$ 2,581 | \$ 8,390 | \$ 25,126 |
| LIABILITIES AND FUND BALANCE | | | | | |
| LIABILITIES | | | | | |
| Due to other funds | \$ - | \$ - | \$ - | \$ 2,239 | \$ 2,239 |
| Total liabilities | - | - | - | 2,239 | 2,239 |
| FUND BALANCE | | | | | |
| Fund balance - unreserved | 2,860 | 11,295 | 2,581 | 6,151 | 22,887 |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 2,860 | \$ 11,295 | \$ 2,581 | \$ 8,390 | \$ 25,126 |

See accompanying Independent Auditor's Report.

**SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the Year Ended June 30, 2005**

| | General Education Development Certificate | Bus Driver Training | Supervisory Expenses | General Education Development Holistic Scoring | Total |
|-------------------------------|--|---------------------------|-------------------------|--|------------------|
| REVENUES | | | | | |
| State sources | \$ - | \$ 1,440 | \$ 1,000 | \$ - | \$ 2,440 |
| Local sources | 15,800 | 2,543 | 814 | 37,162 | 56,319 |
| Total revenues | <u>15,800</u> | <u>3,983</u> | <u>1,814</u> | <u>37,162</u> | <u>58,759</u> |
| EXPENDITURES | | | | | |
| Salaries and benefits | 8,360 | 5,580 | - | - | 13,940 |
| Purchased services | 9,393 | 5,013 | 2,494 | 30,479 | 47,379 |
| Total expenditures | <u>17,753</u> | <u>10,593</u> | <u>2,494</u> | <u>30,479</u> | <u>61,319</u> |
| Net change in fund balance | (1,953) | (6,610) | (680) | 6,683 | (2,560) |
| FUND BALANCE (DEFICIT) | | | | | |
| BEGINNING OF YEAR | <u>4,813</u> | <u>17,905</u> | <u>3,261</u> | <u>(532)</u> | <u>25,447</u> |
| FUND BALANCE END OF YEAR | <u>\$ 2,860</u> | <u>\$ 11,295</u> | <u>\$ 2,581</u> | <u>\$ 6,151</u> | <u>\$ 22,887</u> |

See accompanying Independent Auditor's Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2005

| | <u>Distributive</u> | <u>Illinois Education and Technology Conference</u> | <u>Cook County General Education Development</u> | <u>Sangamon County Learning Academy</u> | <u>Sangamon County Schoolmasters</u> | <u>Director's Conference</u> | <u>University of Illinois at Springfield Roundtable</u> | <u>Total</u> |
|---|---------------------|---|--|---|--|----------------------------------|---|-------------------|
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ - | \$ 78,183 | \$ - | \$ 18,314 | \$ 3,528 | \$ 5,821 | \$ 8,132 | \$ 113,978 |
| Due from other governmental units and agencies | - | - | 264,804 | - | - | - | - | 264,804 |
| TOTAL ASSETS | <u>\$ -</u> | <u>\$ 78,183</u> | <u>\$ 264,804</u> | <u>\$ 18,314</u> | <u>\$ 3,528</u> | <u>\$ 5,821</u> | <u>\$ 8,132</u> | <u>\$ 378,782</u> |
| LIABILITIES | | | | | | | | |
| Due to other governmental units and agencies | \$ - | \$ 78,183 | \$ 264,804 | \$ 18,314 | \$ 3,528 | \$ 5,821 | \$ 8,132 | \$ 378,782 |
| TOTAL LIABILITIES | <u>\$ -</u> | <u>\$ 78,183</u> | <u>\$ 264,804</u> | <u>\$ 18,314</u> | <u>\$ 3,528</u> | <u>\$ 5,821</u> | <u>\$ 8,132</u> | <u>\$ 378,782</u> |

See accompanying Independent Auditor's Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS
For the Year Ended June 30, 2005

| | <u>Balance</u> <u>July 1, 2004</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2005</u> |
|---|---------------------------------------|------------------|------------------|--|
| <u>DISTRIBUTIVE</u> | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ - | \$ 62,669 | \$ 62,669 | \$ - |
| Due from other governmental units and agencies | <u>6,000</u> | <u>-</u> | <u>6,000</u> | <u>-</u> |
| Total assets | <u>\$ 6,000</u> | <u>\$ 62,669</u> | <u>\$ 68,669</u> | <u>\$ -</u> |
| LIABILITIES | | | | |
| Due to other governmental units and agencies | \$ 6,000 | \$ - | \$ 6,000 | \$ - |
| Due to other funds | <u>-</u> | <u>62,669</u> | <u>62,669</u> | <u>-</u> |
| Total liabilities | <u>\$ 6,000</u> | <u>\$ 62,669</u> | <u>\$ 68,669</u> | <u>\$ -</u> |

ILLINOIS EDUCATION AND
TECHNOLOGY CONFERENCE

| | | | | |
|---|------------------|------------------|------------------|------------------|
| ASSETS | | | | |
| Cash and cash equivalents | <u>\$ 84,850</u> | <u>\$ 82,284</u> | <u>\$ 88,951</u> | <u>\$ 78,183</u> |
| LIABILITIES | | | | |
| Due to other governmental units and agencies | <u>\$ 84,850</u> | <u>\$ 82,284</u> | <u>\$ 88,951</u> | <u>\$ 78,183</u> |

COOK COUNTY GENERAL
EDUCATION DEVELOPMENT

| | | | | |
|---|------------------|---------------------|-------------------|-------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 12,334 | \$ 754,927 | \$ 767,261 | \$ - |
| Due from other governmental units and agencies | <u>-</u> | <u>264,804</u> | <u>-</u> | <u>264,804</u> |
| Total assets | <u>\$ 12,334</u> | <u>\$ 1,019,731</u> | <u>\$ 767,261</u> | <u>\$ 264,804</u> |
| LIABILITIES | | | | |
| Due to other governmental units and agencies | <u>\$ 12,334</u> | <u>\$ 1,019,731</u> | <u>\$ 767,261</u> | <u>\$ 264,804</u> |

(Continued)

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS
For the Year Ended June 30, 2005

| | <u>Balance</u> <u>July 1, 2004</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2005</u> |
|---|---------------------------------------|------------------|------------------|--|
| <u>SANGAMON COUNTY LEARNING</u> | | | | |
| <u>ACADEMY</u> | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 20,571 | \$ 3,709 | \$ 5,966 | \$ 18,314 |
| LIABILITIES | | | | |
| Due to other governmental units and agencies | \$ 20,571 | \$ 3,709 | \$ 5,966 | \$ 18,314 |
| <u>SANGAMON COUNTY</u> | | | | |
| <u>SCHOOLMASTERS</u> | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 1,789 | \$ 5,280 | \$ 3,541 | \$ 3,528 |
| LIABILITIES | | | | |
| Due to other governmental units and agencies | \$ 1,789 | \$ 5,280 | \$ 3,541 | \$ 3,528 |
| <u>DIRECTOR'S CONFERENCE</u> | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ - | \$ 42,300 | \$ 36,479 | \$ 5,821 |
| LIABILITIES | | | | |
| Due to other governmental units and agencies | \$ - | \$ 42,300 | \$ 36,479 | \$ 5,821 |
| <u>UNIVERSITY OF ILLINOIS AT</u> | | | | |
| <u>SPRINGFIELD ROUNDTABLE</u> | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 8,850 | \$ 5,532 | \$ 6,250 | \$ 8,132 |
| LIABILITIES | | | | |
| Due to other governmental units and agencies | \$ 8,850 | \$ 5,532 | \$ 6,250 | \$ 8,132 |

(Continued)

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS
For the Year Ended June 30, 2005

| <u>TOTAL - ALL AGENCY FUNDS</u> | <u>Balance</u> <u>July 1, 2004</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2005</u> |
|---|---------------------------------------|---------------------|-------------------|--|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 128,394 | \$ 956,701 | \$ 971,117 | \$ 113,978 |
| Due from other governmental units and agencies | <u>6,000</u> | <u>264,804</u> | <u>6,000</u> | <u>264,804</u> |
| Total assets | <u>\$ 134,394</u> | <u>\$ 1,221,505</u> | <u>\$ 977,117</u> | <u>\$ 378,782</u> |
| LIABILITIES | | | | |
| Due to other governmental units and agencies | \$ 134,394 | \$ 1,158,836 | \$ 914,448 | \$ 378,782 |
| Due to other funds | <u>-</u> | <u>62,669</u> | <u>62,669</u> | <u>-</u> |
| Total liabilities | <u>\$ 134,394</u> | <u>\$ 1,221,505</u> | <u>\$ 977,117</u> | <u>\$ 378,782</u> |
| | | | | (Concluded) |

See accompanying Independent Auditor's Report.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
SCHEDULE OF DISBURSEMENTS TO SCHOOL TREASURERS
AND OTHERS - DISTRIBUTIVE FUND
For the Year Ended June 30, 2005

| | Sangamon County ROE |
|---------------------|---------------------------|
| | |
| General State Aid | \$ 61,669 |
| Supervisory Expense | 1,000 |
| | |
| TOTAL | \$ 62,669 |

See accompanying Independent Auditor's Report.

FEDERAL COMPLIANCE SECTION

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2005

| Federal Grantor/Pass-through Grantor/ Program or Cluster Title | CFDA Number | Project # (1st Eight Digits) or Contract # | Federal Expenditures July 1, 2004 through June 30, 2005 |
|---|----------------|---|---|
| U.S. DEPARTMENT OF TRANSPORTATION | | | |
| Passed through Illinois Department of Transportation: | | | |
| State and Community Highway Safety | | AL5-0084-067 | \$ 17,651 |
| State and Community Highway Safety | | AL4-0084-012 | <u>13,343</u> |
| Total State and Community Highway Safety | 20.601 | | <u>30,994</u> |
| U.S. DEPARTMENT OF EDUCATION | | | |
| Passed through Illinois State Board of Education: | | | |
| School Breakfast Program | | 05-4220-00 | 432 |
| School Breakfast Program | | 04-4220-00 | <u>56</u> |
| Total School Breakfast Program | 10.553 | | <u>488</u> |
| National School Lunch Program | | 05-4210-00 | 6,202 |
| National School Lunch Program | | 04-4210-00 | <u>1,078</u> |
| Total National School Lunch Program | 10.555 | | <u>7,280</u> |
| Passed through Two Rivers Professional Development Center | | | |
| Title I - School Improvement and Accountability | 84.010 | N/A | <u>44,706</u> |
| Passed through Illinois State Board of Education: | | | |
| Federal Special Education I.D.E.A. Discretionary | | 05-4630-00 | 173,181 |
| Federal Special Education I.D.E.A. Discretionary | | 05-4630-02 | <u>78,732</u> |
| Total Special Education I.D.E.A. Discretionary | 84.027 | | <u>251,913</u> |
| Passed through Illinois State Board of Education: | | | |
| Title IV Community Service | 84.184 | 04-4420-00 | <u>7,497</u> |
| Title IV - Safe & Drug Free Sch - Formula | 84.186 | 05-4400-00 | <u>248</u> |
| Passed through Hancock/McDonough ROE #26: | | | |
| McKinney Education for Homeless Children | | 05-4920-00 | 57,000 |
| McKinney Education for Homeless Children | | 04-4920-00 | <u>6,204</u> |
| Total McKinney Education for Homeless Children | 84.196 | | <u>63,204</u> |
| Passed through Illinois State Board of Education: | | | |
| Title V - Innovative Program Formula | | 05-4100-00 | 406 |
| Passed through Two Rivers Professional Development Center | | | |
| Standards Aligned Classroom Project | | N/A | <u>18,544</u> |
| Total Title V - Innovative Program | 84.298 | | <u>18,950</u> |
| Passed through Illinois State Board of Education: | | | |
| Federal Special Education I.D.E.A. Discretionary | | 04-4630-02 | 28,099 |
| Other Federal Programs | | 05-4999-00 | <u>107,703</u> |
| Total Special Education I.D.E.A. Discretionary | 84.324 | | <u>135,802</u> |

(Continued)

The accompanying notes are an integral part of this schedule.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2005

| Federal Grantor/Pass-through Grantor/ Program or Cluster Title | CFDA Number | Project # (1st Eight Digits) or Contract # | Federal Expenditures July 1, 2004 through June 30, 2005 |
|--|----------------|---|---|
| U.S. DEPARTMENT OF EDUCATION - CONTINUED | | | |
| Passed through Illinois State Board of Education: | | | |
| (M) Title I - Reading First Part B SEA Funds | | 05-4337-00 | 23,450 |
| (M) Title I - Reading First Part B SEA Funds | | 05-4337-01 | 122,989 |
| (M) Title I - Reading First Part B SEA Funds | | 05-4337-02 | 22,782 |
| (M) Title I - Reading First Part B SEA Funds | | 05-4337-04 | 31,948 |
| (M) Title I - Reading First Part B SEA Funds | | 04-4337-00 | 6,619 |
| (M) Title I - Reading First Part B SEA Funds | | 04-4337-02 | 18,536 |
| Passed through Two Rivers Professional Development Center: | | | |
| (M) Title I - Reading First Part B SEA Funds | | 04-4337-01 | 34,196 |
| (M) Title I - Reading First Part B SEA Funds | | 04-4337-04 | 18,785 |
| Total Title I - Reading First Part B SEA Funds | 84.357 | | <u>279,305</u> |
| Passed through Illinois State Board of Education: | | | |
| Title II - Teacher Quality | | 05-4932-00 | 1,153 |
| Passed through Two Rivers Professional Development Center: | | | |
| Title II - Teacher Quality | | N/A | 34,969 |
| Total Title II - Teacher Quality | 84.367 | | <u>36,122</u> |
| Passed through Illinois State Board of Education: | | | |
| Learn & Serve America | 94.004 | 05-4910-00 | <u>4,891</u> |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| Passed through Illinois State Board of Education: | | | |
| Temporary Assistance for Needy Families (Regional Safe Schools State Aid) | | 05-3001-93 | 22,735 |
| Temporary Assistance for Needy Families (Regional Safe Schools State Aid) | | 05-3696-00 | 11,521 |
| Temporary Assistance for Needy Families (Regional Safe Schools) | | 04-3696-00 | 127 |
| Total Temporary Assistance for Needy Families (Regional Safe Schools) | 93.558 | | <u>34,383</u> |
| Passed through Illinois Department of Public Health: | | | |
| Maternal and Child Health Services Block Grant to States | | 53481055 | 6,973 |
| Maternal and Child Health Services Block Grant to States | | 43480554 | 222 |
| Total Maternal and Child Health Services Block Grant to States | 93.994 | | <u>7,195</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u>\$ 922,978</u> |
| | | | (Concluded) |

(M) Audited as a major program

The accompanying notes are an integral part of this schedule.

SANGAMON COUNTY REGIONAL OFFICE OF EDUCATION NO. 51
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2005

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Regional Office of Education No. 51 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented on this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE 2 - SUBRECIPIENTS

Of the expenditures in this schedule, the Sangamon County Regional Office of Education No. 51 provided awards to subrecipients in the amount of \$114,311 under the Title I – Reading First Part B SEA Funds and \$85,536 under the Special Education I.D.E.A. Discretionary program.

NOTE 3 - DESCRIPTIONS OF FEDERAL PROGRAMS AUDITED AS A MAJOR PROGRAM

Title I – Reading First Part B SEA Funds (84.357) was audited as a major program by our auditors. These funds are used to plan and implement Reading First Academies and provide professional development for teachers in Reading First Schools.

NOTE 4 - NON-CASH ASSISTANCE

The Sangamon County Regional Office of Education No. 51 did not receive any Federal awards involving non-cash assistance with continuing compliance requirements.

NOTE 5 - AMOUNT OF INSURANCE

The Sangamon County Regional Office of Education No. 51 did not receive any Federal awards involving insurance with continuing compliance requirements.

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

The Sangamon County Regional Office of Education No. 51 did not receive any Federal awards involving loans or loan guarantees with continuing compliance requirements.