

State of Illinois
FULTON/SCHUYLER COUNTIES
REGIONAL OFFICE OF EDUCATION #22
FINANCIAL AUDIT
(In Accordance with the Single Audit Act & OMB Circular A-133)
For the Year Ended June 30, 2005

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

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FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22

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FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22

OFFICIALS

Regional Superintendent
(current and during audit period)

Mr. Alan Coleman

Assistant Regional Superintendent
(current and during audit period)

Ms. Louise Bassett

Offices are located at:

Fulton County Courthouse
100 North Main, P.O. Box 307
Lewistown, Illinois 61542

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 non-standard language.

SUMMARY OF AUDIT FINDINGS

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

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)		
05-1	15	Controls over compliance with laws and regulations

EXIT CONFERENCE

An exit conference was held on August 25, 2005. Attending were Regional Superintendent Alan Coleman, Assistant Regional Superintendent Louise Bassett, and auditor Mark Reinken.

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying basic financial statements of Fulton/Schuyler Counties Regional Office of Education #22 was performed by Ginoli & Company Ltd.

Based on their audit, the auditors express an unqualified opinion on agency's basic financial statements.

**INDEPENDENT AUDITOR'S REPORT**

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fulton/Schuyler Counties Regional Office of Education #22, as of and for the year ended June 30, 2005, which collectively comprise the Fulton/Schuyler Counties Regional Office of Education #22's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Fulton/Schuyler Counties Regional Office of Education #22'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, each major fund, and the aggregate remaining fund information of the Fulton/Schuyler Counties Regional Office of Education #22, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2005 on our consideration of Fulton/Schuyler Counties Regional Office of Education #22'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 on pages 19 through 22 and Illinois Municipal Retirement Fund Schedule of Funding Progress on page 47 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fulton/Schuyler Counties Regional Office of Education #22's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements of Other Entities – 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 *Guidelines to Auditing and Reporting for a Regional Office of Education*, and is also not a required part of the basic financial statements of Fulton/Schuyler Counties Regional Office of Education #22. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to Other Entities – 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.

GINOLI & COMPANY LTD

GINOLI & COMPANY LTD
Certified Public Accountants

Peoria, Illinois
August 25, 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, each major fund and the aggregate remaining fund information of the Fulton/Schuyler Counties Regional Office of Education #22, as of and for the year ended June 30, 2005, which collectively comprise Fulton/Schuyler Counties Regional Office of Education #22's basic financial statements and have issued our report thereon dated August 25, 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 Fulton/Schuyler Counties Regional Office of Education #22's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fulton/Schuyler Counties Regional Office of Education #22'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 *Guidelines to Auditing and Reporting for a Regional Office of Education*, to be reported on the accompanying Schedule of Findings and Questioned Costs as item 05-1.

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.

GINOLI & COMPANY LTD

GINOLI & COMPANY LTD
Certified Public Accountants

Peoria, Illinois
August 25, 2005



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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the compliance of the Fulton/Schuyler Counties Regional Office of Education #22 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 Fulton/Schuyler Counties Regional Office of Education #22'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 Fulton/Schuyler Counties Regional Office of Education #22's management. Our responsibility is to express an opinion on the Fulton/Schuyler Counties Regional Office of Education #22's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133 criteria as required by *Guidelines to Auditing and Reporting for a Regional Office of Education*. Those standards and criteria require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Fulton/Schuyler Counties Regional Office of Education #22'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 Fulton/Schuyler Counties Regional Office of Education #22's compliance with those requirements.

In our opinion, the Fulton/Schuyler Counties Regional Office of Education #22 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. The results of our tests disclosed no instances of noncompliance that are required to be reported in accordance with OMB Circular A-133 criteria as required by *Guidelines to Auditing and Reporting for a Regional Office of Education*.

Internal Control Over Compliance

The management of the Fulton/Schuyler Counties Regional Office of Education #22 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 Fulton/Schuyler Counties Regional Office of Education #22's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133 criteria as required by *Guidelines to Auditing and Reporting for a Regional Office of Education*.

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.

GINOLI & COMPANY LTD

GINOLI & COMPANY LTD
Certified Public Accountants

Peoria, Illinois
August 25, 2005

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
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
(unqualified, qualified, adverse, disclaimer)

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Reportable condition(s) identified that are not considered to be material weakness(es) yes X none reported
- Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Reportable condition(s) identified that are not considered to be material weakness(es) yes X none reported

Type of auditor's report issued on compliance for major programs: unqualified
(unqualified, qualified, adverse, disclaimer)

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? yes X no

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2005
 (CONTINUED)

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
17.259	Fastrac - Workforce Investment Act Title I

Dollar threshold used to distinguish between
 Type A and Type B programs: \$ N/A

Auditee qualified as low-risk auditee X yes no n/a

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005

Section II-Financial Statement Findings

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

Criteria/specific requirement:

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

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

Condition:

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

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

Effect:

The Regional Office of Education #22 did not comply with statutory requirements.

Cause:

The Regional Office of Education #22 was unaware of the statute.

Recommendation:

The Regional Office of Education #22 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 & 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.

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005
(Continued)

Section III – Federal Award Findings:

There were no findings for the fiscal year ended June 30, 2005.

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2005

Corrective Action Plan

Finding No: 05-1

Condition:

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

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

Corrective Action Plan:

The Regional Offices of Education will request that the General Assembly delete 105 ILCS 5/3-14.11 from the statutes and will seek a legislative solution to other obsolete passages.

Anticipated Date of Completion:

As soon as practical.

Contact person:

Alan Coleman, Regional Superintendent

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2005

There were no findings for the fiscal year ended June 30, 2004.

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2005

The Regional Office of Education #22 for the Counties of Fulton and Schuyler provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2005. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements, which follows.

2005 Financial Highlights

- Within the Governmental Funds, the General Fund revenues decreased by \$19,051 from \$323,817 in fiscal year 2004 to \$304,766 in fiscal year 2005. General Fund expenditures decreased by \$10,050 from \$339,948 in FY04 to \$329,898 in FY05.
- Within the Governmental Funds, the Special Fund revenue decreased by \$47,212 from \$548,668 in FY04 to \$501,456 in FY05. The Special Fund expenditures decreased by \$16,821 from \$525,720 in FY04 to \$508,899 in FY05.

Using This Report

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

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

Reporting the Office as a Whole

The Statement of Net Assets and the Statement of Activities

The Government-wide statements report information about the Regional Office of Education #22 as a whole. The Statement of Net Assets includes all of the assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid, using accounting methods similar to those used by private-sector companies.

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

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

The Government-wide financial statements present all of the Office's activities as government activities. Local, state and federal aid finance most of these activities.

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2005

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 #22 established other funds to control and manage money for particular purposes.

The Office has three kinds of funds:

- 1) Governmental funds account for all of the Office's services. These focus on how cash and other financial assets can be readily converted to cash flow in and out and the balances left at year-end 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 funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.
- 2) Fiduciary funds are used to account for assets held by the Regional Office of Education #22 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The fiduciary funds required financial statements include a Statement of Fiduciary Net Assets.
- 3) Proprietary funds, which include only an internal service fund, are used to account for the goods and services provided by one fund for the benefit of the school districts in the county. The proprietary funds required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Fund Net Assets, and Statement of Cash Flows.

A summary reconciliation between the Government-wide financial statements and the fund financial statements follows the fund financial statements.

Office-Wide Financial Analysis

As noted earlier, net assets may serve when examined over time as one indicator of the financial position of the Regional Office. The net assets at the end of FY05 totaled approximately \$393,742. At the end of FY04, the net assets were approximately \$408,022. The analysis that follows provides a summary of the Office's net assets at June 30, 2005 and 2004, for the governmental activities.

CONDENSED STATEMENT OF NET ASSETS

	2005	2004
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
Current Assets	\$ 353,527	\$ 391,438
Capital Assets, being depreciated, Net	<u>67,684</u>	<u>46,030</u>
Total Assets	<u>421,211</u>	<u>437,468</u>
Current Liabilities	21,577	21,103
Long-Term Liabilities	<u>5,892</u>	<u>8,343</u>
Total Liabilities	<u>27,469</u>	<u>29,446</u>
Net Assets:		
Invested in Capital Assets, net of related debt	61,792	46,030
Unrestricted	<u>331,950</u>	<u>361,992</u>
Total Net Assets	<u>\$ 393,742</u>	<u>\$ 408,022</u>

The Regional Office of Education's net assets decreased by \$14,280 from FY04. The decrease occurred primarily in the Governmental Fund as a result of decreased state aid for alternative programs.

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2005

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

CHANGES IN NET ASSETS

	<u>2005</u> Governmental Activities	<u>2004</u> Governmental Activities
Revenues:		
Program Revenues:		
Operating grants and contributions	\$ 392,304	\$ 437,196
General revenues:		
Local sources	128,113	139,876
State sources	2,000	2,000
On-behalf payments – State	193,606	197,903
On-behalf payments – Local	90,256	87,274
Interest	4,343	8,236
Total Revenues	810,622	872,485
Expenses:		
Program Expenses:		
Salaries and Benefits	390,379	408,885
Purchased Services	110,380	119,657
Supplies and Materials	22,740	20,682
Depreciation Expense	16,657	10,600
Other Objects	884	11,868
Administrative Expenses:		
On-behalf payments – State	193,606	197,903
On-behalf payments – Local	90,256	87,274
Total Expenses	824,902	856,869
Increase (Decrease) in Net Assets	(14,280)	15,616
Net Assets beginning of year	408,022	392,406
Net Assets end of year	\$ 393,742	\$ 408,022

Governmental Activities

For FY 05, revenues for governmental activities were \$810,622 and expenses were \$824,902. The Regional Office of Education #22 determined the decrease between FY05 and FY 04 is due to decreased state aid for alternative programs.

Financial Analysis of the Regional Office of Education #22 Funds

As previously noted, the Regional Office of Education #22 uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The Agency's Governmental Funds reported combined fund balances of \$320,772.

Governmental Fund Highlights:

- The dollar return on investments (savings and checking accounts), were reduced because of low interest rates.
- County support for the Regional Office of Education #22 lessened by \$100. The Regional Office was able to maintain budget levels similar to the previous year for county financial support.
- There was an increase in the state aid foundation level to \$4,964 per student from \$4,810. However, the number of students in the alternative school programs decreased from the previous year.

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2005

Budgetary Highlights:

The Regional Office of Education #22 annually adopts budgets for several funds. The Education Account and the Special Funds Budgets are prepared by the Regional Superintendent and serve as a guideline for activities and expenditures. The Regional Superintendent annually prepares an Office Operations Budget and submits it to the two County Boards for their approval. The Office Operations Budget covers a fiscal year, which runs from December 1 to November 30. All grant budgets are prepared by the Regional Office of Education #22 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Schedules showing the budget amounts compared to the Office's actual financial activity are included in the required supplementary information of this report.

Capital Assets

Capital Assets of the Regional Office of Education #22 include office equipment, computers, audio-visual equipment and office furniture. The Regional Office of Education #22 maintains an inventory of capital assets, which have been accumulated over time. The increase for FY05 was \$38,311 and came as a result of purchasing computer and networking equipment for the alternative schools and donated equipment to the ROE. In addition, the Regional Office of Education #22 has adopted a depreciation schedule, which reflects the level of Net Governmental Activities Capital Assets. More detail information about capital assets is available in Note #5 to the financial statements.

Economic Factors and Next Year's Budget

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

- The State of Illinois Foundation level used in the calculation 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 below previous levels. Only one school district is participating in the Gifted Program, resulting in the Regional Office supplementing the program. FACS (Fulton Area Career System) joined another cooperative and Regional Office #22 is no longer the fiscal agent.
- Technology - upgrading of equipment for the Regional Office and Alternative Programs.
- Scheduling major presenters for several County Teachers' Institutes & Conferences.
- County Board support of the Regional Office of Education #22 was reduced for the period of time – December 1, 2004 to November 30, 2005. However, an increase of \$15,520 was requested for the FY06 county budget due to a technology plan for major upgrades in computer server networking, increase in employees' salaries and benefits and increased office expenses previously covered by grant monies.

Contacting the Regional Office's Financial Management

This financial report is designed to provide the Regional Offices' citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent of the Regional Office of Education #22 at 100 N. Main St., Lewistown, IL 61542.

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22

BASIC FINANCIAL STATEMENTS

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
STATEMENT OF NET ASSETS
JUNE 30, 2005

	<u>Primary Government Governmental Activities</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 352,589
Due from other governmental units:	
State	938
Total current assets	<u>\$ 353,527</u>
Noncurrent assets:	
Capital assets, being depreciated, net	\$ 67,684
Total noncurrent assets	<u>\$ 67,684</u>
Total Assets	<u><u>\$ 421,211</u></u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	\$ 741
Due to other governmental units:	
State	500
Federal	714
Deferred revenue	19,622
Total current liabilities	<u>\$ 21,577</u>
Long-Term liabilities:	
Capital lease payable	\$ 5,892
Total long-term liabilities	<u>\$ 5,892</u>
Total Liabilities	<u><u>\$ 27,469</u></u>
<u>NET ASSETS</u>	
Investment in capital assets, net of related debt	\$ 61,792
Unrestricted	<u>331,950</u>
Total Net Assets	<u><u>\$ 393,742</u></u>

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

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Revenue</u> Operating Grants and Contributions	<u>Net (Expense) Revenue and Changes in Net Assets</u> <u>Primary Government</u> Governmental	
			<u>Activities</u>	<u>Total</u>
Primary government:				
Governmental activities:				
Instructional services:				
Salaries and benefits	\$ 390,379	\$ 303,840	\$ (86,539)	\$ (86,539)
Purchased services	110,380	55,448	(54,932)	(54,932)
Supplies and materials	22,740	11,087	(11,653)	(11,653)
Capital outlay	-	21,727	21,727	21,727
Other objects	884	202	(682)	(682)
Depreciation expense	16,657	-	(16,657)	(16,657)
Administrative:				
On-behalf payments- State	193,606	-	(193,606)	(193,606)
On-behalf payments- Local	90,256	-	(90,256)	(90,256)
Total primary government	\$ 824,902	\$ 392,304	\$ (432,598)	\$ (432,598)
General Revenues:				
Local sources			\$ 128,113	\$ 128,113
State sources			2,000	2,000
Federal sources			-	-
Administrative:				
On-behalf payments- State			193,606	193,606
On-behalf payments- Local			90,256	90,256
Interest			4,343	4,343
Total general revenues			\$ 418,318	\$ 418,318
Changes in net assets			\$ (14,280)	\$ (14,280)
Net assets, beginning			408,022	408,022
Net assets, ending			\$ 393,742	\$ 393,742

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

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005

<u>ASSETS</u>	<u>General Fund</u>	<u>Education Fund</u>	<u>Institute Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Cash	\$ 138,178	\$ 164,602	\$ 32,319	\$ 6,312	\$ 341,411
Due from other governmental units:					
State	720	218	-	-	938
Total Assets	<u>\$ 138,898</u>	<u>\$ 164,820</u>	<u>\$ 32,319</u>	<u>\$ 6,312</u>	<u>\$ 342,349</u>
<u>LIABILITIES AND FUND BALANCES</u>					
LIABILITIES:					
Accounts payable	\$ 530	\$ 20	\$ -	\$ 191	\$ 741
Due to other governmental units	-				
State	-	500	-	-	500
Federal	-	714	-	-	714
Deferred revenue	4,560	2,712	12,350	-	19,622
Total Liabilities	<u>\$ 5,090</u>	<u>\$ 3,946</u>	<u>\$ 12,350</u>	<u>\$ 191</u>	<u>\$ 21,577</u>
FUND BALANCES:					
Unreserved, reported in:					
General fund	\$ 133,808	\$ -	\$ -	\$ -	\$ 133,808
Special revenue funds	-	160,874	19,969	6,121	186,964
Total Fund Balances	<u>\$ 133,808</u>	<u>\$ 160,874</u>	<u>\$ 19,969</u>	<u>\$ 6,121</u>	<u>\$ 320,772</u>
Total Liabilities and Fund Balances	<u>\$ 138,898</u>	<u>\$ 164,820</u>	<u>\$ 32,319</u>	<u>\$ 6,312</u>	<u>\$ 342,349</u>

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

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
JUNE 30, 2005

Total Fund Balances - Governmental Funds	\$ 320,772
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore are not reported in the government funds.	64,230
Internal service funds are used to charge the costs of the Video Film Library. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Assets.	14,632
Capital lease payable has been added to the liabilities in the Statement of Net Assets and is currently charged to capital expenditures in the governmental funds.	<u>(5,892)</u>
Net assets of governmental activities	<u><u>\$ 393,742</u></u>

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

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	General <u>Fund</u>	Education <u>Fund</u>	Institute <u>Fund</u>	Nonmajor <u>Funds</u>	Total Governmental <u>Funds</u>
REVENUES:					
Local sources	\$ 36,523	\$ 72,080	\$ 10,492	\$ 4,618	\$ 123,713
State sources	-	323,606	-	2,600	326,206
Federal sources	-	68,098	-	-	68,098
Interest	4,152	191	-	-	4,343
Administrative:					
On-behalf payments- State	173,835	19,771	-	-	193,606
On-behalf payments- Local	90,256	-	-	-	90,256
Total Revenues	<u>\$ 304,766</u>	<u>\$ 483,746</u>	<u>\$ 10,492</u>	<u>\$ 7,218</u>	<u>\$ 806,222</u>
EXPENDITURES:					
Education:					
Salaries and benefits	\$ 18,512	\$ 367,937	\$ -	\$ 1,770	\$ 388,219
Purchased services	30,115	62,171	14,911	2,284	109,481
Supplies and materials	8,816	12,563	-	1,061	22,440
Capital outlay	7,682	26,229	-	-	33,911
Other objects	682	202	-	-	884
Administrative:					
On-behalf payments- State	173,835	19,771	-	-	193,606
On-behalf payments- Local	90,256	-	-	-	90,256
Total Expenditures	<u>\$ 329,898</u>	<u>\$ 488,873</u>	<u>\$ 14,911</u>	<u>\$ 5,115</u>	<u>\$ 838,797</u>
Excess of revenues over (under) expenditures	<u>\$ (25,132)</u>	<u>\$ (5,127)</u>	<u>\$ (4,419)</u>	<u>\$ 2,103</u>	<u>\$ (32,575)</u>
OTHER FINANCING SOURCES (USES):					
Other financing sources	\$ -	\$ -	\$ -	\$ -	\$ -
Other financing uses	(1,819)	(632)	-	-	(2,451)
Net other sources and uses of financial resources	<u>\$ (1,819)</u>	<u>\$ (632)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,451)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (26,951)</u>	<u>\$ (5,759)</u>	<u>\$ (4,419)</u>	<u>\$ 2,103</u>	<u>\$ (35,026)</u>
Fund balances - beginning	<u>160,759</u>	<u>166,633</u>	<u>24,388</u>	<u>4,018</u>	<u>355,798</u>
Fund balances - ending	<u>\$ 133,808</u>	<u>\$ 160,874</u>	<u>\$ 19,969</u>	<u>\$ 6,121</u>	<u>\$ 320,772</u>

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

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

Net change in fund balances \$ (35,026)

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	\$ 33,911	
Value of donated equipment, included in local revenues and capital assets	4,400	
Depreciation expense	<u>(16,657)</u>	21,654

Internal service funds are used by management to charge the costs of maintaining the video library. The net expense of the internal service fund is reported as governmental activities in its Statement of Activities. (3,359)

Some capital expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balances are for current year payments on the capital lease. The Statement of Activities expenses are reduced for the principal portion of the lease payments. 2,451

Change in net assets of governmental activities \$ (14,280)

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

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
 STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2005

	Governmental Activities- Internal Service <u>Film Library Fund</u>
ASSETS	
Current assets:	
Cash	\$ 11,178
Noncurrent assets:	
Equipment, net	3,454
Total Assets	\$ 14,632
 NET ASSETS	
Invested in capital assets, net of related debt	\$ 3,454
Unrestricted	11,178
Total Net Assets	\$ 14,632

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

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005

	Governmental Activities- Internal Service <u>Film Library Fund</u>
REVENUES:	
District fees	\$ <u> -</u>
EXPENSES:	
Salaries and benefits	\$ 2,160
Purchased services	899
Supplies and materials	300
Depreciation	<u> 1,331</u>
Total Expenses	<u>\$ 4,690</u>
NET INCOME (LOSS)	\$ (4,690)
TOTAL NET ASSETS - BEGINNING	<u> 19,322</u>
TOTAL NET ASSETS - ENDING	<u><u> \$ 14,632</u></u>

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

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005

	Governmental Activities- Internal Service <u>Film Library Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	\$ (4,690)
Adjustments to reconcile net loss to net cash used by operating activities:	
Depreciation	1,331
Net cash used by operating activities	\$ (3,359)
 CASH, BEGINNING OF YEAR	 14,537
 CASH, END OF YEAR	 \$ 11,178

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

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
JUNE 30, 2005

	Agency <u>Funds</u>
ASSETS:	
Cash	\$ 26,103
Due from other governmental units	<u>1,290</u>
 Total Assets	 <u><u>\$ 27,393</u></u>
 LIABILITIES:	
Due to other governmental units	<u>\$ 27,393</u>
 Total Liabilities	 <u><u>\$ 27,393</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education's (ROE) accounting policies conform to generally accepted accounting principles which are appropriate for local governmental units of this type.

A. Principles Used to Determine the Scope of the Reporting Entity

The Fulton/Schuyler Counties Regional Office of Education #22 was formed as a result of an Educational Service Region becoming a Regional Office of Education on August 7, 1995. The ROE operates under the School Code (105 ILCS 5/3 and 5/3A). Regional Office of Education #22 encompasses Fulton and Schuyler Counties in Illinois. A Regional Superintendent of Schools serves as chief administrative officer of the ROE and is elected pursuant to 105 ILCS 5/3 and 5/3a of The School Code. The principal financial duty of the Regional 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 reporting entity includes all related organizations for which it exercises oversight responsibility in accordance with Statement No. 14 of the Governmental Accounting Standards Board.

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

The ROE is not aware of any entity, which would exercise such oversight as to result in the ROE's being considered a component unit of the entity. Applying this criteria, Fulton Area Career System is not considered a component unit because the ROE is a fiduciary agent only.

B. Basis of Presentation and Basis of Accounting

The financial activities of the Regional Office of Education #22 consist only of governmental activities. For its reporting purposes, the ROE has separate fund and government-wide financial statements and reconciles individual line items of fund financial data to government-wide data. A brief description of the ROE's government-wide and fund financial statements is as follows:

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. Basis of Presentation and Basis of Accounting- continued

Government-wide Statements: The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the ROE. The financial activities of the ROE consist only of governmental activities, which are primarily supported by State and Federal revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the ROE gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. On an accrual basis, revenue from grants, entitlements, and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e. general government) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include grants and contributions that are restricted to meeting the operation or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements.

Fund Financial Statements: The fund financial statements provide information about the ROE's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining funds are aggregated and reported in a single column.

Governmental Funds – The Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Accounting records and reports made by ROE officials are maintained on the cash basis of accounting. Under this method, revenue is recorded when collected and expenditures are recorded when disbursements are made. For purposes of these financial statements, the accounting for all the funds has been converted to the modified accrual basis, as required by generally accepted accounting principles. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. Basis of Presentation and Basis of Accounting- continued

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

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Major Funds - Generally accepted accounting principles require that the general fund be reported as a major fund and that all other governmental funds whose assets, liabilities, revenues, or expenditures exceed 10% of the total for all governmental funds also be reported as major funds. Accordingly, the ROE administers the following major governmental funds:

General Funds - General Funds are the general operating funds of the ROE. These funds account for all financial resources except those required to be accounted for in another fund. The general fund accounts for the ROE's on-behalf payments from the State of Illinois and the counties to pay the salary and benefits of the Regional Superintendent, Assistant Regional Superintendent and clerical staff.

Education Funds - to account for grant funds administered by the Regional Office of Education. Revenue is provided by federal and State of Illinois grant funds. A description of the ROE's Educational funds follows:

Fastrac Program – to fund alternative school programs to increase the attainment of basic skills, work readiness or occupational skills and secondary diplomas or other credentials.

Gifted Program – to provide funds for programs to meet the unique needs of intellectually gifted students.

Regional Safe Schools – to provide funds for programs to increase safety and promote the learning environment in schools and to meet the particular educational needs of disruptive students more appropriately and individually in alternative educational environments.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. Basis of Presentation and Basis of Accounting- continued

Spoon River Academy – to provide schools funding for students that have a difficulty in learning in a standard school environment.

McCall Summer School – to provide funds for summer programs to increase safety and promote the learning environment in schools and to meet the particular educational needs of disruptive students more appropriately and individually in alternative educational environments.

Truants Alternative Education – to establish and expand program options outside of regular school attendance to prevent students from becoming chronic truants or dropping out of school and to focus on employability skills for those 16-21 years old.

Illinois Violence Prevention – to provide funds to prepare and administer workshops for teachers.

McKinney Homeless Children and Youth Program – to provide services to all homeless children and youths through a designated Homeless Liaison.

School & Community Assistance Team – a program that trains individuals for crisis management.

Institute Fund – This fund accounts for the ROE’s stewardship of the assets held in trust for the benefit of the ROE’s teachers. Fees are collected from registration of teachers’ certificates of qualification. Monies are expended to conduct teachers’ institutes, conferences and workshops.

Non Major Funds – All non-major funds are aggregated and reported in a single column. The ROE administers the following non major governmental funds:

General Educational Development Fund - to account for the ROE’s administration of the GED Testing Program. Revenues are received from testing and diploma fees.

Bus Driver Fund - to account for the ROE’s stewardship of the assets held in trust in connection with the Bus Driver Training Program.

Supervisory Fund - to account for monies from the State of Illinois for expenditures incurred providing supervisory services in the County.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. Basis of Presentation and Basis of Accounting- continued

Proprietary Funds – The Proprietary Fund financial statements include a Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Fund Net Assets and Statement of Cash Flows. The ROE does not have any business-type enterprise funds but does have an internal service fund. Internal service funds are used to account for the goods and services provided by one fund for the benefit of the school districts in the county, rather than to the general public.

Internal Service Fund Types – The Regional Office of Education operates a film library which benefits the school districts in the counties it serves.

Fiduciary Fund Types – Agency Funds are used to account for assets held by the ROE in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The school districts within the ROE's geographic responsibility have signed formal agreements which allow the ROE to retain any interest earned during the year. A description of the ROE's fiduciary funds are as follows:

Distributive Fund - to account for the pass-through of State aid monies from the Regional Office of Education to the various school districts within the Region. At any given point in time, total fund assets are equally offset by related liabilities including amounts due to the parties for whom the assets are being held. Agency funds have no fund equity and do not involve measurement of revenues, expenditures, or expenses. The school districts have agreed that all interest will stay with the ROE.

Fulton Area Career System – to account for the fiduciary control of assets of the Fulton Area Career System.

C. Budget and Budgetary Accounting

The ROE does not adopt and is not legally required to adopt a formal budget for all revenues and expenditures of the governmental funds. The Regional Office of Education Funds are controlled by the Regional Superintendent of Education and the State of Illinois. Certain programs administered by the ROE are subject to budget approval by the State of Illinois. These include Regional Safe Schools and Truants Alternative Education. Various other programs with grant driven or internal budgets include Fastrac Program, Gifted Program, Spoon River Academy, McCalls Summer School, and McKinney Homeless Children and Youth Program.

D. Assets, Liabilities and Net Assets

Deposits and investments

The ROE's cash and cash equivalents are considered to be demand deposits and short term investments. All interest income is recognized as revenue in the appropriate fund's

NOTES TO THE FINANCIAL STATEMENTS

Statement of Revenues, Expenditures and Changes in Fund Balance. Negative balances are shown separately as overdrafts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. Assets, Liabilities and Net Assets - continued

Receivables and payables

Transactions between funds and other entities that are representative of the recognition of revenues or expenditures are referred to as “due to/from” the other funds or entities.

“Other Funds” are funds managed by the ROE. “Other Governmental Units” include the Federal Government or political subdivisions of the State of Illinois.

Accounts payable represents amounts owed at the end of the year that will be paid in the next year. These are amounts due to vendors and others.

Capital assets

Capital assets, which include equipment, are reported in the government-wide financial statements. Capital assets, such as equipment, are defined as assets with a cost of \$500 or more. Capital assets are recorded at historical costs if purchased.

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. Capital assets are depreciated over their estimated useful lives using the straight line method. Equipment is depreciated from 5-7 years and building improvements over 15 years.

Deferred revenue

Deferred revenue arises when resources are received by the ROE before it has a legal claim to them, as when monies are received prior to incurring qualifying expenditures (unearned). In subsequent periods, when both revenue recognition criteria are met, or when the ROE has a legal claim to the resources, revenue is recognized.

Net assets

In the government-wide financial statements, equity is displayed in two components as follows:

Investment in capital assets-net of depreciation – This category groups all capital assets into one component of net assets. Accumulated depreciation on these assets reduces this category.

Unrestricted net assets – This category represents the net assets of the ROE that are not restricted for any project or other purpose.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

E. Use of Estimates

The preparation of financial statements in conformity with GAAP 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 and expenses during the reporting period. Actual results could differ from those estimates.

F. Intergovernmental Agreement

On July 1, 2003, the Regional Office of Education #22 entered into an Intergovernmental Agreement executed pursuant to the provisions of the Intergovernmental Cooperation Clause of the Illinois Constitution as well as the provisions of the Intergovernmental Cooperation Act of 1973 and the Illinois Admin. Code 525.110.

The name of the Educational Service delivery system formed is known as the Mid-Illini Educational Cooperative. The Tazewell County Regional Office of Education was designated as Administrative Agent and as Director.

G. New Accounting Pronouncements

Effective July 1, 2004, the ROE adopted the provisions of Governmental Accounting Standards Board Statement No. 40, Deposit and Investment Risk Disclosures, an amendment to certain provisions of GASB Statement No. 3. This Statement requires certain disclosures for common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk. There was no significant impact on the ROE's financial statements as a result of adopting this Statement.

NOTE 2: DEPOSITS AND INVESTMENTS

The investment and deposit of ROE monies is governed by the provisions of the Illinois Revised Statutes. The ROE has no policy regarding custodial credit risk for deposits.

At June 30, 2005 the carrying amount of the ROE's deposits was \$378,692 and the bank balances were \$419,995. Of these balances, \$126,133 was covered by federal depository insurance and \$293,862 was collateralized with securities held by the ROE's financial institution.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: DUE FROM/TO OTHER GOVERNMENTAL UNITS

Due from other governmental units for unpaid portion of various programs due to Local Education Agencies consists of the following at June 30, 2005:

Due from Illinois State Board of Education:	
Regional Safe Schools	\$ 51
Due from Hancock/McDonough ROE #26:	
General Fund	720
McKinney Homeless Children and Youth Program	<u>167</u>
 Total	 <u>\$ 938</u>

Due to other governmental units for unexpended portion of awards consists of the following at June 30, 2005:

Due to Illinois State Board of Education:	
Truants Alternative Education	\$ 500
Due to United Workforce Development Board:	
Fastrac Program	\$ 714

NOTE 4: COMMON BANK ACCOUNT

The ROE does not maintain separate bank accounts for all funds. The accounting records being maintained show the portion of the common checking account balance attributable to each participating fund.

NOTE 5: CAPITAL ASSETS

Capital asset activity during the 2005 fiscal year was as follows:

	Balance <u>7-1-04</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6-30-05</u>
Equipment	\$127,975	\$ 38,311	\$ 6,325	\$ 159,961
Less accumulated depreciation	<u>86,730</u>	<u>15,326</u>	<u>6,325</u>	<u>95,731</u>
Total	<u>\$ 41,245</u>	<u>\$ 22,985</u>	<u>\$ -</u>	<u>\$ 64,230</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: CAPITAL ASSETS - continued

A summary of the Film Library Fund capital assets and related depreciation follows:

	<u>Balance</u> <u>7-1-04</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6-30-05</u>
Videos and films	\$43,300	\$ -	\$ -	\$43,300
Furniture & equipment	<u>3,495</u>	<u>-</u>	<u>-</u>	<u>3,495</u>
Total	\$46,795	\$ -	\$ -	\$46,795
Accumulated depreciation	<u>42,010</u>	<u>1,331</u>	<u>-</u>	<u>43,341</u>
Total	<u>\$ 4,785</u>	<u>\$ (1,331)</u>	<u>\$ -</u>	<u>\$ 3,454</u>

NOTE 6: RETIREMENT FUND COMMITMENTS

A. Teachers' Retirement System of the State of Illinois

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

The State of Illinois makes contributions directly to TRS on behalf of the ROE's TRS-covered employees.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6: RETIREMENT FUND COMMITMENTS - continued

A. Teachers' Retirement System of the State of Illinois - continued

- **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 \$19,771 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 (\$25,454) and 13.01 percent (\$23,983), respectively.

The ROE makes three other types of employer contributions directly to TRS.

- **2.2 formula contributions.** For the year ended June 30, 2005, and June 30, 2004, employers contributed 0.58 percent of creditable earnings for the 2.2 formula change. Contributions for the year ending June 30, 2005, and June 30, 2004 were \$869 and \$1,377, 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 is submitted to TRS. Contributions for the year ended June 30, 2003 were \$446.

- **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 district to pay an employer pension contribution from those funds. For the three years ended June 30, 2005, the employer contribution was 10.5 percent of salaries paid from those funds. For the year ended June 30, 2005 salaries totaling \$25,947 were paid from federal and trust funds that required employer contributions of \$2,724. For the years ended June 30, 2004 and June 30, 2003, required ROE contributions were \$3,520 and \$3,188, 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 (ERO). The payments vary depending on the age and salary of the member. No member or employer contributions are required if the member has 34 years of service. The maximum employer payment of 100 percent of the member's highest salary used in the calculation of final average salary is required if the member is 55 years old. There were no retirements under the Early Retirement Option during the years ended June 30, 2005, 2004 and 2003.

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 until the year ending June 30, 2006. The changes are summarized below:

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6: RETIREMENT FUND COMMITMENTS – continued

A. Teachers' Retirement System of the State of Illinois – continued

- **Active member contributions.** The active member contribution rate will increase from the current 9.0 percent of creditable earnings to 9.4 percent beginning July 1, 2005. The increase is to help cover the cost of the new ERO program and will be refunded if the member does not retire under ERO.
- **State/federal contributions.** Under a policy adopted by the Board of Trustees before Public Act 94-0004 was enacted, the employer contribution rate for employees paid from federal funds will be the same as the rate paid by the state. Under Public Act 94-0004, the state contribution rate in FY 2006 was reduced to 7.06 percent of pay. Therefore, the employer contribution rate for employees paid from federal funds in FY 2006 will be 7.06 percent, a decrease from the current 10.5 percent.
- **New employer contributions.**
 - **Salary increases over 6 percent.** If employers grant salary increases in excess of 6 percent that are used in final average salary calculations, the employer will make a lump-sum contribution to TRS to cover the cost of the portion of the benefit due to salary increased 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 member's highest salary used in the calculation of final average salary to 117.5 percent.
 - The waiver of member and employer ERO contributions when the member has 34 years of service ended with the program that expired June 30, 2005.
 - A "Pipeline ERO" program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007.
 - Public Act 94-0004 provides for a review of the member and employer ERO contributions every five years to ensure that the program is revenue neutral.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6: RETIREMENT FUND COMMITMENTS – continued

A. Teachers' Retirement System of the State of Illinois – continued

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, IL 62794-9253. The most current report is also available on the TRS Website at www.tr Illinois.gov.

B. Illinois Municipal Retirement Fund

The ROE's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by State statute. The employer is required to contribute at an actuarially determined rate. The employer rate for calendar year 2004 was 16.20% 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 2 years.

For December 31, 2004, the ROE's annual pension cost of \$24,304 was equal to the ROE's required and actual contributions. The required contribution was determined as part of the December 31, 2002 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.0% per year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The assumptions used for the 2004 actuarial valuation were based on the 1999-2001 experience study.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6: RETIREMENT FUND COMMITMENTS – continued

B. Illinois Municipal Retirement Fund - continued

TREND INFORMATION			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contribution	Net Pension Obligation
12/31/04	\$ 24,304	100%	\$ -
12/31/03	17,767	100%	-
12/31/02	16,502	100%	-
12/31/01	14,055	100%	-
12/31/00	9,890	100%	-
12/31/99	10,561	100%	-
12/31/98	6,788	100%	-
12/31/97	4,740	100%	-
12/31/96	4,454	100%	-
12/31/95	2,364	100%	-

NOTE 7: ON-BEHALF PAYMENTS

The State of Illinois made on-behalf payments for the Regional Office of Education #22 as follows:

Regional Superintendent salary	\$ 79,848
Assistant Regional Superintendent salary	71,864
Regional Superintendent benefits (Includes State paid insurance)	11,318
Assistant Regional Superintendent benefits (Includes State paid insurance)	10,805
TRS contributions	<u>19,771</u>
Total	<u>\$ 193,606</u>

The following salaries and benefit data for other employees of the ROE was calculated on data provided by Fulton County:

Salaries	\$53,688
Benefits	<u>36,568</u>
Total	<u>\$90,256</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: CAPITAL LEASES - LESSEE DISCLOSURE

The ROE entered into a capitalized lease for office equipment. The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The assumption of the capital lease is recorded as other financing sources and payments are reflected as other financing uses on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the governmental funds. Equipment acquired by lease has been capitalized, in the amount of \$12,437, which represents the present value of the future minimum lease payments at the time of acquisition. Principal payments in fiscal year 2005 were \$1,819 in the County Fund, \$207 in the McKinney Homeless Children and Youth Program, and \$425 in Truants Alternative Education.

The following is a summary of the future minimum lease payments on the capital lease:

<u>June 30</u>	
2006	\$ 3,335
2007	3,335
Less amount representing interest	<u>(778)</u>
Present value of minimum lease payments	<u>\$ 5,892</u>

NOTE 9: RISK MANAGEMENT

The Regional Office of Education #22 is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Regional Office has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage appears to be consistent with prior years. During the year ended June 30, 2005 and the two previous fiscal years, no settlement exceeded insurance coverage.

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22

REQUIRED SUPPLEMENTARY INFORMATION
(Other than Management Discussion and Analysis)

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
ILLINOIS MUNICIPAL RETIREMENT FUND - SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2005
(UNAUDITED)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/04	\$ 188,559	\$ 195,308	\$ 6,749	96.54%	\$ 150,024	4.50%
12/31/03	153,946	163,138	9,192	94.37%	137,406	6.69%
12/31/02	133,926	159,171	25,245	84.14%	140,086	18.02%
12/31/01	115,434	136,558	21,124	84.53%	126,853	16.65%
12/31/00	91,876	109,163	17,287	84.16%	120,174	14.38%
12/31/99	70,139	84,431	14,292	83.07%	119,608	11.95%
12/31/98	48,802	52,817	4,015	92.40%	71,454	5.62%
12/31/97	36,380	55,495	19,115	65.56%	34,671	55.13%
12/31/96	26,888	30,233	3,345	88.94%	54,379	6.15%
12/31/95	11,335	33,429	22,094	33.91%	28,861	76.55%

On a market value basis, the actuarial value of assets as of December 31, 2004 is \$188,855. On a market basis, the funded ratio would be 96.70%.

*Digest of Changes

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

The principal changes were:

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

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
JUNE 30, 2005

	General Fund	County Fund	Totals
<u>ASSETS</u>			
Cash	\$ 90,865	\$ 47,313	\$ 138,178
Due from other governmental units:			
State	720	-	720
Total Assets	<u>\$ 91,585</u>	<u>\$ 47,313</u>	<u>\$ 138,898</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Accounts Payable	\$ 530	\$ -	\$ 530
Deferred revenue	-	4,560	4,560
Total Liabilities	\$ 530	\$ 4,560	\$ 5,090
Fund Equity:			
Fund Balances:			
Unreserved	\$ 91,055	\$ 42,753	\$ 133,808
Total Liabilities and Fund Equity	<u>\$ 91,585</u>	<u>\$ 47,313</u>	<u>\$ 138,898</u>

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2005

	General Fund	County Fund	Total
REVENUES:			
Local sources	\$ 7,355	\$ 29,168	\$ 36,523
State sources	-	-	-
Federal	-	-	-
Interest	4,152	-	4,152
Administrative:			
On-behalf payments- State	173,835	-	173,835
On-behalf payments- Local	90,256	-	90,256
Total Revenues	<u>\$ 275,598</u>	<u>\$ 29,168</u>	<u>\$ 304,766</u>
EXPENDITURES:			
Salaries & benefits	\$ -	\$ 18,512	\$ 18,512
Purchased services	11,856	18,259	30,115
Supplies and materials	1,056	7,760	8,816
Capital outlay	-	7,682	7,682
Other Objects	-	682	682
Administrative:			
On-behalf payments- State	173,835	-	173,835
On-behalf payments- Local	90,256	-	90,256
Total Expenditures	<u>\$ 277,003</u>	<u>\$ 52,895</u>	<u>\$ 329,898</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ (1,405)</u>	<u>\$ (23,727)</u>	<u>\$ (25,132)</u>
OTHER FINANCING SOURCES (USES):			
Other Financing Sources	\$ -	\$ -	\$ -
Other Financing Uses	-	(1,819)	(1,819)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ (1,819)</u>	<u>\$ (1,819)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (1,405)	\$ (25,546)	\$ (26,951)
FUND BALANCE, BEGINNING OF YEAR	92,460	68,299	160,759
FUND BALANCE, END OF YEAR	<u>\$ 91,055</u>	<u>\$ 42,753</u>	<u>\$ 133,808</u>

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
JUNE 30,2005

<u>ASSETS</u>	<u>Fastrac</u>	<u>Gifted</u>	<u>Regional</u>	<u>Spoon</u>	<u>McCall</u>	<u>Truants</u>	<u>Illinois</u>	<u>McKinney</u>	<u>School &</u>	<u>Total</u>	
	<u>Program</u>	<u>Program</u>	<u>Safe</u>	<u>River</u>	<u>Summer</u>	<u>Alternative</u>	<u>Violence</u>	<u>Homeless</u>	<u>Community</u>		
			<u>Schools</u>	<u>Academy</u>	<u>School</u>	<u>Education</u>	<u>Prevention</u>	<u>and Youth</u>	<u>Assistance</u>		
								<u>Program</u>	<u>Team</u>	<u>Total</u>	
Cash	\$ 714	\$ 25,851	\$ 107,451	\$ 24,887	\$ 2,357	\$ 500	\$ 2,712	\$ (167)	\$ 297	\$ 164,602	
Due from other governmental units:											
State	-	-	51	-	-	-	-	167	-	218	
Total Assets	<u>\$ 714</u>	<u>\$ 25,851</u>	<u>\$ 107,502</u>	<u>\$ 24,887</u>	<u>\$ 2,357</u>	<u>\$ 500</u>	<u>\$ 2,712</u>	<u>\$ -</u>	<u>\$ 297</u>	<u>\$ 164,820</u>	
 <u>LIABILITIES AND FUND BALANCES</u>											
LIABILITIES:											
Accounts payable	\$ -	\$ -	\$ -	\$ 20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20	
Due to other governmental units:											
State	-	-	-	-	-	500	-	-	-	500	
Federal	714	-	-	-	-	-	-	-	-	714	
Deferred revenue	-	-	-	-	-	-	2,712	-	-	2,712	
Total Liabilities	<u>\$ 714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 2,712</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,946</u>	
 FUND BALANCES:											
Unreserved	\$ -	\$ 25,851	\$ 107,502	\$ 24,867	\$ 2,357	\$ -	\$ -	\$ -	\$ 297	\$ 160,874	
Total Fund Balances	<u>\$ -</u>	<u>\$ 25,851</u>	<u>\$ 107,502</u>	<u>\$ 24,867</u>	<u>\$ 2,357</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 297</u>	<u>\$ 160,874</u>	
Total Liabilities and Fund Balances	<u>\$ 714</u>	<u>\$ 25,851</u>	<u>\$ 107,502</u>	<u>\$ 24,887</u>	<u>\$ 2,357</u>	<u>\$ 500</u>	<u>\$ 2,712</u>	<u>\$ -</u>	<u>\$ 297</u>	<u>\$ 164,820</u>	

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2005

	Fastrac Program	Gifted Program	Regional Safe Schools	Spoon River Academy	McCall Summer School	Truants Alternative Education	Illinois Violence Prevention	McKinney Homeless Children and Youth Program	School & Community Assistance Team	Total
REVENUES:										
Local sources	\$ -	\$ 29,290	\$ 20,832	\$ 16,000	\$ 5,600	\$ -	\$ -	\$ -	\$ 358	\$ 72,080
State sources	-	-	113,496	120,824	-	89,286	-	-	-	323,606
Federal sources	33,426	-	26,472	-	-	-	-	8,200	-	68,098
Interest	-	191	-	-	-	-	-	-	-	191
Administrative- On-behalf payments- State	3,051	3,574	6,974	5,505	667	-	-	-	-	19,771
Total Revenues	\$ 36,477	\$ 33,055	\$ 167,774	\$ 142,329	\$ 6,267	\$ 89,286	\$ -	\$ 8,200	\$ 358	\$ 483,746
EXPENDITURES:										
Salaries and benefits	\$ 31,572	\$ 31,137	\$ 99,263	\$ 117,380	\$ 5,810	\$ 77,637	\$ -	\$ 5,138	\$ -	\$ 367,937
Purchased services	1,078	3,866	41,441	3,913	383	9,814	-	1,676	-	62,171
Supplies and materials	776	104	5,043	3,868	-	1,279	-	1,108	385	12,563
Capital outlay	-	-	550	25,679	-	-	-	-	-	26,229
Other objects	-	-	-	-	-	131	-	71	-	202
Administrative- On-behalf payments- State	3,051	3,574	6,974	5,505	667	-	-	-	-	19,771
Total Expenditures	\$ 36,477	\$ 38,681	\$ 153,271	\$ 156,345	\$ 6,860	\$ 88,861	\$ -	\$ 7,993	\$ 385	\$ 488,873
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ (5,626)	\$ 14,503	\$ (14,016)	\$ (593)	\$ 425	\$ -	\$ 207	\$ (27)	\$ (5,127)
OTHER FINANCING SOURCES (USES):										
Other Financing Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Financing Uses	-	-	-	-	-	(425)	-	(207)	-	(632)
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (425)	\$ -	\$ (207)	\$ -	\$ (632)
NET CHANGE IN FUND BALANCE	\$ -	\$ (5,626)	\$ 14,503	\$ (14,016)	\$ (593)	\$ -	\$ -	\$ -	\$ (27)	\$ (5,759)
Fund balances - beginning	-	31,477	92,999	38,883	2,950	-	-	-	324	166,633
Fund balances - ending	\$ -	\$ 25,851	\$ 107,502	\$ 24,867	\$ 2,357	\$ -	\$ -	\$ -	\$ 297	\$ 160,874

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
 BUDGETARY COMPARISON SCHEDULES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2005

	Fastrac Program				Gifted Program			
	<u>Budgeted Amounts</u> <u>Original</u>	<u>Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>	<u>Budgeted Amounts</u> <u>Original</u>	<u>Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
REVENUES:								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 33,280	\$ 33,280	\$ 29,290	\$ (3,990)
State sources	-	-	-	-	-	-	-	-
Federal sources	45,173	45,173	33,426	(11,747)	-	-	-	-
Interest	-	-	-	-	-	-	191	191
On-behalf payments	-	-	3,051	3,051	-	-	3,574	3,574
Total Revenues	<u>\$ 45,173</u>	<u>\$ 45,173</u>	<u>\$ 36,477</u>	<u>\$ (8,696)</u>	<u>\$ 33,280</u>	<u>\$ 33,280</u>	<u>\$ 33,055</u>	<u>\$ (225)</u>
EXPENDITURES:								
Salaries and benefits	\$ 43,178	\$ 43,178	\$ 31,572	\$ (11,606)	\$ 28,680	\$ 28,680	\$ 31,137	\$ 2,457
Purchased services	495	1,095	1,078	(17)	4,000	4,000	3,866	(134)
Supplies and materials	1,500	900	776	(124)	600	600	104	(496)
Capital outlay	-	-	-	-	-	-	-	-
Other objects	-	-	-	-	-	-	-	-
On-behalf payments	-	-	3,051	3,051	-	-	3,574	3,574
Total Expenditures	<u>\$ 45,173</u>	<u>\$ 45,173</u>	<u>\$ 36,477</u>	<u>\$ (8,696)</u>	<u>\$ 33,280</u>	<u>\$ 33,280</u>	<u>\$ 38,681</u>	<u>\$ 5,401</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,626)</u>	<u>\$ (5,626)</u>
OTHER FINANCING SOURCES (USES):								
Other Financing Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Financing Uses	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,626)</u>	<u>\$ (5,626)</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,477</u>	<u>31,477</u>	<u>31,477</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,477</u>	<u>\$ 31,477</u>	<u>\$ 25,851</u>	<u>\$ (5,626)</u>

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
 BUDGETARY COMPARISON SCHEDULES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2005

	Regional Safe Schools				Spoon River Academy			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
Local sources	\$ 20,000	\$ 20,000	\$ 20,205	\$ 205	\$ 16,000	\$ 16,000	\$ 16,000	\$ -
State sources	113,567	113,567	113,153	(414)	146,140	146,140	120,824	(25,316)
Federal sources	22,833	22,833	21,245	(1,588)	-	-	-	-
Interest	-	-	-	-	-	-	-	-
On-behalf payments	-	-	6,974	6,974	-	-	5,505	5,505
Total Revenues	\$ 156,400	\$ 156,400	\$ 161,577	\$ 5,177	\$ 162,140	\$ 162,140	\$ 142,329	\$ (19,811)
EXPENDITURES:								
Salaries and benefits	\$ 106,800	\$ 106,800	\$ 99,263	\$ (7,537)	\$ 125,140	\$ 125,140	\$ 117,380	\$ (7,760)
Purchased services	37,100	37,100	35,244	(1,856)	7,000	6,000	3,913	(2,087)
Supplies and materials	10,000	10,000	5,043	(4,957)	3,000	4,000	3,868	(132)
Capital outlay	2,500	2,500	550	(1,950)	27,000	27,000	25,679	(1,321)
Other objects	-	-	-	-	-	-	-	-
On-behalf payments	-	-	6,974	6,974	-	-	5,505	5,505
Total Expenditures	\$ 156,400	\$ 156,400	\$ 147,074	\$ (9,326)	\$ 162,140	\$ 162,140	\$ 156,345	\$ (5,795)
Excess of revenues over expenditures	\$ -	\$ -	\$ 14,503	\$ 14,503	\$ -	\$ -	\$ (14,016)	\$ (14,016)
OTHER FINANCING SOURCES (USES):								
Other Financing Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Financing Uses	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ 14,503	\$ 14,503	\$ -	\$ -	\$ (14,016)	\$ (14,016)
Fund balances - beginning	92,999	92,999	92,999	-	38,883	38,883	38,883	-
Fund balances - ending	\$ 92,999	\$ 92,999	\$ 107,502	\$ 14,503	\$ 38,883	\$ 38,883	\$ 24,867	\$ (14,016)

Note: The budget and actual information will not reconcile to the amounts in the combining Statements of Revenues, Expenditures, and Changes in Fund Balances due to the fact that the Regional Safe Schools receives a portion of local, state, and federal money not subject to grant budget requirements.

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
 BUDGETARY COMPARISON SCHEDULES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2005

	McCall Summer School				Truants Alternative Education			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
REVENUES:								
Local sources	\$ 6,300	\$ 6,300	\$ 5,600	\$ (700)	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	89,786	89,786	89,286	(500)
Federal sources	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
On-behalf payments	-	-	667	667	-	-	-	-
Total Revenues	<u>\$ 6,300</u>	<u>\$ 6,300</u>	<u>\$ 6,267</u>	<u>\$ (33)</u>	<u>\$ 89,786</u>	<u>\$ 89,786</u>	<u>\$ 89,286</u>	<u>\$ (500)</u>
EXPENDITURES:								
Salaries and benefits	\$ 5,770	\$ 5,770	\$ 5,810	\$ 40	\$ 78,231	\$ 78,231	\$ 77,637	\$ (594)
Purchased services	620	620	383	(237)	10,905	10,905	9,814	(1,091)
Supplies and materials	-	-	-	-	650	650	1,279	629
Capital outlay	-	-	-	-	-	-	-	-
Other objects	-	-	-	-	-	-	131	131
On-behalf payments	-	-	667	667	-	-	-	-
Total Expenditures	<u>\$ 6,390</u>	<u>\$ 6,390</u>	<u>\$ 6,860</u>	<u>\$ 470</u>	<u>\$ 89,786</u>	<u>\$ 89,786</u>	<u>\$ 88,861</u>	<u>\$ (925)</u>
Excess of revenues over expenditures	<u>\$ (90)</u>	<u>\$ (90)</u>	<u>\$ (593)</u>	<u>\$ (503)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 425</u>	<u>\$ 425</u>
OTHER FINANCING SOURCES (USES):								
Other Financing Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Financing Uses	-	-	-	-	-	-	(425)	(425)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (425)</u>	<u>\$ (425)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (90)</u>	<u>\$ (90)</u>	<u>\$ (593)</u>	<u>\$ (503)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances - beginning	<u>2,950</u>	<u>2,950</u>	<u>2,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 2,860</u></u>	<u><u>\$ 2,860</u></u>	<u><u>\$ 2,357</u></u>	<u><u>\$ (503)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
 BUDGETARY COMPARISON SCHEDULES
 EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2005

<u>McKinney Homeless Children and Youth Program</u>				
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	7,200	8,200	8,200	-
Interest	-	-	-	-
On-behalf payments	-	-	-	-
Total Revenues	<u>\$ 7,200</u>	<u>\$ 8,200</u>	<u>\$ 8,200</u>	<u>\$ -</u>
EXPENDITURES:				
Salaries and benefits	\$ 3,989	\$ 4,989	\$ 5,138	\$ 149
Purchased services	2,411	2,411	1,676	(735)
Supplies and materials	800	800	1,108	308
Capital outlay	-	-	-	-
Other objects	-	-	71	71
On-behalf payments	-	-	-	-
Total Expenditures	<u>\$ 7,200</u>	<u>\$ 8,200</u>	<u>\$ 7,993</u>	<u>\$ (207)</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207</u>	<u>\$ 207</u>
OTHER FINANCING SOURCES (USES):				
Other Financing Sources	\$ -	\$ -	\$ -	\$ -
Other Financing Uses	-	-	(207)	(207)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (207)</u>	<u>\$ (207)</u>
NET CHANGE IN FUND BALANCE				
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2005

<u>ASSETS</u>	<u>G.E.D.</u> <u>Fund</u>	<u>Bus Driver</u> <u>Fund</u>	<u>Supervisory</u> <u>Fund</u>	<u>Total</u>
Cash	\$ 4,527	\$ 1,168	\$ 617	\$ 6,312
Total Assets	\$ 4,527	\$ 1,168	\$ 617	\$ 6,312
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES:				
Accounts payable	\$ 191	\$ -	\$ -	\$ 191
Total Liabilities	\$ 191	\$ -	\$ -	\$ 191
FUND BALANCES:				
Unreserved	\$ 4,336	\$ 1,168	\$ 617	\$ 6,121
Total Fund Balances	\$ 4,336	\$ 1,168	\$ 617	\$ 6,121
Total Liabilities and Fund Balances	\$ 4,527	\$ 1,168	\$ 617	\$ 6,312

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	<u>G.E.D.</u> <u>Fund</u>	<u>Bus Driver</u> <u>Fund</u>	<u>Supervisory</u> <u>Fund</u>	<u>Total</u>
REVENUES:				
Local sources	\$ 3,790	\$ 828	\$ -	\$ 4,618
State sources	-	600	2,000	2,600
Total Revenues	<u>\$ 3,790</u>	<u>\$ 1,428</u>	<u>\$ 2,000</u>	<u>\$ 7,218</u>
EXPENDITURES:				
Salaries and benefits	\$ 720	\$ 1,050	\$ -	\$ 1,770
Purchased services	678	205	1,401	2,284
Supplies and materials	1,061	-	-	1,061
Total Expenditures	<u>\$ 2,459</u>	<u>\$ 1,255</u>	<u>\$ 1,401</u>	<u>\$ 5,115</u>
Excess of revenues over expenditures	\$ 1,331	\$ 173	\$ 599	\$ 2,103
Fund balances - beginning	<u>3,005</u>	<u>995</u>	<u>18</u>	<u>4,018</u>
Fund balances - ending	<u><u>\$ 4,336</u></u>	<u><u>\$ 1,168</u></u>	<u><u>\$ 617</u></u>	<u><u>\$ 6,121</u></u>

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2005

	Distributive Fund	Fulton Area Career System	Total
<u>ASSETS</u>			
Cash	\$ -	\$ 26,103	\$ 26,103
Due from other governmental units	-	1,290	1,290
Total Assets	\$ -	\$ 27,393	\$ 27,393
<u>LIABILITIES</u>			
Due to others	\$ -	\$ 27,393	\$ 27,393
Total Liabilities	\$ -	\$ 27,393	\$ 27,393

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Balance</u> <u>7/1/2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2005</u>
<u>Distributive Fund</u>				
<u>ASSETS</u>				
Cash	\$ -	\$ 708,055	\$ 708,055	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 708,055</u>	<u>\$ 708,055</u>	<u>\$ -</u>
<u>LIABILITIES</u>				
Due to others	\$ -	\$ 708,055	\$ 708,055	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 708,055</u>	<u>\$ 708,055</u>	<u>\$ -</u>
<u>Fulton Area Career System</u>				
<u>ASSETS</u>				
Cash	\$ 14,110	\$ 383,024	\$ 371,031	\$ 26,103
Due from other governmental units	1,234	1,290	1,234	1,290
Total Assets	<u>\$ 15,344</u>	<u>\$ 384,314</u>	<u>\$ 372,265</u>	<u>\$ 27,393</u>
<u>LIABILITIES</u>				
Due to others	<u>\$ 15,344</u>	<u>\$ 384,314</u>	<u>\$ 372,265</u>	<u>\$ 27,393</u>
<u>Totals</u>				
<u>ASSETS</u>				
Cash	\$ 14,110	\$ 1,091,079	\$ 1,079,086	\$ 26,103
Due from other governmental units	1,234	1,290	1,234	1,290
Total Assets	<u>\$ 15,344</u>	<u>\$ 1,092,369</u>	<u>\$ 1,080,320</u>	<u>\$ 27,393</u>
<u>LIABILITIES</u>				
Due to others	\$ 15,344	\$ 1,092,369	\$ 1,080,320	\$ 27,393
Total Liabilities	<u>\$ 15,344</u>	<u>\$ 1,092,369</u>	<u>\$ 1,080,320</u>	<u>\$ 27,393</u>

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
 SCHEDULE OF DISBURSEMENTS TO OTHER ENTITIES
 DISTRIBUTIVE FUND
FOR THE YEAR ENDED JUNE 30, 2005

	Fulton County Vocational System	Regional Office of Education #22	Total
General State Aid	\$ -	\$ 173,740	\$ 173,740
Career & Technical Ed Improvement	223,668	-	223,668
Agriculture Education	20,173	-	20,173
State Free Lunch	-	270	270
School Breakfast Incentive	-	32	32
Bus Drivers Training	-	600	600
Truants Optional Education	-	97,062	97,062
Regional Safe School Program	-	88,617	88,617
Supervisory	-	2,000	2,000
National School Lunch Program	-	4,395	4,395
School Breakfast Program	-	832	832
Title IV - Community Service	-	1,525	1,525
Voc. Ed. Perkins Title IIC Secondary	95,093	-	95,093
Interest income transferred	-	48	48
	<u>\$ 338,934</u>	<u>\$ 369,121</u>	<u>\$ 708,055</u>

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Project #	Federal Expenditures 7/1/04-6/30/05
U.S. Dept. of Labor passed through United Workforce Development Board:			
(M) Fastrac - Workforce Investment Act Title I	17.259	CR-303	\$ <u>33,426</u>
U.S. Dept. of Agriculture passed through ISBE:			
National School Lunch Program	10.555	2004-4210-00	\$ 1,108
National School Lunch Program	10.555	2005-4210-00	3,287
National School Breakfast Program	10.553	2004-4220-00	256
National School Breakfast Program	10.553	2005-4220-00	576
Total U.S. Dept. of Agriculture passed through ISBE			<u>\$ 5,227</u>
U.S. Dept. of Education passed through ISBE and Hancock/McDonough Regional Office of Education #26:			
McKinney Education for Homeless Children	84.196	2005-4920-00	\$ <u>8,200</u>
U.S. Dept. of Human Services passed through ISBE:			
Regional Safe Schools (TANF)	93.558	2005-3696-00	\$ 12,426
Regional Safe Schools - General State Aid (TANF)	93.558	2005-3001-93	8,819
Total Regional Safe Schools (TANF)			<u>\$ 21,245</u>
Total Federal Awards			<u><u>\$ 68,098</u></u>

(M) Program was audited as a major program

The accompanying notes are an integral part of this schedule.

FULTON/SCHUYLER COUNTIES REGIONAL OFFICE OF EDUCATION #22
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 Fulton/Schuyler Counties Regional Office of Education #22 and is presented on the modified accrual basis. 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 in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2: SUBRECIPIENTS

None

NOTE 3: DESCRIPTION OF MAJOR FEDERAL PROGRAM

The Fastrac Program is for in-school youth to increase the attainment of job seeking skills, workplace skills, values and career interests, and academic skills.

NOTE 4: NON-CASH ASSISTANCE

None

NOTE 5: AMOUNT OF INSURANCE

None

NOTE 6: LOANS OR LOAN GUARANTEES OUTSTANDING

None