

**State of Illinois**  
**REGIONAL OFFICE OF EDUCATION #2**  
**FINANCIAL AUDIT**  
**(In Accordance with the Single Audit Act & OMB Circular A-133)**  
**For the Year Ended June 30, 2006**

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

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
For the Year Ended June 30, 2006**

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**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
For the Year Ended June 30, 2006**

**OFFICIALS**

Regional Superintendent  
(Current and during the Audit Period)

Ms. Janet Ulrich

Assistant Regional Superintendent  
(Acting Effective July 1, 2005 through December 15, 2005)

Mr. Bob McIntosh

Assistant Regional Superintendent  
(Acting Effective January 1, 2006 through April 15, 2006)

Mr. Larry Goldsmith

Assistant Regional Superintendent  
(Acting Effective April 17, 2006)

Mr. Dan Anderson

Offices are located at:

17 Rustic Campus Drive  
Ullin, Illinois 62992

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
For the Year Ended June 30, 2006**

**COMPLIANCE REPORT SUMMARY**

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

**AUDITORS' REPORTS**

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

**SUMMARY OF AUDIT FINDINGS**

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

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

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)		
06-1	12a	Controls Over Compliance with Laws and Regulations
FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)		
None		
PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)		
05-1	15	Inadequate Pledged Securities
PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)		
None		

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
For the Year Ended June 30, 2006**

**COMPLIANCE REPORT SUMMARY (CONCLUDED)**

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on September 8, 2006. Attending were Janet Ulrich, Regional Superintendent and Sarah Thompson, Staff Accountant II, Kemper CPA Group LLP. Responses to the recommendations were provided through an email dated January 3, 2007 by Janet Ulrich, Regional Superintendent.

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
For the Year Ended June 30, 2006**

**FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the Regional Office of Education #2 was performed by Kemper CPA Group LLP, CPAs.

Based on their audit, the auditors expressed an unqualified opinion on the Regional Office of Education #2's basic financial statements.



## **AUDITORS' REPORTS**

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 Regional Office of Education #2, as of and for the year ended June 30, 2006, which collectively comprise the Regional Office of Education #2's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Office of Education #2'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 Regional Office of Education #2, as of June 30, 2006, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 8, 2006 on our consideration of the Regional Office of Education #2'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 over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 16a through 16h and 25 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional Office of Education #2's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Disbursements to School District Treasurers and 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities - 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.

*Kemper CPA Group LLP*

KEMPER CPA GROUP LLP  
Certified Public Accountants and Consultants

Marion, Illinois  
September 8, 2006



**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 Regional Office of Education #2, as of and for the year ended June 30, 2006, which collectively comprise the Regional Office of Education #2's basic financial statements and have issued our report thereon dated September 8, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Regional Office of Education #2's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**


As part of obtaining reasonable assurance about whether the Regional Office of Education #2'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 certain immaterial instances of noncompliance which we reported on the accompanying Schedule of Findings and Questioned Costs as item 06-1.

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

*Kemper CPA Group LLP*

KEMPER CPA GROUP, LLP  
Certified Public Accountants and Consultants

Marion, Illinois  
September 8, 2006

 **KEMPER**  
**CPA GROUP**  
Certified Public Accountants and Consultants

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

Honorable William G. Holland  
Auditor General  
State of Illinois

Compliance

We have audited the compliance of the Regional Office of Education #2 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, 2006. The Regional Office of Education #2's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Regional Office of Education #2's management. Our responsibility is to express an opinion on the Regional Office of Education #2's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Regional Office of Education #2's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Regional Office of Education #2's compliance with those requirements.

In our opinion, the Regional Office of Education #2 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, 2006.

Internal Control Over Compliance

The management of the Regional Office of Education #2 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Regional Office of Education #2's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

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

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

*Kemper CPA Group LLP*

KEMPER CPA GROUP LLP  
Certified Public Accountants and Consultants

Marion, Illinois  
September 8, 2006

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**



**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
 REGIONAL OFFICE OF EDUCATION #2  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Year Ended June 30, 2006**

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

**Financial Statements**

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

**Federal Awards**

Internal control over major programs:	
● Material weakness(es) identified?	No
● Reportable condition(s) identified that are not considered to be material weakness(es)?	No

Type of auditor’s report issued on compliance for major programs: Unqualified

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

Identification of **major** programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I – School Improvement and Accountability

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

Auditee qualified as a low-risk auditee? Yes

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2006**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Finding No. 06-1 – Controls Over Compliance with Laws and Regulations (Partial Repeat 05-1)**

**Criteria/specific requirement:**

- A. The Illinois School Code 105 ILCS 5/3-14.11 states that the Regional Superintendent shall examine at least once each year all books, accounts and vouchers of every school treasurer in her educational service region, and if she finds any irregularities in them, to report them at once, in writing, to the trustees in Class II county school units, to the respective school boards of those school districts which form a part of a Class II county school unit but which are not subject to the jurisdiction of the trustees of schools of any township in which any such district is located, or to the respective school boards of the district in Class I county school units whose duty it shall be to take immediately such action as the case demands. (This mandate has existed in its current form since at least 1953.)
- B. The Illinois School Code 105 ILCS 5/3-5 states that the county superintendent shall present under oath or affirmation to the county board at its meeting in September and as nearly quarterly thereafter as it may have regular or special meetings, a report of all her acts as county superintendent, including a list of all the schools visited with the dates of visitation. (This mandate has existed in its current form since at least 1953.)
- C. The Illinois School Code 105 ILCS 5/3-14.5 requires the Regional Superintendent to visit each public school in the county at least once a year, noting the methods of instruction, the branches taught, the text-books used, and the discipline, government and general condition of the schools. (This mandate has existed in its current form since at least 1953.)

**Condition:**

- A. The Regional Office of Education #2 is not examining all books, accounts, and vouchers of every school treasurer in her educational service area at least once each year. Regional Office officials noted that they believe this mandate is outdated and that they are satisfying the intent of the statute by other reviews they undertake. For example, the Regional Superintendent has been examining school district financial statements on an annual basis.
- B. The Regional Office of Education #2 did not present at the September county board meeting and as nearly quarterly thereafter, a report of all her acts including a list of all the schools visited and dates of visitation. The Regional Superintendent does submit an annual report each fall to the county boards in the region and holds regular meetings with several county board members.
- C. The Regional Office of Education #2 performs compliance inspections for each public school in her region on a rotational basis every 3 years instead of annually. While the Illinois Public School Accreditation Process Compliance Component document completed at these inspections includes many of the items delineated in 105 ILCS 5/3-14.5, it does not include a review of the methods of instruction and the textbooks used in the district.

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2006**

**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Finding No. 06-1 – Controls Over Compliance with Laws and Regulations (Partial Repeat 05-1)  
(Continued)**

**Effect:**

The Regional Office of Education #2 did not comply with statutory requirements.

**Cause:**

- A. The level of financial review performed by the Regional Superintendent is not adequate to comply with the statute.
- B. The Regional Superintendent does present an annual report to the board and holds regular meetings with county board members, but the Superintendent was unaware of the specific details required to be provided at the meetings.
- C. The Regional Superintendent believed that the periodic compliance visits completed at the public schools were sufficient to satisfy the statutory requirement.

**Recommendation:**

- A. The Regional Office of Education #2 should comply with the requirements of 105 ILCS 5/3-14.11.
- B. The Regional Superintendent should attend the county board meeting in September and quarterly thereafter and present a report of all her acts as county superintendent, including a list of all the schools visited with the dates of visitation as required by 105 ILCS 5/3-5.
- C. The Regional Superintendent should visit each public school annually to review all items as required by 105 ILCS 5/3-14.5.

If the Regional Office believes that any of these statutory mandates are obsolete or otherwise unnecessary, then it should seek legislative action to revise the statutes accordingly.

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2006**

**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Finding No. 06-1 – Controls Over Compliance with Laws and Regulations (Partial Repeat 05-1)  
(Concluded)**

**Management's response:**

- A. The Illinois Association of Regional Superintendents of Schools and the Illinois State Board of Education have agreed to seek legislation to remove duplicate and/or obsolete sections of the Illinois School Code. Both parties agree that section 5/3-7 of the Illinois School Code is a more current, thorough, and comprehensive requirement concerning a public school district's financial transactions. As a result, the two parties working together will seek legislation to repeal section 5/3-14.11 of the Illinois School Code. The Regional Superintendent will at the best of her ability comply with requirements of 105 ILCS 5/3-14.11.
  
- B. The Regional Superintendent does provide an annual report to each of the five county boards once a year as well as informs the boards of current information in each county office. As a result of this finding, the Regional Superintendent will provide an annual report in September of each year as well as present a quarterly affirmation to each county. The reports of all acts as county superintendent, including a list of all schools visited with dates of visitation shall be provided in quarterly reports.
  
- C. The Regional Superintendent will to the best of her ability visit each public school annually to review all items required by 105 ILCS 5/3-14.5. In fiscal year 2007, the Illinois State Board of Education has included 65-70 extra items on the compliance probe to address necessary requirements of the statute. Additionally, the Illinois Association of Regional Superintendents of Schools and the Illinois State Board of Education have agreed to seek legislation to remove duplicative and/or obsolete sections of the Illinois School Code. Both parties agree that section 1.20 of the 23<sup>rd</sup> Illinois Administrative Code is a more current, thorough, and comprehensive requirement concerning visitation of public schools by the Regional Superintendent. As a result, the two parties working together will seek legislation to repeal section 5/3-14.5 of the Illinois School Code.

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2006**

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

INSTANCES OF NONCOMPLIANCE:

None

REPORTABLE CONDITIONS:

None

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**CORRECTIVE ACTION PLAN**  
**For the Year Ended June 30, 2006**

**Finding No.: 06-1**

**Condition:**

- A. The Regional Office of Education #2 is not examining all books, accounts, and vouchers of every school treasurer in her educational service area at least once each year. Regional Office officials noted that they believe this mandate is outdated and that they are satisfying the intent of the statute by other reviews they undertake. For example, the Regional Superintendent has been examining school district financial statements on an annual basis.
- B. The Regional Office of Education #2 did not present at the September county board meeting and as nearly quarterly thereafter, a report of all her acts including a list of all schools visited and dates of visitation. The Regional Superintendent does submit an annual report each fall to the county boards in the region and holds regular meetings with several county board members.
- C. The Regional Office of Education #2 performs compliance inspections for each public school in her region on a rotational basis every 3 years instead of annually. While the Illinois Public School Accreditation Process Compliance Component document completed at these inspections includes many of the items delineated in 105 ILCS 5/3-14.5, it does not include a review of the methods of instruction and the textbooks used in the district.

**Plan:**

- A. The Illinois Association of Regional Superintendents of Schools and the Illinois State Board of Education will seek legislation to remove duplicate and/or obsolete sections of the Illinois School Code.
- B. The Regional Superintendent will attend the county board meetings in September and quarterly thereafter and present a report of all of her acts as county superintendent, including a list of all the schools visited with the dates of visitation as required by 105 ILCS 5/3-5.
- C. The Regional Superintendent will visit each public school annually to review all items as required by 105 ILCS 5/3-14.5.

**Anticipated Completion Date:**

As soon as practical.

**Contact Person:**

Honorable Janet Ulrich, Regional Superintendent of Schools

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended June 30, 2006**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
05-1	Inadequate Pledged Securities	Corrected
05-2	Controls Over Compliance with Laws and Regulations	Repeated as 06-1

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Information not yet available)**



ALEXANDER-JOHNSON-MASSAC-PULASKI-UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006

Regional Office of Education #2 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, 2006. We encourage readers to consider this information in conjunction with the Regional Office of Education #2's financial statements, which follow.

**2006 FINANCIAL HIGHLIGHTS**

- General fund revenues decreased from \$428,203 in fiscal year 2005 (FY05) to \$382,801 in fiscal year 2006 (FY06), and General funds expenditures also decreased from \$446,432 in FY05 to \$389,292 in FY06. This resulted in an increase in the Regional Office of Education #2's General fund balance from \$363,897 in FY05 to \$382,642 in FY06.
- The decrease in General fund revenues was attributed to a decrease in local grant revenue in FY06. The decrease in expenditures was due primarily to practices implemented with a goal of sustainability.
- Education fund revenues increased from \$3,497,880 in FY05 to \$3,761,533 in FY06, and Education fund expenditures decreased from \$3,641,575 in FY05 to \$3,547,579 in FY06. This resulted in an increase in the Education fund balance from \$450,859 in FY05 to \$672,914 in FY06.

**USING THIS ANNUAL REPORT**

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

- The Regional Office of Education #2's Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office of Education #2'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 Regional Office of Education #2 as a whole and present an overall view of the Regional Office of Education #2's finances.
- The governmental fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the Regional Office of Education #2's operations in more detail than the government-wide statements by providing information about the most significant funds.

ALEXANDER-JOHNSON-MASSAC-PULASKI-UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006

**USING THIS ANNUAL REPORT (Concluded)**

- Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- The supplementary information further explains and supports the financial statements with a comparison of the Regional Office of Education #2's budget for the year and supplementary information also provides detailed information about the non-major funds.

**REPORTING THE REGIONAL OFFICE OF EDUCATION #2 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 #2 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all the Regional Office of Education #2's assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the Regional Office of Education #2's net assets and how they have changed. Net assets – the difference between the Regional Office of Education #2's assets and liabilities – are one way to measure the Regional Office of Education #2's financial health or position.

- Over time, increases or decreases in the Regional Office of Education #2's net assets are an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the Regional Office of Education #2's overall health, additional non-financial factors, need to be considered.

In the government-wide financial statements, the Regional Office of Education #2's activities consist of government activities only. There are no business type activities.

- *Governmental activities:* Most of the Regional Office of Education #2's basic services are included here, such as regular and special education instruction, student and instructional staff support services and administration. State and federal grants, local school districts, and state aid finance most of these activities.

ALEXANDER-JOHNSON-MASSAC-PULASKI-UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006

**REPORTING THE REGIONAL OFFICE OF EDUCATION #2 AS A WHOLE (Concluded)**

**Governmental Fund Financial Statements**

The governmental fund financial statements provide detailed information about the Regional Office of Education #2's funds, focusing on its most significant or "major" funds – not the Regional Office of Education #2 as a whole. Funds are accounting devices the Regional Office of Education #2 uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law. The Regional Office of Education #2 establishes other funds to control and manage money for particular purposes.

Governmental funds account for most of the Regional Office of Education #2's basic services. These focus on how cash and other financial assets that can readily be converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Regional Office of Education #2's programs. Because this information does not encompass the additional long-term focus of the government-wide statements a reconciliation between the government-wide statements and the governmental fund statements follow each of the related governmental fund statements. The Regional Office of Education #2'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.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of financial position. The Regional Office of Education #2's net assets at the end of fiscal year 2006 totaled approximately \$1.3 million. This compared to approximately \$1.1 million at the end of fiscal year 2005. The analysis that follows provides a summary of the Regional Office of Education #2's net assets at June 30, 2006 and 2005 for the governmental activities.

ALEXANDER-JOHNSON-MASSAC-PULASKI-UNION COUNTIES  
 REGIONAL OFFICE OF EDUCATION #2  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2006

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concluded)**

GOVERNMENTAL ACTIVITIES

	2006	2005	Increase / (Decrease)
Current Assets	\$ 1,669,488	\$ 1,663,844	5,644
Noncurrent Assets	257,570	310,871	(53,301)
Total Assets	1,927,058	1,974,715	(47,657)
Current Liabilities	612,435	836,725	(224,290)
Net Assets:			
Invested in Capital Assets	257,570	271,341	(13,771)
Unrestricted	1,017,876	817,262	200,614
Restricted for teacher professional development	39,177	49,387	(10,210)
Total Net Assets	\$ 1,314,623	\$ 1,137,990	176,633

The Regional Office of Education #2's combined net assets increased by approximately \$176,000 from fiscal year 2005.

The Regional Office of Education #2's increasing General fund financial position is the product of many factors, including savings in the cost of services provided to local schools. Savings in delivery of services such as workshops were also factors.

**FINANCIAL ANALYSIS OF THE REGIONAL OFFICE OF EDUCATION FUNDS**

As previously noted, Regional Office of Education #2 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Regional Office of Education #2's governmental fund reported combined fund balances of \$1,097,381 compared with FY05's ending fund balances of \$866,649. The primary reason for the increase in combined fund balances in FY 06 was due to reduced expenditures to keep within budgets.

Another reason for the significant change was the reduction in staff. Some staff members left the Regional Office of Education #2 and were not replaced or were replaced by staff members at lower salaries.

ALEXANDER-JOHNSON-MASSAC-PULASKI-UNION COUNTIES  
 REGIONAL OFFICE OF EDUCATION #2  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2006

**FINANCIAL ANALYSIS OF THE REGIONAL OFFICE OF EDUCATION FUNDS**

**Governmental Fund Highlights**

The Regional Office of Education #2's increasing General Fund financial position is the product of many factors, including savings in the cost of services provided to local schools. Savings in delivery of services such as workshops were also factors.

The following is a summary of the Regional Office of Education #2's activities:

GOVERNMENTAL ACTIVITIES

	<u>2006</u>	<u>2005</u>	<u>Increase / (Decrease)</u>
Revenues:			
Program Revenues:			
Operating grants and contributions	\$ 3,537,467	\$ 3,341,671	195,796
General Revenues:			
Local sources	410,816	349,524	61,292
On-behalf payments - State	223,210	273,224	(50,014)
Interest	33,669	22,375	11,294
Total Revenues	<u>4,205,162</u>	<u>3,986,794</u>	218,368
Expenses:			
Program Expenses:			
Instructional Services			
Salaries and benefits	1,475,509	1,635,256	(159,747)
Purchased services	1,302,996	1,456,801	(153,805)
Supplies and materials	241,199	402,169	(160,970)
Other Objects	3,002	2,604	398
Payments to other governments	692,073	331,334	360,739
Depreciation expense	52,706	51,719	987
Administrative Expense:			
On-behalf payments - State	223,210	273,224	(50,014)
Total Expenses	<u>3,990,695</u>	<u>4,153,107</u>	(162,412)
Change in Net Assets	214,467	(166,313)	380,780
Net Assets - Beginning	<u>1,100,156</u>	<u>1,304,303</u>	(204,147)
Net Assets - Ending	<u>\$ 1,314,623</u>	<u>\$ 1,137,990</u>	176,633

ALEXANDER-JOHNSON-MASSAC-PULASKI-UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006

**FIDUCIARY FUND TYPE**

Regional Office of Education #2's funds are used to account for assets held by the Regional Office of Education #2 in trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Distributive Fund is the Regional Office of Education #2's only agency fund.

Interest on Distributive Fund – The Regional Office of Education #2 has agreements with all districts in the region whereby the Regional Office of Education #2 is allowed to keep the interest for expenditures benefiting all districts.

**MEASUREMENT FOCUS**

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

In applying the susceptible to accrual concepts to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education #2; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditures and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

ALEXANDER-JOHNSON-MASSAC-PULASKI-UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006

**BUDGETARY HIGHLIGHTS**

The Regional Office of Education #2 Advisory Board approves an education plan. Although the budget document presents functional disbursements by fund, the legal level of control is at the total expenditure level, not at the fund or fund type level. The State Board reviews the proposed budget and either grants approval or returns it without approval with comments. Any unapproved budget must be resubmitted to the State Board for final approval. The budget may be amended during the year utilizing procedures prescribed by the State Board. Over the course of the year, the Regional Office of Education #2 amended its annual operating budget several times to reflect additional revenue and expenditures associated with the additional services needed and provided to the local school districts. The Regional Office of Education #2 has a five-county budget for administrative purposes. Each county contributes financially to the Regional Office of Education #2 based upon the county's population.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Regional Office of Education #2 does own buildings. All other equipment remains owned by the State. Items purchased costing over \$500 are listed on the Regional Office of Education #2's inventory. At June 30, 2006 the Regional Office of Education #2 had an investment in capital assets of \$257,570 which is the original cost of the assets less the accumulated depreciation.

During FY06 the Regional Office of Education #2 purchased computer equipment costing \$37,239.

**Debt**

The Regional Office of Education #2 incurs no debt. All bills are paid by the end of the fiscal year.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

At the time these financial statements were prepared and audited, the Regional Office of Education #2 was aware of existing circumstances that could significantly affect its financial health in the future.

The Regional Office of Education #2 has experienced an increase in the number of students being served by its programs in the past three years. A slight increase in enrollments is expected and included in the budget based on request from local school districts.

**ADDITIONAL INFORMATION**

The following information is furnished to further explain the Regional Office of Education #2 financial analysis and planning:

ALEXANDER-JOHNSON-MASSAC-PULASKI-UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006

**ADDITIONAL INFORMATION (Concluded)**

Management staff and financial staff continually review all aspects of the financial statements including the format of financial statements, accounting and reporting capital assets, and internal service funds. This would include a monthly analysis and cross check of balancing the various funds. The review of how to meet projected shortfalls are discussed and analyzed at these meetings. The major problem with finances is the State's inability to pay the Regional Office of Education #2 for approved grant funds.

The management team reviews all programs from short-term to long-term concerning the financial aspects of the Regional Office of Education #2. This includes reviewing projected funds and/or amending the various programs in order to ensure adequate and proper funding. Most financial receipts are ultimately received by the Regional Office of Education #2 to maintain programs. The serious problem is that these funds are often late by several months which cause fund transfers and other methods to stay financially viable. Generally speaking, the funds are received by the end of the year, but few are received as indicated in the grant programs. Improved financial planning could occur if the State gave general guidelines from one year to the next. For example, if we were told a particular program will receive at least 85 percent of last year's budget; this would enable the Regional Office of Education #2 to plan more effectively.

The current year results in comparison with prior years, indicates a reduction from last year. Although final results are not available at this point in time, preliminary indications indicate another reduction in Regional Office of Education #2 funds and probably other grant programs. Because of this uncertainty it is very difficult to develop a plan to increase or maintain the effectiveness of the Regional Office of Education #2 and grant programs.

**CONTACTING THE REGIONAL OFFICE OF EDUCATION #2'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the Regional Office of Education #2's citizens, taxpayers, customers, investors and creditors with a general overview of the Regional Office of Education #2's finances and to demonstrate the Regional Office of Education #2's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Regional Office of Education #2, 17 Rustic Campus Drive, Ullin, IL 62992.



## **BASIC FINANCIAL STATEMENTS**

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**STATEMENT OF NET ASSETS**  
**June 30, 2006**

	<u>Primary Government Governmental Activities</u>
<b>Assets</b>	
<b>Current Assets:</b>	
Cash	\$ 1,485,727
Due from other governmental units	183,761
<b>Total Current Assets</b>	<u>1,669,488</u>
<b>Noncurrent Assets:</b>	
Capital assets, being depreciated, net	257,570
<b>Total Noncurrent Assets</b>	<u>257,570</u>
<b>Total Assets</b>	<u>1,927,058</u>
<b>Liabilities</b>	
Deferred revenue	572,107
Liability for compensated absences	40,328
<b>Total Liabilities</b>	<u>612,435</u>
<b>Net Assets</b>	
Invested in capital assets	257,570
Unrestricted	1,017,876
Restricted for teacher professional development	39,177
<b>Total Net Assets</b>	<u>\$ 1,314,623</u>

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

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2006**

Functions/Programs	<u>Expenses</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets Governmental Activities</u>
<b>Primary government:</b>			
<b>Governmental Activities:</b>			
<b>Current:</b>			
Salaries and benefits	\$ 1,475,509	\$ 1,374,387	\$ (101,122)
Purchased services	1,302,996	1,227,694	(75,302)
Supplies and materials	241,199	217,645	(23,554)
Depreciation Expense	52,706	-	(52,706)
Capital outlay	-	37,239	37,239
Tuition	3,002	2,256	(746)
Payments to other governments	692,073	678,246	(13,827)
<b>Administrative:</b>			
On-behalf payments - state	223,210	-	(223,210)
<b>Total Governmental Activities</b>	<u>3,990,695</u>	<u>3,537,467</u>	<u>(453,228)</u>
<b>Total Primary Government</b>	<u>\$ 3,990,695</u>	<u>\$ 3,537,467</u>	<u>(453,228)</u>
<b>General Revenues:</b>			
			410,816
			223,210
			<u>33,669</u>
			<u>667,695</u>
			214,467
			<u>1,100,156</u>
			<u>\$ 1,314,623</u>

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

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2006**

	General Fund	Education Fund	Other Non-Major Funds	Eliminations	Total Governmental Funds
<b>Assets</b>					
Cash	\$ 227,727	\$ 1,205,965	\$ 52,035	\$ -	\$ 1,485,727
Due from other funds	41,595	2,616	-	(44,211)	-
Due from other governmental units	113,320	70,441	-	-	183,761
<b>Total Assets</b>	<b><u>\$ 382,642</u></b>	<b><u>\$ 1,279,022</u></b>	<b><u>\$ 52,035</u></b>	<b><u>\$ (44,211)</u></b>	<b><u>\$ 1,669,488</u></b>
<b>Liabilities</b>					
Due to other funds	\$ -	\$ 44,211	\$ -	\$ (44,211)	\$ -
Deferred revenue	-	561,897	10,210	-	572,107
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>606,108</u></b>	<b><u>10,210</u></b>	<b><u>(44,211)</u></b>	<b><u>572,107</u></b>
<b>Fund Balances</b>					
Reserved, reported in:					
Special revenue funds	-	672,914	41,825	-	714,739
Unreserved, reported in:					
General fund	382,642	-	-	-	382,642
<b>Total Fund Balances</b>	<b><u>382,642</u></b>	<b><u>672,914</u></b>	<b><u>41,825</u></b>	<b><u>-</u></b>	<b><u>1,097,381</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 382,642</u></b>	<b><u>\$ 1,279,022</u></b>	<b><u>\$ 52,035</u></b>	<b><u>\$ (44,211)</u></b>	<b><u>\$ 1,669,488</u></b>

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

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET ASSETS**  
**June 30, 2006**

Total Fund Balances—Governmental Funds	\$ 1,097,381
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds, net of accumulated depreciation of \$696,000	257,570
Accrued payroll and benefit costs which reflect the amount of vacation pay has been earned by the Regional Office of Education #2's employees but will not be paid within the next year is not reported in the governmental funds.	<u>(40,328)</u>
Net Assets of Governmental Activities	<u><u>\$ 1,314,623</u></u>

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

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2006**

	General Fund	Education Fund	Other Non-Major Funds	Total Governmental Funds
<b>Revenues:</b>				
Local sources	\$ 100,182	\$ 289,195	\$ 21,439	\$ 410,816
State sources	59,409	1,322,480	5,720	1,387,609
State sources - payments from other governments	223,210	-	-	223,210
Federal sources	-	2,149,858	-	2,149,858
<b>Total Revenues</b>	<b>382,801</b>	<b>3,761,533</b>	<b>27,159</b>	<b>4,171,493</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Salaries and benefits	126,236	1,343,692	4,783	1,474,711
Purchased services	29,718	1,250,462	22,816	1,302,996
Supplies and materials	10,128	224,643	6,428	241,199
Capital outlay	-	34,407	2,832	37,239
Tuition	-	2,302	700	3,002
Payments to other governments	-	692,073	-	692,073
On-behalf payments	223,210	-	-	223,210
<b>Total Expenditures</b>	<b>389,292</b>	<b>3,547,579</b>	<b>37,559</b>	<b>3,974,430</b>
<b>Excess (Deficiency) of Revenues     Over Expenditures</b>	<b>(6,491)</b>	<b>213,954</b>	<b>(10,400)</b>	<b>197,063</b>
<b>Other Financing Sources:</b>				
Interest	25,236	8,101	332	33,669
<b>Total Other Financing Sources</b>	<b>25,236</b>	<b>8,101</b>	<b>332</b>	<b>33,669</b>
<b>Net Change in Fund Balances</b>	<b>18,745</b>	<b>222,055</b>	<b>(10,068)</b>	<b>230,732</b>
Fund Balances - Beginning	363,897	450,859	51,893	866,649
Fund Balances - Ending	<b>\$ 382,642</b>	<b>\$ 672,914</b>	<b>\$ 41,825</b>	<b>\$ 1,097,381</b>

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

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
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, 2006**

Net change in fund balances—total governmental funds \$ 230,732

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 Asset Purchases Capitalized	\$ 37,239	
Depreciation Expense	<u>(52,706)</u>	(15,467)

Accrued payroll and benefits costs which reflect the amount of vacation pay that has been earned by the Regional Office of Education #2's employees in the current year but will not be paid within the next year is not reported in the governmental funds.

(798)

Change in net assets of governmental activities \$ 214,467

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

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
 REGIONAL OFFICE OF EDUCATION #2  
 STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUND  
 June 30, 2006**

	Agency Fund
<b>Assets</b>	
Cash	\$ 3,484
Due from other governmental units	1,601,657
Total Assets	\$ 1,605,141
<b>Liabilities</b>	
Due to other governmental units	\$ 1,605,141
Total Liabilities	\$ 1,605,141

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



**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2006**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the Regional Office of Education #2 is presented to assist in understanding the Regional Office of Education #2's financial statements. The financial statements and notes are representations of the Regional Office of Education #2's management who is responsible for the integrity and objectivity of the financial statements. The Illinois Administrative Code, Title 23 - Subtitle A, Chapter I, Section 110.115a, requires each Regional Office of Education to prepare annual financial statements in conformity with U.S. generally accepted accounting principles. These principles have been consistently applied in the preparation of the financial statements.

In 2006, the Regional Office of Education #2 implemented Governmental Accounting Standards Board (GASB) Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section, an Amendment of NCGA Statement 1*, GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, an Amendment of GASB No. 34 and GASB No. 47, *Accounting for Termination Benefits*. The Regional Office of Education #2 implemented these standards during the current year, however; they do not have a significant impact on the financial statements.

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

**A. Financial Reporting Entity**

The Regional Office of Education #2 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

The Regional Superintendent is responsible for supervision and control of school districts within the Regional Office of Education #2. This includes all aspects of supervision, reports and financial accounting of districts which are considered by State law to be in the Service Region. In addition, the Regional Superintendent is charged with responsibility for township fund lands; registration of the names of applicants for scholarships to State controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers institutes as well as to aid and encourage the formation of other teachers' meetings and assist in their management; evaluate the schools in the region; examine school treasurers' books, accounts, and vouchers; examine evidence of indebtedness; file and keep the returns of elections required to be returned to the Regional Superintendent's office; and file and keep the reports and statements returned by school treasurers and trustees.

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2006**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Financial Reporting Entity (Concluded)**

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #2's districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

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

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the Regional Office of Education #2, or see that no payments are made unless the treasurer has filed or renewed appropriate bonds and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2006, the Regional Office of Education #2 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #2. Such activities are reported as a single major special revenue fund (Education Fund).

**B. Scope of Reporting Entity**

The Regional Office of Education #2's reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #2 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Regional Office of Education #2, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education #2 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.

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**REGIONAL OFFICE OF EDUCATION #2**  
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**For the Year Ended June 30, 2006**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Scope of Reporting Entity (Concluded)**

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education #2 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #2 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education #2 being considered a component unit of the entity.

**C. Government-Wide and Fund Financial Statements**

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #2's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues.

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

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

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

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
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**For the Year Ended June 30, 2006**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Governmental Fund Financial Statements**

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

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

**E. Measurement Focus and Basis of Accounting**

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

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

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education #2; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

**F. Fund Accounting**

The Regional Office of Education #2 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education #2 uses governmental and fiduciary funds.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2006**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

F. Fund Accounting (Continued)

*Governmental Funds*

Governmental funds are those through which most governmental functions of the Regional Office of Education #2 are typically reported. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as a fund balance.

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

The Regional Office of Education #2 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education #2. It is used to account for all financial resources, which benefit all school districts in the region except those required to be accounted for in another fund. General funds include the following:

Office Fund – This fund accounts for monies received from each of the five counties in the region for salaries, benefits, utilities, supplies, etc. of the Regional Office of Education #2.

Regional Office of Education/Intermediate Service Centers Operations - This fund accounts for the grant that provides funding for the Regional Office of Education #2.

Director's Fund – This fund accounts for the interest monies earned from the Distributive Fund which are used for the benefit of the Regional Office of Education #2 and its schools.

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

Education - This fund is used to account for various grant and educational enhancement programs including the following:

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Fund Accounting (Continued)**

*Governmental Funds (Continued)*

**Adult Education - This fund accounts for monies received from the Illinois Community College Board (ICCB) for academic and vocational adult education programs including the following:**

**Federal Basic - This fund accounts for federal monies received from the ICCB which provide for adult basic education (GED) services for adult education clients.**

**General Revenue - This fund accounts for monies accumulated over 35+ years from varying sources in order to support all functions of the Regional Office of Education #2's adult education program.**

**Performance - This fund accounts for State monies received from the ICCB that can be used for any purpose that supports the adult education program.**

**Public Assistance - This fund accounts for State funds received from the ICCB for vocational training for adult education clients including computer and certified nurse assistant classes.**

**State 3-1 - This fund accounts for State funds received from the ICCB for vocational training and can be used the same as Public Assistance funds.**

**Area 6 South Tech Hub - This fund provides support for technology services for the Regional Office of Education #2 and the 19 school districts in its region.**

**Athletes and Asthma Grant – In collaboration with the Illinois Regional Offices of Education, the Illinois Asthma Program will implement an in-service to provide coaches and physical education teachers with useful information for managing asthma in students within the school setting.**

**Cairo Community Education Center – This fund provides support for the income and routine expenses of the Cairo Community Education Center.**

**Community Health - This fund provides support for tutoring and mentoring services provided by the Regional Office of Education #2 for at-risk students.**

**Department of Commerce and Economic Opportunity Grant - This fund provided technology support to school districts in the Regional Office of Education #2's region.**

**Department of Human Services/Southern Illinois Healthcare Kids in School - This fund provides head lice shampoo and supplies to families who can't afford them in order to get their children back into school.**

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REGIONAL OFFICE OF EDUCATION #2  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Fund Accounting (Continued)**

*Governmental Funds (Continued)*

Even Start - This fund improves the educational opportunities of low-income families through integrating early childhood education, parenting education, and adult literacy or adult basic education into a unified family literacy program.

Federal - Special Education - Individuals with Disabilities Education Act - Discretionary - This fund assists schools in developing effective school-wide systems of behavior support by preventing misbehavior and teaching appropriate behavior and social skills.

Flexible Funding for Wraparound Plans - This fund provides services to at-risk clients from funds received from the Department of Children and Family Services.

Focus of Southern Illinois Meth Grant – This fund educates school personnel, students, and parents of the effects of meth use.

General State Aid - This fund supports safe school and alternative education/adult education programs.

Illinois Association of School Administrators Job Bank - This fund allows local schools to post job vacancies on the Internet as well as browse the Internet for prospective applicants.

McKinney Education for Homeless Children - The fund provides educational services and strives to heighten community awareness of the need to serve the homeless population.

Mathematics and Science Partnership – This program is a professional development program designed to improve the content knowledge and pedagogical skills of 5<sup>th</sup> through 12<sup>th</sup> grade teachers in mathematics and science.

Other State Programs - This fund provides services and programs to non-title schools as well as student, family, and community support services to all school districts in the Regional Office of Education #2's region on System of Support status. The fund also provides for the administrative costs for the direction of the program and grant management.

Regional Safe Schools - The fund provides instruction services and materials for safe school students referred to the Regional Office of Education #2 from local school districts.

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Fund Accounting (Continued)**

*Governmental Funds (Continued)*

Secretary of State Community Literacy - This fund provides volunteer tutoring services to individuals in the Regional Office of Education #2 area.

Service Fund - This fund accounts for local Masonic scholarship funds to provide scholarships to local high school graduates.

Southern Illinois University - Southern Illinois Teacher Quality Collaborative – This program provides math and science professional development for teachers and administration cohort group.

Southernmost Illinois Delta Empowerment Zone, Inc. Lewis and Clark Grant – This fund was used to pay a consultant to present a school district with a seminar about the Lewis and Clark travels.

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

Summer Bridges – This program provides summer classes to assist students needing additional help to enable them to move with their classmates to the next grade.

System of Support – Other State Programs – This program provides professional development and support to No Child Left Behind status schools. The focus of State programs is standards alignment, standards-aligned classrooms, and standards based curriculum.

System of Support – Title I School Improvement and Accountability – This fund supports the improvement of basic programs operated by the Regional Office of Education #2 by providing professional development for data analysis, school improvement plan/development, standards-aligned curriculum/instruction, and classroom assessment to System of Support status schools on the Academic Early Warning and Watch.

System of Support – Title II Teacher Quality Leadership Grant – This fund provides professional development to assist teachers in becoming better instructional leaders.

Technology - Enhancing Education - Competitive - This fund provides staff development and materials for integrating technology into the classroom curriculum to the school districts in the Regional Office of Education #2's region.

Title I - Reading First Part B SEA Funds - This fund provides comprehensive reading program training to teachers in order to facilitate student achievement in reading.



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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Fund Accounting (Continued)**

*Governmental Funds (Continued)*

Title I - School Improvement and Accountability – This fund supports the improvement of basic programs operated by the Regional Office of Education #2 by providing professional development for data analysis, school improvement plan/development, standards-aligned curriculum/instruction, and classroom assessment to System of Support status schools on the Academic Early Warning and Watch.

Title II - Teacher Quality - This fund provides staff development activities and materials for Regional Office of Education #2 instructors.

Title II - Teacher Quality - Leadership Grant - This fund provides staff development activities and materials for Regional Office of Education #2 instructors.

Title IV - Safe & Drug Free Schools - Formula - This fund provides summer enrichment activities for at-risk students.

Title IV – Community Service – This program provides students enrolled in the Regional Safe Schools program with service learning opportunities.

Title V - Innovative Programs - Formula - This fund provides staff development services and materials to Regional Office of Education #2 instructors.

Title V – Innovative Programs – SEA Projects – This fund provides for participation in a Statewide full-service school project.

Truants Alternative/Optional Education - This fund provides alternative educational program services to truant students referred from local schools to the Regional Office of Education #2.

Truants Grant – Family Counseling Center – This fund provides extra services for a truant officer in the five county schools.

Walmart Grant - This fund accounts for monies received from Walmart to be used to purchase literacy supplies.

Workforce Investment Act – This program provides youth activities such as tutoring, summer employment opportunities, adult mentoring, and comprehensive guidance and counseling to individuals within the five county region.

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REGIONAL OFFICE OF EDUCATION #2  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2006**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Fund Accounting (Concluded)**

*Governmental Funds (Concluded)*

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

Bus Driver Permit - This fund accounts for State and local receipts and expenses as a result of training school district bus drivers.

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

Institute - This fund accounts for teacher certificate registration, issuance, and evaluation fees for processing certificates, and expenses of meetings of a professional nature through the following:

Registration - This fund accounts for the receipts and expenses pertaining to teacher meetings and workshops of a professional nature.

Teacher's Institute - This fund accounts for teacher certificate registration, issuance, and evaluation fees for processing certificates.

All funds generated in the Institute Fund remain restricted until expended only on the aforementioned activities.

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

*Fiduciary Funds*

Agency Funds - Agency Funds are used to account for assets held by the Regional Office of Education #2 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds include the following:

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

**G. Net Assets**

Equity is classified as net assets and displayed in three components:

Invested in capital assets – Consists of capital assets, net of accumulated depreciation.

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REGIONAL OFFICE OF EDUCATION #2  
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For the Year Ended June 30, 2006**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)**

**G. Net Assets (Concluded)**

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

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

**H. Capital Assets**

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

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

**I. Interfund Receivables and Payables**

The recordings of due from and due to other funds are a result of various borrowings between funds during the year.

**J. Budget Information**

The Regional Office of Education #2 acts as the administrative agent for certain grant programs that are accounted for within the Education Fund. These programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted, nor are they required to do so. The General Fund and certain programs within the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results for the following programs are presented as supplementary information: ROE/ISC Operations, Adult Education - Federal Basic, Adult Education - Performance, Adult Education - Public Assistance, Adult Education - State 3-1, Area 6 South Tech Hub, DCEO – Eliminate the Digital Divide, Even Start, Federal - Special Education - I.D.E.A. - Discretionary, McKinney Education for Homeless Children, Mathematics and Science Partnerships, Other State Programs, Regional Safe Schools, Secretary of State Community Literacy, Standards Aligned Classroom, System of Support – Other State Programs, System of Support Title I – School Improvement and Accountability, System of Support Title II – Teacher Quality – Leadership Grant, Technology - Enhancing Education - Competitive, Title I - Reading First Part B SEA Funds, Title I - School Improvement and Accountability, Title II - Teacher Quality - Leadership, Title IV – Community Service, Title V - Innovative Programs – SEA Projects, Truants Alternative/Optional Education, and Workforce Investment Act.

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**REGIONAL OFFICE OF EDUCATION #2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2006**

**NOTE 2: DEPOSITS AND INVESTMENTS**

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

A. Cash Deposits

At June 30, 2006, the carrying amount of the Regional Office of Education #2's government-wide and fiduciary fund deposits were \$1,485,727 and \$3,484 respectively, and the bank balances were \$1,718,356 and \$1,443,745, respectively.

At June 30, 2006, \$552,890 of the Regional Office of Education #2's cash deposits was insured by the Federal Deposit Insurance Corporation. Another \$2,603,141 was collateralized by securities pledged by the Regional Office of Education #2's financial institution on behalf of the Regional Office.

B. Investments

The Regional Office of Education #2 does not have a formal investment policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2006, the Regional Office of Education #2 had investments with carrying and fair value of \$6,070 invested in the Illinois Funds Money Market Fund.

*Credit Risk*

At June 30, 2006, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

*Interest Rate Risk*

The Illinois Funds Money Market Fund, created by the Illinois General Assembly, enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. The investment policy of the Illinois Funds Money Market Funds states that, unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years maturity.

*Concentration of Credit Risk*

Unless specifically authorized by the Treasurer, the Illinois Funds Money Market Fund's investment policy limits investment categories to not exceed 25% of the portfolio with the exception of cash equivalents and U.S. Treasury securities. Further certificates of deposit cannot exceed 10% of any single financial institution's total deposits.

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**REGIONAL OFFICE OF EDUCATION #2**  
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**NOTE 3: RETIREMENT FUND COMMITMENTS**

The Regional Office of Education #2 participates in two retirement systems: The Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Members of TRS include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. Employees, other than teachers, who meet prescribed annual hourly standards, are members of IMRF. The Regional Office of Education #2's payroll for the year ended June 30, 2006, was \$1,329,018; of which, \$767,943 was reported to TRS and \$514,749 was reported to IMRF.

**A. Teachers' Retirement System of the State of Illinois**

TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2006 was 9.4 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 a part of this retirement plan. The employer THIS Fund contribution was 0.6 percent during the year ended June 30, 2006 and the member THIS Fund health insurance contribution was 0.80 percent.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #2's TRS-covered employees.

- **On-behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #2. For the year ended June 30, 2006, State of Illinois contributions were based on 7.06 percent of creditable earnings, and the Regional Office of Education #2 recognized revenue and expenditures of \$51,693 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2005 and June 30, 2004, the State of Illinois contribution rates as percentages of creditable earnings were 11.76 percent (\$90,311) and 13.98 percent (\$121,347).

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
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**NOTE 3: RETIREMENT FUND COMMITMENTS (CONTINUED)**

**A. Teachers' Retirement System of the State of Illinois (Continued)**

The Regional Office of Education #2 makes other types of employer contributions directly to TRS.

- **2.2 formula contributions.** Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. Contributions for the year ended June 30, 2006 were \$4,251. Contributions for the years ending June 30, 2005 and June 30, 2004 were \$4,454 and \$5,034, respectively.
- **Federal and trust fund contributions.** When TRS members are paid from federal and trust funds administered by the Regional Office of Education #2, there is a statutory requirement for the Regional Office of Education #2 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2006, the employer pension contribution was 7.06 percent of salaries paid from federal and trust funds. For the two years ended June 30, 2005, the employer pension contribution was 10.5 percent of salaries paid from those funds. For the year ended June 30, 2006, salaries totaling \$425,943 were paid from federal and trust funds that required employer contributions of \$30,072. For the years ended June 30, 2005 and June 30, 2004, required Regional Office of Education #2 contributions were \$ 43,488 and \$42,741, respectively.

- **Early Retirement Option.** The Regional Office of Education #2 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.

Under Public Act 94-0004, 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. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies for the Pipeline ERO).

Under the ERO program that expired on June 30, 2005 and the Pipeline ERO, the maximum employer contribution is 100 percent of the member's highest salary used in the final average salary calculation.

Under the Modified ERO, the maximum employer contribution is 117.5 percent.

Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement.

For the years ending June 30, 2006, June 30, 2005, and June 30, 2004, the Regional Office of Education #2 paid no employer contributions under the Early Retirement Option.

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 3: RETIREMENT FUND COMMITMENTS (CONTINUED)**

A. Teachers' Retirement System of the State of Illinois (Concluded)

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, 2005. The report for the year ended June 30, 2006, is expected to be available in late 2006. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov.

B. Illinois Municipal Retirement Fund

The Regional Office of Education #2's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer plan that acts as a common investment and administrative agent for local governments, school districts, and Regional Offices in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

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

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The Regional Office of Education #2 is required to contribute at an actuarially determined rate. The employer rate for calendar year 2005 was 7.85 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, 2005 was 5 years.

For December 31, 2005, the Regional Office of Education #2's annual pension cost of \$41,776 was equal to the Regional Office of Education #2's required and actual contributions. The required contribution was determined as part of the December 31, 2003 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2005 actuarial valuation were based on the 2002-2004 experience study.

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2006**

**NOTE 3: RETIREMENT FUND COMMITMENTS (CONTINUED)**

**B. Illinois Municipal Retirement Fund (Continued)**

*Trend Information*

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/05	\$ 41,776	100%	\$ 0
12/31/04	29,996	100%	0
12/31/03	37,369	100%	0
12/31/02	34,543	100%	0
12/31/01	42,898	100%	0
12/31/00	40,096	100%	0
12/31/99	100,663	100%	0
12/31/98	43,377	100%	0
12/31/97	35,319	100%	0
12/31/96	12,766	100%	0

*Schedule of Funding Progress*

Schedule of Funding Progress gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Schedule of Funding Progress for the past ten years is reported as required supplementary information.

**C. Social Security**

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The Regional Office of Education #2 paid \$33,332, the total required contribution for the current fiscal year.

**NOTE 4: COMPENSATED ABSENCES**

Vacation pay and sick pay are considered expenditures in the year paid. An employee may accumulate an unlimited number of vacation days for use in future years; however, upon termination, with a few exceptions, employees will only be paid a maximum of twenty days. At June 30, 2006, the liability for unused vacation days was \$40,328, and is shown on the Statement of Net Assets. Accumulated sick pay benefits are available to all full-time employees to use in future years. Unused sick pay is limited to a maximum of 48 days' pay. Upon termination, the employee is not compensated for any unused sick days; therefore, no accruals or reserves have been established.



**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2006**

**NOTE 5: INTERFUND RECEIVABLES AND PAYABLES**

Interfund due to / from other fund balances at June 30, 2006 consist of the following individual due to / from other funds in the governmental fund Balance Sheet. These balances were eliminated in the government-wide Statement of Net Assets.

Fund	Due From Other Funds	Due to Other Funds
General Fund – School Director’s Fund	\$ 41,595	\$
Special Revenue Fund – Education Fund		
Title I Reading First Part B SEA Funds (06-4337-02)	2,616	
McKinney Education for Homeless Children		265
Cairo Community Education Center		5,025
Area 6 South Tech Hub		20,235
Workforce Investment Act		16,070
Title I Reading First Part B SEA Funds (06-4337-01)		2,616
	<u>\$ 44,211</u>	<u>\$ 44,211</u>

**NOTE 6: DUE TO/DUE FROM OTHER GOVERNMENTAL UNITS**

The Regional Office of Education #2’s General Fund, Agency Fund, and various grant programs have funds due to and due from various other governmental units which consist of the following:

Due from Other Governmental Units:

General Fund		
Local Governments	\$	113,320
Special Revenue Fund – Education Fund		
Cairo Community Education Center		22,083
Illinois State Board of Education		3,983
Local School Districts		8,070
Regional Office of Education #30		20,235
Shawnee Development Council		16,070
Fiduciary Fund – Distributive Fund		
Illinois State Board of Education		1,601,657
	<u>\$</u>	<u>1,785,418</u>

Due to Other Governmental Units:

Fiduciary Fund – Distributive Fund		
Local School Districts	\$	1,605,141

**NOTE 7: DISTRIBUTIVE FUND INTEREST**

A written agreement between the Regional Office of Education #2’s school boards, which receive funds through the Regional Office of Education #2, provides for the retention of interest earned on the State Distributive Fund checking account by the Regional Superintendent to be used for the benefit of all of the districts in the region. During the year the distributive fund earned interest of \$22,828. At June 30, 2006 all accumulated interest had been distributed.

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**

**REGIONAL OFFICE OF EDUCATION #2  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2006**

**NOTE 8: CAPITAL ASSETS**

In accordance with GASB Statement No. 34, the Regional Office of Education #2 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental fund statements. The following table provides a summary of changes in capital assets for the year ended June 30, 2006:

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>
<b>Governmental Funds</b>				
General Fund				
ROE/ISC Operations	\$ 306,428	\$	\$	\$ 306,428
School Director's Fund	1,410			1,410
Special Revenue – Institute Fund				
Registration Fund	13,290	2,832		16,122
Major Fund – Education Fund				
Adult Education – Federal Basic	66,647	21,415		88,062
Adult Education – General Revenue	110,845			110,845
Adult Education – Performance	122,795	5,286		128,081
Adult Education – Public Assistance	19,485			19,485
Adult Education – State 3-1	85,754			85,754
Area 6 Tech Hub	1,297	1,507		2,804
DCEO Grant – Eliminate the Digital Divide	39,251			39,251
Educational Service Center 18	900			900
Even Start	3,350			3,350
Federal Sp Ed – IDEA Discretionary	13,585	600		14,185
Local Professional Development Committee	1,851			1,851
McKinney Education for Homeless Children	1,300			1,300
Near and Far Science in Illinois	5,600			5,600
Reading First – Academics	5,173	2,650		7,823
Regional Safe Schools	79,007			79,007
Scientific Literacy – Contractual	3,568			3,568
Secretary of State – New Chapters	800			800
SOS FY05 Title V		2,949		2,949
State Aid	25,668			25,668
Technology Literacy Challenge Fund	2,299			2,299
Title IV – School & Drug Free/Violence Prevention	6,028			6,028
<b>Governmental Funds</b>				
Total Capital Assets	<u>\$ 916,331</u>	<u>\$ 37,239</u>	<u>\$ 0</u>	<u>\$ 953,570</u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2006**

**NOTE 8: CAPITAL ASSETS (CONTINUED)**

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. The following table provides a summary of changes in accumulated depreciation for the year ended June 30, 2006:

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>
<b>Governmental Funds</b>				
<b>General Fund</b>				
ROE/ISC Operations	\$ 306,428	\$	\$	\$ 306,428
School Director's Fund	368	94		462
<b>Special Revenue – Institute Fund</b>				
Registration Fund	6,401	2,240		8,641
<b>Major Fund – Education Fund</b>				
Adult Education – Federal Basic	42,454	5,117		47,571
Adult Education – General Revenue	71,739	4,577		76,316
Adult Education – Performance	67,709	10,936		78,645
Adult Education – Public Assistance	16,254	539		16,793
Adult Education – State 3-1	41,905	4,471		46,376
Area 6 Teach Hub	864	433		1,297
DCEO Grant – Eliminate the Digital Divide	24,739	7,637		32,376
Educational Service Center 18	900			900
Even Start	2,139	670		2,809
Federal Sp Ed – IDEA Discretionary	8,264	2,408		10,672
Local Professional Development Committee	1,281	370		1,651
McKinney Education for Homeless Children	108	325		433
Near and Far Science in Illinois	2,800	560		3,360
Reading First – Academics	1,747	1,550		3,297
Regional Safe Schools	31,874	4,698		36,572
Scientific Literacy – Contractual	3,568			3,568
Secretary of State – New Chapters	800			800
SOS FY05 Title V		819		819
State Aid	8,759	3,532		12,291
Technology Literacy Challenge Fund	1,714	260		1,974
Title IV – School & Drug Free/Violence Prevention	479	1,470		1,949
<b>Governmental Funds</b>				
Total Accumulated Depreciation	<u>\$ 643,294</u>	<u>\$ 52,706</u>	<u>\$ 0</u>	<u>\$ 696,000</u>

Depreciation expense for the year ended June 30, 2006 of \$52,706 was charged to governmental activities.

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2006**

**NOTE 8: CAPITAL ASSETS (CONCLUDED)**

Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation. The following table provides a summary of changes in investment in capital assets for the year ended June 30, 2006:

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>
<b>Governmental Funds</b>				
<b>General Fund</b>				
ROE/ISC Operations	\$ 0	\$	\$	\$ 0
School Director's Fund	1,042		94	948
Special Revenue – Institute Fund	6,889	2,832	2,240	7,481
<b>Registration Fund</b>				
<b>Major Fund – Education Fund</b>				
Adult Education – Federal Basic	24,193	21,415	5,117	40,491
Adult Education – General Revenue	39,106		4,577	34,529
Adult Education – Performance	55,086	5,286	10,936	49,436
Adult Education – Public Assistance	3,231		539	2,692
Adult Education – State 3-1	43,849		4,471	39,378
Area 6 Tech Hub	433	1,507	433	1,507
DCEO Grant – Eliminate the Digital Divide	14,512		7,637	6,875
Educational Service Center 18	0			0
Even Start	1,211		670	541
Federal Sp Ed – IDEA Discretionary	5,321	600	2,408	3,513
Local Professional Development Committee	570		370	200
McKinney Education for Homeless Children	1,192		325	867
Near and Far Science in Illinois	2,800		560	2,240
Reading First – Academics	3,426	2,650	1,550	4,526
Regional Safe Schools	47,133		4,698	42,435
Scientific Literacy – Contractual	0			0
Secretary of State – New Chapters	0			0
SOS FY05 Title V	0	2,949	819	2,130
State Aid	16,909		3,532	13,377
Technology Literacy Challenge Fund	585		260	325
Title IV – School & Drug Free/Violence Prevention	<u>5,549</u>		<u>1,470</u>	<u>4,079</u>
<b>Governmental Funds</b>				
Total Investment in Capital Assets	<u>\$ 273,037</u>	<u>\$ 37,239</u>	<u>\$ 52,706</u>	<u>\$ 257,570</u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
 REGIONAL OFFICE OF EDUCATION #2  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2006**

**NOTE 9: RISK MANAGEMENT**

The Regional Office of Education #2 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Regional Office of Education #2 has purchased commercial insurance to cover these risks. During the year ended June 30, 2006, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

**NOTE 10: ON-BEHALF PAYMENTS**

The State of Illinois pays the following salaries and benefits on behalf of Regional Office of Education #2:

Regional Superintendent Salary	\$	84,737
Regional Superintendent Fringe Benefits (Includes State paid insurance)		10,467
Assistant Regional Superintendent Salary		73,086
Assistant Regional Superintendent Fringe Benefits (Includes State paid insurance)		3,227
TRS Pension Contributions		<u>51,693</u>
 Total	 \$	 <u>223,210</u>

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

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

**NOTE 11: RECLASSIFICATION**

GASB Statement No. 34 eliminates the expendable trust as a type of fiduciary fund. For this reason, the School Director's Fund has been reclassified from a fiduciary fund - expendable trust to a general fund.

**NOTE 12: PRIOR PERIOD ADJUSTMENT**

Based on the physical inventory performed, the Regional Office of Education #2's beginning capital assets were understated by \$1,950. The Regional Office of Education #2 also had accumulated depreciation understated by \$254. The net prior period adjustment of these was \$1,696.

The balance in the compensated absences was included in the fund balance in prior year in error. To remove these balances from fund balance a prior period adjustment of \$39,530 was included.

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
 REGIONAL OFFICE OF EDUCATION #2  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2006**

**NOTE 12: PRIOR PERIOD ADJUSTMENT (CONCLUDED)**

Government-Wide – Statement of Activities

	<u>Governmental Activities</u>
Governmental Activities, Net Assets – July 1, 2005	\$ 1,137,990
Adjustment for fixed assets and accumulated depreciation omitted in prior year	1,696
Adjustment for accrued compensated absences	<u>(39,530)</u>
Governmental Activities, Net Assets, Restated – July 1, 2005	<u>\$ 1,100,156</u>

**REQUIRED SUPPLEMENTARY INFORMATION  
(Other than Management Discussion and Analysis)**

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF FUNDING PROGRESS  
For the Year Ended June 30, 2006**

**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)
12/31/05	1,031,346	1,125,739	94,393	91.62%	532,173	17.74%
12/31/04	938,432	1,056,810	118,378	88.80%	555,823	21.30%
12/31/03	1,016,694	984,451	(32,243)	103.28%	574,027	0.00%
12/31/02	980,314	888,761	(91,553)	110.30%	587,465	0.00%
12/31/01	875,855	767,361	(108,494)	114.14%	482,003	0.00%
12/31/00	846,593	755,913	(90,680)	112.00%	426,104	0.00%
12/31/99	682,746	631,986	(50,760)	108.03%	399,933	0.00%
12/31/98	472,711	534,803	62,092	88.39%	321,311	19.32%
12/31/97	343,914	447,813	103,899	76.80%	288,989	35.95%
12/31/96	485,264	538,556	53,284	90.11%	291,463	18.28%

On a market value basis, the actuarial value of assets as of December 31, 2005 is \$1,047,540. On a market basis, the funded ratio would be 93.05%.

Digest of Changes

*Assumptions*

The actuarial assumptions used to determine the actuarial accrued liability for 2005 are based on the 2002-2004 Experience Study.

The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For Regular members, fewer normal and early retirements are expected to occur.



**OTHER SUPPLEMENTAL INFORMATION**

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**GENERAL FUND**  
**June 30, 2006**

	ROE/ISC Operations	Office Fund	Director's Fund	TOTALS
<b>Assets</b>				
Cash	\$ -	\$ 59,961	\$ 167,766	\$ 227,727
Due from other funds	-	-	41,595	41,595
Due from other governmental units	-	113,320	-	113,320
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 173,281</b>	<b>\$ 209,361</b>	<b>\$ 382,642</b>
<b>Fund Balances</b>				
Unreserved	\$ -	\$ 173,281	\$ 209,361	\$ 382,642
<b>Total Fund Balances</b>	<b>\$ -</b>	<b>\$ 173,281</b>	<b>\$ 209,361</b>	<b>\$ 382,642</b>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**COMBINING SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GENERAL FUND ACCOUNTS**  
**For the Year Ended June 30, 2006**

	ROE/ISC Operation	Office Fund	Director's Fund	TOTALS
<b>Revenues:</b>				
Local sources	\$ -	\$ 89,419	\$ 10,763	\$ 100,182
State sources	59,409	-	-	59,409
State sources - payments made on behalf of region	223,210	-	-	223,210
Total Revenues	<u>282,619</u>	<u>89,419</u>	<u>10,763</u>	<u>382,801</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Salaries and benefits	58,233	31,562	36,441	126,236
Purchased services	1,237	4,967	23,514	29,718
Supplies and materials	-	5,885	4,243	10,128
Capital outlay	-	-	-	-
Payments made on behalf of region	223,210	-	-	223,210
Total Expenditures	<u>282,680</u>	<u>42,414</u>	<u>64,198</u>	<u>389,292</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(61)</u>	<u>47,005</u>	<u>(53,435)</u>	<u>(6,491)</u>
<b>Other Financing Sources:</b>				
Interest	61	453	24,722	25,236
Total Other Financing Sources	<u>61</u>	<u>453</u>	<u>24,722</u>	<u>25,236</u>
Net Change in Fund Balances	-	47,458	(28,713)	18,745
Fund Balances - Beginning	-	125,823	238,074	363,897
Fund Balances - Ending	<u>\$ -</u>	<u>\$ 173,281</u>	<u>\$ 209,361</u>	<u>\$ 382,642</u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the Period July 1, 2005 to June 30, 2006)**  
**GENERAL FUND ACCOUNTS**  
**ROE/ISC OPERATIONS**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 59,409	\$ 59,409	\$ 59,409
State sources - payments made on behalf of region	223,210	223,210	223,210
Total Revenues	<u>282,619</u>	<u>282,619</u>	<u>282,619</u>
Expenditures:			
Current:			
Salaries and benefits	57,260	57,260	58,233
Purchased services	2,149	2,149	1,237
Payments made on behalf of region	223,210	223,210	223,210
Total Expenditures	<u>282,619</u>	<u>282,619</u>	<u>282,680</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(61)</u>
Other Financing Sources (Uses):			
Interest	<u>-</u>	<u>-</u>	<u>61</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>61</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**EDUCATION FUND**  
**June 30, 2006**

	Adult Education	Area 6 South Tech Hub	Athletes & Asthma Grant	Cairo Community Education Center	Community Health	DCEO Eliminate the Digital Divide
<b>Assets</b>						
Cash	\$ 215,246	\$ -	\$ -	\$ 4	\$ 8,593	\$ 12,726
Due from other funds	-	-	-	-	-	-
Due from other governmental units	-	20,235	-	22,083	-	-
<b>Total Assets</b>	<b>\$ 215,246</b>	<b>\$ 20,235</b>	<b>\$ -</b>	<b>\$ 22,087</b>	<b>\$ 8,593</b>	<b>\$ 12,726</b>
<b>Liabilities</b>						
Due to other funds	\$ -	\$ 20,235	\$ -	\$ 5,025	\$ -	\$ -
Due to other government units	-	-	-	-	-	-
Deferred revenue	11,873	-	-	-	8,593	12,726
<b>Total Liabilities</b>	<b>11,873</b>	<b>20,235</b>	<b>-</b>	<b>5,025</b>	<b>8,593</b>	<b>12,726</b>
<b>Fund Balances</b>						
Reserved	203,373	-	-	17,062	-	-
<b>Total Fund Balances</b>	<b>203,373</b>	<b>-</b>	<b>-</b>	<b>17,062</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 215,246</b>	<b>\$ 20,235</b>	<b>\$ -</b>	<b>\$ 22,087</b>	<b>\$ 8,593</b>	<b>\$ 12,726</b>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**EDUCATION FUND**  
**June 30, 2006**

	DHS/SIH Kids in School	Even Start	Federal Special Education I.D.E.A. Discretionary (FY 2005)	Flexible Funding for Wraparound Plans	Focus of So. Illinois Meth Grant	General State Aid
<b>Assets</b>						
Cash	\$ 1,825	\$ 20,410	\$ -	\$ 24,780	\$ 5,733	\$ 438,676
Due from other funds	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	9,172
<b>Total Assets</b>	<b>\$ 1,825</b>	<b>\$ 20,410</b>	<b>\$ -</b>	<b>\$ 24,780</b>	<b>\$ 5,733</b>	<b>\$ 447,848</b>
<b>Liabilities</b>						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other government units	-	-	-	-	-	-
Deferred revenue	1,825	20,410	-	24,780	5,733	-
<b>Total Liabilities</b>	<b>1,825</b>	<b>20,410</b>	<b>-</b>	<b>24,780</b>	<b>5,733</b>	<b>-</b>
<b>Fund Balances</b>						
Reserved	-	-	-	-	-	447,848
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>447,848</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,825</b>	<b>\$ 20,410</b>	<b>\$ -</b>	<b>\$ 24,780</b>	<b>\$ 5,733</b>	<b>\$ 447,848</b>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**EDUCATION FUND**  
**June 30, 2006**

	IASA Job Bank	McKinney Education for Homeless Children	Mathematics and Science Partnerships (FY 2006)	Mathematics and Science Partnerships (FY 2005)	Other State Programs	Regional Safe Schools
<b>Assets</b>						
Cash	\$ -	\$ -	\$ 85,369	\$ -	\$ 49,019	\$ -
Due from other funds	-	-	-	-	-	-
Due from other governmental units	-	265	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 265</b>	<b>\$ 85,369</b>	<b>\$ -</b>	<b>\$ 49,019</b>	<b>\$ -</b>
<b>Liabilities</b>						
Due to other funds	\$ -	\$ 265	\$ -	\$ -	\$ -	\$ -
Due to other government units	-	-	-	-	-	-
Deferred revenue	-	-	85,369	-	49,019	-
<b>Total Liabilities</b>	<b>-</b>	<b>265</b>	<b>85,369</b>	<b>-</b>	<b>49,019</b>	<b>-</b>
<b>Fund Balances</b>						
Reserved	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 265</b>	<b>\$ 85,369</b>	<b>\$ -</b>	<b>\$ 49,019</b>	<b>\$ -</b>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**EDUCATION FUND**  
**June 30, 2006**

	Secretary of State Community Literacy	Service Fund	SIDEZ Lewis & Clark Grant	SIUC SITQC	Standards Aligned Classroom	Summer Bridges
<b>Assets</b>						
Cash	\$ 425	\$ 5,156	\$ 254	\$ 5,747	\$ 1,114	\$ 4,040
Due from other funds	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 425</b>	<b>\$ 5,156</b>	<b>\$ 254</b>	<b>\$ 5,747</b>	<b>\$ 1,114</b>	<b>\$ 4,040</b>
<b>Liabilities</b>						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other government units	-	-	-	-	-	-
Deferred revenue	425	525	254	5,747	1,114	4,040
<b>Total Liabilities</b>	<b>425</b>	<b>525</b>	<b>254</b>	<b>5,747</b>	<b>1,114</b>	<b>4,040</b>
<b>Fund Balances</b>						
Reserved	-	4,631	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>4,631</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 425</b>	<b>\$ 5,156</b>	<b>\$ 254</b>	<b>\$ 5,747</b>	<b>\$ 1,114</b>	<b>\$ 4,040</b>



**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**EDUCATION FUND**  
**June 30, 2006**

	System of Support		System of Support		Technology Enhancing Education		Title I Reading First Part B		Title I Reading First Part B	
	Other State Programs	Title I - School Improvement and Accountability	Teacher Quality Leadership Grant	SEA Funds (05-4337-00)	SEA Funds (05-4337-01)	SEA Funds (05-4337-00)	SEA Funds (05-4337-01)	SEA Funds (05-4337-00)	SEA Funds (05-4337-01)	
<b>Assets</b>										
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities</b>										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other government units	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balances Reserved</b>										
Total Fund Balances	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**EDUCATION FUND**  
**June 30, 2006**

	Title I Reading First Part B SEA Funds (05-4337-02)	Title I Reading First Part B SEA Funds (05-4337-04)	Title I Reading First Part B SEA Funds (06-4337-00)	Title I Reading First Part B SEA Funds (06-4337-01)	Title I Reading First Part B SEA Funds (06-4337-02)	Title I Reading First Part B SEA Funds (06-4337-04)
<b>Assets</b>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ 1,760	\$ -
Due from other funds	-	-	-	-	2,616	-
Due from other governmental units	-	-	-	2,616	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,616</b>	<b>\$ 4,376</b>	<b>\$ -</b>
<b>Liabilities</b>						
Due to other funds	\$ -	\$ -	\$ -	\$ 2,616	\$ -	\$ -
Due to other government units	-	-	-	-	-	-
Deferred revenue	-	-	-	-	4,376	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,616</b>	<b>4,376</b>	<b>-</b>
<b>Fund Balances</b>						
Reserved	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,616</b>	<b>\$ 4,376</b>	<b>\$ -</b>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**EDUCATION FUND**  
**June 30, 2006**

	Title I School Improvement and Accountability	Title II Teacher Quality	Title II Teacher Quality Leadership	Title IV Community Service	Title IV Safe & Drug Free Schools Formula	Title V Innovative Programs Formula
<b>Assets</b>						
Cash	\$ 305,876	\$ -	\$ 17,962	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 305,876</b>	<b>\$ -</b>	<b>\$ 17,962</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities</b>						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other government units	-	-	-	-	-	-
Deferred revenue	305,876	-	17,962	-	-	-
<b>Total Liabilities</b>	<b>305,876</b>	<b>-</b>	<b>17,962</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>						
Reserved	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 305,876</b>	<b>\$ -</b>	<b>\$ 17,962</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**EDUCATION FUND**  
**June 30, 2006**

	Title V Innovative Programs SEA Projects	Truants Alternative/ Optional Education	Truants Grant Family Counseling Center	Walmart Grant	Workforce Investment Act	Total
Assets						
Cash	\$ -	\$ -	\$ -	\$ 1,250	\$ -	\$ 1,205,965
Due from other funds	-	-	-	-	-	2,616
Due from other governmental units	-	-	-	-	16,070	70,441
Total Assets	\$ -	\$ -	\$ -	\$ 1,250	\$ 16,070	\$ 1,279,022
Liabilities						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 16,070	\$ 44,211
Due to other government units	-	-	-	-	-	-
Deferred revenue	-	-	-	1,250	-	561,897
Total Liabilities	-	-	-	1,250	16,070	606,108
Fund Balances						
Reserved	-	-	-	-	-	672,914
Total Fund Balances	-	-	-	-	-	672,914
Total Liabilities and Fund Balances	\$ -	\$ -	\$ -	\$ 1,250	\$ 16,070	\$ 1,279,022

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**COMBINING SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**EDUCATION FUND ACCOUNTS**  
**For the Year Ended June 30, 2006**

	Adult Education	Area 6 South Tech Hub	Athletes & Asthma Grant	Cairo Community Education Center	Community Health	DCEO Eliminate the Digital Divide
<b>Revenues</b>						
Local sources	\$ 93,089	-	\$ -	\$ 103,550	-	\$ -
State sources	335,617	24,128	1,510	-	-	32,501
Federal sources	258,908	-	-	-	-	-
<b>Total Revenues</b>	<b>687,614</b>	<b>24,128</b>	<b>1,510</b>	<b>103,550</b>	<b>-</b>	<b>32,501</b>
<b>Expenditures</b>						
Salaries and benefits	511,592	16,334	-	14,318	-	31,516
Purchased services	81,754	4,156	1,510	72,019	-	1,126
Supplies and materials	81,137	2,131	-	174	-	234
Capital outlay	26,701	1,507	-	-	-	-
Tuition	2,302	-	-	-	-	-
Payments to other government units	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>703,486</b>	<b>24,128</b>	<b>1,510</b>	<b>86,511</b>	<b>-</b>	<b>32,876</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(15,872)</b>	<b>-</b>	<b>-</b>	<b>17,039</b>	<b>-</b>	<b>(375)</b>
<b>Other Financing Sources:</b>						
Interest	4,546	-	-	23	-	375
<b>Total Other Financing Sources</b>	<b>4,546</b>	<b>-</b>	<b>-</b>	<b>23</b>	<b>-</b>	<b>375</b>
<b>Net Change in Fund Balance</b>	<b>(11,326)</b>	<b>-</b>	<b>-</b>	<b>17,062</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - Beginning</b>	<b>214,699</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 203,373</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,062</b>	<b>\$ -</b>	<b>\$ -</b>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**COMBINING SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**EDUCATION FUND ACCOUNTS**  
**For the Year Ended June 30, 2006**

	DHS/SIH Kids in School	Even Start	Federal Special Education I.D.E.A. Discretionary (FY 2005)	Flexible Funding for Wraparound Plans	Focus of So. Illinois Meth Grant	General State Aid
<b>Revenues</b>						
Local sources	\$ -	-	\$ -	\$ 1,000	-	\$ 42,962
State sources	-	-	-	-	-	364,632
Federal sources	-	92,278	19,331	6,425	-	14,989
<b>Total Revenues</b>	<b>-</b>	<b>92,278</b>	<b>19,331</b>	<b>7,425</b>	<b>-</b>	<b>422,583</b>
<b>Expenditures</b>						
Salaries and benefits	-	70,898	6,469	-	-	87,539
Purchased services	-	11,255	10,965	1,903	-	85,949
Supplies and materials	-	10,125	1,297	-	-	34,333
Capital outlay	-	-	600	-	-	-
Tuition	-	-	-	-	-	-
Payments to other government units	-	-	-	5,522	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>92,278</b>	<b>19,331</b>	<b>7,425</b>	<b>-</b>	<b>207,821</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>214,762</b>
<b>Other Financing Sources:</b>						
Interest	-	-	-	-	-	2,758
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,758</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>217,520</b>
<b>Fund Balance - Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>230,328</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 447,848</b>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
COMBINING SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2006**

	IASA Job Bank	McKinney Education for Homeless Children	Mathematics and Science Partnerships (FY 2006)	Mathematics and Science Partnerships (FY 2005)	Other State Programs	Regional Safe Schools
<b>Revenues</b>						
Local sources	\$ 2,275	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	151,156	113,129
Federal sources	-	21,810	74,224	129,955	-	-
<b>Total Revenues</b>	<b>2,275</b>	<b>21,810</b>	<b>74,224</b>	<b>129,955</b>	<b>151,156</b>	<b>113,129</b>
<b>Expenditures</b>						
Salaries and benefits	-	19,526	7,253	4,302	24,025	92,904
Purchased services	2,275	1,044	54,527	122,897	22,165	10,592
Supplies and materials	-	1,240	12,444	2,756	1,303	9,702
Capital outlay	-	-	-	-	-	-
Tuition	-	-	-	-	-	-
Payments to other government units	-	-	-	-	103,663	-
<b>Total Expenditures</b>	<b>2,275</b>	<b>21,810</b>	<b>74,224</b>	<b>129,955</b>	<b>151,156</b>	<b>113,198</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(69)</b>
<b>Other Financing Sources:</b>						
Interest	-	-	-	-	-	69
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**COMBINING SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**EDUCATION FUND ACCOUNTS**  
**For the Year Ended June 30, 2006**

	Secretary of State Community Literacy	Service Fund	SIDEZ Lewis & Clark Grant	SIUC SIQOC	Standards Aligned Classroom	Summer Bridges
<b>Revenues</b>						
Local sources	\$ -	\$ 1,025	\$ -	\$ 19,544	\$ -	\$ -
State sources	48,175	-	-	-	-	-
Federal sources	-	-	-	-	21,447	-
<b>Total Revenues</b>	<b>48,175</b>	<b>1,025</b>	<b>-</b>	<b>19,544</b>	<b>21,447</b>	<b>-</b>
<b>Expenditures</b>						
Salaries and benefits	28,510	-	-	-	13,270	-
Purchased services	18,738	2,275	-	19,544	7,581	-
Supplies and materials	927	-	-	-	596	-
Capital outlay	-	-	-	-	-	-
Tuition	-	-	-	-	-	-
Payments to other government units	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>48,175</b>	<b>2,275</b>	<b>-</b>	<b>19,544</b>	<b>21,447</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>-</b>	<b>(1,250)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Financing Sources:</b>						
Interest	-	49	-	-	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>(1,201)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - Beginning</b>	<b>-</b>	<b>5,832</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ 4,631</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**COMBINING SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**EDUCATION FUND ACCOUNTS**  
**For the Year Ended June 30, 2006**

	System of Support Other State Programs	System of Support Title I - School Improvement and Accountability	System of Support Title II Teacher Quality Leadership Grant	Technology Enhancing Education Competitive	Title I Reading First Part B SEA Funds (05-4337-00)	Title I Reading First Part B SEA Funds (05-4337-01)
<b>Revenues</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	114,629	-	-	-	-	-
Federal sources	-	589,803	47,344	15,640	1,368	13,207
<b>Total Revenues</b>	<b>114,629</b>	<b>589,803</b>	<b>47,344</b>	<b>15,640</b>	<b>1,368</b>	<b>13,207</b>
<b>Expenditures</b>						
Salaries and benefits	-	17,828	-	-	578	8,863
Purchased services	12,043	81,334	47,344	15,500	790	3,651
Supplies and materials	1,121	9,310	-	140	-	693
Capital outlay	-	-	-	-	-	-
Tuition	-	-	-	-	-	-
Payments to other government units	101,557	481,331	-	-	-	-
<b>Total Expenditures</b>	<b>114,721</b>	<b>589,803</b>	<b>47,344</b>	<b>15,640</b>	<b>1,368</b>	<b>13,207</b>
Excess (Deficiency) of Revenues Over Expenditures	(92)	-	-	-	-	-
Other Financing Sources:						
Interest	92	-	-	-	-	-
<b>Total Other Financing Sources</b>	<b>92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**COMBINING SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**EDUCATION FUND ACCOUNTS**  
**For the Year Ended June 30, 2006**

	Title I Reading First Part B SEA Funds (05-4337-02)	Title I Reading First Part B SEA Funds (06-4337-04)	Title I Reading First Part B SEA Funds (06-4337-00)	Title I Reading First Part B SEA Funds (06-4337-01)	Title I Reading First Part B SEA Funds (06-4337-02)	Title I Reading First Part B SEA Funds (06-4337-04)
<b>Revenues</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	13	47	16,348	56,077	18,508	41,190
Total Revenues	<u>13</u>	<u>47</u>	<u>16,348</u>	<u>56,077</u>	<u>18,508</u>	<u>41,190</u>
<b>Expenditures</b>						
Salaries and benefits	-	-	531	49,200	16,452	40,273
Purchased services	13	47	8,049	6,898	2,056	917
Supplies and materials	-	-	5,118	-	-	-
Capital outlay	-	-	2,650	-	-	-
Tuition	-	-	-	-	-	-
Payments to other government units	-	-	-	-	-	-
Total Expenditures	<u>13</u>	<u>47</u>	<u>16,348</u>	<u>56,098</u>	<u>18,508</u>	<u>41,190</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	(21)	-	-
<b>Other Financing Sources:</b>						
Interest	-	-	-	21	-	-
Total Other Financing Sources	-	-	-	<u>21</u>	-	-
Net Change in Fund Balance	-	-	-	-	-	-
Fund Balance - Beginning	-	-	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**COMBINING SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**EDUCATION FUND ACCOUNTS**  
**For the Year Ended June 30, 2006**

	Title I School Improvement and Accountability	Title II Teacher Quality	Title II Teacher Quality Leadership	Title IV Community Service	Title IV Safe & Drug Free Schools Formula	Title V Innovative Programs Formula
<b>Revenues</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	504,125	1,055	39,766	90,000	168	173
<b>Total Revenues</b>	<u>504,125</u>	<u>1,055</u>	<u>39,766</u>	<u>90,000</u>	<u>168</u>	<u>173</u>
<b>Expenditures</b>						
Salaries and benefits	101,183	-	-	2,912	-	-
Purchased services	400,287	-	39,766	58,220	-	-
Supplies and materials	2,655	1,055	-	28,868	168	173
Capital outlay	-	-	-	-	-	-
Tuition	-	-	-	-	-	-
Payments to other government units	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>504,125</u>	<u>1,055</u>	<u>39,766</u>	<u>90,000</u>	<u>168</u>	<u>173</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	-	-	-	-	-
<b>Other Financing Sources:</b>						
Interest	-	-	-	-	-	-
<b>Total Other Financing Sources</b>	-	-	-	-	-	-
<b>Net Change in Fund Balance</b>	-	-	-	-	-	-
<b>Fund Balance - Beginning</b>	-	-	-	-	-	-
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**COMBINING SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**EDUCATION FUND ACCOUNTS**  
**For the Year Ended June 30, 2006**

	Title V Innovative Programs SEA Projects	Truants Alternative/ Optional Education	Truants Grant Family Counseling Center	Walmart Grant	Workforce Investment Act	Total
Revenues						
Local sources	\$ -	\$ -	\$ 25,000	\$ 750	\$ -	\$ 289,195
State sources	-	137,003	-	-	-	1,322,480
Federal sources	10,659	-	-	-	65,000	2,149,858
Total Revenues	<u>10,659</u>	<u>137,003</u>	<u>25,000</u>	<u>750</u>	<u>65,000</u>	<u>3,761,533</u>
Expenditures						
Salaries and benefits	-	108,049	24,106	-	45,261	1,343,692
Purchased services	2,297	21,886	894	-	16,195	1,250,462
Supplies and materials	5,413	7,236	-	750	3,544	224,643
Capital outlay	2,949	-	-	-	-	34,407
Tuition	-	-	-	-	-	2,302
Payments to other government units	-	-	-	-	-	692,073
Total Expenditures	<u>10,659</u>	<u>137,171</u>	<u>25,000</u>	<u>750</u>	<u>65,000</u>	<u>3,547,579</u>
Excess (Deficiency) of Revenues Over Expenditures	-	(168)	-	-	-	213,954
Other Financing Sources:						
Interest	-	168	-	-	-	8,101
Total Other Financing Sources	-	<u>168</u>	-	-	-	<u>8,101</u>
Net Change in Fund Balance	-	-	-	-	-	222,055
Fund Balance - Beginning	-	-	-	-	-	450,859
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ <u>672,914</u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**EDUCATION FUND**  
**ADULT EDUCATION PROGRAMS**  
**June 30, 2006**

	Federal Basic	General Revenue	Performance	Public Assistance	State 3-1	Total
<b>Assets</b>						
Cash and Cash Equivalents	\$ -	\$ 215,246	\$ -	\$ -	\$ -	\$ 215,246
Total Assets	\$ -	\$ 215,246	\$ -	\$ -	\$ -	\$ 215,246
<b>Liabilities</b>						
Deferred revenue	\$ -	\$ 11,873	\$ -	\$ -	\$ -	\$ 11,873
Fund Balances Reserved		203,373				203,373
Total Liabilities and Fund Balances	\$ -	\$ 215,246	\$ -	\$ -	\$ -	\$ 215,246

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**EDUCATION FUND ACCOUNTS**  
**ADULT EDUCATION PROGRAMS**  
**For the Year Ended June 30, 2006**

	Federal Basic	General Revenue	Performance	Public Assistance	State 3-1	Total
<b>Revenues</b>						
Local sources	\$ -	\$ 93,089	\$ -	\$ -	\$ -	\$ 93,089
State sources	-	-	49,043	38,425	248,149	335,617
Federal sources	258,908	-	-	-	-	258,908
<b>Total Revenues</b>	<b>258,908</b>	<b>93,089</b>	<b>49,043</b>	<b>38,425</b>	<b>248,149</b>	<b>687,614</b>
<b>Expenditures</b>						
Salaries and benefits	187,995	79,002	2,845	28,718	213,032	511,592
Purchased services	14,508	11,910	15,213	5,261	34,862	81,754
Supplies and materials	34,990	18,049	23,397	4,446	255	81,137
Capital outlay	21,415	-	5,286	-	-	26,701
Tuition	-	-	2,302	-	-	2,302
<b>Total Expenditures</b>	<b>258,908</b>	<b>108,961</b>	<b>49,043</b>	<b>38,425</b>	<b>248,149</b>	<b>703,486</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>-</b>	<b>(15,872)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,872)</b>
<b>Other Financing Sources:</b>						
Interest	-	4,546	-	-	-	4,546
<b>Total Other Financing Sources</b>	<b>-</b>	<b>4,546</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,546</b>
<b>Net Changes in Fund Balances</b>	<b>-</b>	<b>(11,326)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,326)</b>
<b>Fund Balances - Beginning</b>	<b>-</b>	<b>214,699</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>214,699</b>
<b>Fund Balances - Ending</b>	<b>\$ -</b>	<b>\$ 203,373</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 203,373</b>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**ADULT EDUCATION - FEDERAL BASIC**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 258,908	\$ 258,908	\$ 258,908
Total Revenues	<u>258,908</u>	<u>258,908</u>	<u>258,908</u>
Expenditures:			
Current:			
Salaries and benefits	218,788	218,788	187,995
Purchased services	21,008	21,008	14,508
Supplies and materials	19,112	19,112	34,990
Capital outlay	-	-	21,415
Total Expenditures	<u>258,908</u>	<u>258,908</u>	<u>258,908</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
 REGIONAL OFFICE OF EDUCATION #2  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 ADULT EDUCATION - PERFORMANCE  
 For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 49,043	\$ 49,043	\$ 49,043
Total Revenues	49,043	49,043	49,043
Expenditures:			
Current:			
Salaries and benefits	4,272	4,272	2,845
Purchased services	2,142	2,142	15,213
Supplies and materials	42,629	42,629	23,397
Capital outlay	-	-	5,286
Tuition	-	-	2,302
Total Expenditures	49,043	49,043	49,043
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -



**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**ADULT EDUCATION - PUBLIC ASSISTANCE**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 38,425	\$ 38,425	\$ 38,425
Total Revenues	<u>38,425</u>	<u>38,425</u>	<u>38,425</u>
Expenditures:			
Current:			
Salaries and benefits	37,021	37,021	28,718
Purchased services	1,404	1,404	5,261
Supplies and materials	<u>-</u>	<u>-</u>	<u>4,446</u>
Total Expenditures	<u>38,425</u>	<u>38,425</u>	<u>38,425</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
 REGIONAL OFFICE OF EDUCATION #2  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 ADULT EDUCATION - STATE 3-1  
 For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 248,149	\$ 248,149	\$ 248,149
Total Revenues	<u>248,149</u>	<u>248,149</u>	<u>248,149</u>
Expenditures:			
Current:			
Salaries and benefits	212,722	212,722	213,032
Purchased services	35,427	35,427	34,862
Supplies and materials	<u>-</u>	<u>-</u>	<u>255</u>
Total Expenditures	<u>248,149</u>	<u>248,149</u>	<u>248,149</u>
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**AREA 6 SOUTH TECH HUB**  
**For the Year Ended June 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues:			
State sources	\$ 24,128	\$ 24,128	\$ 24,128
Total Revenues	<u>24,128</u>	<u>24,128</u>	<u>24,128</u>
Expenditures:			
Current:			
Salaries and benefits	16,590	16,590	16,334
Purchased services	4,883	4,883	4,156
Supplies and materials	1,155	1,155	2,131
Capital outlay	<u>1,500</u>	<u>1,500</u>	<u>1,507</u>
Total Expenditures	<u>24,128</u>	<u>24,128</u>	<u>24,128</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the Period of February 1, 2005 to June 30, 2006)**  
**EDUCATION FUND ACCOUNTS**  
**DCEO - ELIMINATE THE DIGITAL DIVIDE**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 45,172	\$ 45,172	\$ 32,501
Total Revenues	45,172	45,172	32,501
Expenditures:			
Current:			
Salaries and benefits	34,559	34,559	31,516
Purchased services	4,106	4,106	1,126
Supplies and materials	1,690	1,690	234
Capital outlay	4,817	4,817	-
Total Expenditures	45,172	45,172	32,876
Excess (Deficiency) of Revenues Over Expenditures	-	-	(375)
Other Financing Sources (Uses):			
Interest	-	-	375
Total Other Financing Sources (Uses)	-	-	375
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**EVEN START**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 125,000	\$ 125,000	\$ 92,278
Total Revenues	125,000	125,000	92,278
Expenditures:			
Current:			
Salaries and benefits	102,759	76,949	70,898
Purchased services	11,701	20,641	11,255
Supplies and materials	10,540	27,410	10,125
Total Expenditures	125,000	125,000	92,278
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the period July 1, 2004 through June 30, 2005)**  
**EDUCATION FUND ACCOUNTS**  
**FEDERAL - SPECIAL EDUCATION - I.D.E.A. - DISCRETIONARY (FY2005)**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 766,328	\$ 766,328	\$ 19,331
Total Revenues	<u>766,328</u>	<u>766,328</u>	<u>19,331</u>
Expenditures:			
Current:			
Salaries and benefits	166,783	163,598	6,469
Purchased services	581,915	585,100	10,965
Supplies and materials	13,630	13,630	1,297
Capital outlay	<u>4,000</u>	<u>4,000</u>	<u>600</u>
Total Expenditures	<u>766,328</u>	<u>766,328</u>	<u>19,331</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**MCKINNEY EDUCATION FOR HOMELESS CHILDREN**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 21,810	\$ 21,810	\$ 21,810
Total Revenues	21,810	21,810	21,810
Expenditures:			
Current:			
Salaries and benefits	11,099	11,099	19,526
Purchased services	9,011	9,011	1,044
Supplies and materials	1,700	1,700	1,240
Total Expenditures	21,810	21,810	21,810
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the Period of October 3, 2005 to August 31, 2006)**  
**EDUCATION FUND ACCOUNTS**  
**MATHEMATICS AND SCIENCE PARTNERSHIPS (FY2006)**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 81,139	\$ 203,992	\$ 74,224
Total Revenues	<u>81,139</u>	<u>203,992</u>	<u>74,224</u>
Expenditures:			
Current:			
Salaries and benefits	7,049	17,342	7,253
Purchased services	52,890	165,450	54,527
Supplies and materials	21,200	21,200	12,444
Total Expenditures	<u>81,139</u>	<u>203,992</u>	<u>74,224</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
(For the Period of February 1, 2005 to August 31, 2005)  
**EDUCATION FUND ACCOUNTS**  
**MATHEMATICS AND SCIENCE PARTNERSHIPS (FY2005)**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 136,276	\$ 136,276	\$ 129,955
Total Revenues	136,276	136,276	129,955
Expenditures:			
Current:			
Salaries and benefits	4,076	4,076	4,302
Purchased services	132,200	126,200	122,897
Supplies and materials		6,000	2,756
Total Expenditures	136,276	136,276	129,955
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the Period of July 1, 2005 to August 31, 2006)**  
**EDUCATION FUND ACCOUNTS**  
**OTHER STATE PROGRAMS**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 200,000	\$ 200,000	\$ 151,156
Total Revenues	200,000	200,000	151,156
Expenditures:			
Current:			
Salaries and benefits	23,898	24,001	24,025
Purchased services	168,293	174,754	22,165
Supplies and materials	7,809	1,245	1,303
Payments to other governments	-	-	103,663
Total Expenditures	200,000	200,000	151,156
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**REGIONAL SAFE SCHOOLS**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 113,129	\$ 113,129	\$ 113,129
Total Revenues	113,129	113,129	113,129
Expenditures:			
Current:			
Salaries and benefits	98,476	97,679	92,904
Purchased services	8,509	8,012	10,592
Supplies and materials	6,144	7,438	9,702
Total Expenditures	113,129	113,129	113,198
Excess (Deficiency) of Revenues Over Expenditures	-	-	(69)
Other Financing Sources			
Interest	-	-	69
Total Other Financing Sources	-	-	69
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**SECRETARY OF STATE COMMUNITY LITERACY**  
**For the Year Ended June 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues:			
State sources	\$ 48,600	\$ 48,600	\$ 48,175
Total Revenues	<u>48,600</u>	<u>48,600</u>	<u>48,175</u>
Expenditures:			
Current:			
Salaries and benefits	30,958	29,246	28,510
Purchased services	17,300	18,512	18,738
Supplies and materials	<u>342</u>	<u>842</u>	<u>927</u>
Total Expenditures	<u>48,600</u>	<u>48,600</u>	<u>48,175</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**STANDARDS ALIGNED CLASSROOM**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 19,596	\$ 19,596	\$ 21,447
Total Revenues	19,596	19,596	21,447
Expenditures:			
Current:			
Salaries and benefits	13,377	13,377	13,270
Purchased services	5,719	5,719	7,581
Supplies and materials	500	500	596
Total Expenditures	19,596	19,596	21,447
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the Period of July 1, 2004 to August 31, 2005)**  
**EDUCATION FUND ACCOUNTS**  
**SYSTEM OF SUPPORT - OTHER STATE PROGRAMS**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 100,000	\$ 200,000	\$ 114,629
Total Revenues	100,000	200,000	114,629
Expenditures:			
Current:			
Salaries and benefits	46,636	23,727	-
Purchased services	51,863	173,312	12,043
Supplies and materials	1,501	2,961	1,121
Payments to other governments		-	101,557
Total Expenditures	100,000	200,000	114,721
Excess (Deficiency) of Revenues Over Expenditures	-	-	(92)
Other Financing Sources (Uses):			
Interest	-	-	92
Total Other Financing Sources (Uses)	-	-	92
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the Period of July 1, 2004 to August 31, 2005)**  
**EDUCATION FUND ACCOUNTS**  
**SYSTEM OF SUPPORT - TITLE I - SCHOOL IMPROVEMENT AND ACCOUNTABILITY**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 810,000	\$ 1,009,328	\$ 589,803
Total Revenues	<u>810,000</u>	<u>1,009,328</u>	<u>589,803</u>
Expenditures:			
Current:			
Salaries and benefits	-	69,918	17,828
Purchased services	775,548	904,958	81,334
Supplies and materials	34,452	34,452	9,310
Payments to Other Governmental Units			481,331
Total Expenditures	<u>810,000</u>	<u>1,009,328</u>	<u>589,803</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the Period of July 1, 2004 to August 31, 2005)**  
**EDUCATION FUND ACCOUNTS**  
**SYSTEM OF SUPPORT - TITLE II - TEACHER QUALITY - LEADERSHIP GRANT**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 70,000	\$ 102,814	\$ 47,344
Total Revenues	<u>70,000</u>	<u>102,814</u>	<u>47,344</u>
Expenditures:			
Current:			
Purchased services	<u>70,000</u>	<u>102,814</u>	<u>47,344</u>
Total Expenditures	<u>70,000</u>	<u>102,814</u>	<u>47,344</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
TECHNOLOGY ENHANCING EDUCATION COMPETITIVE  
For the Year Ended June 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues:			
Federal source	\$ 107,100	\$ 107,100	\$ 15,640
Total Revenues	<u>107,100</u>	<u>107,100</u>	<u>15,640</u>
Expenditures:			
Current:			
Purchased services	69,038	69,038	15,500
Supplies and materials	<u>38,062</u>	<u>38,062</u>	<u>140</u>
Total Expenditures	<u>107,100</u>	<u>107,100</u>	<u>15,640</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the Period of July 1, 2004 to August 31, 2005)**  
**EDUCATION FUND ACCOUNTS**  
**TITLE I - READING FIRST PART B SEA FUNDS (05-4337-00) (FY2005)**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal source	\$ 17,789	\$ 17,789	\$ 1,368
Total Revenues	<u>17,789</u>	<u>17,789</u>	<u>1,368</u>
Expenditures:			
Current:			
Salaries and benefits	12,885	12,885	578
Purchased services	<u>4,904</u>	<u>4,904</u>	<u>790</u>
Total Expenditures	<u>17,789</u>	<u>17,789</u>	<u>1,368</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the Period of July 1, 2004 to August 31, 2005)**  
**EDUCATION FUND ACCOUNTS**  
**TITLE I - READING FIRST PART B SEA FUNDS (05-4337-01) (FY2005)**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal source	\$ 150,000	\$ 150,000	\$ 13,207
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>13,207</u>
Expenditures:			
Current:			
Salaries and benefits	114,543	111,573	8,863
Purchased services	18,587	21,500	3,651
Supplies and materials	<u>16,870</u>	<u>16,927</u>	<u>693</u>
Total Expenditures	<u>150,000</u>	<u>150,000</u>	<u>13,207</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the Period of July 1, 2004 to August 31, 2005)**  
**EDUCATION FUND ACCOUNTS**  
**TITLE I - READING FIRST PART B SEA (05-4337-02) (FY2005)**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal source	\$ 25,487	\$ 27,495	\$ 13
Total Revenues	<u>25,487</u>	<u>27,495</u>	<u>13</u>
Expenditures:			
Current:			
Purchased services	11,000	13,008	13
Supplies and materials	<u>14,487</u>	<u>14,487</u>	<u>-</u>
Total Expenditures	<u>25,487</u>	<u>27,495</u>	<u>13</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the Period of July 1, 2004 to August 31, 2005)**  
**EDUCATION FUND ACCOUNTS**  
**TITLE I - READING FIRST PART B SEA FUNDS (05-4337-04) (FY2005)**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 21,300	\$ 21,300	\$ 47
Total Revenues	21,300	21,300	47
Expenditures:			
Current:			
Purchased services	5,095	5,095	47
Supplies and materials	16,205	16,205	-
Total Expenditures	21,300	21,300	47
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the Period of July 1, 2005 to August 31, 2006)**  
**EDUCATION FUND ACCOUNTS**  
**TITLE I - READING FIRST PART B SEA (06-4337-00) (FY2006)**  
**For the Year Ended June 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues:			
Federal source	\$ 16,348	\$ 16,348	\$ 16,348
Total Revenues	<u>16,348</u>	<u>16,348</u>	<u>16,348</u>
Expenditures:			
Current:			
Salaries and benefits	534	534	531
Purchased services	9,015	9,015	8,049
Supplies and materials	4,149	4,149	5,118
Capital outlay	<u>2,650</u>	<u>2,650</u>	<u>2,650</u>
Total Expenditures	<u>16,348</u>	<u>16,348</u>	<u>16,348</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the Period of July 1, 2005 to August 31, 2006)**  
**EDUCATION FUND ACCOUNTS**  
**TITLE I - READING FIRST PART B SEA (06-4337-01) (FY2006)**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal source	\$ 53,460	\$ 79,536	\$ 56,077
Total Revenues	<u>53,460</u>	<u>79,536</u>	<u>56,077</u>
Expenditures:			
Current:			
Salaries and benefits	49,073	66,200	49,200
Purchased services	4,387	13,336	6,898
Supplies and materials	-	-	-
Capital outlay	-	-	-
Total Expenditures	<u>53,460</u>	<u>79,536</u>	<u>56,098</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(21)</u>
Other Financing Sources (Uses):			
Interest	-	-	21
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>21</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**TITLE I - READING FIRST PART B SEA (06-4337-02) (FY2006)**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal source	\$ 25,054	\$ 25,054	\$ 18,508
Total Revenues	<u>25,054</u>	<u>25,054</u>	<u>18,508</u>
Expenditures:			
Current:			
Salaries and benefits	16,672	16,672	16,452
Purchased services	<u>8,382</u>	<u>8,382</u>	<u>2,056</u>
Total Expenditures	<u>25,054</u>	<u>25,054</u>	<u>18,508</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the Period of July 1, 2005 to August 31, 2006)**  
**EDUCATION FUND ACCOUNTS**  
**TITLE I - READING FIRST PART B SEA (06-4337-04) (FY2006)**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal source	\$ 41,190	\$ 41,190	\$ 41,190
Total Revenues	41,190	41,190	41,190
Expenditures:			
Current:			
Salaries and benefits	39,961	39,961	40,273
Purchased services	1,229	1,229	917
Total Expenditures	41,190	41,190	41,190
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**(For the Period of July 1, 2005 to August 31, 2006)**  
**EDUCATION FUND ACCOUNTS**  
**TITLE I - SCHOOL IMPROVEMENT AND ACCOUNTABILITY**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 810,000	\$ 810,000	\$ 504,125
Total Revenues	810,000	810,000	504,125
Expenditures:			
Current:			
Salaries and benefits	70,293	153,934	101,183
Purchased services	730,000	651,216	400,287
Supplies and materials	9,707	4,850	2,655
Total Expenditures	810,000	810,000	504,125
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
TITLE II - TEACHER QUALITY - LEADERSHIP GRANT  
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 70,000	\$ 70,000	\$ 39,766
Total Revenues	70,000	70,000	39,766
Expenditures:			
Current:			
Purchased services	70,000	70,000	39,766
Total Expenditures	70,000	70,000	39,766
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**(For the Period of January 3, 2005 to August 31, 2005)**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**TITLE IV - COMMUNITY SERVICE**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 90,000	\$ 90,000	\$ 90,000
Total Revenues	90,000	90,000	90,000
Expenditures:			
Current:			
Salaries and benefits	22,800	22,800	2,912
Purchased services	33,650	33,650	58,220
Supplies and materials	33,550	33,550	28,868
Total Expenditures	90,000	90,000	90,000
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**TITLE V - INNOVATIVE PROGRAMS SEA PROJECTS (FY2005)**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 50,000	\$ 50,000	\$ 10,659
Total Revenues	50,000	50,000	10,659
Expenditures:			
Current:			
Purchased services	32,400	32,400	2,297
Supplies and materials	7,100	7,100	5,413
Capital outlay	10,500	10,500	2,949
Total Expenditures	50,000	50,000	10,659
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATION FUND ACCOUNTS**  
**TRUANTS ALTERNATIVE/OPTIONAL EDUCATION**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 137,003	\$ 137,003	\$ 137,003
Total Revenues	<u>137,003</u>	<u>137,003</u>	<u>137,003</u>
Expenditures:			
Current:			
Salaries and benefits	126,604	115,604	108,049
Purchased services	6,820	15,869	21,886
Supplies and materials	<u>3,579</u>	<u>5,530</u>	<u>7,236</u>
Total Expenditures	<u>137,003</u>	<u>137,003</u>	<u>137,171</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(168)</u>
Other Financing Sources (Uses):			
Interest	<u>-</u>	<u>-</u>	<u>168</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>168</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
 REGIONAL OFFICE OF EDUCATION #2  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 WORKFORCE INVESTMENT ACT  
 For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 65,000	\$ 65,000	\$ 65,000
Total Revenues	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>
Expenditures:			
Current:			
Salaries and benefits	42,899	42,899	45,261
Purchased services	22,101	22,101	16,195
Supplies and materials	-	-	3,544
Total Expenditures	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2006**

	SPECIAL REVENUE FUNDS				Total Nonmajor Special Revenue Funds
	Institute	Bus Driver Permit	Supervisory	General Education Development	
Assets					
Cash	\$ 49,387	\$ 2,046	\$ -	\$ 602	\$ 52,035
Total Assets	\$ 49,387	\$ 2,046	\$ -	\$ 602	\$ 52,035
Liabilities:					
Deferred Revenue	\$ 10,210	\$ -	\$ -	\$ -	\$ 10,210
Fund Balances:					
Reserved	39,177	2,046	-	602	41,825
Total Liabilities and Fund Balances	\$ 49,387	\$ 2,046	\$ -	\$ 602	\$ 52,035



**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #2**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2006**

	SPECIAL REVENUE FUNDS				Total Nonmajor Special Revenue Funds
	Institute	Bus Driver Permit	Supervisory	General Education Development	
Revenue:					
Local sources	\$ 14,563	\$ 1,162	\$ -	\$ 5,714	\$ 21,439
State sources	-	720	5,000	-	5,720
Total Revenues	<u>14,563</u>	<u>1,882</u>	<u>5,000</u>	<u>5,714</u>	<u>27,159</u>
Expenditures:					
Current:					
Salaries and benefits	1,456	481	-	2,846	4,783
Purchased services	16,424	553	5,021	818	22,816
Supplies and materials	3,635	327	-	2,466	6,428
Capital outlay	2,832	-	-	-	2,832
Other objects	700	-	-	-	700
Total Expenditures	<u>25,047</u>	<u>1,361</u>	<u>5,021</u>	<u>6,130</u>	<u>37,559</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(10,484)</u>	<u>521</u>	<u>(21)</u>	<u>(416)</u>	<u>(10,400)</u>
Other Financing Sources:					
Interest	274	19	21	18	332
Total Other Financing Sources	<u>274</u>	<u>19</u>	<u>21</u>	<u>18</u>	<u>332</u>
Net Change in Fund Balances	(10,210)	540	-	(398)	(10,068)
Fund Balance - Beginning	<u>49,387</u>	<u>1,506</u>	<u>-</u>	<u>1,000</u>	<u>51,893</u>
Fund Balance - Ending	<u>\$ 39,177</u>	<u>\$ 2,046</u>	<u>\$ -</u>	<u>\$ 602</u>	<u>\$ 41,825</u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
 REGIONAL OFFICE OF EDUCATION #2  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 INSTITUTE FUNDS  
 June 30, 2006**

	Registration	Teacher's Institute	Total
Assets			
Cash	\$ 20,745	\$ 28,642	\$ 49,387
Total Assets	\$ 20,745	\$ 28,642	\$ 49,387
Liabilities			
Deferred Revenue	\$ -	\$ 10,210	\$ 10,210
Fund Balances			
Reserved	20,745	18,432	39,177
Total Liabilities and Fund Balances	\$ 20,745	\$ 28,642	\$ 49,387

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NONMAJOR SPECIAL REVENUE FUNDS  
INSTITUTE FUNDS  
For the Year Ended June 30, 2006**

	Registration	Teacher's Institute	Total
<b>Revenues</b>			
Local sources	\$ 10,605	\$ 3,958	\$ 14,563
Total Revenues	<u>10,605</u>	<u>3,958</u>	<u>14,563</u>
<b>Expenditures</b>			
Salaries and benefits	856	600	1,456
Purchased services	9,266	7,158	16,424
Supplies and materials	3,179	456	3,635
Capital Outlay	2,832	-	2,832
Other Objects	700	-	700
Total Expenditures	<u>16,833</u>	<u>8,214</u>	<u>25,047</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(6,228)</u>	<u>(4,256)</u>	<u>(10,484)</u>
<b>Other Financing Sources:</b>			
Interest	274	-	274
Total Other Financing Sources	<u>274</u>	<u>-</u>	<u>274</u>
Net Change in Fund Balances	(5,954)	(4,256)	(10,210)
Fund Balance - Beginning	<u>26,699</u>	<u>22,688</u>	<u>49,387</u>
Fund Balance - Ending	<u>\$ 20,745</u>	<u>\$ 18,432</u>	<u>\$ 39,177</u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
 REGIONAL OFFICE OF EDUCATION #2  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2006**

	<u>Balance 7/1/2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2006</u>
<u>Distributive Fund</u>				
Assets				
Cash	\$ 314,627	\$ 57,986,765	\$ 58,297,908	\$ 3,484
Due from ISBE	188,827	1,412,830		1,601,657
Total Assets	<u>\$ 503,454</u>	<u>\$ 59,399,595</u>	<u>\$ 58,297,908</u>	<u>\$ 1,605,141</u>
Liabilities				
Due to other governmental units	<u>\$ 503,454</u>	<u>\$ 59,399,595</u>	<u>\$ 58,297,908</u>	<u>\$ 1,605,141</u>
Total Liabilities	<u>\$ 503,454</u>	<u>\$ 59,399,595</u>	<u>\$ 58,297,908</u>	<u>\$ 1,605,141</u>

ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
 REGIONAL OFFICE OF EDUCATION #2  
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES  
 DISTRIBUTIVE FUND  
 For the Year Ended June 30, 2006

DISTRIBUTIONS	Acct. No.	Total	1 Cairo SD #1	2 Egyptian CUSD 5	3 Goreville CUD 1	4 New Simpson Hill CD 32
<b>Local Funds</b>						
Distributive Fund Interest	1510	\$ 26,312	\$	\$	\$	\$
Total Local Funds		<u>26,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>State Funds</b>						
General State Aid - Sec. 18-8	3001	36,307,060	4,575,147	2,856,762	1,595,053	1,101,340
General State Aid - Hold Harmless	3002	596,105				
Transition Assistance	3099	102,765		84,287		
Sp. Ed. - Private Facility Tuition	3100	25,703			7,515	
Sp. Ed. - Extraordinary	3105	1,290,297	174,102	72,542	65,552	48,882
Sp. Ed. - Personnel	3110	1,293,585	118,397	71,400	51,194	20,140
Sp. Ed. - Orphanage - Individual	3120	220,670	6,723		20,220	
Sp. Ed. - Summer School	3145	732				
Bilingual Ed. - Downstate - TBE	3310	36,791				
State Free Lunch & Breakfast	3360	159,990	26,722	9,724	6,021	3,928
School Breakfast Incentive	3365	6,668	94	197	73	34
Driver Education	3370	98,218	5,052	6,752	5,701	
Transportation - Regular	3500	1,984,090	147,637	185,862	175,587	90,205
Transportation - Vocational	3505	18,305				
Transportation - Special Education	3510	600,791	44,723		6,862	450
ROE School Bus Driver Training	3520	720				
Truants Alternative/Operational Ed.	3695	185,438	48,435			
Regional Safe Schools Program	3696	114,865				
Early Childhood - State Preschool At Risk	3705	2,958,296	328,764	341,907	153,301	109,950
K-6 Reading Improvement	3715	409,470	45,972	27,627	29,914	12,943
ROE/ESC Operations	3730	59,409				
Supervisory Expense	3745	5,000				
ADA Safety & Education Block Grant	3775	297,682	21,481	18,134	18,394	8,618
Summer Bridges Program	3825	51,150	51,150			
Education Facilities Grant	3999	370,040				
Total State Funds		<u>47,193,840</u>	<u>5,594,399</u>	<u>3,675,194</u>	<u>2,135,387</u>	<u>1,396,490</u>
<b>Federal Funds</b>						
Forest Reserve	4001	10,965	126	2,390	260	1,554
Title VI - Formula	4100	55,966	3,859	4,306	1,970	847
Title V - System of Support	4101	1,958				
Title V - Inn Program - SEA Projects	4105	2,985				
Title VI - Rural Education Init.	4107	48,457	10,473	19,762		
National School Lunch Program	4210	1,755,900	239,056	110,301	68,072	46,155
School Breakfast Program	4220	721,252	131,598	47,200	21,413	15,101
IASA - Title I - Low Income	4300	3,505,626	680,874	375,783	94,549	47,993
IASA - Title I - School Improvement	4331	944,908				
IASA - Title I - School Reform	4332	454,491	115,382	86,000		
Title I - Reading First	4334	266,424	139,979			
IASA - Even Start	4335	121,083				
Illinois Reading First	4337	90,934				
IASA - Drug Free Schools - Formula	4400	75,243	8,680	6,605	3,021	1,472
Title IV - 21 Century CLC	4421	94,500		94,500		
Fed. - Sp. Ed. - Pre-School Flow Through	4600	111,621				
Fed. - Sp. Ed. - IDEA - Flow Through	4620	1,543,430				
Fed. - Sp. Ed. - IDEA - Room & Board	4625	74,493	104	2,141		
Fed. Sp. Ed. - IDEA - Discretionary	4630	31,878				
IDEA Improvement Grant	4631	26,431				
Title II - Teacher Quality	4932	747,043	113,374	72,286	28,399	16,292
IASA - Title II - Teacher Quality - Leadership	4935	91,012				
Math & Science Partnerships	4936	225,869				
Technology Enhancing Education - Formula	4971	64,044	9,227	6,052	2,002	889
Technology Enhancing Tech - Comp	4972	6,243		6,243		
Hurricane Emergency Relief	4995	5,000				
Total Federal Funds		<u>11,077,756</u>	<u>1,452,732</u>	<u>833,569</u>	<u>219,686</u>	<u>130,303</u>
<b>TOTAL DISTRIBUTIONS</b>		<u>\$ 58,297,908</u>	<u>\$ 7,047,131</u>	<u>\$ 4,508,763</u>	<u>\$ 2,355,073</u>	<u>\$ 1,526,793</u>

ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
 REGIONAL OFFICE OF EDUCATION #2  
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES  
 DISTRIBUTIVE FUND  
 For the Year Ended June 30, 2006

DISTRIBUTIONS	Acct. No.	5 Buncombe CSD	6 Vienna SD 55	7 Cypress School Dist. #64	9 Vienna High School Dist. 13-3	10 Massac UD 1
<b>Local Funds</b>						
Distributive Fund Interest	1510	\$	\$	\$	\$	\$
Total Local Funds		-	-	-	-	-
<b>State Funds</b>						
General State Aid - Sec. 18-8	3001	255,211		476,648	1,224,093	7,347,832
General State Aid - Hold Harmless	3002					
Transition Assistance	3099	1,275				
Sp. Ed. - Private Facility Tuition	3100					9,797
Sp. Ed. - Extraordinary	3105	7,722		29,290	7,812	352,708
Sp. Ed. - Personnel	3110	13,397		14,354	10,665	212,404
Sp. Ed. - Orphanage - Individual	3120	10,154			5,133	104,976
Sp. Ed. - Summer School	3145					418
Bilingual Ed. - Downstate - TBE	3310					
State Free Lunch & Breakfast	3360	1,297		1,934	2,643	27,764
School Breakfast Incentive	3365			171	215	249
Driver Education	3370				13,350	23,419
Transportation - Regular	3500	23,003		48,929	61,276	316,957
Transportation - Vocational	3505					
Transportation - Special Education	3510	2,900		4,800	15,093	178,260
ROE School Bus Driver Training	3520					
Truants Alternative/Operational Ed.	3695					
Regional Safe Schools Program	3696					
Early Childhood - State Preschool At Risk	3705			71,543		374,099
K-6 Reading Improvement	3715	4,263		6,006		81,825
ROE/ESC Operations	3730					
Supervisory Expense	3745					
ADA Safety & Education Block Grant	3775	2,205		3,389	11,796	71,693
Summer Bridges Program	3825					
Education Facilities Grant	3999			132,176		
Total State Funds		321,427	-	789,240	1,352,076	9,102,401
<b>Federal Funds</b>						
Forest Reserve	4001	165	553			361
Title VI - Formula	4100	264		349	1,141	13,244
Title V - System of Support	4101					
Title V - Inn Program - SEA Projects	4105				2,000	
Title VI - Rural Education Init.	4107					
National School Lunch Program	4210	12,835		24,783	37,333	341,701
School Breakfast Program	4220	6,940		9,953	14,554	117,375
IASA - Title I - Low Income	4300	39,082		91,739	61,738	395,339
IASA - Title I - School Improvement	4331					
IASA - Title I - School Reform	4332				50,000	96,628
Title I - Reading First	4334	126,000				
IASA - Even Start	4335					
Illinois Reading First	4337					
IASA - Drug Free Schools - Formula	4400	589		1,039	1,715	14,643
Title IV - 21 Century CLC	4421					
Fed. - Sp. Ed. - Pre-School Flow Through	4600					
Fed. - Sp. Ed. - IDEA - Flow Through	4620					
Fed. - Sp. Ed - IDEA - Room & Board	4625	240		905	3,066	66,973
Fed. Sp. Ed. - IDEA - Discretionary	4630					
IDEA Improvement Grant	4631					
Title II - Teacher Quality	4932	6,395		17,099	12,312	118,304
IASA - Title II - Teacher Quality - Leadership	4935					
Math & Science Partnerships	4936					
Technology Enhancing Education - Formula	4971	476		1,330	956	7,772
Technology Enhancing Tech - Comp	4972					
Hurricane Emergency Relief	4995				5,000	
Total Federal Funds		192,986	553	147,197	189,815	1,172,340
<b>TOTAL DISTRIBUTIONS</b>		<b>\$ 514,413</b>	<b>\$ 553</b>	<b>\$ 936,437</b>	<b>\$ 1,541,891</b>	<b>\$ 10,274,741</b>

ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
 REGIONAL OFFICE OF EDUCATION #2  
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES  
 DISTRIBUTIVE FUND  
 For the Year Ended June 30, 2006

DISTRIBUTIONS	Acct. No.	11 Joppa-Maple Grove UD 38	13 Century CUSD 100	14 Meridian CUSD #101	15 JAMP Special Ed. Services	16 Lick Creek CCSD #16
<b>Local Funds</b>						
Distributive Fund Interest	1510	\$	\$	\$	\$	\$
Total Local Funds		-	-	-	-	-
<b>State Funds</b>						
General State Aid - Sec. 18-8	3001	294,783	1,736,516	4,133,414		478,982
General State Aid - Hold Harmless	3002					
Transition Assistance	3099			1,114		16,089
Sp. Ed. - Private Facility Tuition	3100					
Sp. Ed. - Extraordinary	3105	6,855	49,563	184,767		1,969
Sp. Ed. - Personnel	3110	38,058	45,929	88,728	367,050	2,982
Sp. Ed. - Orphanage - Individual	3120		34,712	16,676		12,493
Sp. Ed. - Summer School	3145					
Bilingual Ed. - Downstate - TBE	3310					
State Free Lunch & Breakfast	3360	5,488	13,711	19,797	881	1,464
School Breakfast Incentive	3365	123	4,797	12		147
Driver Education	3370	2,077	3,116	7,790		
Transportation - Regular	3500	58,014	132,276	265,379		30,974
Transportation - Vocational	3505			18,305		
Transportation - Special Education	3510	31,408	71,835			1,986
ROE School Bus Driver Training	3520					
Truants Alternative/Operational Ed.	3695					
Regional Safe Schools Program	3696					
Early Childhood - State Preschool At Risk	3705	90,769	201,896	324,432		
K-6 Reading Improvement	3715	15,612	21,943	45,134		5,120
ROE/ESC Operations	3730					
Supervisory Expense	3745					
ADA Safety & Education Block Grant	3775	8,971	13,172	23,527		4,116
Summer Bridges Program	3825					
Education Facilities Grant	3999					
Total State Funds		552,158	2,329,466	5,129,075	367,931	556,322
<b>Federal Funds</b>						
Forest Reserve	4001					405
Title VI - Formula	4100	1,268	6,137	3,751		291
Title V - System of Support	4101					
Title V - Inn Program - SEA Projects	4105			985		
Title VI - Rural Education Init.	4107			18,222		
National School Lunch Program	4210	61,012	123,630	201,352	6,718	19,521
School Breakfast Program	4220	26,609	68,022	72,980	4,170	8,954
IASA - Title I - Low Income	4300	166,130	146,087	499,061		4,477
IASA - Title I - School Improvement	4331					
IASA - Title I - School Reform	4332			106,481		
Title I - Reading First	4334			445		
IASA - Even Start	4335					
Illinois Reading First	4337					
IASA - Drug Free Schools - Formula	4400	3,308	3,786	10,452		373
Title IV - 21 Century CLC	4421					
Fed. - Sp. Ed. - Pre-School Flow Through	4600				111,621	
Fed. - Sp. Ed. - IDEA - Flow Through	4620				1,543,430	
Fed. - Sp. Ed - IDEA - Room & Board	4625		660	132		
Fed. Sp. Ed. - IDEA - Discretionary	4630					
IDEA Improvement Grant	4631				26,431	
Title II - Teacher Quality	4932	31,244	36,299	109,919		9,406
IASA - Title II - Teacher Quality - Leadership	4935					
Math & Science Partnerships	4936					
Technology Enhancing Education - Formula	4971	3,379	3,051	11,645		160
Technology Enhancing Tech - Comp	4972					
Hurricane Emergency Relief	4995					
Total Federal Funds		292,950	387,672	1,035,425	1,692,370	43,587
<b>TOTAL DISTRIBUTIONS</b>		<b>\$ 845,108</b>	<b>\$ 2,717,138</b>	<b>\$ 6,164,500</b>	<b>\$ 2,060,301</b>	<b>\$ 599,909</b>

ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
 REGIONAL OFFICE OF EDUCATION #2  
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES  
 DISTRIBUTIVE FUND  
 For the Year Ended June 30, 2006

DISTRIBUTIONS	Acct. No.	17 Cobden SUD 17	18 Anna School Dist #37	19 Jonesboro CCSD #43	21 Anna-Jonesboro CHSD #81	22 Shawnee CUSD 84
<b>Local Funds</b>						
Distributive Fund Interest	1510	\$	\$	\$	\$	\$
Total Local Funds		-	-	-	-	-
<b>State Funds</b>						
General State Aid - Sec. 18-8	3001	2,922,223	2,627,385	1,707,489	1,907,137	707,527
General State Aid - Hold Harmless	3002					596,105
Transition Assistance	3099					
Sp. Ed. - Private Facility Tuition	3100	8,391				
Sp. Ed. - Extraordinary	3105	82,107	68,284	46,393	73,021	18,728
Sp. Ed. - Personnel	3110	47,976	88,007	31,921	25,268	45,715
Sp. Ed. - Orphanage - Individual	3120		7,776		1,807	
Sp. Ed. - Summer School	3145	314				
Bilingual Ed. - Downstate - TBE	3310	36,791				
State Free Lunch & Breakfast	3360	10,221	9,579	6,626	2,301	8,911
School Breakfast Incentive	3365	265		42	32	217
Driver Education	3370	7,011			17,222	6,728
Transportation - Regular	3500	128,379	22,906	89,519	42,418	164,769
Transportation - Vocational	3505					
Transportation - Special Education	3510	31,814	43,544	19,393	44,345	103,378
ROE School Bus Driver Training	3520					
Truants Alternative/Operational Ed.	3695					
Regional Safe Schools Program	3696					
Early Childhood - State Preschool At Risk	3705			961,635		
K-6 Reading Improvement	3715	25,467	41,917	22,042		23,685
ROE/ESC Operations	3730					
Supervisory Expense	3745					
ADA Safety & Education Block Grant	3775	22,160	22,456	13,372	18,506	15,692
Summer Bridges Program	3825					
Education Facilities Grant	3999					
Total State Funds		3,323,119	2,931,854	2,898,432	2,132,057	1,691,455
<b>Federal Funds</b>						
Forest Reserve	4001	1,339		698		3,114
Title VI - Formula	4100	11,262	2,673	721	1,599	2,111
Title V - System of Support	4101					
Title V - Inn Program - SEA Projects	4105					
Title VI - Rural Education Init.	4107					
National School Lunch Program	4210	133,452	117,315	67,386	30,852	99,437
School Breakfast Program	4220	36,376	45,683	35,841	8,463	50,020
IASA - Title I - Low Income	4300	167,226	301,045	108,799	109,353	216,351
IASA - Title I - School Improvement	4331					
IASA - Title I - School Reform	4332					
Title I - Reading First	4334					
IASA - Even Start	4335					
Illinois Reading First	4337					
IASA - Drug Free Schools - Formula	4400	4,252	7,423	1,801	2,916	3,000
Title IV - 21 Century CLC	4421					
Fed. - Sp. Ed. - Pre-School Flow Through	4600					
Fed. - Sp. Ed. - IDEA - Flow Through	4620					
Fed. - Sp. Ed. - IDEA - Room & Board	4625	56	97	119		
Fed. Sp. Ed. - IDEA - Discretionary	4630					
IDEA Improvement Grant	4631					
Title II - Teacher Quality	4932		77,335	27,505	28,026	41,793
IASA - Title II - Teacher Quality - Leadership	4935	28,364				
Math & Science Partnerships	4936					
Technology Enhancing Education - Formula	4971	2,953	6,564	1,973	2,036	3,579
Technology Enhancing Tech - Comp	4972					
Hurricane Emergency Relief	4995					
Total Federal Funds		385,280	558,135	244,843	183,245	419,405
<b>TOTAL DISTRIBUTIONS</b>		<b>\$ 3,708,399</b>	<b>\$ 3,489,989</b>	<b>\$ 3,143,275</b>	<b>\$ 2,315,302</b>	<b>\$ 2,110,860</b>



ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
 REGIONAL OFFICE OF EDUCATION #2  
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES  
 DISTRIBUTIVE FUND  
 For the Year Ended June 30, 2006

DISTRIBUTIONS	Acct. No.	34 Five County Vocational System	Janet Ulrich Regional Superintendent of Schools
<b>Local Funds</b>			
Distributive Fund Interest	1510	\$	\$ 26,312
<b>Total Local Funds</b>		-	<u>26,312</u>
<b>State Funds</b>			
General State Aid - Sec. 18-8	3001		359,518
General State Aid - Hold Harmless	3002		
Transition Assistance	3099		
Sp. Ed. - Private Facility Tuition	3100		
Sp. Ed. - Extraordinary	3105		
Sp. Ed. - Personnel	3110		
Sp. Ed. - Orphanage - Individual	3120		
Sp. Ed. - Summer School	3145		
Bilingual Ed. - Downstate - TBE	3310		
State Free Lunch & Breakfast	3360		978
School Breakfast Incentive	3365		
Driver Education	3370		
Transportation - Regular	3500		
Transportation - Vocational	3505		
Transportation - Special Education	3510		
ROE School Bus Driver Training	3520		720
Truants Alternative/Operational Ed.	3695		137,003
Regional Safe Schools Program	3696		114,865
Early Childhood - State Preschool At Risk	3705		
K-6 Reading Improvement	3715		
ROE/ESC Operations	3730		59,409
Supervisory Expense	3745		5,000
ADA Safety & Education Block Grant	3775		
Summer Bridges Program	3825		
Education Facilities Grant	3999	237,864	
<b>Total State Funds</b>		<u>237,864</u>	<u>677,493</u>
<b>Federal Funds</b>			
Forest Reserve	4001		
Title VI - Formula	4100		173
Title V - System of Support	4101	1,958	
Title V - Inn Program - SEA Projects	4105		
Title VI - Rural Education Init.	4107		
National School Lunch Program	4210		14,989
School Breakfast Program	4220		
IASA - Title I - Low Income	4300		
IASA - Title I - School Improvement	4331	944,908	
IASA - Title I - School Reform	4332		
Title I - Reading First	4334		
IASA - Even Start	4335		121,083
Illinois Reading First	4337		90,934
IASA - Drug Free Schools - Formula	4400		168
Title IV - 21 Century CLC	4421		
Fed. - Sp. Ed. - Pre-School Flow Through	4600		
Fed. - Sp. Ed. - IDEA - Flow Through	4620		
Fed. - Sp. Ed. - IDEA - Room & Board	4625		
Fed. Sp. Ed. - IDEA - Discretionary	4630		31,878
IDEA Improvement Grant	4631		
Title II - Teacher Quality	4932		1,055
IASA - Title II - Teacher Quality - Leadership	4935	62,648	
Math & Science Partnerships	4936		225,869
Technology Enhancing Education - Formula	4971		
Technology Enhancing Tech - Comp	4972		
Hurricane Emergency Relief	4995		
<b>Total Federal Funds</b>		<u>1,009,514</u>	<u>486,149</u>
<b>TOTAL DISTRIBUTIONS</b>		<u>\$ 1,247,378</u>	<u>\$ 1,189,954</u>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2006**

Federal Grantor/Pass-Through Grantor, Program or Cluster Title	CFDA Number	ISBE Project # (1st 8 digits) or Contract #	Federal Expenditures 7/1/05 - 6/30/06
<b>US DEPARTMENT OF EDUCATION</b>			
<b>Passed through Illinois Community College Board</b>			
Adult Education - Federal Basic	84.002	N/A	258,908
<b>Passed through Illinois State Board of Education</b>			
Even Start	84.213	06-4335-00	92,278
Federal Sp. Ed. - IDEA Discretionary	84.027	05-4630-00	19,331
(M) Title I - School Improvement & Accountability	84.010	05-4331-SS	589,803
(M) Title I - School Improvement & Accountability	84.010	06-4331-SS	504,125
<b>Total Title I - School Improvement &amp; Accountability</b>	<b>84.010</b>		<b>1,093,928</b>
Title I - Reading First Part B SEA Funds	84.357	05-4337-00	1,368
Title I - Reading First Part B SEA Funds	84.357	05-4337-01	13,229
Title I - Reading First Part B SEA Funds	84.357	05-4337-02	13
Title I - Reading First Part B SEA Funds	84.357	05-4337-04	47
Title I - Reading First Part B SEA Funds	84.357	06-4337-00	16,348
Title I - Reading First Part B SEA Funds	84.357	06-4337-01	56,098
Title I - Reading First Part B SEA Funds	84.357	06-4337-02	18,508
Title I - Reading First Part B SEA Funds	84.357	06-4337-04	41,190
<b>Total Title I - Reading First Part B SEA Funds</b>	<b>84.357</b>		<b>146,801</b>
Title II - Teacher Quality	84.367	06-4932-00	1,055
Title II - Teacher Quality - Leadership Grant	84.367	05-4935-SS	47,344
Title II - Teacher Quality - Leadership Grant	84.367	06-4935-SS	39,766
<b>Total Title II - Teacher Quality - Leadership Grant</b>	<b>84.367</b>		<b>87,110</b>
Title IV - Safe & Drug Free School Formula	84.184	06-4400-00	168
Title V - Innovative Programs - Formula	84.298	06-4100-00	173
Title V - Innovative Programs - SEA Projects	84.298	05-4105-SS	10,659
<b>Total Title V - Innovative Programs</b>	<b>84.298</b>		<b>10,832</b>
Mathematics & Science Partnership	84.366	05-4936-00	129,955
Mathematics & Science Partnership	84.366	06-4936-00	74,224
<b>Total Mathematics &amp; Science Partnership</b>	<b>84.366</b>		<b>204,179</b>
<b>Passed through Regional Office of Education #25</b>			
Standards Aligned Classroom	84.298A	05-4999-00	21,447
<b>Passed through Regional Office of Education #51</b>			
Title IV - Community Service Grant	84.184C	06-4420-00	90,000
<b>Passed through Regional Office of Education #21</b>			
McKinney Education for Homeless Children	84.196	05-4920-00	21,810
Technology Enhancing Education - Competitive	84.318X	05-4972-00	15,640
<b>TOTAL US DEPARTMENT OF EDUCATION</b>			<b>2,063,487</b>

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2006**

Federal Grantor/Pass-Through Grantor, Program or Cluster Title	CFDA Number	ISBE Project # (1st 8 digits) or Contract #	Federal Expenditures 7/1/05 - 6/30/06
<b>US DEPARTMENT OF AGRICULTURE</b>			
Passed through Illinois State Board of Education			
National School Lunch Program	10.555	05-4210-00	2,220
National School Lunch Program	10.555	06-4210-00	12,769
<b>Total National School Lunch Program</b>	10.555		14,989
<b>TOTAL US DEPARTMENT OF AGRICULTURE</b>			14,989
<b>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through Illinois Department of Child and Family Services			
Flexible Funding for Wraparound Plans	93.104	N/A	6,425
<b>TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			6,425
<b>US DEPARTMENT OF LABOR</b>			
Passed through Shawnee Development Council			
Workforce Investment Act	17.259	N/A	65,000
<b>TOTAL US DEPARTMENT OF LABOR</b>			65,000
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			2,149,901

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2006**

**NOTE 1: REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Regional Office of Education #2 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented on this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2: SUBRECIPIENTS**

Of the federal expenditures presented in the schedule, Regional Office of Education #2 provided federal awards to subrecipients as follows:

Program Title: Title I – School Improvement & Accountability  
Federal CFDA #: 84.010  
Amount provided to subrecipients: \$ 481,331

**NOTE 3: DESCRIPTION OF MAJOR FEDERAL PROGRAM**

*Title I – School Improvement and Accountability*

This program supports the improvement of basic programs operated by the Regional Office of Education #2 by providing professional development for data analysis, school improvement plan and development, Standards-Aligned curriculum and instruction, and classroom assessment to System of Support Status schools on the Academic Early Warning and Watch lists.

**ALEXANDER, JOHNSON, MASSAC, PULASKI, AND UNION COUNTIES  
REGIONAL OFFICE OF EDUCATION #2  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2006**

**NOTE 4: NON-CASH ASSISTANCE**

None

**NOTE 5: AMOUNT OF INSURANCE**

None

**NOTE 6: LOANS OR LOAN GUARANTEES OUTSTANDING**

None