

**State of Illinois
ST. CLAIR COUNTY
REGIONAL OFFICE OF EDUCATION #50
FINANCIAL AUDIT
(In Accordance with the Single Audit Act and
OMB Circular A-133)
For the Year Ended June 30, 2006**

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

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 TABLE OF CONTENTS
 FOR THE YEAR ENDED
 JUNE 30, 2006

TABLE OF CONTENTS

	<u>PAGE</u>
Officials.....	1
Compliance Report Summary.....	2-3
Financial Statement Report Summary	4

FINANCIAL SECTION

Independent Auditors' Report	5-6
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	7-8
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	9-10
Schedule of Findings and Questioned Costs	
Section I - Summary of Auditors' Results.....	11
Section II - Financial Statement Findings	12a-12b
Section III - Findings and Questioned Costs for Federal Awards.....	13
Corrective Action Plan for Current Year Audit Findings.....	14
Summary Schedule of Prior Audit Findings.....	15
Management's Discussion and Analysis.....	16a-16h

BASIC FINANCIAL STATEMENTS

Statement of Net Assets	17
Statement of Activities.....	18
Balance Sheet - Governmental Funds	19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	20
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.....	21

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Funds	22
Statement of Net Assets - Proprietary Funds	23
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Fund	24
Statement of Cash Flows - Proprietary Fund	25
Statement of Fiduciary Net Assets - Fiduciary Fund	26
Notes to the Financial Statements	27-49

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT DISCUSSION AND ANALYSIS**

Illinois Municipal Retirement Fund Schedule of Funding Progress	50
---	----

SUPPLEMENTAL INFORMATION

Combining Schedule of Accounts General Fund	51
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund Accounts	52
Combining Schedule of Accounts Education Fund	53-58
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Education Fund Accounts	59-64
Budgetary Comparison Schedule Education Fund	
McKinney Education for Homeless Children	65
Title I School Improvement and Accountability	66
Title II Teacher Quality - Leadership Grant	67
Truants Alternative Optional Education	68
Standards and Assessment Coordination and Services	69
Title I Reading First (04)	70
Adult Education Federal Basic	71
Adult Education State Basic	72
Adult Education State Performance	73
Adult Education Public Assistance	74
Metro East Consortium for Child Advocacy	75
Title I Reading First Regional Support (01)	76
Title I Reading First Academy (00)	77
Severns Summers Reading	78
Math Science Partnership ISBE	79

ROE School Services	80
Bilingual Education - Downstate - T.P.I.	81
Addiction Prevention in Touch	82
DHS/Office of Rehabilitation Services Transition	83
Adult Education English Literacy Civics	84
Urban League Youth Empowerment.....	85
Even Start	86
Family Literacy	87
Literacy and Superintendents Engaged in Reading.....	88
Early Childhood Block Grant (61).....	89
Old Man River Project	90
Federal Breakfast Start Up.....	91
Regional Safe Schools	92
State Breakfast Start Up.....	93
Jobs For Illinois Graduates	94
Federal Special Education Preschool Discretionary	95
Combining Balance Sheet	
Nonmajor Special Revenue Funds.....	96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	97
Combining Statement of Fiduciary Net Assets	
Agency Funds.....	98
Combining Statement of Changes in Assets and Liabilities	
Agency Funds.....	99-100
Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund.....	101
<u>FEDERAL COMPLIANCE SECTION</u>	
Schedule of Expenditures of Federal Awards.....	102-103
Notes to the Schedule of Expenditures of Federal Awards.....	104

REGIONAL OFFICE OF EDUCATION #50

OFFICIALS

Regional Superintendent
(Current, Acting Effective July 1, 2006)

Mr. Brad J. Harriman

Regional Superintendent
(During the Audit Period and Retired Effective June 30, 2006)

Dr. Rosella Wamser

Assistant Regional Superintendent
(Current, Acting Effective July 1, 2006)

Mrs. Susan Sarfaty

Assistant Regional Superintendent
(Acting - Effective July 1, 2005 - June 30, 2006)

Mr. Brad J. Harriman

Office is located at:

500 Wilshire Drive
Belleville, IL 62223-1154

REGIONAL OFFICE OF EDUCATION #50

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	1
Repeated audit findings	1	0
Prior recommendations implemented or not repeated	0	2

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)

NONE

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

NONE

INFORMAL EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on September 13, 2006. Attending were Brad Harriman, Regional Superintendent, and Tami Colpitts-Knight, CPA, Manager, Kemper CPA Group, LLP. Responses to the recommendations were provided through an email by Brad Harriman, Regional Superintendent on January 19, 2007.

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying basic financial statements of the Regional Office of Education #50 was performed by Kemper CPA Group LLP.

Based on their audit, the auditors expressed an unqualified opinion on the Regional Office of Education #50's basic financial statements.

INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the St. Clair County Regional Office of Education #50, as of and for the year ended June 30, 2006, which collectively comprise the Regional Office of Education #50's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Office of Education #50's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #50, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 13, 2006 on our consideration of the Regional Office of Education #50's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 16a through 16h, and 50 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional Office of Education #50's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Mt. Vernon, Illinois
September 13, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #50, as of and for the year ended June 30, 2006, which collectively comprise the Regional Office of Education #50's basic financial statements and have issued our report thereon dated September 13, 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 #50'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 #50's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance which 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

Certified Public Accountants and Consultants

Mt. Vernon, Illinois
September 13, 2006



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 #50 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 #50'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 #50's management. Our responsibility is to express an opinion on the Regional Office of Education #50'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 #50'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 #50's compliance with those requirements.

In our opinion, the Regional Office of Education #50 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 #50 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 #50'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

Certified Public Accountants and Consultants

Mt. Vernon, Illinois
September 13, 2006

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 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
84.357	Title I Reading First Part B SEA Funds
84.366	Mathematics and Science Partnership
84.010A	Title I - School Improvement and Accountability

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

Auditee qualified as a low-risk auditee? No

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
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 requirements:

- 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 their educational service region, and if any irregularities are found, 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 their 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.)

Conditions:

- A. The Regional Office of Education #50 is not examining all books, accounts, and vouchers of every school treasurer in their 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 #50 did not present at the September County Board meeting and as nearly quarterly thereafter, a report of all their acts including a list of all the schools visited and dates of visitation.
- C. The Regional Office of Education #50 performs compliance inspections for each public school in their 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.

Effect:

The Regional Office of Education #50 did not comply with statutory requirements.

Causes:

- A. The level of financial review performed by the Regional Superintendent is not adequate to comply with the statute.
- B. The St. Clair County Board requests that the Regional Office of Education #50 submit an annual report, not to exceed one page, for the board to review at their October or November board meeting. The Regional Superintendent does not attend County Board meetings annually or quarterly and was unaware of the specific details required to be provided at the meetings.

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
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)
(Continued)**

Causes (Concluded):

- C. The Regional Superintendent stated that the periodic compliance visits completed at the public schools were sufficient to satisfy the statutory requirement.

Recommendations:

- A. The Regional Office of Education #50 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 as it may have regular or special meetings, and present under oath a report of all their 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.

Management's responses:

- A. 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 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.
- B. The St. Clair County Regional Office of Education #50 accepts the recommendation of the auditor. Beginning with the March 2007 county board meeting, the Regional Superintendent will attend county board meetings quarterly and present under oath or affirmation a report of all his acts as Regional Superintendent, including a list of all the schools visited with the dates of visitation.
- C. The St. Clair County Regional Office of Education #50 currently visits each school in the region once every three years for a full compliance review and annually for Health Life Safety compliance. The Regional Office of Education accepts the recommendation of the auditor and will visit each public school in the county once a year, noting the methods of instruction, the branches taught, the text books used, and the discipline, government and general condition of the school. This recommendation will be implemented in the Spring of 2007. The St. Clair County Regional Office of Education #50 is also aware of Illinois State Board of Education/Illinois Association of Regional Superintendents of Schools joint efforts to seek legislation to remove duplicative or obsolete passages in the Illinois School Code. Both parties agree that section 1.20 of the 23rd 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.

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
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

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2006

Corrective Action Plan

Finding No. 06-1

Condition:

- A. The Regional Office of Education #50 is not examining all books, accounts, and vouchers of every school treasurer in their 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 #50 did not present at the September county board meeting and as nearly quarterly thereafter, a report of all their acts including a list of all the schools visited and dates of visitation.
- C. The Regional Office of Education #50 performs compliance inspections for each public school in their 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 have agreed to seek legislation to remove duplicative 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.
- B. Beginning with the March 2007 county board meeting, the Regional Superintendent will attend county board meetings quarterly and present under oath or affirmation a report of all his acts as Regional Superintendent, including a list of all the schools visited with the dates of visitation.
- C. The St. Clair County Regional Office of Education #50 currently visits each school in the region once every three years for a full compliance review and annually for Health Life Safety compliance. The Regional Office of Education #50 will visit each public school in the county once a year, noting the methods of instruction, the branches taught, the text books used, and the discipline, government and general condition of the school. This recommendation will be implemented in the Spring of 2007. The St. Clair County Regional Office of Education #50 is also aware of Illinois State Board of Education/Illinois Association of Regional Superintendents of Schools joint efforts to seek legislation to remove duplicative or obsolete passages in the Illinois School Code. Both parties agree that section 1.20 of the 23rd 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.

Anticipated Completion Date:

As soon as practical

Contact Person:

Honorable Brad Harriman, Regional Superintendent of Schools

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2006

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
05-1	Controls Over Compliance with Laws and Regulations	Repeat 06-1

MANAGEMENT'S DISCUSSION AND ANALYSIS

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2006

Management's discussion and analysis of St. Clair County Regional Office of Education #50's (ROE) financial performance provides an overall narrative review of the ROE's financial activities for the year ended June 30, 2006. The intent of this discussion and analysis is to look at the ROE's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the ROE's financial performance. Information contained in this section is qualified by the more detailed information contained elsewhere in the financial statements, notes to financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the ROE's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

This section is a summary of the ROE's financial activities based on currently know facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year.

2006 FINANCIAL HIGHLIGHTS

- Total net assets of the ROE's governmental fund are \$ 1,391,914, a decrease of \$160,796 or 10 % from fiscal year 2005 net assets. Net assets of the ROE's enterprise fund are \$325,040, an increase of \$103,055 or 46% from fiscal year 2005 net assets. This increase was due to the reclassification of the Workshop Fund from a General Fund to an Enterprise Fund. Total net assets for the ROE are \$1,716,954, a decrease of \$57,741 or 3% from fiscal year 2005.
- General revenues account for \$764,452 in revenue, or 13% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$5,171,515 or 87% of total revenues.
- The ROE had \$5,927,969 in expenses; only \$5,171,515 of these expenses were offset by program specific charges for services, grants and contributions. General revenues were adequate to provide for the rest of the ROE's expenses.
- Among major funds, the General Fund had \$293,913 in revenues and \$301,237 in expenditures. The General Fund's fund balance decreased \$170,029 over the prior year. Of this decrease \$164,940 was due to the reclassification of the Local Workshop fund to an Enterprise fund (See Note 11)
- Capital assets purchased during the year totaled \$25,631. Capital assets net of depreciation decreased in the Governmental Activities and the Business-type Activities by \$45,536 and \$1,482, respectively.
- The ROE has no long-term debt.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the ROE's basic financial statements. The ROE's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the ROE's finances, in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting and include all assets and liabilities.

The Statement of Net Assets presents information on all the ROE's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the ROE is improving or deteriorating.

The Statement of Activities presents information showing how the ROE's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years.

The government-wide financial statements outline functions of the ROE that are principally supported by grants, contracts and contributions, and governmental activities. The governmental activities of the ROE include instructional services and administrative expenses. The government-wide financial statements can be found on pages 17-18 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The ROE uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the ROE can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the ROE's current financing requirements. Governmental funds are reported using modified accrual accounting. This method of accounting measures cash and other assets that can be easily converted to cash. The governmental funds statements provide a detailed short-term view of the ROE's operations.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the ROE's current financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 20 and 22, respectively.

The ROE maintains individual governmental funds in accordance with both the Regional Office of Education Accounting Manual and the Accounting Manual for Public School Districts issued by the Illinois State Board of Education. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for all major funds. All other non-major funds are combined together and presented in these reports as other governmental funds.

The basic governmental fund financial statements can be found on pages 19 and 21, respectively.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the ROE. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the ROE's own programs. The accrual basis of accounting is used for fiduciary funds. The ROE is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The ROE's fiduciary activities are presented in a separate Statement of Fiduciary Net Assets on page 26.

Proprietary funds: The purpose of the Enterprise Fund is to hold any excess funds collected from Workshops and/or Technology Services. These funds are used solely to offset Workshops and Technology Services incurred due to less than anticipated registrations or more than anticipated materials and services.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-49 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the ROE's budget process.

The ROE does not adopt an annual operating budget for the General Fund or Special Revenue Funds, but does adopt individual budgets for some grants in the Education Fund. A budgetary comparison statement has been provided for the Education Fund. This supplementary information can be found on pages 65-95 of this report.

Additionally, a Schedule of Expenditures of Federal Awards is required by OMB Circular A-133 and can be found on pages 102-103 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets. Net assets may serve over time as a useful indicator of government's financial position. In the case of the ROE, assets exceeded liabilities by \$1,716,954 as of June 30, 2006.

By far the largest portion of the ROE's assets (95%) is in cash and revenues anticipated in the near future. Investment in capital assets (e.g., equipment and furniture) represents 5% of the ROE's assets.

The ROE's financial position is a product of several financial transactions including the net result of activities, the acquisition and disposal of capital assets and the depreciation of capital assets. The following table presents a summary of the ROE's net assets for the fiscal year ended June 30, 2006.

Net Assets as of June 30, 2006

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Current Assets	\$2,056,086	\$2,407,092	\$ 333,208	\$ 221,985	\$2,389,294	\$2,629,077
Capital Assets	133,356	182,746	2,372	-	135,728	182,746
Total Assets	2,189,442	2,589,838	335,580	221,985	2,525,022	2,811,823
Current Liabilities	797,528	1,037,128	10,540	-	808,068	1,037,128
Total Liabilities	797,528	1,037,128	10,540	-	808,068	1,037,128
Net Assets						
Investments Capital Assets	133,356	182,746	2,372	-	135,728	182,746
Restricted	145,408	204,385	-	-	145,408	204,385
Unrestricted	1,113,150	1,165,579	322,668	221,985	1,435,818	1,387,564
Total Net Assets	\$1,391,914	\$1,552,710	\$ 325,040	\$ 221,985	\$1,716,954	\$1,774,695

Changes in net assets. The ROE's total revenues for the fiscal year ended June 30, 2006 were \$5,935,967. The total cost of all programs and services was \$5,927,969. The following table presents a summary of the changes in net assets for the fiscal year ended June 30, 2006.

**Changes in Net Assets
For fiscal year ended June 30, 2006**

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2006	2005	2006	2005	2006	2005	2005 to 2006
Revenues:							
Program revenues:							
Operating Grants/Contributions	\$ 5,171,515	\$ 4,829,888	\$ -	\$ -	\$ 5,171,515	\$ 4,829,888	7.1%
Charges for Services	-	-	88,601	-	88,601	-	100.0%
General Revenues:							
Local Sources	324,289	127,791	-	-	324,289	127,791	153.8%
State Source	168,794	-	-	-	168,794	-	100.0%
On-Behalf Payments	266,579	319,900	-	-	266,579	319,900	-16.7%
Loss on Disposal of Asset	(156)	-	-	-	(156)	-	-100.0%
Interest	4,946	2,528	653	-	5,599	2,528	121.5%
Total Revenues	<u>5,935,967</u>	<u>5,280,107</u>	<u>89,254</u>	<u>-</u>	<u>6,025,221</u>	<u>5,280,107</u>	<u>14.1%</u>
Expenses:							
Instructional Services	5,661,390	4,873,187	-	-	5,661,390	4,873,187	16.2%
On-behalf Payments	266,579	319,900	-	-	266,579	319,900	-16.7%
Workshop/Testing Expenses	-	-	154,993	-	154,993	-	100.0%
Total Expenses	<u>5,927,969</u>	<u>5,193,087</u>	<u>154,993</u>	<u>-</u>	<u>6,082,962</u>	<u>5,193,087</u>	<u>17.1%</u>
Excess (deficiency) before transfers	7,998	87,020	(65,739)	-	(57,741)	87,020	-166.4%
Transfers	-	(221,985)	-	221,985	-	-	0%
Increase (Decrease) in Net Assets	7,998	(134,965)	(65,739)	221,985	(57,741)	87,020	-166.4%
Net Assets - Beginning, Restated	1,383,916	1,687,675	390,779	-	1,774,695	1,687,675	5.2%
Net Assets - Ending	<u>\$ 1,391,914</u>	<u>\$ 1,552,710</u>	<u>\$ 325,040</u>	<u>\$ 221,985</u>	<u>\$ 1,716,954</u>	<u>\$ 1,774,695</u>	<u>-3.3%</u>

Governmental activities. The following table presents the cost of two major ROE functional activities: instructional services and on-behalf payments. Instructional services include guidance and social work services, operation & maintenance, pupil transportation, food service, planning and evaluation, and fiscal services. The table also shows each function's net cost (total cost less charges for services generated by the activities and grants provided for specific programs). The net cost shows the amount funded by the General Fund.

	Total Expenses	Net (Expense) Revenue
Instructional Services	\$ 5,661,390	\$ (489,875)
On-Behalf Payments	266,579	(266,579)
Total expenses	<u>\$ 5,927,969</u>	<u>\$ (756,454)</u>

Enterprise activities. The following table presents the cost of the ROE's workshop fund. The majority of related expenses are salaries and benefits, contract labor and travel, and supplies and materials for the workshop seminars. The table also shows fund's net cost (total cost less charges for services generated by the activities). The net cost shows the amount funded with remaining excess fees over costs from prior years and investment income.

	<u>Total Expenses</u>	<u>Net (Expense) Revenue</u>
Workshop/Testing Costs	<u>\$ 154,993</u>	<u>\$ (65,739)</u>

FINANCIAL ANALYSIS OF THE ROE'S FUNDS

As noted earlier, the ROE uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the ROE's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the ROE's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the ROE's net resources available for spending at the end of the fiscal year.

The financial performance of the ROE as a whole is reflected in its governmental funds. As the ROE completed the year, its governmental funds reported a combined fund balance of \$1,258,558 a decrease of \$111,406. The Local Workshop fund's fund balance of \$164,940 was reclassified from a governmental fund to an Enterprise fund (See Note 11), therefore the Governmental Activities actually experienced an increase of \$53,534. The fund balance amount that constitutes unreserved and undesignated fund balance, which is available for spending at the ROE's discretion, is \$1,113,150. The remaining fund balance of \$145,408 or 12% is reserved for Teacher Certification, GED, and Bus Driver purposes.

The General Fund is the principal operating fund of the ROE. The fund balance in the General Fund for the fiscal year decreased by \$170,029 due to the reclassification of the Local Workshop fund, with a fund balance of \$164,940, to an Enterprise Fund. The remaining decrease in the General Fund's fund balance is \$5,089. The fund balance of Other Governmental Funds showed an increase of \$58,623 due primarily to State Aid revenues in excess of need for the current year. The fund balance for the Institute Fund increased \$27,426 as a result of registration fees exceeding staff development needs.

Enterprise Funds. The fund balance in the Enterprise Fund as of June 30, 2006 was \$325,040. These funds will provide a good reserve to insure that the ROE can continue to offer high quality workshops for teachers and administrators and solid technology assistance to schools.

BUDGETARY HIGHLIGHTS

Over the course of the year, the ROE revised the budgets for most grant programs in the Education Fund. These budget adjustments were the result of revisions in the plan to accomplish specific goals and activities outlined in the grant programs.

A schedule showing the original and final budget amounts compared to the ROE's actual financial activity for the Education Fund grants is provided in this report as supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2006, the ROE's total capital assets at cost for Governmental Activities and Business-type Activities were \$642,362 and \$6,997, respectively, including furniture and equipment. This amount represents a decrease in the carrying cost of capital assets for Governmental Activities and Business-type Activities of \$14,936 and \$-0-, respectively, from the previous year. Additions and deletions during fiscal year 2006 totaled \$25,631 and \$40,567, respectively for Governmental Activities. As a result of a through inventory, a great deal of outdated and broken equipment was removed from inventory during the year.

Total accumulated depreciation as of June 30, 2006 for Governmental Activities and Business-type Activities was \$509,006 and \$4,625, respectively, and total depreciation expense for Governmental Activities and Business-type Activities for the fiscal year 2006 was \$71,011 and \$1,482, respectively and prior depreciation on assets deleted in fiscal year 2006 was \$40,411 resulting in total Investment in Capital Assets at June 30, 2006 for Governmental Activities and Business-type Activities of \$133,356 and \$2,372, respectively. This is a decrease of \$45,536 and \$1,482 for Governmental Activities and Business-type Activities, respectively, over June 30, 2005.

Additional information on the ROE's capital assets can be found in Note 6 on page 44-46 of this report.

Debt Administration. At June 30, 2006, the ROE had no long term debt.

Current Issues

The St. Clair County ROE is financially stable. The ROE has committed itself to financial excellence for many years. In addition, the ROE's system of financial planning, budgeting and internal financial controls is well regarded.

The ROE plans to continue its sound fiscal management to meet the challenges of the future and insure that taxpayer dollars are spent properly and in accordance with the ROE's mission to provide quality services to students, teachers, administrators, parents and community members.

The coming year will provide new challenges. The System of Support grant, which serves school districts on the Academic Watch List in sixteen counties will continue to be a major focus of the Regional Office of Education #50's efforts. In addition, the Regional Office of Education #50 will be moving to a new location in January 2007. This move will require extensive planning and implementation during the FY 2007 year. The ROE expects to meet these challenges effectively.

CONTACTING THE ROE'S FINANCIAL MANAGEMENT

If you have questions about this report, contact the Comptroller's Office of the St. Clair County Regional Office of Education, 500 Wilshire Drive, Belleville, IL 62223 or by phone at 618/397-8930 x135.

BASIC FINANCIAL STATEMENTS

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
STATEMENT OF NET ASSETS
JUNE 30, 2006

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash	\$ 1,911,714	\$ 295,807	\$ 2,207,521
Accounts receivable	127	1,827	1,954
Due from other funds	-	35,574	35,574
Due from other governments:			
Local	6,889	-	6,889
State	77,396	-	77,396
Federal	59,960	-	59,960
Total Current Assets	<u>2,056,086</u>	<u>333,208</u>	<u>2,389,294</u>
Noncurrent assets:			
Capital assets, being depreciated, net	<u>133,356</u>	<u>2,372</u>	<u>135,728</u>
Total Noncurrent Assets	<u>133,356</u>	<u>2,372</u>	<u>135,728</u>
TOTAL ASSETS	<u><u>2,189,442</u></u>	<u><u>335,580</u></u>	<u><u>2,525,022</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	471,370	10,540	481,910
Due to other funds	35,574	-	35,574
Unearned revenue	170,987	-	170,987
Due to other governments:			
Local	102,793	-	102,793
State	5	-	5
Federal	16,799	-	16,799
Total Current Liabilities	<u>797,528</u>	<u>10,540</u>	<u>808,068</u>
TOTAL LIABILITIES	<u><u>797,528</u></u>	<u><u>10,540</u></u>	<u><u>808,068</u></u>
NET ASSETS			
Invested in capital assets	133,356	2,372	135,728
Unrestricted	1,113,150	322,668	1,435,818
Restricted	145,408	-	145,408
TOTAL NET ASSETS	<u><u>\$ 1,391,914</u></u>	<u><u>\$ 325,040</u></u>	<u><u>\$ 1,716,954</u></u>

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

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Operating		Primary Government		
		Charges for Services	Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
Current:						
Instructional services:						
Salaries and benefits	\$ 3,054,543	\$ -	\$ 2,784,596	\$ (269,947)	\$ -	\$ (269,947)
Purchased services	1,310,780	-	1,194,707	(116,073)	-	(116,073)
Supplies and materials	860,907	-	839,876	(21,031)	-	(21,031)
Capital outlay	-	-	25,631	25,631	-	25,631
Other objects	169,939	-	132,495	(37,444)	-	(37,444)
Payments to other governments	194,210	-	194,210	-	-	-
Depreciation	71,011	-	-	(71,011)	-	(71,011)
Administrative:						
On-behalf payments - State	266,579	-	-	(266,579)	-	(266,579)
Total Governmental Activities	5,927,969	-	5,171,515	(756,454)	-	(756,454)
Business-Type Activities:						
Registration/Testing Fee	154,993	88,601	-	-	(66,392)	(66,392)
Total Business-Type Activities	154,993	88,601	-	-	(66,392)	(66,392)
TOTAL PRIMARY GOVERNMENT	\$ 6,082,962	\$ 88,601	\$ 5,171,515	(756,454)	(66,392)	(822,846)
GENERAL REVENUES:						
Local sources				324,289	-	324,289
State sources				168,794	-	168,794
On-behalf payments - State				266,579	-	266,579
Loss on disposal of capital assets				(156)	-	(156)
Interest				4,946	653	5,599
Total General Revenues				764,452	653	765,105
CHANGE IN NET ASSETS				7,998	(65,739)	(57,741)
NET ASSETS - BEGINNING, RESTATED				1,383,916	390,779	1,774,695
NET ASSETS - ENDING				\$ 1,391,914	\$ 325,040	\$ 1,716,954

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

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2006

	General Fund	Education Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
ASSETS					
Cash	\$ 297,010	\$ 1,465,158	\$ 149,546	\$ -	\$ 1,911,714
Accounts receivable	124	3	-	-	127
Due from other funds	3,567	-	-	(3,567)	-
Due from other governments:					
Local	1,046	5,400	443	-	6,889
State	-	77,396	-	-	77,396
Federal	-	59,960	-	-	59,960
TOTAL ASSETS	\$ 301,747	\$ 1,607,917	\$ 149,989	\$ (3,567)	\$ 2,056,086
LIABILITIES					
Accounts payable	\$ 4,232	\$ 462,557	\$ 4,581	\$ -	\$ 471,370
Due to other funds	-	39,141	-	(3,567)	35,574
Unearned revenue	-	170,987	-	-	170,987
Due to other governments:					
Local	-	102,793	-	-	102,793
State	-	5	-	-	5
Federal	9,355	7,444	-	-	16,799
TOTAL LIABILITIES	13,587	782,927	4,581	(3,567)	797,528
FUND BALANCES					
Unreserved, reported in:					
General fund	288,160	-	-	-	288,160
Special revenue fund	-	824,990	145,408	-	970,398
Total Fund Balances	288,160	824,990	145,408	-	1,258,558
TOTAL LIABILITIES AND FUND BALANCES	\$ 301,747	\$ 1,607,917	\$ 149,989	\$ (3,567)	\$ 2,056,086

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

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
JUNE 30, 2006

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS \$ 1,258,558

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. 133,356

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 1,391,914

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

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	General Fund	Education Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
REVENUES					
Local sources	\$ 27,334	\$ 179,371	\$ 117,584	\$ -	\$ 324,289
State sources	-	2,347,308	2,490	-	2,349,798
State sources - on-behalf payments	266,579	-	-	-	266,579
Federal sources	-	2,990,511	-	-	2,990,511
Total Revenues	<u>293,913</u>	<u>5,517,190</u>	<u>120,074</u>	<u>-</u>	<u>5,931,177</u>
EXPENDITURES					
Current:					
Salaries and benefits	9,689	2,964,359	80,495	-	3,054,543
Purchased services	10,398	1,238,625	61,757	-	1,310,780
Supplies and materials	1,521	849,456	9,930	-	860,907
Capital outlay	3,695	21,936	-	-	25,631
Other objects	9,355	132,728	27,856	-	169,939
Payments to other governments	-	194,210	-	-	194,210
On-behalf payments	266,579	-	-	-	266,579
Total Expenditures	<u>301,237</u>	<u>5,401,314</u>	<u>180,038</u>	<u>-</u>	<u>5,882,589</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	<u>(7,324)</u>	<u>115,876</u>	<u>(59,964)</u>	<u>-</u>	<u>48,588</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	997	-	-	(997)	-
Transfers out	-	(996)	(1)	997	-
Interest	1,238	2,720	988	-	4,946
Total Other Financing Sources (Uses)	<u>2,235</u>	<u>1,724</u>	<u>987</u>	<u>-</u>	<u>4,946</u>
NET CHANGE IN FUND BALANCES					
	<u>(5,089)</u>	<u>117,600</u>	<u>(58,977)</u>	<u>-</u>	<u>53,534</u>
FUND BALANCES - BEGINNING					
	<u>293,249</u>	<u>707,390</u>	<u>204,385</u>	<u>-</u>	<u>1,205,024</u>
FUND BALANCES - ENDING					
	<u>\$ 288,160</u>	<u>\$ 824,990</u>	<u>\$ 145,408</u>	<u>\$ -</u>	<u>\$ 1,258,558</u>

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

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 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 — GOVERNMENTAL FUNDS \$ 53,534

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 25,631	
Depreciation expense	<u>(71,011)</u>	(45,380)

Governmental funds report capital outlays as expenditures at the time of purchase, therefore, when an asset is disposed of in a noncash transaction it is not reflected in the governmental activities financial statements at the time of disposal. However, in the Statement of Activities the difference between the asset's original cost and its related accumulated depreciation is reported as a loss on the disposal of capital assets.

(156)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 7,998

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2006

	Business-Type Activities - Enterprise Fund	
	Local Workshops	Total
ASSETS		
Current assets:		
Cash	\$ 295,807	\$ 295,807
Accounts receivable	1,827	1,827
Due from other funds	35,574	35,574
Total current assets	333,208	333,208
Noncurrent assets:		
Capital assets, being depreciated, net	2,372	2,372
Total noncurrent assets	2,372	2,372
TOTAL ASSETS	335,580	335,580
LIABILITIES		
Current Liabilities		
Accounts payable	10,540	10,540
TOTAL LIABILITIES	10,540	10,540
NET ASSETS		
Invested in capital assets	2,372	2,372
Unrestricted	322,668	322,668
TOTAL NET ASSETS	\$ 325,040	\$ 325,040

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

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2006

	Business-Type Activities - Enterprise Fund	
	Local Workshops	Total
OPERATING REVENUES		
Registration fees	\$ 88,601	\$ 88,601
Total Operating Revenues	88,601	88,601
OPERATING EXPENSES		
Salaries and benefits	112,007	112,007
Purchased services	38,780	38,780
Supplies and materials	2,724	2,724
Depreciation	1,482	1,482
Total Operating Expenses	154,993	154,993
OPERATING INCOME (LOSS)	(66,392)	(66,392)
NONOPERATING REVENUE		
Interest	653	653
Total Nonoperating Revenue	653	653
CHANGE IN NET ASSETS	(65,739)	(65,739)
TOTAL NET ASSETS - BEGINNING, RESTATED	390,779	390,779
TOTAL NET ASSETS - ENDING	\$ 325,040	\$ 325,040

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

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2006

	Business-Type Activities - Enterprise Fund	
	Local Workshops	Totals
Cash Flows from Operating Activities:		
Receipts from customers	\$ 75,802	\$ 75,802
Payments to suppliers and providers of goods and services	(39,294)	(39,294)
Payments to employees	(112,007)	(112,007)
Net Cash Provided by (Used for) Operating Activities	(75,499)	(75,499)
Cash Flows from Investing Activities:		
Interest	653	653
Net Cash Provided by Investing Activities	653	653
Net Increase (Decrease) in Cash	(74,846)	(74,846)
Cash - Beginning, Restated	370,653	370,653
Cash - Ending	\$ 295,807	\$ 295,807
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (66,392)	\$ (66,392)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	1,482	1,482
(Increase) Decrease in Accounts receivable	(1,327)	(1,327)
(Increase) Decrease in Due from other funds	(11,472)	(11,472)
Increase (Decrease) in Accounts payable	2,210	2,210
Net Cash Provided by (Used for) Operating Activities	\$ (75,499)	\$ (75,499)

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

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
JUNE 30, 2006

	Agency Funds
ASSETS	
Cash	\$ 25,445
Accounts receivable	49
TOTAL ASSETS	\$ 25,494
LIABILITIES	
Accounts payable	\$ 12,942
Due to other governments	12,552
TOTAL LIABILITIES	\$ 25,494

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

ST. CLAIR COUNTY
REGIONAL OFFICE OF EDUCATION #50
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education #50 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2006, the Regional Office of Education #50 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 Statement No. 34 and GASB Statement No. 47, *Accounting for Termination Benefits* which changes note disclosure requirements for governmental entities. The Regional Office of Education #50 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 Superintendent is charged with responsibility for township fund lands; registration of the names of applicants for scholarships to state controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers institutes as well as to aid and encourage the formation of other teachers meetings and assist in their management; evaluate the schools in the region; examine school treasurer's books, accounts, and vouchers; examine evidence of indebtedness; file and keep the returns of elections required to be returned to the Regional Superintendent's office; and file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #50'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.

ST. CLAIR COUNTY
REGIONAL OFFICE OF EDUCATION #50
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 responsible for apportionment and payment of funds received from the State for the districts in the Regional Office of Education #50, or see that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2006, the Regional Office of Education #50 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 #50. Such activities are reported as a single major special revenue fund (Education Fund).

B. SCOPE OF THE REPORTING ENTITY

The Regional Office of Education #50's reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #50 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Regional Office of Education #50, 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 #50 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education #50 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #50 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education #50 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 #50's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by State and

ST. CLAIR COUNTY
REGIONAL OFFICE OF EDUCATION #50
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Federal grants and other intergovernmental revenues. The Regional Office of Education #50 has one business-type activity that relies on fees and charges for support.

The Regional Office of Education #50's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of governmental and business-type activities for the Regional Office of Education #50 accompanied by a total column. These statements are presented on an "economic resources" measurement focus as prescribed by GASB Statement No. 34. All of the Regional Office of Education #50's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services, and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

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

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

D. PROPRIETARY FUND FINANCIAL STATEMENTS

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

ST. CLAIR COUNTY
REGIONAL OFFICE OF EDUCATION #50
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. PROPRIETARY FUND FINANCIAL STATEMENTS (Concluded)

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

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

E. GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The governmental funds financial statements focus on the measurement of spending or "financial flow" and the determination of changes in financial position, rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their

ST. CLAIR COUNTY
REGIONAL OFFICE OF EDUCATION #50
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education #50; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

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

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

G. FUND ACCOUNTING

The Regional Office of Education #50 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 #50 uses governmental, proprietary, and fiduciary funds.

GOVERNMENTAL FUNDS

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

ST. CLAIR COUNTY
REGIONAL OFFICE OF EDUCATION #50
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and 2) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education #50 has presented all major funds that met the above qualifications.

The Regional Office of Education #50 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education #50. It is used to account for the expenditures, which benefit all school districts in the region except those required to be accounted for in other funds. General Fund includes the following:

Educational Service Region (ESR) General Operation Account – This program is used to account for monies received for, and payment of, expenditures in connection with general administration activities.

School Service Account – This program is used to account for interest accrued in the Distributive fund and payment of staff development expenditures requested by the entity that earned the interest.

Building Fund – This program is used to account for monies received for, and payment of, expenditures necessary for the operation of the building.

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

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

McKinney Education for Homeless Children – This program provides training and technical assistance to school districts in the 16 counties to assist school officials in understanding and complying with the McKinney-Vento Act.

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

ST. CLAIR COUNTY
REGIONAL OFFICE OF EDUCATION #50
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Title II Teacher Quality – Leadership Grant – This program is used to account for grant monies received for, and payment of, expenditures related to providing professional development services to all schools that failed to make adequate yearly progress on Illinois Standards Achievement Test scores.

Truants Alternative/Optional Education – This program provides funding for services designed to prevent students from dropping out of school.

Standards and Assessment Coordination and Services – This program is used to account for grant monies received for, and payment of, expenditures related to providing support services to all schools that failed to make adequate yearly progress on Illinois Standards Achievement Test scores.

Title I Reading First (02) – This program provides support for the Reading First Reading Academies that focus training on the best practices in reading and are targeted to the K-2 teachers.

Title V Innovative Programs SEA Projects– This program is used to account for grant monies received for, and payment of, expenditures to support local education reform efforts that are consistent with Statewide reform efforts; improve student achievement relative to the Illinois Learning Standard and National Education Goals; provide for innovation and education reform efforts, including library services and instructional media materials.

IDEA Part B Positive Behavior Intervention Services – This program is used to account for grant monies received for, and payment of, expenditures related to training schools to use positive behavior intervention services.

Title I Reading First (04) – This program is used to account for grant monies received for, and payment of, expenditures related to technical assistance for districts in the region in the implementation of K-3 reading programs aligned with State standards.

Adult Education Federal Basic – This program is used to account for grant monies received for, and payment of, expenditures related to education and literacy for adults, as funded by federal dollars.

Adult Education State Basic – This program is used to account for grant monies received for, and payment of, expenditures related to education and literacy for adults, as funded by basic State Grant.

ST. CLAIR COUNTY
REGIONAL OFFICE OF EDUCATION #50
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Adult Education State Performance – This program is used to account for grant monies received for, and payment of, expenditures related to education and literacy for adults, as funded by performance monies.

Adult Education Public Assistance – This program is used to account for grant monies received for, and payment of, expenditures related to education and literacy for adults who are Public Aid recipients.

Metro East Consortium for Child Advocacy – This program is used to account for grant monies received for, and payment of, expenditures related to finding collaborative solutions for six school districts that share common issues of low performing schools and high-poverty.

Title I Reading First Regional Support (01) – This program is used to account for grant monies received for and payment of, expenditures to support districts in the region in the implementation of K-3 reading programs aligned with State standards.

Title I Reading First Academy (00) – This program is used to account for grant monies received for, and payment of, expenditures related to providing professional development in reading to kindergarten through third grade teachers.

Standards Aligned Classroom – This program provides funding for consultants to assist teachers of participating schools in developing learning teams that studied assessment literacy.

Severns Summer Reading – This program is used to account for grant monies received for, and payment of, expenditures related to providing a summer literacy program.

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

ROE School Services – This program is used to account for grant monies received for, and payment of, expenditures to assist schools in all areas of school improvement.

Bilingual Education – Downstate – T.P.I. – This program is used to account for grant monies received for, and payment of, expenditures to teach children for whom English is a second language.

ST. CLAIR COUNTY
REGIONAL OFFICE OF EDUCATION #50
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Addiction Prevention in Touch - This program is used to account for grant monies received for, and payment of, expenditures for services to coordinate alcohol and drug prevention resources for a large region.

Young Authors Conference – This program is used to account for monies received for, and payment of, expenditures for the annual Young Authors Conference.

DHS/Office of Rehabilitation Services Transition – This program is used to account for grant monies received for, and payment of, expenditures for services to transition high school seniors from school to work.

Adult Education English Literacy Civics – This program is used to account for grant monies received for, and payment of, expenditures for literacy services for adults for whom English is a second language.

Urban League Youth Empowerment - This program provides administrative and programmatic support to Urban League Teach REACH program which serves children ages 5-16 in after school and summer academic and recreational settings.

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

Family Literacy – This program is used to account for grant monies received for, and payment of, expenditures to improve adult literacy through one on one volunteer tutoring.

Literacy and Superintendents Engaged in Reading – This program is used to account for grant monies received for, and payment of, expenditures to improve adult literacy through one on one volunteer tutoring.

Early Childhood Block Grant (61) - This program provides training programs for the parents of children from birth to age 3, with activities requiring substantial interaction between parent and child.

Old Man River Project – This program is used to account for grant monies received for, and payment of, expenditures related to using the Mississippi River to improve student achievement in history, geography, and social studies.

Federal Breakfast Start Up - This program is used to account for grant monies for, and payment of, expenditures to provide a breakfast program for Safe School students.

ST. CLAIR COUNTY
REGIONAL OFFICE OF EDUCATION #50
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Concluded)

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

National School Lunch – This program is used to account for grant monies received for, and payment of expenditures to provide lunch to the Safe School students.

State Breakfast Start Up - This program is used to account for grant monies for, and payment of, expenditures to start up a breakfast program for Safe School students.

Jobs for Illinois Graduates – This fund is used to account for grant monies received for, and payment of, expenditures involved in assisting at risk students to graduate and transition to high-quality careers.

Federal Special Education Preschool Discretionary – This fund is used to account for grant monies received for, and payment of, expenditures related to services provided to educators, parents, and providers working with children (birth to five) with disabilities.

Additionally, the Regional Office of Education #50 reports the following nonmajor fund types:

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

Institute Fund – This program accounts for teacher certificate registration, issuance and evaluation fees for processing certificates, and expenses of meetings of a professional nature. All funds generated remain restricted until expended only on the aforementioned activities.

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

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

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

ST. CLAIR COUNTY
REGIONAL OFFICE OF EDUCATION #50
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUNDS

Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education #50 on a cost reimbursement basis are reported. The Regional Office of Education #50 reports its Local Workshops Fund as a major proprietary fund. The local workshop fund is used to account for the workshop fees and expenses of the Regional Office of Education #50.

FIDUCIARY FUNDS

Agency Funds - Agency Funds are used to account for assets held by the Regional Office of Education #50 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 Fund includes the following:

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

Employee Activity Fund – This program is used to account for funds raised by employees and used by employees for various health and social activities.

Payroll Clearing Fund – This program is used to account for funds received and disbursed by the Regional Superintendent for payroll costs.

Workers' Compensation Escrow Fund – This program is used to account for funds received for, and payments of, workers compensation insurance.

Interest on Distributive Fund – Interest on Distributive Fund receipts is transferred after the end of each fiscal year to the School Services Fund by the consent of all affected school boards and other entities. The funds are utilized by the St. Clair County Regional Office of Education #50 for the administration, direction, and operation of in-service education programs for the school districts of St. Clair County.

H. 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.

Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, 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."

ST. CLAIR COUNTY
REGIONAL OFFICE OF EDUCATION #50
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit. The Regional Office of Education #50 considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

J. INVENTORY

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

K. CAPITAL ASSETS

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

Deskjet printers/UPS	3 years
Computer, Laser printers, Fax machines	4 years
Cameras, Projectors, Camcorders, Copiers, Televitions, PA systems	5 years
Software systems	6 years
Furniture & Typewriters	8 years
Refrigerators	10 years

L. COMPENSATED ABSENCES

Non-exempt, full-time employees earn vacation time according to their length of service: 10 days per year for the first four years of services and 15 days per year starting with the fifth year of service. Vacation time is prorated for employees working between 16 and 40 hours per week. Temporary employees, non-exempt employees who work less than 16 hours per week, and exempt employees do not earn vacation days. Vacation time must be used within the same project year in which it was earned and unused vacation time at the end of a project year is forfeited. All projects in which salary expense is incurred have a year-end consistent with the Regional Office of Education #50's year-end of June 30; therefore, no liability is accrued. Employees receive up to 12 sick days annually and the unused portion is accumulated and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay and therefore; no liability is accrued.

M. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ST. CLAIR COUNTY
REGIONAL OFFICE OF EDUCATION #50
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

N. BUDGET INFORMATION

The Regional Office of Education #50 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Fund. Certain programs have separate budgets and are required to report to the Illinois State Board of Education, however, none of the annual budgets are required to be or have been legally adopted. The General Fund and certain programs within the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results are presented as supplemental information. Budget to actual statements have been provided in supplementary schedules for the following funds: McKinney Education for Homeless Children, Title I School Improvement and Accountability, Title II Teacher Quality - Leadership Grant, Truants Alternative/Optional Education, Standards & Assessment Coordination & Services, Title I Reading First (04), Adult Education Federal Basic, Adult Education State Basic, Adult Education State Performance, Adult Education Public Assistance, Metro East Consortium for Child Advocacy, Title I Reading First Regional Support (01), Title I Reading First Academy (00), Severns Summer Reading, Mathematics and Science Partnership, ROE School Services, Bilingual Education - Downstate - T.P.I., Addiction Prevention in Touch, DHS/Office of Rehabilitation Services Transition, Adult Education English Literacy Civics, Urban League Youth Empowerment, Even Start, Family Literacy, Literacy and Superintendents Engaged in Reading, Early Childhood Block Grant (61), Old Man River Project, Federal Breakfast Start Up, Regional Safe Schools, State Breakfast Start Up, Jobs for Illinois Graduates, and Federal Special Education Preschool Discretionary.

NOTE 2 - CASH

The Regional Office of Education #50 is allowed to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7.

A. DEPOSITS

At June 30, 2006, the carrying amount of the Regional Office of Education #50's government-wide and Agency fund deposits were \$2,207,521 and \$25,445, respectively, and the bank balances were \$2,328,232 and \$63,879, respectively. Of the total bank balances as of June 30, 2006, \$117,471 was secured by federal depository insurance and \$2,274,640 was collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education #50's name.

B. INVESTMENTS

The Regional Office of Education #50 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 #50 had investments with carrying and fair value of \$15,473 invested in the Illinois Funds Money Market Fund.

ST. CLAIR COUNTY
REGIONAL OFFICE OF EDUCATION #50
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 2 – CASH (Concluded)

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.

NOTE 3 - DEFINED BENEFIT PENSION PLAN

The Regional Office of Education #50's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

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

ST. CLAIR COUNTY
REGIONAL OFFICE OF EDUCATION #50
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Concluded)

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 #50 is required to contribute at an actuarially determined rate. The employer rate for calendar year 2005 was 3.71 percent of payroll. The Regional Office of Education #50's contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2005, was 8 years.

For December 31, 2005, the Regional Office of Education #50's annual pension cost of \$46,396 was equal to the Regional Office of Education #50'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% per year, attributable to inflation (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2005 actuarial valuation were based on the 2002-2004 experience study.

A. TREND INFORMATION

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contribution</u>	<u>Net Pension Obligation</u>
12/31/05	46,396	100%	\$0
12/31/04	43,754	100%	0
12/31/03	37,431	100%	0
12/31/02	47,208	100%	0
12/31/01	57,294	100%	0
12/31/00	18,783	100%	0
12/31/99	68,556	100%	0
12/31/98	79,676	100%	0
12/31/97	79,458	100%	0
12/31/96	86,586	100%	0

ST. CLAIR COUNTY
REGIONAL OFFICE OF EDUCATION #50
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

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

The Regional Office of Education #50 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multi-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois, maintains primary responsibility for funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. 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 members pay a contribution to the Teacher's 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 0.60 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 #50's TRS-covered employees.

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #50. 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 #50 recognized revenue and expenditures of \$73,940 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2005 and 2004, the State of Illinois contribution rates as percentages of creditable earnings were 11.76 percent (\$125,374) and 13.98 percent (\$175,358) respectively.

The Regional Office of Education #50 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 \$6,074. Contributions for the years ending June 30, 2005, and June 30, 2004, were \$6,183 and \$7,275, respectively.
- **Federal and trust fund contributions.** When TRS members are paid from federal and trust funds administered by the Regional Office of Education #50, there is a statutory requirement for the Regional Office of Education #50 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.

ST. CLAIR COUNTY
REGIONAL OFFICE OF EDUCATION #50
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

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

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 \$441,939 were paid from federal and trust funds that required employer contributions of \$31,201. For the years ended June 30, 2005 and June 30, 2004, required Regional Office of Education #50 contributions were \$48,568 and \$70,534, respectively.

- **Early Retirement Option.** The Regional Office of Education #50 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 and under which ERO program the member retires.

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 year ended June 30, 2006 the Regional Office of Education #50 paid no employer contributions to TRS under the Pipeline ERO and Modified ERO programs. For the years ended June 30, 2005 and June 30, 2004, the Regional Office of Education #50 paid no employer ERO contributions.

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 Teacher's Retirement System of the State of Illinois, PO Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov

ST. CLAIR COUNTY
 REGIONAL OFFICE OF EDUCATION #50
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2006

NOTE 5 - INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

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. The balances between governmental funds were eliminated in the government-wide Statement of Net Assets. The balances between governmental and business-type activities were not eliminated in the government-wide Statement of Net Assets.

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Education Fund	\$ -	\$ 39,141
General Fund	3,567	-
Proprietary Fund	<u>35,574</u>	<u>-</u>
Totals	<u>\$ 39,141</u>	<u>\$ 39,141</u>

TRANSFERS

At the end of the fiscal year, the Regional Office of Education #50 transfers interest income associated with the Education Funds to the ESR General Operation Account as partial reimbursement for expenditures paid by the ESR General Operation Account through the year on behalf of the Education funds. The total interest transferred from the Education Funds to the ESR General Operation Account for the year ended June 30, 2006 was \$996. In addition, interest income transferred from Nonmajor Special Revenue Funds to the General Fund for the year ended June 30, 2006 was \$1.

	<u>Transfer Out</u>	<u>Transfer In</u>
General Fund	\$ -	\$ 997
Education Fund	996	-
Nonmajor Special Revenue Funds	<u>1</u>	<u>-</u>
Totals	<u>\$ 997</u>	<u>\$ 997</u>

NOTE 6 - CAPITAL ASSET ACTIVITY

In accordance with GASB Statement No. 34, the Regional Office of Education #50 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased. A reclassification was made between the governmental and business-type activities. See Note 11 for details. The following table provides a summary of changes in capital assets for the year ended June 30, 2006:

ST. CLAIR COUNTY
REGIONAL OFFICE OF EDUCATION #50
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 6 - CAPITAL ASSET ACTIVITY (Continued)

	Balance July 1, 2005	Reclassification	Additions	Deletions	Balance June 30, 2006
Governmental Activities:					
General Funds:					
ESC 16	\$ 2,834	\$ -	\$ -	\$ -	\$ 2,834
ESR General Operation	51,849	-	3,695	6,307	49,237
ISBE Direct Purchase	9,200	-	-	-	9,200
Local Workshops	6,997	(6,997)	-	-	-
Total General Funds	70,880	(6,997)	3,695	6,307	61,271
Education Funds:					
Adult Ed - State Grants	35,294	-	1,471	1,380	35,385
Bilingual Ed	4,275	-	-	2,300	1,975
DCEO Grant	15,435	-	-	-	15,435
Early Childhood Block Grant	-	-	3,561	-	3,561
Even Start	19,714	-	-	-	19,714
Federal Adult Education	3,519	-	1,470	-	4,989
Federal Assess Links	12,496	-	-	5,969	6,527
McKinney Homeless	1,380	-	-	-	1,380
In Touch Grant	14,821	-	-	-	14,821
JTPA	3,629	-	-	929	2,700
LITES	10,658	-	-	-	10,658
LPDC	2,958	-	-	-	2,958
Math/Science Development	5,273	-	-	-	5,273
MECCA	12,332	-	-	-	12,332
Old Man River	61,645	-	-	-	61,645
Parent Training	1,195	-	-	-	1,195
PBIS	2,100	-	-	-	2,100
Reading First	26,039	-	-	-	26,039
ROE 41	13,083	-	-	-	13,083
RPDC	1,147	-	-	-	1,147
Safe School	100,322	-	1,295	11,750	89,867
ROE General Operations	119,323	-	6,986	5,677	120,632
System of Support (RESPRO)	19,234	-	-	-	19,234
Starnet	36,018	-	5,741	-	41,759
State Breakfast Start Up	-	-	1,412	-	1,412
Title II Eisenhower	2,603	-	-	-	2,603
Title V	26,537	-	-	-	26,537
Tobacco	7,545	-	-	-	7,545
Truant Alternative	6,568	-	-	1,380	5,188
WIA Grant	4,192	-	-	-	4,192
WIU Grant	2,170	-	-	2,170	-
Total Education Funds	571,505	-	21,936	31,555	561,886

ST. CLAIR COUNTY
REGIONAL OFFICE OF EDUCATION #50
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 6 - CAPITAL ASSET ACTIVITY (Concluded)

	Balance July 1, 2005	Reclassification	Additions	Deletions	Balance June 30, 2006
Nonmajor Special Revenue Funds:					
Institute	21,910	-	-	2,705	19,205
Total Nonmajor Special Revenue Funds	<u>21,910</u>	<u>-</u>	<u>-</u>	<u>2,705</u>	<u>19,205</u>
Governmental Funds					
Total Capital Assets	664,295	(6,997)	25,631	40,567	642,362
Less: Accumulated Depreciation	<u>481,549</u>	<u>(3,143)</u>	<u>71,011</u>	<u>40,411</u>	<u>509,006</u>
Governmental Funds					
Investment in Capital Assets	<u>\$ 182,746</u>	<u>\$ (3,854)</u>	<u>\$ (45,380)</u>	<u>\$ 156</u>	<u>\$ 133,356</u>
Business-type Activities					
Local Workshops	<u>\$ -</u>	<u>\$ 6,997</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,997</u>
Business-type Activities					
Total Capital Assets	-	6,997	-	-	6,997
Less: Accumulated Depreciation	<u>-</u>	<u>3,143</u>	<u>1,482</u>	<u>-</u>	<u>4,625</u>
Investment in Capital Assets, Net	<u>\$ -</u>	<u>\$ 3,854</u>	<u>\$ (1,482)</u>	<u>\$ -</u>	<u>\$ 2,372</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2006 of \$71,011 and \$1,482 was charged to governmental activities and business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

NOTE 7 - RISK MANAGEMENT

The Regional Office of Education #50 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education #50 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

ST. CLAIR COUNTY
 REGIONAL OFFICE OF EDUCATION #50
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2006

NOTE 8 – ON BEHALF PAYMENTS

The State of Illinois paid the following salaries on behalf of the Regional Office of Education #50:

Regional Superintendent Salary	\$ 88,540
Assistant Regional Superintendent Salary	79,685
Regional Superintendent Fringe Benefit (Includes State paid insurance)	12,473
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)	11,941
TRS Pension contributions	<u>73,940</u>
 Total	 <u>\$ 266,579</u>

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

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

NOTE 9 – DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #50's Agency Fund, General Fund and various grant programs have funds due from various other governmental units which consist of the following:

Due From Other Governments:

General Fund

Local Governments	\$ 1,046
-------------------	----------

Education Fund

Regional Offices of Education	88,147
School Districts	14,646
Illinois State Board of Education	39,963

Nonmajor Funds

Local Governments	<u>443</u>
-------------------	------------

Total	<u>\$ 144,245</u>
-------	-------------------

ST. CLAIR COUNTY
 REGIONAL OFFICE OF EDUCATION #50
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2006

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

Due To Other Governments:

General Fund

U.S. Department of Education	\$	9,355
------------------------------	----	-------

Education Fund

Local Governments		102,793
Illinois State Board of Education		5
U.S. Department of Education		7,444

Agency Fund

Local Governments		12,552
Total		<u>\$ 132,149</u>

NOTE 10 - OPERATING LEASE

The Regional Office of Education #50 entered into an operating lease for its Belleville office space that expired on August 14, 2005. They extended this agreement through May 31, 2006. Since that date the Regional Office of Education #50 has been operating on a month-to-month basis under an unwritten agreement. They continue to pay the same rent per month and the same fixed rate for utilities that were in effect prior to the lease expiration. Rent expense for the building for fiscal year 2006 totaled \$48,600.

NOTE 11 - RECLASSIFICATION

The Local Workshop Fund is used to account for the workshop fees and expenses of the Regional Office of Education #50. This program has been reported as part of the general fund; however, it should be reported as a proprietary fund. The following is the effect of this reclassification on the beginning General Fund's fund balance and the governmental and business-type activities beginning net assets.

General Fund

Fund Balance - July 1, 2005	\$	458,189
Effect of Reclassification		<u>(164,940)</u>
Fund Balance - July 1, 2005, Restated		<u>\$ 293,249</u>

ST. CLAIR COUNTY
 REGIONAL OFFICE OF EDUCATION #50
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2006

NOTE 11 - RECLASSIFICATION (Concluded)

Government-Wide - Statement of Activities - Governmental Activities

Net Assets - July 1, 2005	\$ 1,552,710
Effect of Local Workshop Reclassification	<u>(168,794)</u>
Net Assets - July 1, 2005, Restated	<u>\$ 1,383,916</u>

Government-Wide - Statement of Activities - Business-Type Activities

Net Assets - July 1, 2005	\$ 221,985
Effect of Local Workshop Reclassification	<u>168,794</u>
Net Assets - July 1, 2005, Restated	<u>\$ 390,779</u>

Government-Wide - Statement of Net Asset - Business-Type Activities

Cash - July 1, 2005	\$ 221,985
Effect of Local Workshop Reclassification	<u>148,668</u>
Cash - July 1, 2005, Restated	<u>\$ 370,653</u>

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

ST. CLAIR COUNTY
REGIONAL OFFICE OF EDUCATION #50
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
(UNAUDITED)
June 30, 2006

Actuarial Valuation Date	Actuarial Value of Assets (a)	(2) Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	(3) Funded Ratio (a/b)	(4) Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/05	2,495,187	2,291,198	(203,989)	108.90%	1,250,567	0.00%
12/31/04	2,230,937	1,999,196	(231,741)	111.59%	1,093,849	0.00%
12/31/03	2,126,474	1,744,372	(382,102)	121.90%	1,117,358	0.00%
12/31/02	2,091,689	1,633,104	(458,585)	128.08%	1,159,915	0.00%
12/31/01	2,051,510	1,521,074	(530,436)	134.87%	1,162,589	0.00%
12/31/00	1,889,809	1,426,977	(462,832)	132.43%	1,104,911	0.00%
12/31/99	1,755,901	1,415,553	(340,348)	124.04%	1,032,476	0.00%
12/31/98	1,416,966	1,234,985	(181,981)	114.74%	908,503	0.00%
12/31/97	1,290,160	1,234,604	(55,556)	104.50%	935,536	0.00%
12/31/96	1,181,310	1,201,497	20,187	98.32%	1,041,952	1.94%

On a market value basis, the actuarial value of assets as of December 31, 2005 is \$2,524,264. On a market basis, the funded ratio would be 110.17%.

*** Digest of changes**

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 more early retirements are expected to occur.

SUPPLEMENTAL INFORMATION

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2006

	ESR General Operations Account	School Services Account	Building Fund	TOTALS
ASSETS				
Cash	\$ 124,830	\$ 112,968	\$ 59,212	\$ 297,010
Accounts receivable	124	-	-	124
Due from other funds	3,567	-	-	3,567
Due from other governments				
Local	1,012	34	-	1,046
TOTAL ASSETS	\$ 129,533	\$ 113,002	\$ 59,212	\$ 301,747
LIABILITIES				
Accounts payable	\$ 830	\$ -	\$ 3,402	\$ 4,232
Due to other governments				
Federal	9,355	-	-	9,355
Total Liabilities	10,185	-	3,402	13,587
FUND BALANCES				
Unreserved	119,348	113,002	55,810	288,160
Total Fund Balances	119,348	113,002	55,810	288,160
TOTAL LIABILITIES AND FUND BALANCES	\$ 129,533	\$ 113,002	\$ 59,212	\$ 301,747

ST CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2006

	ESR General Operation Account	School Service Account	Building Fund	TOTALS
REVENUES				
Local sources	\$ 2,883	\$ -	\$ 24,451	\$ 27,334
State sources-payments made on behalf of region	266,579	-	-	266,579
Total Revenues	<u>269,462</u>	<u>-</u>	<u>24,451</u>	<u>293,913</u>
EXPENDITURES				
Salaries and benefits	1,261	-	8,428	9,689
Purchased services	2,282	-	8,116	10,398
Supplies and materials	1,218	-	303	1,521
Capital outlay	3,695	-	-	3,695
Other objects	9,355	-	-	9,355
Payments made on behalf of region	266,579	-	-	266,579
Total Expenditures	<u>284,390</u>	<u>-</u>	<u>16,847</u>	<u>301,237</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	997	-	-	997
Interest	527	587	124	1,238
Total Other Financing Sources (Uses)	<u>1,524</u>	<u>587</u>	<u>124</u>	<u>2,235</u>
NET CHANGE IN FUND BALANCES	(13,404)	587	7,728	(5,089)
FUND BALANCES, BEGINNING OF YEAR	<u>132,752</u>	<u>112,415</u>	<u>48,082</u>	<u>293,249</u>
FUND BALANCES, END OF YEAR	<u>\$ 119,348</u>	<u>\$ 113,002</u>	<u>\$ 55,810</u>	<u>\$ 288,160</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2006

	McKinney Education for Homeless Children	Title I School Improvement & Accountability	Title II Teacher Quality - Leadership Grant	Truants Alternative/ Optional Education	Standards & Assessment Coordination & Services	Title I Reading First (02)
ASSETS						
Cash	\$ 11,584	\$ 176,127	\$ 25,921	\$ 61,850	\$ 102,111	\$ 23
Accounts receivable	-	-	-	-	-	-
Due from other governments						
Local	-	-	-	-	-	-
State	-	-	-	-	-	-
Federal	-	-	-	-	-	-
TOTAL ASSETS	\$ 11,584	\$ 176,127	\$ 25,921	\$ 61,850	\$ 102,111	\$ 23
LIABILITIES						
Accounts payable	\$ 11,584	\$ 124,860	\$ 6,736	\$ 61,845	\$ 28,882	\$ -
Due to other funds	-	-	-	-	18	-
Unearned revenue	-	15,001	19,073	-	43,048	-
Due to other governments						
Local	-	35,115	-	-	30,163	-
State	-	-	-	5	-	-
Federal	-	1,151	112	-	-	23
Total Liabilities	11,584	176,127	25,921	61,850	102,111	23
FUND BALANCES						
Unreserved	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 11,584	\$ 176,127	\$ 25,921	\$ 61,850	\$ 102,111	\$ 23

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2006

	IDEA Part B				Adult Education State Basic	Adult Education State Performance	Adult Education Public Assistance
	Title V Innovative Programs	Title B Positive Behavior Intervention Services	Title I Reading First (04)	Adult Education Federal Basic			
ASSETS							
Cash	\$ -	\$ 1,015	\$ 6,496	\$ 8,497	\$ 14,222	\$ 4,208	\$ 5,118
Accounts receivable	-	-	-	-	-	-	-
Due from other governments							
Local	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-
Federal	-	-	-	-	-	-	-
TOTAL ASSETS	\$ -	\$ 1,015	\$ 6,496	\$ 8,497	\$ 14,222	\$ 4,208	\$ 5,118
LIABILITIES							
Accounts payable	\$ -	\$ 1,015	\$ 1,514	\$ 8,497	\$ 14,222	\$ 4,208	\$ 5,118
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Due to other governments							
Local	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-
Federal	-	-	4,982	-	-	-	-
Total Liabilities	-	1,015	6,496	8,497	14,222	4,208	5,118
FUND BALANCES							
Unreserved	-	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 1,015	\$ 6,496	\$ 8,497	\$ 14,222	\$ 4,208	\$ 5,118

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2006

	Metro East Consortium for Child Advocacy	Title I Reading First Regional Support (01)	Title I Reading First Academy (00)	Standards Aligned Classroom	Sevens Summer Reading	Mathematics and Science Partnership	ROE School Services
ASSETS							
Cash	\$ 21,777	\$ 4,138	\$ 21	\$ 1	\$ 3,443	\$ 109,925	\$ 16,407
Accounts receivable	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-
State	-	-	-	972	-	-	-
Federal	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 21,777	\$ 4,138	\$ 21	\$ 973	\$ 3,443	\$ 109,925	\$ 16,407
LIABILITIES							
Accounts payable	\$ 7,172	\$ 3,092	-	\$ 1	\$ 3,443	\$ 21,016	\$ 16,407
Due to other funds	-	-	-	972	-	-	-
Unearned revenue	14,605	-	-	-	-	79,260	-
Due to other governments	-	-	-	-	-	-	-
Local	-	-	-	-	-	9,540	-
State	-	-	-	-	-	-	-
Federal	-	1,046	21	-	-	109	-
Total Liabilities	21,777	4,138	21	973	3,443	109,925	16,407
FUND BALANCES							
Unreserved	-	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 21,777	\$ 4,138	\$ 21	\$ 973	\$ 3,443	\$ 109,925	\$ 16,407

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2006

	Bilingual Education - Downstate - T.P.I.	Addiction Prevention In Touch	Young Authors Conference	DHS/Office of Rehabilitation Services Transition	Adult Education English Literacy Civics	Urban League Youth Empowerment
ASSETS						
Cash	\$ 26,531	\$ 84	\$ 6,865	\$ 7,965	\$ 166	\$ -
Accounts receivable	-	-	-	-	-	-
Due from other governments						
Local	-	-	-	5,400	-	-
State	541	14,092	-	20,102	-	-
Federal	-	-	-	-	-	-
TOTAL ASSETS	\$ 27,072	\$ 14,176	\$ 6,865	\$ 33,467	\$ 166	\$ -
LIABILITIES						
Accounts payable	\$ 12,426	\$ 7,147	\$ -	\$ 3,535	\$ 166	\$ -
Due to other funds	-	7,029	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Due to other governments						
Local	14,646	-	-	-	-	-
State	-	-	-	-	-	-
Federal	-	-	-	-	-	-
Total Liabilities	27,072	14,176	-	3,535	166	-
FUND BALANCES						
Unreserved	-	-	6,865	29,932	-	-
Total Fund Balances	-	-	6,865	29,932	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 27,072	\$ 14,176	\$ 6,865	\$ 33,467	\$ 166	\$ -

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2006

	Even Start	Family Literacy	Literacy and Superintendents Engaged in Reading	Early Childhood Block Grant (61)	Old Man River Project	Federal Breakfast Start Up
ASSETS						
Cash	\$ -	\$ 3,095	\$ 14,689	\$ 118	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Local	-	-	-	-	-	-
State	-	-	-	14,605	-	-
Federal	14,696	-	-	-	-	-
TOTAL ASSETS	\$ 14,696	\$ 3,095	\$ 14,689	\$ 14,723	\$ -	\$ -
LIABILITIES						
Accounts payable	\$ 10,112	\$ 3,095	\$ 1,360	\$ 14,723	\$ -	\$ -
Due to other funds	4,584	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Local	-	-	13,329	-	-	-
State	-	-	-	-	-	-
Federal	-	-	-	-	-	-
Total Liabilities	14,696	3,095	14,689	14,723	-	-
FUND BALANCES						
Unreserved	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 14,696	\$ 3,095	\$ 14,689	\$ 14,723	\$ -	\$ -

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2006

	Regional Safe Schools	National School Lunch	State Breakfast Start Up	Jobs for Illinois Graduates	Fed. Special Education Preschool Discretionary	TOTALS
ASSETS						
Cash	\$ 823,318	\$ 8,053	\$ -	\$ -	\$ 1,390	\$ 1,465,158
Accounts receivable	-	3	-	-	-	3
Due from other governments						
Local	-	-	-	-	-	5,400
State	-	-	-	27,084	-	77,396
Federal	-	-	-	-	45,264	59,960
TOTAL ASSETS	\$ 823,318	\$ 8,056	\$ -	\$ 27,084	\$ 46,654	\$ 1,607,917
LIABILITIES						
Accounts payable	\$ 43,181	\$ -	\$ -	\$ 4,096	\$ 43,104	\$ 462,557
Due to other funds	-	-	-	22,988	3,550	39,141
Unearned revenue	-	-	-	-	-	170,987
Due to other governments						
Local	-	-	-	-	-	102,793
State	-	-	-	-	-	5
Federal	-	-	-	-	-	7,444
Total Liabilities	43,181	-	-	27,084	46,654	782,927
FUND BALANCES						
Unreserved	780,137	8,056	-	-	-	824,990
Total Fund Balances	780,137	8,056	-	-	-	824,990
TOTAL LIABILITIES AND FUND BALANCES	\$ 823,318	\$ 8,056	\$ -	\$ 27,084	\$ 46,654	\$ 1,607,917

ST. CLAIR REGIONAL OFFICE OF EDUCATION #50
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2006

	McKinney Education for Homeless Children	Title I School Improvement & Accountability	Title II Teacher Quality - Leadership Grant	Truants Alternative/ Optional Education	Standards & Assessment Coordination & Services	Title I Reading First (02)
REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	528,038	238,968	-
Federal sources	56,000	1,304,500	138,178	-	-	357
Total Revenue	56,000	1,304,500	138,178	528,038	238,968	357
EXPENDITURES						
Salaries and benefits	41,697	280,257	24,632	481,383	35,396	-
Purchased services	7,512	389,214	40,590	39,561	56,959	357
Supplies and materials	6,795	472,564	64,870	7,105	28,013	-
Capital outlay	-	-	-	-	-	-
Other objects	-	-	-	-	118,600	-
Payments to other governments	-	162,465	8,086	-	-	-
Total Expenditures	56,004	1,304,500	138,178	528,049	238,968	357
OTHER FINANCING SOURCES (USES)						
Transfers out	(30)	-	-	(136)	(246)	(9)
Interest	34	-	-	147	246	9
Total Other Financing Sources (Uses)	4	-	-	11	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCES, END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ST. CLAIR REGIONAL OFFICE OF EDUCATION #50
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2006

	Title V Innovative Programs	IDEA Part B			Title I Reading First (04)	Adult Education Federal Basic	Adult Education State Basic	Adult Education State Performance	Adult Education Public Assistance
		Positive Intervention Services							
REVENUES									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	150,126	-	27,106	-	57,755
Federal sources	7,616	30,329	40,208	156,636	-	-	-	-	-
Total Revenue	<u>7,616</u>	<u>30,329</u>	<u>40,208</u>	<u>156,636</u>	<u>150,126</u>	<u>150,126</u>	<u>27,106</u>	<u>27,106</u>	<u>57,755</u>
EXPENDITURES									
Salaries and benefits	-	25,362	27,095	140,160	121,437	-	3,577	-	44,069
Purchased services	2,662	4,967	7,488	8,501	12,619	-	18,665	-	8,367
Supplies and materials	4,954	-	5,625	6,505	16,075	-	4,866	-	3,850
Capital outlay	-	-	-	1,470	-	-	-	-	1,471
Other objects	-	-	-	-	-	-	-	-	-
Payments to other governments	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>7,616</u>	<u>30,329</u>	<u>40,208</u>	<u>156,636</u>	<u>150,131</u>	<u>150,131</u>	<u>27,108</u>	<u>27,108</u>	<u>57,757</u>
OTHER FINANCING SOURCES (USES)									
Transfers out	-	-	(8)	(11)	(10)	-	(12)	-	(4)
Interest	-	-	8	11	15	-	14	-	6
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-	-	-	-	-	-
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR REGIONAL OFFICE OF EDUCATION #50
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2006

	Metro East Consortium for Child Advocacy	Title I Reading Regional Support (01)	Title I Reading First Academy (00)	Standards Aligned Classroom	Severns Summer Reading	Mathematics and Science Partnership	ROE School Services
REVENUES							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	209,971	-	-	-	4,800	-	105,671
Federal sources	-	103,787	24,935	17,951	-	222,624	-
Total Revenue	209,971	103,787	24,935	17,951	4,800	222,624	105,671
EXPENDITURES							
Salaries and benefits	113,784	70,023	13,839	1,829	1,350	29,086	67,430
Purchased services	85,179	24,231	827	11,195	2,606	128,709	18,501
Supplies and materials	11,012	9,533	10,269	4,928	844	41,170	12,758
Capital outlay	-	-	-	-	-	-	6,986
Other objects	-	-	-	-	-	-	-
Payments to other governments	-	-	-	-	-	23,659	-
Total Expenditures	209,975	103,787	24,935	17,952	4,800	222,624	105,675
OTHER FINANCING SOURCES (USES)							
Transfers out	(37)	(19)	(11)	(13)	-	-	(44)
Interest	41	19	11	14	-	-	48
Total Other Financing Sources (Uses)	4	-	-	1	-	-	4
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-	-	-	-
FUND BALANCES, END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ST. CLAIR REGIONAL OFFICE OF EDUCATION #50
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2006

	Bilingual Education - Downstate - T.P.I.	Addiction Prevention In Touch	Young Authors Conference	DHS/Office of Rehabilitation Services Transition	Adult Education English Literacy Civics	Urban League Youth Empowerment
REVENUES						
Local sources	\$ 160,796	\$ -	\$ 4,420	\$ 10,800	\$ -	\$ -
State sources	12,798	133,492	-	10,800	-	-
Federal sources	-	34,600	-	71,742	1,317	23,368
Total Revenue	173,594	168,092	4,420	93,342	1,317	23,368
EXPENDITURES						
Salaries and benefits	136,613	122,248	-	85,834	1,286	14,480
Purchased services	31,594	30,631	2,258	3,159	31	441
Supplies and materials	5,393	15,213	2,134	-	-	8,447
Capital outlay	-	-	-	-	-	-
Other objects	-	-	-	2,296	-	-
Payments to other governments	-	-	-	-	-	-
Total Expenditures	173,600	168,092	4,392	91,289	1,317	23,368
OTHER FINANCING SOURCES (USES)						
Transfers out	(57)	(13)	-	(41)	-	-
Interest	63	13	17	44	-	-
Total Other Financing Sources (Uses)	6	-	17	3	-	-
NET CHANGE IN FUND BALANCES	-	-	45	2,056	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	6,820	27,876	-	-
FUND BALANCES, END OF YEAR	\$ -	\$ -	\$ 6,865	\$ 29,932	\$ -	\$ -

ST. CLAIR REGIONAL OFFICE OF EDUCATION #50
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2006

	Even Start	Family Literacy	Literacy and Superintendents Engaged in Reading	Early Childhood Block Grant (61)	Old Man River Project	Federal Breakfast Start Up
REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	35,000	60,000	100,000	-	-
Federal sources	166,571	-	-	-	89,432	2,700
Total Revenue	166,571	35,000	60,000	100,000	89,432	2,700
EXPENDITURES						
Salaries and benefits	131,630	26,552	53,532	57,001	47,991	-
Purchased services	30,556	4,522	1,755	30,665	15,167	-
Supplies and materials	4,387	3,928	4,716	8,778	26,274	2,700
Capital outlay	-	-	-	3,561	-	-
Other objects	-	-	-	-	-	-
Payments to other governments	-	-	-	-	-	-
Total Expenditures	166,573	35,002	60,003	100,005	89,432	2,700
OTHER FINANCING SOURCES (USES)						
Transfers out	(15)	(28)	(49)	(36)	-	-
Interest	17	30	52	41	-	-
Total Other Financing Sources (Uses)	2	2	3	5	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCES, END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ST. CLAIR REGIONAL OFFICE OF EDUCATION #50
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2006

	Regional Safe Schools		National School Lunch		State Breakfast Start Up		Jobs for Illinois Graduates		Fed. Special Education Preschool Discretionary		TOTALS
		\$		\$		\$		\$		\$	
REVENUES											
Local sources	\$ -	\$ 3,355	-	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 179,371
State sources	557,957	387	3,500	110,939	-	-	-	-	-	-	2,347,308
Federal sources	-	7,302	-	-	-	-	-	-	490,358	-	2,990,511
Total Revenue	557,957	11,044	3,500	110,939	3,500	110,939	490,358	490,358	490,358	490,358	5,517,190
EXPENDITURES											
Salaries and benefits	349,873	-	-	108,530	-	-	-	-	306,383	-	2,964,359
Purchased services	76,617	9,927	-	2,409	-	-	-	-	130,183	-	1,238,625
Supplies and materials	17,366	-	2,088	-	-	-	-	-	36,296	-	849,456
Capital outlay	1,295	-	1,412	-	-	-	-	-	5,741	-	21,936
Other objects	73	-	-	-	-	-	-	-	11,759	-	132,728
Payments to other governments	-	-	-	-	-	-	-	-	-	-	194,210
Total Expenditures	445,224	9,927	3,500	110,939	3,500	110,939	490,362	490,362	490,362	490,362	5,401,314
OTHER FINANCING SOURCES (USES)											
Transfers out	(79)	-	-	(1)	-	-	-	-	(87)	-	(996)
Interest	1,711	17	-	1	-	-	-	-	91	-	2,720
Total Other Financing Sources (Uses)	1,632	17	-	-	-	-	-	-	4	-	1,724
NET CHANGE IN FUND BALANCES	114,365	1,134	-	-	-	-	-	-	-	-	117,600
FUND BALANCES, BEGINNING OF YEAR,	665,772	6,922	-	-	-	-	-	-	-	-	707,390
FUND BALANCES, END OF YEAR	\$ 780,137	\$ 8,056	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 824,990

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 MCKINNEY EDUCATION FOR HOMELESS CHILDREN
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal	\$ 56,000	\$ 56,000	\$ 56,000
Total Revenues	<u>56,000</u>	<u>56,000</u>	<u>56,000</u>
EXPENDITURES			
Salaries and benefits	45,528	43,676	41,697
Purchased services	6,917	7,269	7,512
Supplies and materials	3,555	5,055	6,795
Total Expenditures	<u>56,000</u>	<u>56,000</u>	<u>56,004</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(30)
Interest	-	-	34
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 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	\$ 1,420,000	\$ 1,474,134	\$ 1,304,500
Total Revenues	<u>1,420,000</u>	<u>1,474,134</u>	<u>1,304,500</u>
EXPENDITURES			
Salaries and benefits	374,992	315,141	280,257
Purchased services	619,836	409,006	389,214
Supplies and materials	213,500	289,610	472,564
Capital outlay	-	43,257	-
Payments to other governments	211,672	417,120	162,465
Total Expenditures	<u>1,420,000</u>	<u>1,474,134</u>	<u>1,304,500</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 TITLE II TEACHER QUALITY - LEADERSHIP GRANT
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal	\$ 90,000	\$ 90,000	\$ 138,178
Total Revenues	<u>90,000</u>	<u>90,000</u>	<u>138,178</u>
EXPENDITURES			
Salaries and benefits	24,871	24,871	24,632
Purchased services	59,129	59,129	40,590
Supplies and materials	6,000	6,000	64,870
Payments to other governments	-	-	8,086
Total Expenditures	<u>90,000</u>	<u>90,000</u>	<u>138,178</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 TRUANTS ALTERNATIVE/OPTIONAL EDUCATION
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State	\$ 528,043	\$ 528,043	\$ 528,038
Total Revenues	<u>528,043</u>	<u>528,043</u>	<u>528,038</u>
EXPENDITURES			
Salaries and benefits	483,192	483,456	481,383
Purchased services	42,301	42,337	39,561
Supplies and materials	2,550	2,250	7,105
Total Expenditures	<u>528,043</u>	<u>528,043</u>	<u>528,049</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(136)
Interest	-	-	147
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>11</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 STANDARDS & ASSESSMENT COORDINATION & SERVICES
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State	\$ 305,000	\$ 305,000	\$ 238,968
Total Revenues	<u>305,000</u>	<u>305,000</u>	<u>238,968</u>
EXPENDITURES			
Salaries and benefits	34,159	34,159	35,396
Purchased services	90,581	60,246	56,959
Supplies and materials	35,000	32,500	28,013
Other objects	145,260	178,095	118,600
Total Expenditures	<u>305,000</u>	<u>305,000</u>	<u>238,968</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(246)
Interest	-	-	246
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 TITLE I READING FIRST (04)
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal	\$ 43,595	\$ 43,595	\$ 40,208
Total Revenues	<u>43,595</u>	<u>43,595</u>	<u>40,208</u>
EXPENDITURES			
Salaries and benefits	24,129	24,129	27,095
Purchased services	13,979	13,979	7,488
Supplies and materials	5,487	5,487	5,625
Total Expenditures	<u>43,595</u>	<u>43,595</u>	<u>40,208</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(8)
Interest	-	-	8
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 ADULT EDUCATION FEDERAL BASIC
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal	\$ 156,636	\$ 156,636	\$ 156,636
Total Revenues	<u>156,636</u>	<u>156,636</u>	<u>156,636</u>
EXPENDITURES			
Direct instruction	71,552	76,561	74,543
Social work services	22,514	20,556	18,784
Guidance services	15,279	16,670	15,309
Assessment & testing	-	6,296	11,193
Literacy services	-	3,359	3,897
Childcare services	300	300	20
Improvement of instruction	7,832	-	-
General administration	39,159	32,894	32,890
Total Expenditures	<u>156,636</u>	<u>156,636</u>	<u>156,636</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(11)
Interest	-	-	11
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</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>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 ADULT EDUCATION STATE BASIC
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State	\$ 150,126	\$ 150,126	\$ 150,126
Total Revenues	<u>150,126</u>	<u>150,126</u>	<u>150,126</u>
EXPENDITURES			
Direct instruction	67,764	68,461	71,651
Social work services	13,919	22,824	22,649
Guidance services	12,766	14,534	13,733
Assessment & testing	-	6,678	11,445
Student transportation services	375	375	94
Literacy services	9,487	11,607	10,954
Childcare services	50	50	30
General administration	30,737	13,511	13,505
Operation & maintenance of plant services	9,390	9,390	3,403
Workforce coordination	5,638	2,696	2,667
Total Expenditures	<u>150,126</u>	<u>150,126</u>	<u>150,131</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(10)
Interest	-	-	15
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>5</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 ADULT EDUCATION STATE PERFORMANCE
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State	\$ 27,106	\$ 27,106	\$ 27,106
Total Revenues	<u>27,106</u>	<u>27,106</u>	<u>27,106</u>
EXPENDITURES			
Direct instruction	2,003	5,679	4,949
Social work services	16,708	1,336	146
Assessment & testing	-	1,100	-
Student transportation services	-	375	-
Improvement of instruction	-	7,900	6,174
General administration	2,440	2,440	2,438
Operation & maintenance of plant services	5,955	5,955	11,136
Workforce coordination	-	2,321	2,265
Total Expenditures	<u>27,106</u>	<u>27,106</u>	<u>27,108</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(12)
Interest	-	-	14
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 ADULT EDUCATION PUBLIC ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State	\$ 57,755	\$ 57,755	\$ 57,755
Total Revenues	<u>57,755</u>	<u>57,755</u>	<u>57,755</u>
EXPENDITURES			
Direct instruction	26,643	26,643	27,274
Social work services	5,760	7,507	7,000
Guidance services	2,444	3,939	3,912
Assessment & testing	-	846	823
Student transportation services	300	300	94
Literacy services	7,046	8,131	8,462
Childcare services	150	150	-
General administration	10,412	5,198	5,189
Operation & maintenance of plant services	3,184	3,184	3,184
Workforce coordination	1,816	1,857	1,819
Total Expenditures	<u>57,755</u>	<u>57,755</u>	<u>57,757</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(4)
Interest	-	-	6
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 METRO EAST CONSORTIUM FOR CHILD ADVOCACY
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State	\$ 217,100	\$ 217,100	\$ 209,971
Total Revenues	<u>217,100</u>	<u>217,100</u>	<u>209,971</u>
EXPENDITURES			
Salaries and benefits	113,021	113,821	113,784
Purchased services	96,029	80,429	85,179
Supplies and materials	8,050	20,150	11,012
Capital outlay	-	2,700	-
Total Expenditures	<u>217,100</u>	<u>217,100</u>	<u>209,975</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(37)
Interest	-	-	41
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 TITLE I READING FIRST REGIONAL SUPPORT (01)
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal	\$ 82,273	\$ 82,273	\$ 103,787
Total Revenues	<u>82,273</u>	<u>82,273</u>	<u>103,787</u>
EXPENDITURES			
Salaries and benefits	44,212	44,212	70,023
Purchased services	26,600	26,600	24,231
Supplies and materials	8,961	8,961	9,533
Capital outlay	2,500	2,500	-
Total Expenditures	<u>82,273</u>	<u>82,273</u>	<u>103,787</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(19)
Interest	-	-	19
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 TITLE I READING FIRST ACADEMY (00)
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal	\$ 14,532	\$ 14,532	\$ 24,935
Total Revenues	<u>14,532</u>	<u>14,532</u>	<u>24,935</u>
EXPENDITURES			
Salaries and benefits	12,365	12,365	13,839
Purchased services	2,167	2,167	827
Supplies and materials	-	-	10,269
Total Expenditures	<u>14,532</u>	<u>14,532</u>	<u>24,935</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(11)
Interest	-	-	11
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 SEVERNS SUMMER READING
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State	\$ 4,800	\$ 4,800	\$ 4,800
Total Revenues	<u>4,800</u>	<u>4,800</u>	<u>4,800</u>
EXPENDITURES			
Personnel	1,200	1,200	1,200
Fringe benefits	175	175	150
Contractual services	300	300	300
Supplies	300	300	299
Library and instructional materials	587	587	545
Transportation	2,238	2,238	2,306
Total Expenditures	<u>4,800</u>	<u>4,800</u>	<u>4,800</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 MATHEMATICS AND SCIENCE PARTNERSHIP
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal	\$ 244,557	\$ 244,557	\$ 222,624
Total Revenues	<u>244,557</u>	<u>244,557</u>	<u>222,624</u>
EXPENDITURES			
Salaries and benefits	40,505	40,505	29,086
Purchased services	175,357	175,357	128,709
Supplies and materials	28,695	28,695	41,170
Payments to other governments	-	-	23,659
Total Expenditures	<u>244,557</u>	<u>244,557</u>	<u>222,624</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 ROE SCHOOL SERVICES
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State	\$ 105,671	\$ 105,671	\$ 105,671
Total Revenues	<u>105,671</u>	<u>105,671</u>	<u>105,671</u>
EXPENDITURES			
Salaries and benefits	92,587	67,477	67,430
Purchased services	11,834	18,007	18,501
Supplies and materials	750	12,610	12,758
Capital outlay	500	7,577	6,986
Total Expenditures	<u>105,671</u>	<u>105,671</u>	<u>105,675</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(44)
Interest	-	-	48
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 BILINGUAL EDUCATION - DOWNSTATE - T.P.I.
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Local	\$ 140,667	\$ 140,667	\$ 160,796
State	20,429	20,429	12,798
Total Revenues	<u>161,096</u>	<u>161,096</u>	<u>173,594</u>
EXPENDITURES			
Salaries and benefits	124,463	124,463	136,613
Purchased services	33,633	33,633	31,594
Supplies and materials	3,000	3,000	5,393
Total Expenditures	<u>161,096</u>	<u>161,096</u>	<u>173,600</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(57)
Interest	-	-	63
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>6</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 ADDICTION PREVENTION IN TOUCH
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State	\$ 133,492	\$ 133,492	\$ 133,492
Federal	34,600	34,600	34,600
Total Revenues	<u>168,092</u>	<u>168,092</u>	<u>168,092</u>
EXPENDITURES			
Salaries and benefits	118,328	118,328	122,248
Travel	8,500	8,500	9,643
Purchased services	21,606	21,606	20,988
Supplies and materials	19,658	19,658	15,213
Capital outlay	-	-	-
Total Expenditures	<u>168,092</u>	<u>168,092</u>	<u>168,092</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(13)
Interest	-	-	13
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 DHS/ OFFICE OF REHABILITATION SERVICES TRANSITION
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Local	\$ 22,036	\$ 19,545	\$ 10,800
State	-	-	10,800
Federal	72,449	73,536	71,742
Total Revenues	<u>94,485</u>	<u>93,081</u>	<u>93,342</u>
EXPENDITURES			
Personal services	87,885	86,481	85,834
Travel	3,600	3,600	3,159
Other expenses	3,000	3,000	2,296
Total Expenditures	<u>94,485</u>	<u>93,081</u>	<u>91,289</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(41)
Interest	-	-	44
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3</u>
NET CHANGE IN FUND BALANCES	-	-	2,056
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>27,876</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,932</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 ADULT EDUCATION ENGLISH LITERACY CIVICS
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal	\$ 1,317	\$ 1,317	\$ 1,317
Total Revenues	<u>1,317</u>	<u>1,317</u>	<u>1,317</u>
EXPENDITURES			
Direct instruction	615	682	677
Guidance services	311	306	320
General administration	67	329	320
Operation & maintenance of plant services	324	-	-
Total Expenditures	<u>1,317</u>	<u>1,317</u>	<u>1,317</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 URBAN LEAGUE YOUTH EMPOWERMENT
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal	\$ 24,000	\$ 24,000	\$ 23,368
Total Revenues	<u>24,000</u>	<u>24,000</u>	<u>23,368</u>
EXPENDITURES			
Salaries and benefits	15,100	15,100	14,480
Purchased services	837	837	441
Supplies and materials	<u>8,063</u>	<u>8,063</u>	<u>8,447</u>
Total Expenditures	<u>24,000</u>	<u>24,000</u>	<u>23,368</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 EVEN START
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal	\$ 175,000	\$ 170,000	\$ 166,571
Total Revenues	<u>175,000</u>	<u>170,000</u>	<u>166,571</u>
EXPENDITURES			
Salaries and benefits	136,292	134,796	131,630
Purchased services	35,196	30,704	30,556
Supplies and materials	3,512	4,500	4,387
Total Expenditures	<u>175,000</u>	<u>170,000</u>	<u>166,573</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(15)
Interest	-	-	17
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 FAMILY LITERACY
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State	\$ 35,000	\$ 35,000	\$ 35,000
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
EXPENDITURES			
Personnel	22,281	22,281	22,281
Fringe benefits	4,602	4,602	4,271
Travel	2,050	2,050	2,017
Supplies	1,482	1,482	1,629
Contractual services	2,040	2,040	2,043
Instructional materials	2,090	2,090	2,299
Other	455	455	462
Total Expenditures	<u>35,000</u>	<u>35,000</u>	<u>35,002</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(28)
Interest	-	-	30
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 LITERACY AND SUPERINTENDENTS ENGAGED IN READING
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State	\$ 60,000	\$ 60,000	\$ 60,000
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
EXPENDITURES			
Personnel	46,897	43,797	43,797
Fringe benefits	12,179	9,744	9,735
Travel	263	263	261
Supplies	361	1,591	1,607
Instructional materials	100	3,100	3,109
Volunteer training & support	100	100	100
Other	100	1,405	1,394
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>60,003</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(49)
Interest	-	-	52
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 EARLY CHILDHOOD BLOCK GRANT (61)
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State	\$ 100,000	\$ 100,000	\$ 100,000
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
EXPENDITURES			
Salaries and benefits	71,815	58,317	57,001
Purchased services	22,563	28,568	30,665
Supplies and materials	3,622	9,206	8,778
Capital outlay	2,000	3,909	3,561
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,005</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(36)
Interest	-	-	41
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>5</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 OLD MAN RIVER PROJECT
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal	\$ 189,426	\$ 189,426	\$ 89,432
Total Revenues	<u>189,426</u>	<u>189,426</u>	<u>89,432</u>
EXPENDITURES			
Salaries and benefits	118,319	118,319	47,991
Purchased services	51,807	51,807	15,167
Supplies and materials	19,300	19,300	26,274
Total Expenditures	<u>189,426</u>	<u>189,426</u>	<u>89,432</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 FEDERAL BREAKFAST START UP
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal	\$ 2,700	\$ 2,700	\$ 2,700
Total Revenues	<u>2,700</u>	<u>2,700</u>	<u>2,700</u>
EXPENDITURES			
Supplies and materials	<u>2,700</u>	<u>2,700</u>	<u>2,700</u>
Total Expenditures	<u>2,700</u>	<u>2,700</u>	<u>2,700</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 REGIONAL SAFE SCHOOLS
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State	\$ 387,958	\$ 387,958	\$ 557,957
Total Revenues	<u>387,958</u>	<u>387,958</u>	<u>557,957</u>
EXPENDITURES			
Salaries and benefits	306,714	308,650	349,873
Purchased services	63,494	66,558	76,617
Supplies and materials	12,750	12,750	17,366
Capital outlay	5,000	-	1,295
Other objects	-	-	73
Total Expenditures	<u>387,958</u>	<u>387,958</u>	<u>445,224</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(79)
Interest	-	-	1,711
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,632</u>
NET CHANGE IN FUND BALANCES	-	-	114,365
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>665,772</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 780,137</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 STATE BREAKFAST START UP
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State	\$ 3,500	\$ 3,500	\$ 3,500
Total Revenues	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>
EXPENDITURES			
Supplies and materials	1,700	1,700	2,088
Capital outlay	1,800	1,800	1,412
Total Expenditures	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 JOBS FOR ILLINOIS GRADUATES
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State	\$ 111,452	\$ 111,452	\$ 110,939
Total Revenues	<u>111,452</u>	<u>111,452</u>	<u>110,939</u>
EXPENDITURES			
Salaries and benefits	108,525	108,525	108,530
Purchased services	2,927	2,927	2,409
Total Expenditures	<u>111,452</u>	<u>111,452</u>	<u>110,939</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(1)
Interest	-	-	1
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 FEDERAL SPECIAL EDUCATION PRESCHOOL DISCRETIONARY
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal	\$ 501,581	\$ 501,581	\$ 490,358
Total Revenues	<u>501,581</u>	<u>501,581</u>	<u>490,358</u>
EXPENDITURES			
Salaries and benefits	324,489	308,458	306,383
Purchased services	150,115	138,115	130,183
Supplies and materials	26,977	36,977	36,296
Capital outlay	-	5,700	5,741
Other objects	-	12,331	11,759
Total Expenditures	<u>501,581</u>	<u>501,581</u>	<u>490,362</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(87)
Interest	-	-	91
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2006

	Institute Fund	General Education Development	Bus Driver Training	Supervisory Expense Fund	TOTALS
ASSETS					
Cash	\$ 121,899	\$ 21,968	\$ 5,679	\$ -	\$ 149,546
Due from other governments					
Local	443	-	-	-	443
TOTAL ASSETS	\$ 122,342	\$ 21,968	\$ 5,679	\$ -	\$ 149,989
LIABILITIES					
Accounts payable	\$ 2,769	\$ 1,341	\$ 471	\$ -	\$ 4,581
Total Liabilities	2,769	1,341	471	-	4,581
FUND BALANCES					
Restricted	119,573	20,627	5,208	-	145,408
Total Fund Balances	119,573	20,627	5,208	-	145,408
TOTAL LIABILITIES AND FUND BALANCES	\$ 122,342	\$ 21,968	\$ 5,679	\$ -	\$ 149,989

ST CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2006

	Institute Fund	General Education Development	Bus Driver Training	Supervisory Expense Fund	TOTALS
REVENUES					
Local sources	\$ 84,027	\$ 30,405	\$ 3,152	\$ -	\$ 117,584
State sources	-	-	1,490	1,000	2,490
Total Revenues	<u>84,027</u>	<u>30,405</u>	<u>4,642</u>	<u>1,000</u>	<u>120,074</u>
EXPENDITURES					
Salaries and benefits	33,479	44,053	2,963	-	80,495
Purchased services	49,490	7,102	4,165	1,000	61,757
Supplies and materials	1,509	8,344	77	-	9,930
Other objects	27,856	-	-	-	27,856
Total Expenditures	<u>112,334</u>	<u>59,499</u>	<u>7,205</u>	<u>1,000</u>	<u>180,038</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	-	-	-	(1)	(1)
Interest	881	90	16	1	988
Total Other Financing Sources (Uses)	<u>881</u>	<u>90</u>	<u>16</u>	<u>-</u>	<u>987</u>
NET CHANGE IN FUND BALANCES	<u>(27,426)</u>	<u>(29,004)</u>	<u>(2,547)</u>	<u>-</u>	<u>(58,977)</u>
FUND BALANCES, BEGINNING OF YEAR	<u>146,999</u>	<u>49,631</u>	<u>7,755</u>	<u>-</u>	<u>204,385</u>
FUND BALANCES, END OF YEAR	<u>\$ 119,573</u>	<u>\$ 20,627</u>	<u>\$ 5,208</u>	<u>\$ -</u>	<u>\$ 145,408</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2006

	Distributive Fund	Employee Activity Fund	Payroll Clearing Fund	Workers Compensation Escrow Fund	Totals
ASSETS					
Cash	\$ -	\$ 123	\$ 13,322	\$ 12,000	\$ 25,445
Accounts receivable	-	-	49	-	49
Total Assets	\$ -	\$ 123	\$ 13,371	\$ 12,000	\$ 25,494
LIABILITIES					
Accounts payable	\$ -	\$ 123	\$ 819	\$ 12,000	\$ 12,942
Due to other governments	-	-	12,552	-	12,552
Total Liabilities	\$ -	\$ 123	\$ 13,371	\$ 12,000	\$ 25,494

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2006

	<u>July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2006</u>
<u>DISTRIBUTIVE FUND</u>				
ASSETS				
Cash	\$ -	\$ 4,946,121	\$ 4,946,121	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 4,946,121</u>	<u>\$ 4,946,121</u>	<u>\$ -</u>
LIABILITIES				
Due to other governments	\$ -	\$ 4,946,121	\$ 4,946,121	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 4,946,121</u>	<u>\$ 4,946,121</u>	<u>\$ -</u>
<u>EMPLOYEE ACTIVITY FUND</u>				
ASSETS				
Cash	\$ 926	\$ 561	\$ 1,364	\$ 123
Total Assets	<u>\$ 926</u>	<u>\$ 561</u>	<u>\$ 1,364</u>	<u>\$ 123</u>
LIABILITIES				
Accounts payable	\$ 926	\$ 123	\$ 926	\$ 123
Total Liabilities	<u>\$ 926</u>	<u>\$ 123</u>	<u>\$ 926</u>	<u>\$ 123</u>
<u>PAYROLL CLEARING FUND</u>				
ASSETS				
Cash	\$ 15,213	\$ 3,277,097	\$ 3,278,988	\$ 13,322
Accounts receivable	-	49	-	49
Total Assets	<u>\$ 15,213</u>	<u>\$ 3,277,146</u>	<u>\$ 3,278,988</u>	<u>\$ 13,371</u>
LIABILITIES				
Accounts payable	\$ 4,710	\$ 819	\$ 4,710	\$ 819
Due to other governments	10,503	12,552	10,503	12,552
Total Liabilities	<u>\$ 15,213</u>	<u>\$ 13,371</u>	<u>\$ 15,213</u>	<u>\$ 13,371</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2006

	<u>July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2006</u>
<u>WORKERS' COMPENSATION</u>				
<u>ESCROW FUND</u>				
ASSETS				
Cash	\$ 16,818	\$ 33,100	\$ 37,918	\$ 12,000
Total Assets	<u>\$ 16,818</u>	<u>\$ 33,100</u>	<u>\$ 37,918</u>	<u>\$ 12,000</u>
LIABILITIES				
Accounts payable	\$ 16,818	\$ 12,000	\$ 16,818	\$ 12,000
Total Liabilities	<u>\$ 16,818</u>	<u>\$ 12,000</u>	<u>\$ 16,818</u>	<u>\$ 12,000</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash	\$ 32,957	\$ 8,256,879	\$ 8,264,391	\$ 25,445
Accounts receivable	-	49	-	49
Total Assets	<u>\$ 32,957</u>	<u>\$ 8,256,928</u>	<u>\$ 8,264,391</u>	<u>\$ 25,494</u>
LIABILITIES				
Accounts payable	\$ 22,454	\$ 12,942	\$ 22,454	\$ 12,942
Due to other governments	10,503	4,958,673	4,956,624	12,552
Total Liabilities	<u>\$ 32,957</u>	<u>\$ 4,971,615</u>	<u>\$ 4,979,078</u>	<u>\$ 25,494</u>

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS
 AND OTHER ENTITIES
 DISTRIBUTIVE FUND
 FOR THE YEAR ENDED JUNE 30, 2006

	REGIONAL OFFICE OF EDUCATION #50
	\$
General State Aid	169,999
Transportation	1,440
Special Education State Grants	8,100
Special Education Federal Grants	498,451
Title I Reading First	91,654
Title I Even Start	164,509
PreSchool at Risk	85,395
MECCA	195,421
Title I School Improvement	1,388,563
Bilingual Education Adult Education State Grants	13,873
Adult Education State Grants	234,987
Adult Education Federal Grants	157,953
Alternative Education for Truants	528,043
Title II Leadership	63,393
Math & Science	216,479
SIP Operations	116,486
Respro-State	45,910
LASER	104,600
Standards, Assess/State	208,137
In Touch Program	168,005
Supervisory Expense	1,000
Safe Schools	398,425
Dept. Of Rehabilitation Services Transition	70,903
State Breakfast & Lunch	3,928
Federal Breakfast and Lunch	10,140
Interest	327
	327
Total	\$ 4,946,121

FEDERAL COMPLIANCE SECTION

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2006

Federal Grantor/ Pass-Through Grantor/ <u>Program or Cluster Title</u>	CFDA <u>Number</u>	Project # (1st eight digits) or <u>Contract #</u>	Federal <u>Expenditures</u> <u>7/1/05 - 6/30/06</u>
U.S. Dept. of Education			
passed through Illinois State Board of Education:			
Title I Reading First Part B SEA Funds	84.357	05-4337-00	\$ 21,844
Title I Reading First Part B SEA Funds	84.357	06-4337-00	3,091
Title I Reading First Part B SEA Funds	84.357	05-4337-01	44,305
Title I Reading First Part B SEA Funds	84.357	06-4337-01	59,482
Title I Reading First Part B SEA Funds	84.357	05-4337-02	357
Title I Reading First Part B SEA Funds	84.357	05-4337-04	17,120
Title I Reading First Part B SEA Funds	84.357	06-4337-04	23,088
Total Title I Reading First Part B SEA Funds			169,287 (M)
Even Start	84.213C	06-4335-00	166,571
Mathematics and Science Partnership	84.366	05-4936-00	147,423
Mathematics and Science Partnership	84.366	06-4936-00	75,201
Total Mathematics and Science Partnership			222,624 (M)
Title I School Improvement and Accountability	84.010A	05-4331-SS	384,180
Title I School Improvement and Accountability	84.010A	06-4331-SS	920,320
Total Title I School Improvement and Accountability			1,304,500 (M)
Title II Teacher Quality - Leadership Grant	84.367A	05-4935-SS	93,858
Title II Teacher Quality - Leadership Grant	84.367A	06-4935-SS	44,320
Total Title II Teacher Quality-Leadership Grant			138,178
Title V Innovative Programs - SEA Projects	84.298A	05-4105-SS	7,616
Federal Special Education Preschool Discretionary	84.713A	06-4605-00	490,358
U.S. Dept. of Agriculture			
passed through Illinois State Board of Education:			
National School Lunch	10.555	05-4210-00	435
National School Lunch	10.555	06-4210-00	4,592
Total National School Lunch			5,027
Federal Breakfast Startup	10.553	06-4200-00	2,700
School Breakfast Program	10.553	05-4220-00	152
School Breakfast Program	10.553	06-4220-00	2,123
Total Federal Breakfast Startup and School Breakfast Program			4,975
Total passed through Illinois State Board of Education			2,509,136
U.S. Dept. of Education passed through Illinois Community College Board			
Adult Education Federal Basic	84.002A	522AB	156,636
Adult Education English Literacy Civics	84.002A	522AB	1,317
Total passed through Illinois Community College Board			157,953

The accompanying notes are an integral part of this schedule.

ST. CLAIR COUNTY REGIONAL OFFICE OF EDUCATION #50
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	Project # (1st eight digits) or Contract #	Federal Expenditures 7/1/05 - 6/30/06
U.S. Department of Education passed through Perandoe Special Education			
IDEA Part B Positive Behavior Intervention Services	84.027	06-4630-00	\$ 30,329
Total passed through Perandoe Special Education District			<u>30,329</u>
U.S. Department of Education passed through Illinois Department of Human Services			
DHS/Office of Rehabilitation Services Transition	84.126	10C6001214	71,742
Total passed through Illinois Department of Human Services			<u>71,742</u>
U.S. Department of Education passed through Bond/Fayette/Effingham Regional Office of Education #3			
Standards Aligned Classroom	84.289A	05-4999-00	1,979
Standards Aligned Classroom	84.289A	06-4999-00	15,972
Total Standards Aligned Classroom			<u>17,951</u>
McKinney Education for Homeless Children	84.196A	06-4920-00	56,000
Total passed through Bond/Fayette/Effingham Regional Office of Education #3			<u>73,951</u>
U.S. Department of Education - Fund for Improvement of Education			
Old Man River Project	84.215K	R215K020113	89,432
Total U.S. Department of Education			<u>89,432</u>
U.S. Department of Health and Human Services passed through Illinois Department of Human Services			
Addiction Prevention In Touch	93.959	10C6001214	34,600
Total passed through Illinois Department of Human Services			<u>34,600</u>
U.S. Department of Labor passed through Urban League of Metropolitan St. Louis, INC.			
Urban League Youth Empowerment	17.261	N/A	23,368
Total passed through Urban League of Metropolitan St. Louis, INC.			<u>23,368</u>
Total Expenditures of Federal Awards			<u>\$ 2,990,511</u>

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

ST. CLAIR COUNTY
 REGIONAL OFFICE OF EDUCATION #50
 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 ROE #50 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 #50 provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA #</u>	<u>Amount provided to subrecipients</u>
Title I School Improvement and Accountability	84.010A	\$ 162,465
Title II Teacher Quality - Leadership Grant	84.367A	8,086
Mathematics and Science Partnership	84.366	23,659

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM

Title I Reading First Part B SEA Funds provides support for the Reading First Reading Academies that focus training on the best practices in reading and are targeted to the K-2 teachers.

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

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

NOTE 4 - NON-CASH ASSISTANCE

None

NOTE 5 - AMOUNT OF INSURANCE

None

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

None