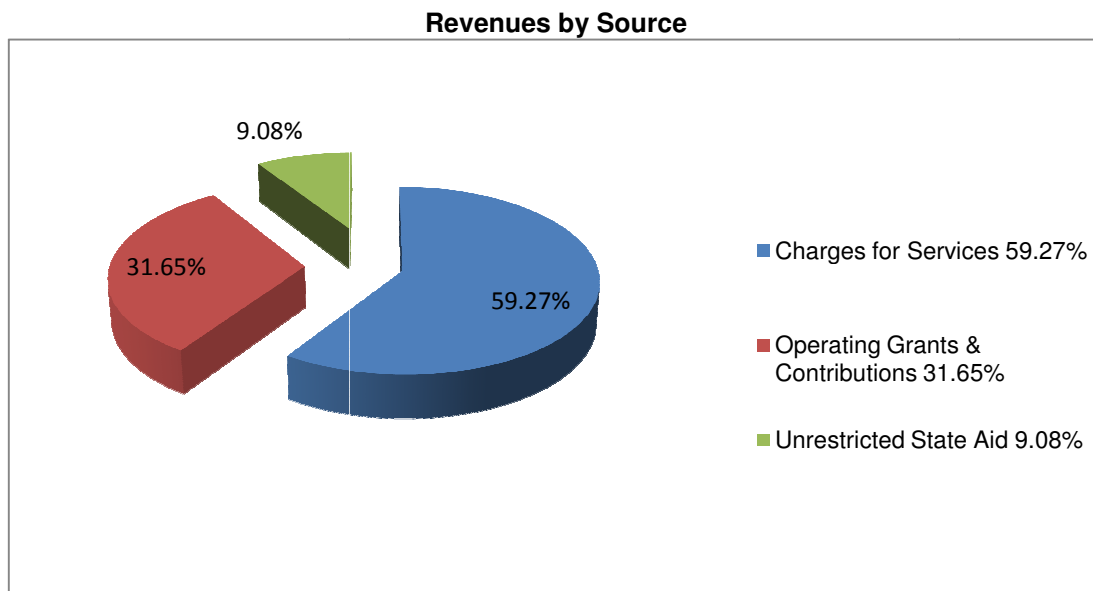


Revenues:

The following chart shows RESA-6's revenues for fiscal year ended June 30, 2011 by source:



Charges for Services make up the bulk of RESA-6 revenues at 59.27%. The majority of these funds reflect County Board of Education payments for RESA-6 services. RESA-6 has historically had the majority of revenues made up of charges for services to County Boards of Education.

It should be noted that the contribution of State Aid to RESA-6 operations has been decreasing both in absolute terms and in percentage terms. In FY2009 State Aid made up 11.54% of revenue dropping to 9.38% in FY2010 and has further decreased to 9.08% in FY2011.

The following chart compares FY2011 revenues to FY2010 revenues:

	FY2011	FY2010	Net	
	Governmental	Governmental	Change	Percent
	Activities	Activities	Compariso n	Change
Charges for Services	2,719,214.52	2,762,297.85	(43,083.33)	(1.56)%
Operating Grants & Contributions	1,451,912.59	1,335,708.31	116,204.28	8.70%
Unrestricted State Aid	416,457.00	424,122.00	(7,665.00)	(1.81)%
Total	4,587,584.11	4,522,128.16	64,455.95	1.45%

Revenue Discussion:

RESA-6 is designed to provide services to the county boards of education within the region. RESA-6 revenues reflect this service orientation in that the bulk of revenues are charges for services. The primary increase of revenues over the previous fiscal year is in the area of operating grants and contributions. A

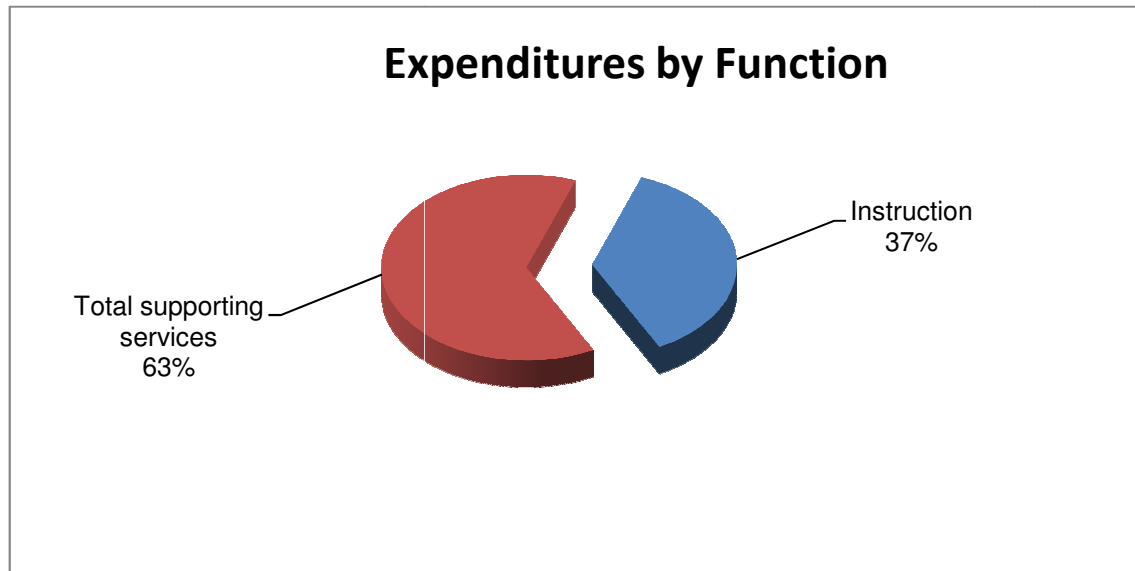
significant increase in ABE and SPOKES activities both in personnel services and materials significantly contributed to the 8.7% increase in this area of revenue.

The decrease in Charges for Services is immaterial.

It should also be noted that the lack of adequate State Aid is extremely problematic due to the increased base costs during the same time period, and RESA-6 has had to utilize reserves in FY2009, FY2010, and FY2011 to fund the mandated core operations of RESA-6, and has now reached the point where those reserves have been consumed.

Expenses:

The following chart shows RESA-6's expenditures for fiscal year ended June 30, 2011 by function:



Supporting services makes up the bulk of RESA-6 expenses at 63%, and reflect the support service orientation of the Agency. RESA-6 primarily functions to support County Board of Education activities, and the expenditure distribution is in alignment with that purpose with 100% devoted to support services and instruction.

The following chart compares FY2011 expenses to FY2010 expenses:

	FY2011 Governmental Activities	FY2010 Governmental Activities	Net Change Comparison	Percent Change
Instruction	1,723,442.26	1,545,396.50	178,045.76	11.52%
Total Supporting Services	2,966,518.01	3,040,815.78	(74,297.77)	(2.44)%
Total	4,689,960.27	4,586,212.28	103,747.99	2.26%

Expense Discussion:

RESA-6 is designed to provide services to the county boards of education within the region. RESA-6 expenses reflect this service orientation in that all of expenses are in Support Service and Instruction. The primary dollar increase in expenses over the previous fiscal year is in the area of Instruction. This increase is attributable to expansion of Adult Basic Education Services. The decrease in Total Supporting Services is immaterial and reflects minor adjustments in the make up of personnel.