

State of Illinois
REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
FINANCIAL AUDIT
(In Accordance with the Single Audit Act
and OMB Circular A-133)
For the Year Ended June 30, 2009

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 TABLE OF CONTENTS
 JUNE 30, 2009

TABLE OF CONTENTS

	<u>PAGE</u>
Agency Officials	1
Compliance Report Summary	2-3
Financial Statement Report Summary	4
 FINANCIAL SECTION	
Independent Auditor’s 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 Auditor’s Results	11
Section II - Financial Statement Findings.....	12a-12c
Section III - Federal Award Findings.....	13
Corrective Action Plan for Current Year Audit Findings.....	14a-14b
Summary Schedule of Prior Audit Findings.....	15
Management’s Discussion and Analysis.....	16a-16i
 BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Assets.....	17
Statement of Activities.....	18
Fund Financial Statements	
Balance Sheet - Governmental Funds.....	19
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds.....	20
Statement of Revenues, Expenditures, and Changes In Fund Balances - 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 Funds	24
Statement of Cash Flows – Proprietary Funds.....	25
Statement of Fiduciary Net Assets – Fiduciary Fund	26
Notes to the Financial Statements	27-49

REQUIRED SUPPLEMENTARY INFORMATION

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

OTHER SUPPLEMENTAL INFORMATION

Combining Schedule of Accounts General Fund.....	51
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund Accounts.....	52
 Budgetary Comparison Schedules General Fund	
Schoolworks Operation.....	53
Area IV Learning Technology Hub.....	54
 Combining Schedule of Accounts Education Fund	55-58
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Education Fund Accounts	59-62
 Budgetary Comparison Schedules Education Fund	
Truants Alternative/Optional Education.....	63
Regional Education Alternative for Developing Youth (READY)	64
Title I – Reading First Part B SEA	65
ELL Professional Development	66
Teacher Mentoring.....	67
Gifted Education	68
 Combining Balance Sheet Non-major Special Revenue Funds.....	69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Special Revenue Funds	70

Combining Statement of Fiduciary Net Assets	
Agency Funds.....	71
Combining Statement of Changes in Assets and Liabilities	
Agency Funds.....	72-73
Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund	74
 FEDERAL COMPLIANCE SECTION	
Schedule of Expenditures of Federal Awards.....	75-76
Notes to the Schedule of Expenditures of Federal Awards	77

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
JUNE 30, 2009

OFFICIALS

Regional Superintendent
(Current and during the audit period)

Ms. Jane E. Quinlan

Assistant Regional Superintendent
(Current and during the audit period)

Ms. Barbara A. Daly

Office is located at:

200 South Fredrick Street
Rantoul, IL 61866

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 JUNE 30, 2009

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

Details of audit findings are presented in a separate report section.

An additional two matters which are less than significant deficiencies or material weaknesses but more than inconsequential have been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, these issues may have been included as immaterial findings in the auditors' reports.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (<i>GOVERNMENT AUDITING STANDARDS</i>)			
09-1	12a	Controls Over Financial Statement Preparation	Significant Deficiency
09-2	12c	Lack of Sufficient Controls Over Journal Entries	Material Weakness

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

None

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
JUNE 30, 2009

PRIOR FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
08-2	15	Excess Working Cash in Internal Service Fund

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on August 14, 2009. Attending were Jane Quinlan, Regional Superintendent and Tami Knight, Partner, Kemper CPA Group LLP. Responses to the recommendations were provided by Jane Quinlan, Regional Superintendent.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
JUNE 30, 2009

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Champaign/Ford Counties Regional Office of Education #9 was performed by Kemper CPA Group LLP, Certified Public Accountants and Consultants.

Based on their audit, the auditors expressed an unqualified opinion on the Regional Office of Education #9's basic financial statements.

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #9, as of and for the year ended June 30, 2009, which collectively comprise the Regional Office of Education #9's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Office of Education #9'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 #9, as of June 30, 2009, 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 February 10, 2010 on our consideration of the Regional Office of Education #9'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 16i 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 #9's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School 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

Mattoon, Illinois
February 10, 2010



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, business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #9, as of and for the year ended June 30, 2009, which collectively comprise the Regional Office of Education #9's basic financial statements and have issued our report thereon dated February 10, 2010. 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 #9's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements and not for the purpose of expressing an opinion on the effectiveness of Regional Office of Education #9's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Regional Office of Education #9's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and another that we consider to be a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in finding 09-2 in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in finding 09-1 in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency.

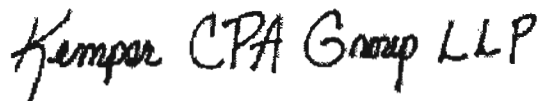
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Regional Office of Education #9'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*.

We also noted certain matters which we have reported to management of the Regional Office of Education #9 in a separate letter dated February 10, 2010.

The Regional Office of Education #9's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Regional Office of Education #9's responses and, accordingly, we express no opinion on them.

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.



Certified Public Accountants and Consultants

Mattoon, Illinois
February 10, 2010

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 #9 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, 2009. The Regional Office of Education #9'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 #9's management. Our responsibility is to express an opinion on the Regional Office of Education #9'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 #9'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 #9's compliance with those requirements.

In our opinion, the Regional Office of Education #9 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, 2009.

Internal Control Over Compliance

The management of the Regional Office of Education #9 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 #9'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 but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education #9's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Regional Office of Education #9's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Regional Office of Education #9's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Mattoon, Illinois
February 10, 2010

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 SUMMARY OF AUDITOR'S RESULTS
 JUNE 30, 2009

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes
- Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) 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
84.010A	Title I Grants to Local Educational Agencies – Title I School Improvement and Accountability

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

Auditee qualified as a low-risk auditee? Yes

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Finding 09-1 – Controls Over Financial Statement Preparation (Repeated from Finding 08-1 & 07-1)

Criteria/Specific Requirement:

The Regional Office of Education #9 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

Condition:

The Regional Office of Education #9 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenues. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenues, not all entries were made by the ROE to reconcile their grant activity, such as posting grant receivables and deferred revenues.
- The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles. This included the Regional Office not recording multiple adjusting entries from the prior year audit.

Effect:

Management or employees in the normal course of performing their assigned functions may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

Cause:

According to Regional Office officials, they did not have adequate funding to hire and/or train their accounting personnel in order to comply with these requirements.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Finding 09-1 – Controls Over Financial Statement Preparation (Repeated from Finding 08-1 & 07-1) (Concluded)

Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #9 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

Management Response:

The Regional Office of Education #9 accepts the degree of risk associated with this condition because the additional expense to seek outside accounting expertise to prepare and/or review financial statements would take away from the funds available to provide educational services for the schools in the region. ROE #9 will review, approve, and accept responsibility for the audit adjustments, financial statements and related notes provided by the auditors.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Finding No. 09-2 – Lack of Sufficient Controls Over Journal Entries

Criteria/Specific Requirement:

The Regional Office of Education #9 is responsible for establishing and maintaining an internal control system over journal entries to prevent errors and fraud.

Condition:

- A. The Regional Office of Education #9 does not consistently review or document their review of journal entries.
- B. The Regional Office of Education #9's accounting system generated a one-sided journal entry during their fiscal year 2008 closing process that caused the Regional Office's fiscal year 2009 beginning general ledger balances to be off by \$5,364. The discrepancy was not detected by the Regional Office.

Effect:

Errors or fraud that could be material to the financial statements may occur and not be detected in a timely manner by employees in the normal course of performing their assigned duties.

Cause:

The Regional Office of Education lacks consistent review of both manual and system generated journal entries.

Recommendation:

- A. The Regional Office should ensure that all journal entries are reviewed and approved by an individual independent of the journal entry process.
- B. The Regional Office should review all closing and opening journal entries that are posted automatically by their accounting software.

Management Response:

The Regional Superintendent agrees with this finding.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

INSTANCES OF NONCOMPLIANCE:

NONE

SIGNIFICANT DEFICIENCIES:

NONE

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2009

Corrective Action Plan

Finding No. 09-1 – Controls Over Financial Statement Preparation (Repeated from Finding 08-1 and 07-1)

Condition:

The Regional Office of Education #9 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenues. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenues, not all entries were made by the ROE to reconcile their grant activity, such as posting grant receivables and deferred revenues.
- The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles. This included the Regional Office not recording multiple adjusting entries from the prior year audit.

Plan:

The Regional Office of Education #9 accepts the degree of risk associated with this condition because the additional expense to seek outside accounting expertise to prepare and/or review financial statements would take away from the funds available to provide educational services for the schools in the region. The Regional Office of Education #9 will continue to review, approve, and accept responsibility for the audit adjustments, financial statements and related notes provided by the auditors.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Contact Person Responsible for Corrective Action:

Honorable Jane E. Quinlan, Regional Superintendent of Schools

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2009

Corrective Action Plan (Continued)

Finding No. 09-2 – Lack of Sufficient Controls Over Journal Entries

Condition:

- A. The Regional Office of Education #9 does not consistently review or document their review of journal entries.
- B. The Regional Office of Education #9's accounting system generated a one-sided journal entry during their fiscal year 2008 closing process that caused the Regional Office's fiscal year 2009 beginning general ledger balances to be off by \$5,364. The discrepancy was not detected by the Regional Office.

Plan:

- A. The Regional Office will ensure that all journal entries are reviewed and approved by an individual independent of the journal entry process.
- B. The Regional Office will review all closing and opening journal entries that are posted automatically by their accounting software.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Contact Person Responsible for Corrective Action:

Honorable Jane E. Quinlan, Regional Superintendent of Schools

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2009

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
08-1	Controls Over Financial Statement Preparation	Repeated
08-2	Excess Working Cash in Internal Service Fund	Corrected

MANAGEMENT'S DISCUSSION AND ANALYSIS

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

The Regional Office of Education #9 for Champaign and Ford Counties provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2009. We encourage readers to consider this information in conjunction with the Regional Office of Education #9's financial statements, which follow.

2009 Financial Highlights

General Fund revenues for FY09 were \$2,171,712. Expenditures for the same period were \$2,168,640 resulting in an excess of \$3,072. Interest, net of interest expense, for this same period was \$3,712 that resulted in an increase to fund balance of \$30,934. Fund balance for the General Fund for FY09 was \$805,182.

The Education Fund revenues for FY09 were \$3,264,771. Expenditures for the same period were \$3,098,484 resulting in an excess of \$166,287. Interest for this same period was \$3,629 that resulted in an increase to fund balance of \$169,916. Fund balance for the Education Fund for FY09 was \$575,616.

Using This Report

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

Management Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office of Education #9's financial activities.

The government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the Regional Office of Education #9 as a whole and present an overall view of the Office's finances.

The fund financial statements tell how government services were financed in the short term as well as what remains for future spending. Fund financial statements report the Office's operations in more detail than the government-wide statements by providing information about the most significant funds.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Required supplementary information further explains and supports the financial statements and supplementary information provides information about the non-major funds.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

Reporting the Office as a Whole

The Statement of Net Assets and the Statement of Activities

The government-wide statements report information about the Regional Office of Education #9 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

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

Over time, increases or decreases in the net assets can be an indicator of whether financial position is improving or deteriorating, respectively.

To assess the Regional Office's overall health, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the State level need to be considered.

In the government-wide financial statements, the Regional Office of Education #9's activities are divided into two categories:

- **Governmental activities:** Most of the Regional Office of Education #9's basic services are included here, such as local, State and federal grant-funded programs, support services, and administration.
- **Business-type activities –** The Regional Office of Education #9 charges fees to help cover costs of certain services and workshops it provides.

The fund financial statements provide detailed information about the Regional Office's funds, focusing on its most significant or "major" funds, not the Regional Office of Education as a whole. Funds are accounting devices that allow the tracking of specific sources of funding and spending of particular programs. Some funds are required by State law. The Regional Office of Education #9 establishes other funds to control and manage money for particular purposes.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

The Office has three kinds of funds:

- 1) Governmental funds account for all of the Office's services. These focus on how cash and other financial assets can be readily converted to cash flow in and out and the balance left at year-end that is available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the Office's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements, reconciliation between the governmental fund financial statements and the government-wide financial statements follows the related governmental fund financial statements. The Office's governmental funds include the General Fund and the Special Revenue Funds. The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.
- 2) Proprietary funds are those in which revenues and expenses related to workshops and other services sponsored by the Regional Office of Education #9 are recorded. The proprietary funds required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Fund Net Assets, and a Statement of Cash Flows.
- 3) Fiduciary funds are used to account for assets held by the Regional Office of Education #9 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Fiduciary funds required financial statements include a Statement of Fiduciary Net Assets. The Regional Office of Education #9 excludes these assets from the government-wide financial statements because it cannot use these assets to finance its operations.

Government – Wide Financial Analysis

As noted earlier, net assets may serve, when examined over time, as one indicator of the financial position of the Regional Office. The total net assets at the end of FY09 were \$2,374,546. The analysis that follows provides a summary of the Regional Office of Education #9's net assets at June 30, 2009 and June 30, 2008, for the governmental and business-type activities.

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2009

Government – Wide Financial Analysis (Continued)

CONDENSED STATEMENT OF NET ASSETS

	<u>Governmental Activities</u>		
	<u>2009</u>	<u>2008</u>	<u>Increase / (Decrease)</u>
Current Assets	\$ 3,349,915	\$ 1,656,896	\$ 1,693,019
Noncurrent Assets			
Capital Assets, being depreciated, net	<u>184,348</u>	<u>168,360</u>	<u>15,988</u>
Total Assets	<u>3,534,263</u>	<u>1,825,256</u>	<u>1,709,007</u>
Current Liabilities	1,666,818	138,498	1,528,320
Noncurrent Liabilities			
Lease Payable	<u>12,378</u>	<u>-</u>	<u>12,378</u>
Total Liabilities	<u>1,679,196</u>	<u>138,498</u>	<u>1,540,698</u>
Net Assets:			
Invested in Capital Assets	184,348	168,360	15,988
Unrestricted	1,452,481	1,289,940	162,541
Restricted for Teacher Prof.Dev.	<u>218,238</u>	<u>228,458</u>	<u>(10,220)</u>
Total Net Assets	<u>\$ 1,855,067</u>	<u>\$ 1,686,758</u>	<u>\$ 168,309</u>

The Regional Office of Education's governmental assets exceeded governmental liabilities at the end of FY09, which was an increase of \$168,309 from the prior year. Cash and cash equivalents and grant receivables from the State or other granting agencies made up the majority of current assets. The increase in current assets relates primarily to the receivables resulting from the State's slow payment of grant funding, as well as, an excess of revenue over expenditures in the General and Education Fund. The increase in current liabilities relates primarily to the increase in unearned revenue from FY08 to FY09. In addition, net assets related to the Institute Fund are considered restricted for teacher professional development.

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2009

Government – Wide Financial Analysis (Continued)

CONDENSED STATEMENT OF NET ASSETS

	<u>Business-type Activities</u>		Increase /
	<u>2009</u>	<u>2008</u>	<u>(Decrease)</u>
Current Assets	\$ 513,999	\$ 433,910	\$ 80,089
Capital Assets, being depreciated, net	<u>5,480</u>	<u>7,796</u>	<u>(2,316)</u>
Total Assets	<u>519,479</u>	<u>441,706</u>	<u>77,773</u>
Net Assets:			
Invested in Capital Assets	5,480	7,796	(2,316)
Unrestricted	<u>513,999</u>	<u>433,910</u>	<u>80,089</u>
Total Net Assets	<u>\$ 519,479</u>	<u>\$ 441,706</u>	<u>\$ 77,773</u>

The Regional Office of Education #9's business-type net assets increased from fiscal year 2008 to fiscal year 2009 primarily due to an increase in workshop participation.

STATEMENT OF ACTIVITIES

The following analysis shows the changes in net assets for governmental and business-type activities for the year ended June 30, 2009 and June 30, 2008.

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2009

Government – Wide Financial Analysis (Continued)

STATEMENT OF ACTIVITIES

Governmental Activities

	<u>2009</u>	<u>2008</u>	<u>Increase / (Decrease)</u>
Revenues:			
Program Revenues:			
Operating grants and contributions	\$ 2,275,278	\$ 1,992,142	\$ 283,136
General revenues:			
Local sources	2,059,085	2,110,853	(51,768)
State sources	415,732	109,938	305,794
Federal sources	90,202	-	90,202
On-behalf payments	796,073	619,965	176,108
Investment earnings	9,392	12,049	(2,657)
Interest expense	(155)	-	(155)
Loss on disposal of assets	(7,172)	(26,117)	18,945
Total Revenues	<u>5,638,435</u>	<u>4,818,830</u>	<u>819,605</u>
Expenses:			
Instructional Services			
Salaries and benefits	2,609,530	2,358,914	250,616
Purchased services	1,462,156	1,154,122	308,034
Supplies and materials	295,604	194,382	101,222
Other objects	14,438	11,734	2,704
Depreciation expense	70,952	63,322	7,630
Payments to other governments	221,373	137,709	83,664
Administrative Expense:			
On-Behalf payments	796,073	619,965	176,108
Total Expenses	<u>5,470,126</u>	<u>4,540,148</u>	<u>929,978</u>
Change in Net Assets	168,309	278,682	(110,373)
Net Assets - Beginning	<u>1,686,758</u>	<u>1,408,076</u>	<u>278,682</u>
Net Assets - Ending	<u>\$ 1,855,067</u>	<u>\$ 1,686,758</u>	<u>\$ 168,309</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2009

Government – Wide Financial Analysis (Concluded)

Revenues for governmental activities were \$5,638,435 and expenses were \$5,470,126.

The increase in salaries and benefits and purchased services is due to the addition of several mini-grants associated with the Family and Community Services Program and the Gifted grant. The increase in payment to other governments is due to increased payments to other ROE's/Districts for services. All of these factors combined led to an increase in ending net assets in fiscal year 2009.

STATEMENT OF ACTIVITIES

Business-Type Activities

	<u>2009</u>	<u>2008</u>	<u>Increase / (Decrease)</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 183,835	\$ 140,854	42,981
General Revenue:			
Investment earnings	2,296	2,711	(415)
Loss on disposal of assets	-	(451)	451
Total Revenues	<u>186,131</u>	<u>143,114</u>	<u>43,017</u>
Expenses:			
Salaries and benefits	7,680	15,923	(8,243)
Purchased services	86,789	90,558	(3,769)
Supplies and materials	9,972	11,887	(1,915)
Other objects	1,601	196	1,405
Depreciation	2,316	1,572	744
Total Expenses	<u>108,358</u>	<u>120,136</u>	<u>(11,778)</u>
Change in Net Assets	<u>77,773</u>	<u>22,978</u>	<u>54,795</u>
Net Assets - Beginning	<u>441,706</u>	<u>418,728</u>	<u>22,978</u>
Net Assets - Ending	<u>\$ 519,479</u>	<u>\$ 441,706</u>	<u>\$ 77,773</u>

Revenues for the business-type activities were \$186,131 and expenses were \$108,358. This resulted in an overall increase in total net assets of \$77,773. The increase is attributed to an increase in conference registrations.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

Financial Analysis of the Regional Office of Education #9 Funds

As previously noted, the Regional Office of Education #9 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund Highlights

The Regional Office of Education #9 continues to offer technical assistance and professional development activities to teachers in all areas of curriculum. We have documentation that at least 2,579 teachers have received direct professional development to improve their basic knowledge and/or their teaching pedagogy. We are responsible for professional development activities to maintain certification by our school administrators through the Administrator Academy. We have documentation that at least 263 administrators have received direct professional development. We operate a middle school and high school through the Regional Safe School Program for students who have experienced serious difficulties in the public schools. This school served 204 students. The DCFS Education Advisor Online program served 15 families and 44 individual children were served with direct interventions. Our Truancy Program had 81 referrals and served 336 students to ameliorate their truancy problems. The McKinney Education-Homeless Children Program served 298 students and families. We served 1,499 teachers through the Certification Program that assists teachers in completing certification requirements and obtaining a certificate. We provided five Bus Driver Trainings throughout the year issuing 66 Initial Bus Driver certificates and 307 Refresher Bus Driver Certificates. There are a variety of other regulatory programs that are statute based including the annual inspection of school buildings for health and safety and regular compliance monitoring of districts. A General Education Diploma is offered through our cooperative effort with Parkland College and the Lincoln's Challenge Program, which includes testing to meet high school equivalency. We administered 1,702 GED tests. In addition, we have a variety of smaller programs that would be classified as consultative services working directly with the schools.

The Regional Office of Education #9 assists educators, parents and other patrons on a daily basis as they call for information and/or with questions or problems related to education. During FY09, we responded to 4,614 phone calls and walk-ins with questions concerning bus service, grade problems, special education needs and requirements, residency concerns, and home school issues. We offer guidance to parents as well as serving as a liaison between parents and the schools.

Proprietary Fund Highlights

The Local Workshop Fund provided training and workshops to 17 public school districts and 24 non-public schools in the region. As part of its mission, the Regional Office of Education #9 continued to provide workshop and training services to school districts even during economically challenging times. Many workshops and services were offered free-of-charge and below cost recovery in order to meet organizational objectives.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

Budgetary Highlights

The Regional Office of Education #9 annually adopts a budget on a basis consistent with U.S. generally accepted accounting principles; however, the annual budget is not required to be legally adopted. The Illinois State Board of Education reviews the proposed budget and either grants approval or returns it without approval with comments. Any unapproved budget must be resubmitted to the Illinois State Board of Education for final approval. The budget may be amended during the year utilizing procedures prescribed by the Illinois State Board of Education. A schedule showing the original and final budget amounts compared to the Regional Office of Education #9's actual financial activity is included in the supplementary information section of this report.

Capital Assets

Capital assets of the Regional Office of Education #9 include office equipment, computers, servers, audiovisual equipment and office furniture. The Regional Office of Education #9 maintains an inventory of capital assets that have been accumulated over time. Additional information is available at the Regional Office of Education #9 administrative offices.

Economic Factors and Next Year's Budget

At the time these financial statements were prepared and audited, the Regional Office of Education #9 was aware of several existing circumstances that could significantly impact its financial health in the future:

- The interest rate on investment remains low and will continue impact income.
- Grants have either been reduced or remained at previous levels.
- The State of Illinois is facing a financial crisis resulting in cuts to State programs and significant delays in payments.

We have tried to maintain the programs that we have previously offered to our schools. In the future, these services may have to be reduced if our Office does not receive sufficient funding or if funding is not received in a timely manner. Our goal is to give the very best services to our schools and clients as possible.

Contacting the Office's Financial Management

This report is designed to provide the Regional Office's citizens, taxpayers, customers, and creditors with a general overview of the Regional Office's finances and to demonstrate the Office's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Regional Superintendent's office at The Regional Office of Education #9, 200 S. Fredrick, Rantoul, IL 61866.

BASIC FINANCIAL STATEMENTS

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF NET ASSETS
 JUNE 30, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 2,662,985	\$ 339,018	\$ 3,002,003
Due (to) from other funds	(160,902)	160,902	-
Due from other governments:			
Local	483,460	14,079	497,539
State	196,125	-	196,125
Federal	168,247	-	168,247
Total Current Assets	<u>3,349,915</u>	<u>513,999</u>	<u>3,863,914</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	184,348	5,480	189,828
Total Noncurrent Assets	<u>184,348</u>	<u>5,480</u>	<u>189,828</u>
TOTAL ASSETS	<u>3,534,263</u>	<u>519,479</u>	<u>4,053,742</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	126,497	-	126,497
Lease payable	11,772	-	11,772
Unearned revenue	1,528,549	-	1,528,549
Total Current Liabilities	<u>1,666,818</u>	<u>-</u>	<u>1,666,818</u>
Noncurrent Liabilities:			
Lease payable	12,378	-	12,378
Total Noncurrent Liabilities	<u>12,378</u>	<u>-</u>	<u>12,378</u>
TOTAL LIABILITIES	<u>1,679,196</u>	<u>-</u>	<u>1,679,196</u>
NET ASSETS			
Invested in capital assets	184,348	5,480	189,828
Restricted for teacher professional development	218,238	-	218,238
Unrestricted	1,452,481	513,999	1,966,480
TOTAL NET ASSETS	<u>\$ 1,855,067</u>	<u>\$ 519,479</u>	<u>\$ 2,374,546</u>

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary Government:						
Governmental Activities:						
Instructional Services						
Salaries and benefits	\$ 2,609,530	\$ -	\$ 1,204,380	\$ (1,405,150)	\$ -	\$ (1,405,150)
Purchased services	1,462,156	-	589,391	(872,765)	-	(872,765)
Supplies and materials	295,604	-	195,529	(100,075)	-	(100,075)
Other objects	14,438	-	77,099	62,661	-	62,661
Depreciation expense	70,952	-	-	(70,952)	-	(70,952)
Capital outlay	-	-	94,112	94,112	-	94,112
Payments to other governments	221,373	-	114,767	(106,606)	-	(106,606)
Administrative:						
On-behalf payments - State	796,073	-	-	(796,073)	-	(796,073)
Total Governmental Activities	5,470,126	-	2,275,278	(3,194,848)	-	(3,194,848)
Business-Type Activities:						
Registration fees	108,358	183,835	-	-	75,477	75,477
Total Business-Type Activities	108,358	183,835	-	-	75,477	75,477
TOTAL PRIMARY GOVERNMENT	\$ 5,578,484	\$ 183,835	\$ 2,275,278	(3,194,848)	75,477	(3,119,371)
GENERAL REVENUES:						
Local sources				2,059,085	-	2,059,085
State sources				415,732	-	415,732
Federal sources				90,202	-	90,202
On-behalf payments				796,073	-	796,073
Investment earnings				9,392	2,296	11,688
Interest expense				(155)	-	(155)
Loss on disposal of capital assets				(7,172)	-	(7,172)
Total general revenues				3,363,157	2,296	3,365,453
CHANGE IN NET ASSETS				168,309	77,773	246,082
NET ASSETS - BEGINNING				1,686,758	441,706	2,128,464
NET ASSETS - ENDING				\$ 1,855,067	\$ 519,479	\$ 2,374,546

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2009

	General Fund	Institute	Education Fund	Non-Major Funds	Eliminations	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 595,812	\$ 218,238	\$ 1,754,114	\$ 75,753	\$ -	\$ 2,643,917
Due from other funds	-	-	199,123	-	(199,123)	-
Due from other governments:						
Local	439,076	-	43,372	172	-	482,620
State	-	-	196,125	-	-	196,125
Federal	-	-	168,247	-	-	168,247
TOTAL ASSETS	\$ 1,034,888	\$ 218,238	\$ 2,360,981	\$ 75,925	\$ (199,123)	\$ 3,490,909
LIABILITIES						
Accounts payable	\$ 17,064	\$ -	\$ 109,433	\$ -	\$ -	\$ 126,497
Due to other funds	131,868	-	228,157	-	(199,123)	160,902
Unearned revenue	80,774	-	1,447,775	-	-	1,528,549
Total Liabilities	229,706	-	1,785,365	-	(199,123)	1,815,948
FUND BALANCES						
Unreserved, reported in:						
General fund	805,182	-	-	-	-	805,182
Special revenue funds	-	218,238	575,616	75,925	-	869,779
Total Fund Balances	805,182	218,238	575,616	75,925	-	1,674,961
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,034,888	\$ 218,238	\$ 2,360,981	\$ 75,925	\$ (199,123)	\$ 3,490,909

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
 GOVERNMENTAL FUNDS
 JUNE 30, 2009

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS \$ 1,674,961

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

Lease payable reflects capital lease payments that the Regional Office of Education #9 will recognize as expensed when paid in the governmental fund financial statements. (24,150)

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 184,348

The Internal Service Fund is used by management to charge the costs of general accounting services of the Regional Office of Education #9 to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Assets.

Net Assets- Internal Service Fund	\$ 32,773	
Less Capital Assets Included in Total Above	<u>(12,865)</u>	<u>19,908</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 1,855,067

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	General Fund	Institute	Education Fund	Non-Major Funds	Total Governmental Funds
REVENUES					
Local sources	\$ 759,663	\$ 39,720	\$ 1,102,495	\$ 48,310	\$ 1,950,188
State sources	615,976	-	1,375,913	2,960	1,994,849
State sources- on-behalf payments	796,073	-	-	-	796,073
Federal sources	-	-	786,363	-	786,363
Total Revenues	<u>2,171,712</u>	<u>39,720</u>	<u>3,264,771</u>	<u>51,270</u>	<u>5,527,473</u>
EXPENDITURES					
Instructional Services:					
Salaries and benefits	699,795	135	1,773,366	30,696	2,503,992
Purchased services	546,240	42,263	856,961	7,442	1,452,906
Supplies and materials	53,649	7,496	214,501	9,479	285,125
Other objects	6,334	42	5,988	1,356	13,720
Payments to other governments	6,273	-	215,100	-	221,373
On-behalf payments	796,073	-	-	-	796,073
Capital outlay	60,276	1,268	32,568	-	94,112
Total Expenditures	<u>2,168,640</u>	<u>51,204</u>	<u>3,098,484</u>	<u>48,973</u>	<u>5,367,301</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,072</u>	<u>(11,484)</u>	<u>166,287</u>	<u>2,297</u>	<u>160,172</u>
OTHER FINANCING SOURCES (USES):					
Capital lease proceeds	24,150	-	-	-	24,150
Interest income	3,867	1,264	3,629	385	9,145
Interest expense	(155)	-	-	-	(155)
Total Other Financing Sources (Uses)	<u>27,862</u>	<u>1,264</u>	<u>3,629</u>	<u>385</u>	<u>33,140</u>
NET CHANGE IN FUND BALANCES	30,934	(10,220)	169,916	2,682	193,312
FUND BALANCES - BEGINNING	<u>774,248</u>	<u>228,458</u>	<u>405,700</u>	<u>73,243</u>	<u>1,481,649</u>
FUND BALANCES - ENDING	<u>\$ 805,182</u>	<u>\$ 218,238</u>	<u>\$ 575,616</u>	<u>\$ 75,925</u>	<u>\$ 1,674,961</u>

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 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, 2009

NET CHANGE IN FUND BALANCES — GOVERNMENTAL FUNDS \$ 193,312

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

Capital lease proceeds related to a capital lease are recognized in the governmental fund financial statements as revenue during the initial year of the obligation, however, are recorded as a debt in the government wide financial statements. (24,150)

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	\$ 94,112	
Depreciation expense	<u>(70,952)</u>	23,160

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. (7,172)

The Internal Service Fund is used by management to charge the costs of general accounting services of Regional Office of Education #9 to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities - excluding the related depreciation expense of \$3,136 which is included above. (16,841)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 168,309

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2009

	Business-Type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund
	Local Workshops	Total	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 339,018	\$ 339,018	\$ 19,068
Due from other funds	160,902	160,902	-
Due from other governments:			
Local	14,079	14,079	840
Total current assets	<u>513,999</u>	<u>513,999</u>	<u>19,908</u>
Noncurrent assets:			
Capital assets, being depreciated, net	5,480	5,480	12,865
Total noncurrent assets	<u>5,480</u>	<u>5,480</u>	<u>12,865</u>
TOTAL ASSETS	<u>519,479</u>	<u>519,479</u>	<u>32,773</u>
NET ASSETS			
Invested in capital assets	5,480	5,480	12,865
Unrestricted	513,999	513,999	19,908
TOTAL NET ASSETS	<u>\$ 519,479</u>	<u>\$ 519,479</u>	<u>\$ 32,773</u>

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities - Enterprise Fund		Governmental Activities- Internal Service Fund
	Local Workshops	Total	
OPERATING REVENUES			
Registration fees	\$ 183,835	\$ 183,835	\$ 108,897
Total Operating Revenues	<u>183,835</u>	<u>183,835</u>	<u>108,897</u>
OPERATING EXPENSES			
Salaries and benefits	7,680	7,680	105,538
Purchased services	86,789	86,789	9,250
Supplies and materials	9,972	9,972	10,479
Other objects	1,601	1,601	718
Depreciation	2,316	2,316	3,136
Total Operating Expenses	<u>108,358</u>	<u>108,358</u>	<u>129,121</u>
OPERATING INCOME (LOSS)	<u>75,477</u>	<u>75,477</u>	<u>(20,224)</u>
NONOPERATING REVENUE (EXPENSE)			
Interest income	2,296	2,296	247
Total Nonoperating Revenue	<u>2,296</u>	<u>2,296</u>	<u>247</u>
CHANGE IN NET ASSETS	77,773	77,773	(19,977)
TOTAL NET ASSETS - BEGINNING	<u>441,706</u>	<u>441,706</u>	<u>52,750</u>
TOTAL NET ASSETS - ENDING	<u>\$ 519,479</u>	<u>\$ 519,479</u>	<u>\$ 32,773</u>

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund
	Local Workshops	Totals	
Cash Flows from Operating Activities:			
Receipts from customers	\$ 177,934	\$ 177,934	\$ 113,570
Payments to suppliers and providers of goods and services	(98,362)	(98,362)	(20,447)
Payments to employees	(7,680)	(7,680)	(105,538)
Net Cash Provided by (Used for) Operating Activities	<u>71,892</u>	<u>71,892</u>	<u>(12,415)</u>
Cash Flows from Noncapital Financing Activities:			
Cash loan payments to other funds	(160,902)	(160,902)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(160,902)</u>	<u>(160,902)</u>	<u>-</u>
Cash Flows from Investing Activities:			
Interest earned	2,296	2,296	247
Net Cash Provided by Investing Activities	<u>2,296</u>	<u>2,296</u>	<u>247</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(86,714)	(86,714)	(12,168)
Cash and cash equivalents - Beginning	<u>425,732</u>	<u>425,732</u>	<u>31,236</u>
Cash and cash equivalents - Ending	<u>\$ 339,018</u>	<u>\$ 339,018</u>	<u>\$ 19,068</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 75,477	\$ 75,477	\$ (20,224)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	2,316	2,316	3,136
(Increase) Decrease in Due from other governments	(5,901)	(5,901)	4,673
Net Cash Provided by (Used for) Operating Activities	<u>\$ 71,892</u>	<u>\$ 71,892</u>	<u>\$ (12,415)</u>

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 JUNE 30, 2009

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 626,860
Due from other governments	287,941
TOTAL ASSETS	\$ 914,801
 LIABILITIES	
Due to other governments	\$ 914,801
TOTAL LIABILITIES	\$ 914,801

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

REGIONAL OFFICE OF EDUCATION
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education #9 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2009, the Regional Office of Education #9 implemented Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*; GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. The Regional Office of Education #9 implemented these standards during the current year; however, GASB No. 49, 52, 55, and 56 had no impact on the financial statements.

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; to evaluate the schools in the region; to examine school treasurers' books, accounts, and vouchers; to examine evidence of indebtedness; to file and keep the returns of elections required to be returned to the Regional Superintendent's office; and to 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 #9'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; to 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 treasurers' bonds. The Regional Superintendent is also required to provide the State Board of Education with an affidavit showing that the treasurers of school districts within his region are properly bonded.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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 region, 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, 2009, the Regional Office of Education #9 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 #9. Such activities are reported as a single special revenue fund (Education Fund).

B. SCOPE OF THE REPORTING ENTITY

The Regional Office of Education #9 reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #9 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the region, 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 #9 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 #9 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #9 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education #9 being considered a component unit of the entity.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 #9's activities with most of the inter-fund activities removed. Governmental activities include programs supported primarily by state and federal grants and other intergovernmental revenues. The Regional Office of Education has one business-type activity that relies on fees and charges for support.

The Regional Office of Education #9's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present a summary of governmental and business-type activities for the Regional Office of Education #9 accompanied by a total column. These statements are presented on an "economic resources" measurement as prescribed by GASB Statement No. 34. All of the Regional Office of Education #9'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 inter-fund activities, such as, payables, receivables and transfers. Inter-fund 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 inter-fund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide financial statements. Inter-fund 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.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

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 non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the government-wide financial statements.

The governmental fund financial statements have been prepared in accordance with generally accepted accounting principles on the modified accrual basis. Under the 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.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The 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 #9; 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 Procedures.

Under the terms of grant agreements, Champaign and Ford Counties Regional Office of Education #9 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is Champaign and Ford Counties Regional Office of Education #9's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING

The Regional Office of Education #9 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 #9 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 fund balance.

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and 2) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as non-major funds. The Regional Office of Education #9 has presented all major funds that met the above qualifications.

The Regional Office of Education #9 reports the following major governmental funds:

General Fund - The General Fund is the operating fund of the Regional Office of Education #9. 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 Funds include the following:

General - This program uses local money to operate the Regional Office of Education #9.

Schoolworks Operations - This program provides professional development and training for teachers and administrators in Champaign, Ford and Vermilion Counties in the areas of gifted education, school improvement, staff development, and technology through workshops, study groups, on-site training, phone assistance, and consultation.

Regional Office of Education Operations - This program accounts for the grant that provides the funding for the Regional Office of Education.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Area IV Learning Technology Hub - This program provides assistance to local districts and schools for the implementation and support of a comprehensive system that effectively uses technology in schools to improve student academic achievement.

Youth Detention Center - The Regional Office of Education #9 contracts with Urbana School District #116 to continue education for youth serving time in the Juvenile Detention Center. This gives the detainees the opportunity to keep up with their classroom work.

Essay Scoring - The Champaign-Ford Regional Office of Education is a scoring site for the GED essays.

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

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

Education - This fund is used to account for various grants supporting education enhancement programs as follows:

Truants Alternative/Optional Education - This program offers prevention and intervention services, which include case management, home visits, school visits, student advocacy, wraparound, referrals to community agencies, and technical assistance to individual school districts and the community.

Freedom School Grant – This program provides safe, restorative learning spaces that operate for six weeks during the summer for seven hours per day.

McKinney-Vento Homeless Children and Youth Program - This program accounts for the proceeds from the federal statewide grant under McKinney-Vento Homeless Children and Youth Program. This program is designed to assist in implementing homeless services. The program will collaborate with all schools within the district concerning the identification of homeless youth and work with the districts to provide local and state resources to those students. The program will provide services to the presently identified homeless students within the region to help them meet the No Child Left Behind achievement targets.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Regional Education Alternative for Developing Youth- This program works with students in grades 6-12 who have been suspended multiple times or expelled from school, allowing them to continue their education. It accounts for aid provided by the state based on students that attend the READY and Alternative School programs.

McKinney Education for Homeless Children - This program offers services to homeless children and youth primarily who are of school age. Pre-school aged children also receive services to ensure access to early childhood and pre-school programs.

Novice Teacher Support - This program provides beginning teachers with practical strategies for dealing with early career challenges, resources, and a network of colleagues who are also entering the teaching profession.

Title I - Reading First Part B SEA - This program provides technical assistance and professional development opportunities to support Reading First districts and primary reading instruction.

Department of Children and Family Services Grant - This program assists with the treatment of child abuse victims and helps prevent child abuse situations.

ELL Professional Development – This is an ISBE funded grant supporting professional development for small and rural districts in the following areas: (1) state and federal laws requiring the provision of English as a second language instruction (or instruction in the native language, if appropriate), to the students needs and as required by state law; (2) best practices of bilingual education to general education teachers, ESL teachers, bilingual teachers, and teacher aides; (3) bilingual program models, curriculum, and methods of instruction for English Language Learners.

Summer Freedom School – Freedom school is a summer literacy program designed by the Children’s Defense Fund to promote cultural and social pride, and to motivate youth to read. Youth read and engage in literacy activities on a daily basis and participate in afternoon rotation activities and field trips both in and out of the community and state.

National Boards (STANCE) – This program is an ISBE funded grant that provides seven regional sites the opportunity to support teachers as they seek their National Board Certification. It also supports teachers who have obtained the National Board Certified Teacher (NBCT) status as they assist other teachers in self improvement efforts.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Standards Aligned Classroom – This program is an ISBE funded project that supports training and team activities in the area of assessment and learning. Teams participate in multiple sessions during the school year (coached by an ROE person) as they study research and implementation strategies.

Teacher Mentoring – This program is one of ten ISBE funded projects in the state that focus on the support and development of new teachers. In this project, veteran teachers are trained in mentoring strategies and new teachers attend multiple in-services concerning topics relevant to them (e.g. classroom management). During the project, mentors and mentees work together as they observe each others' classrooms and discuss improvement strategies.

Teacher Quality – This program is one of three Regional System of Support Projects (RESPRO) funded by ISBE through the Iroquois-Kankakee Regional Office of Education. Schools and districts "status" (i.e. have not met Annual Yearly Progress for two or more consecutive years), are supported in a variety of improvement activities. These activities range from the writing and analyzing of improvement plans to the introduction of strategies and supporting materials into the classroom. Title II dollars support this project.

Illinois State Board of Education/DCFS Interagency Technical Assistance Network - This program assists with the treatment of child abuse victims and helps prevent child abuse situations.

Title I School Improvement and Accountability – This program is one of three Regional System of Support Projects (RESPRO) funded by ISBE through the Iroquois-Kankakee Regional Office of Education. Schools and districts "status" (i.e. have not met Annual Yearly Progress for two or more consecutive years), are supported in a variety of improvement activities. These activities range from the writing and analyzing of improvement plans to the introduction of strategies and supporting materials into the classroom. Title I dollars support this project.

HR Solutions (Tomlinson) – This program is an intergovernmental agreement among participating school districts and ROE #9 to provide technical assistance and training on human resources issues.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Concluded)

IVPA-SEL Grant – This is a technical assistance grant funded by ISBE but administered by IVPA. The goal of the grant is to support the implementation for SEL by local school districts who have been awarded program implementation grants. This is done through area trainings, on-site technical assistance, technical assistance via email or telephone, and meeting facilitation.

Family Support Grant – This program provides supportive services to families whose children attend the Community Day Care.

Teen Reach Grant – This program expands the range of choices and opportunities that enable, empower and encourage youth to achieve positive growth and development, improve expectations and capacities for future success, and avoid and/or reduce risk-taking behavior.

ISBE CMAR Grant – This program provides consultants who are contracted to do compliance monitoring and provider application reading for the Supplemental Educational Services program under Title I, Part A, of the *No Child Left Behind Act of 2001*.

Gifted Education – The activities of this program include in-service activities for gifted coordinators and other teachers. This program provides instructional materials to schools, technical assistance, and resources from in-service activities for participation schools and their representative.

The Regional Office of Education #9 reports the following non-major governmental funds:

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

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

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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 #9 on a cost reimbursement basis are reported. The Regional Office of Education #9 reports the following proprietary fund:

Local Workshops - This fund is generated from fees to provide training.

The Regional Office of Education #9 reports the following internal service fund:

Internal Service Fund – This fund is used to account for the general accounting services of the Regional Office of Education #9 where accounting services are provided for all operating areas and funds of the Regional Office of Education #9.

FIDUCIARY FUNDS

Agency Funds - Agency Funds are used to account for assets held by the Regional Office of Education #9 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency Funds include the following:

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

Payroll Clearing - This fund receives money from other programs/funds to pay payroll expenses for the Regional Office of Education #9 and the Rural Champaign Co. Special Education Coop.

Regional Board of Trustees - Fund that accounts for the Regional Office of Education #9's operating accounts.

Interest on Distributive Fund - Interest on the distributive fund is transferred semi-annually to recipients.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. NET ASSETS

Net assets present the difference between assets and liabilities in the Statement of Net Assets. Net assets are 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."

I. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit.

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 and estimated useful lives of greater than two years 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. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

L. COMPENSATED ABSENCES

Non-certified and certified employees who work 12 calendar months earn up to 20 vacation days for a full year of service. The accumulated total of vacation days may never exceed 30 days. In the event that a program terminates, no vacation days will be honored past the ending date of the program. Certified employees who work less than 12 calendar months per year do not earn vacation days. Any accruals as of June 30th are considered immaterial by management and not reflected in the basic financial statements.

Employees receive up to 12 sick days annually and the unused portion is accumulated up to 180 days 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.

N. BUDGET INFORMATION

The Regional Office of Education #9 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Funds. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted nor are they required to be. Certain programs within the General Fund and Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results are presented as supplemental information. Budgetary comparison schedules have been provided in supplementary schedules for the following funds: Schoolworks Operation, Area IV Learning Technology Hub, Teacher Mentoring, Title I- Reading First Part B SEA, ELL Professional Development, Regional Education Alternative for Developing Youth, Truants Alternative/Optional Education, and Gifted Education.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 – CASH

The Regional Office of Education #9 does not have a formal investment policy. The Regional Office of Education #9 is allowed to invest in securities as authorized by 30 ILCS-235/2-6 and 105 ILCS-5/8-7.

A. DEPOSITS

At June 30, 2009, the carrying amount of the Regional Office of Education #9's government-wide and Agency fund deposits were \$3,002,003 and \$626,860, respectively, and the bank balances were \$3,573,979 and \$678,796, respectively. Of the total bank balances as of June 30, 2009, \$500,000 was secured by federal depository insurance, \$3,385,872 was collateralized by securities pledged by the Regional Office of Education #9's financial institution on behalf of the Regional Office.

B. INVESTMENTS

The Regional Office of Education #9 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, 2009, the Regional Office of Education #9 had investments with carrying and fair values of \$366,903 invested in the Illinois Funds Money Market Fund.

CREDIT RISK

At June 30, 2009, the Illinois Funds Money Market Fund had a Standard and Poor's AAA 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.

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 2 – CASH (Concluded)

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

Plan Description. The Regional Office of Education #9's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #9's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on line at www.imrf.org.

Funding Policy. As set by statute, the Regional Office of Education #9's regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2008 was 8.54 percent of annual covered payroll. The Regional Office of Education #9 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For 2008, the Regional Office of Education #9's annual pension cost of \$153,373 for the Regular plan was equal to the Regional Office of Education #9's required and actual contributions.

THREE YEAR TREND INFORMATION			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/08	\$ 153,373	100%	\$ 0
12/31/07	149,525	100%	0
12/31/06	153,850	100%	0

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Concluded)

The required contribution for 2008 was determined as part of the December 31, 2006, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education #9's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006, was 5 years.

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 85.42 percent funded. The actuarial accrued liability for benefits was \$3,286,134 and the actuarial value of assets was \$2,807,116, resulting in an underfunded actuarial accrued liability (UAAL) of \$479,018. The covered payroll (annual payroll of active employees covered by the plan) was \$1,795,941 and ratio of the UAAL to the covered payroll was 27 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

The Regional Office of Education #9 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for 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, 2009, 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. The active member contribution rate was also 9.4 percent for the years ended June 30, 2008 and 2007. In addition, virtually all members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The employer THIS Fund contribution was 0.63 percent during the year ended June 30, 2009, and the member THIS Fund health insurance contribution was 0.84 percent.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #9's TRS-covered employees.

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #9. For the year ended June 30, 2009, the State of Illinois contributions were based on 17.08 percent of creditable earnings, and the Regional Office of Education #9 recognized revenue and expenditures of \$570,202 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2008 and June 30, 2007, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 13.11 percent (\$384,440) and 9.78 percent (\$314,528) respectively. The state contributions to TRS for the years ended June 30, 2009 and June 30, 2008 were based on an actuarial formula. The state contribution to TRS for the year ended June 30, 2007 was based on dollar amounts specified by the statute and was not actuarially determined.

The Regional Office of Education #9 makes other types of employer contributions directly to TRS.

- **2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ending June 30, 2009 were \$21,865. Contributions for the years ending June 30, 2008, and June 30, 2007, were \$19,922 and \$18,653, respectively.
- **Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #9, there is a statutory requirement for the Regional Office of Education #9 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 special trust funds will be the same as the state contribution rate to TRS. For the year ended June 30, 2009, the employer pension contribution was 17.08 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2008 and 2007, the employer pension contribution was 13.11 and 9.78 percent of salaries paid from those funds, respectively. For the year ended June 30, 2009, salaries totaling \$431,425 were paid from federal and special trust funds that required employer contributions of \$73,687. For the years ended June 30, 2008 and 2007, required Regional Office of Education #9 contributions were \$65,875 and \$67,099, respectively.
- **Early retirement option.** The Regional Office of Education #9 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.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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

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 did 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 Pipeline ERO, the maximum employer contribution was 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, 2009, the Regional Office of Education #9 paid no employer contributions to TRS for employer contributions under the ERO program. For the years ended June 30, 2008 and June 30 2007, the Regional Office of Education #9 paid no employer ERO contributions.

- **Salary increases over 6 percent and excess sick leave.** Public Act 94-0004 added two new employer contributions to TRS. If the Regional Office of Education #9 grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the Regional Office of Education #9 makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increase of up to 6 percent. For the year ended June 30, 2009, the Regional Office of Education #9 paid no employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2008 and 2007, the Regional Office of Education #9 paid no employer contributions due on salary increases in excess of 6 percent.

If the Regional Office of Education #9 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the Regional Office of Education #9 makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.67 percent of salary during the year ended June 30, 2009.) For the year ended June 30, 2009, the Regional Office of Education #9 paid no employer contributions to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2008 and 2007, the Regional Office of Education #9 paid no employer contributions granted for sick leave days.

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2009

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

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and State funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2008. The report for the year ended June 30, 2009, is expected to be available in late 2009. The reports may be obtained by writing to the Teachers' 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.

NOTE 5 - INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Inter-fund due to/from other fund balances at June 30, 2009 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.

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Education Fund	\$199,123	\$228,157
General Fund	-	131,868
Proprietary Fund	<u>160,902</u>	<u>-</u>
	<u>\$360,025</u>	<u>\$360,025</u>

NOTE 6 - CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education #9 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. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2009:

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 6 – CAPITAL ASSETS (Continued)

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Governmental Activities				
<u>General Fund</u>				
General	\$ 39,028	\$ 2,904	\$ 5,438	\$ 36,494
Schoolworks Operations	71,942	7,815	6,163	73,594
Area IV - Technology Hub	236,906	49,557	6,553	279,910
Youth Detention Center	7,682	-	1,307	6,375
<u>Education Fund</u>				
Truants Alternative/Optional Education	1,175	-	-	1,175
Regional Education Alternative for Developing Youth	59,644	27,413	11,473	75,584
Federal Special Education I.D.E.A.	-	-	-	-
McKinney Education for Homeless Children	-	-	-	-
Northern Illinois University Grant	-	-	-	-
Title I - Reading First Part B SEA	-	-	-	-
McKinney - Vento Homeless Children & Youth Program	9,079	-	-	9,079
Technology - Enhancing Education - Competitive	-	-	-	-
Gifted Education	-	5,155	-	5,155
Title IV - Community Service	-	-	-	-
Title I - School Improvement	2,523	-	-	2,523
Regional Office of Education State Grant	-	-	-	-
Novice Teacher Support Program Electronic Expansion Subcontract	-	-	-	-
General Fixed Assets - Closed Programs	107,272	-	7,730	99,542
<u>Nonmajor Special Revenue Fund</u>				
Institute	-	1,268	-	1,268
General Education Development	6,973	-	-	6,973
Governmental Activities				
Total Capital Assets	542,224	94,112	38,664	597,672
<u>Internal Service</u>	39,112	-	-	39,112
Less: Accumulated Depreciation	412,976	70,952	31,492	452,436
Governmental Activities				
Investment in Capital Assets, Net	<u>\$ 168,360</u>	<u>\$ 23,160</u>	<u>\$ 7,172</u>	<u>\$ 184,348</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 6 – CAPITAL ASSETS (Concluded)

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
Business-type Activities				
Local Workshops	\$ 11,797	\$ -	\$ -	\$ 11,797
Business-type Activities				
Total Assets	11,797	-	-	11,797
Less Accumulated Depreciation	4,001	2,316	-	6,317
Business-type Activities				
Investment in Capital Assets	<u>\$ 7,796</u>	<u>\$ (2,316)</u>	<u>\$ -</u>	<u>\$ 5,480</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, 2009 of \$70,952 and \$2,316 was charged to the governmental activities and the 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 #9 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 #9 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.

NOTE 8 – CAPITAL LEASES

In August of 2008, the Regional Office of Education #9 entered into a capital lease for the acquisition of software at a cost of \$39,048. The debt service for the capital lease is:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 11,772	\$ 1,244
2011	<u>12,378</u>	<u>638</u>
Total	<u>\$ 24,150</u>	<u>\$ 1,882</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 9 – OPERATING LEASE

The Education Fund has entered into a renewable five-year lease to provide classroom space for the R.E.A.D.Y. School Program (Ready) and office space for the Illinois Technical Assistance Network (ITAN). Rent expense for 2009 totaled \$106,399. Future minimum rentals are as follows for the years ending June 30:

2010	\$ 117,218
2011	122,004
2012	122,004
2013	122,004
2014	122,004
2015	<u>20,334</u>
Total	<u>\$ 625,568</u>

NOTE 10 – ON BEHALF PAYMENTS

The State of Illinois paid the following salaries on behalf of the Regional Office of Education #9:

Regional Superintendent Salary	\$ 100,762
Assistant Regional Superintendent Salary	90,686
Regional Superintendent Benefits (Includes State paid insurance)	19,271
Assistant Regional Superintendent Benefits (Includes State paid insurance)	15,152
TRS Pension Contribution	<u>570,202</u>
	<u>\$ 796,073</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.

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 11 – DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #9's Agency Fund, General Fund, Education Fund, Non-major Funds, Internal Service, and Proprietary Fund have funds due from/to various other governmental units which consist of the following:

<u>Fund</u>	<u>Due From Other Governments</u>	<u>Due To Other Governments</u>
<u>General Fund</u>		
Local Governments	\$ 439,076	\$ -
<u>Education Fund</u>		
Local Governments	43,372	-
Illinois State Board of Education	186,211	-
Illinois Department of Children and Family Services	9,914	-
Department of Human Services	85,086	-
Regional Office of Education #32	83,161	-
<u>Non-Major Funds</u>		
Local Governments	172	-
<u>Internal Service Fund</u>		
Local Governments	840	-
<u>Proprietary Fund</u>		
Local Governments	14,079	-
<u>Agency Fund</u>		
Illinois State Board of Education	287,941	
Local School Districts	<u>-</u>	<u>914,801</u>
	<u>\$ 1,149,852</u>	<u>\$ 914,801</u>

NOTE 12 – SUBSEQUENT EVENT

Management has evaluated subsequent events through February 10, 2010, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION
(Other than Management Discussion and Analysis)

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN / FORD COUNTIES
 ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF FUNDING PROGRESS
 (UNAUDITED)
 JUNE 30, 2009

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)
12/31/08	\$ 2,807,116	\$ 3,286,134	\$ 479,018	85.42%	\$ 1,795,941	26.67%
12/31/07	3,021,190	3,008,293	(12,897)	100.43%	1,657,703	0.00%
12/31/06	3,046,867	3,072,311	25,444	99.17%	1,666,844	1.53%

On a market value basis, the actuarial value of assets as of December 31, 2008 is \$2,094,495.

On a market basis, the funded ratio would be 63.74%.

*** Digest of changes**

The actuarial assumptions used to determine the actuarial accrued liability for 2008 are based on the 2005-2007 Experience Study.

OTHER SUPPLEMENTAL INFORMATION

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2009

	General	Schoolworks Operations	Regional Office of Education Operations	Area IV Learning Technology Hub	Youth Detention Center	Essay Scoring	TOTALS
ASSETS							
Cash and cash equivalents	\$ 43,764	\$ -	\$ 54,159	\$ 495,257	\$ -	\$ 2,632	\$ 595,812
Due from other funds	-	-	-	-	-	-	-
Due from other governments	77,224	48,582	2,301	146,753	164,060	156	439,076
TOTAL ASSETS	\$ 120,988	\$ 48,582	\$ 56,460	\$ 642,010	\$ 164,060	\$ 2,788	\$ 1,034,888
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 17,064	\$ -	\$ -	\$ -	\$ 17,064
Due to other funds	-	48,582	-	-	83,286	-	131,868
Unearned revenue	-	-	-	-	80,774	-	80,774
Total Liabilities	-	48,582	17,064	-	164,060	-	229,706
FUND BALANCES							
Unreserved	120,988	-	39,396	642,010	-	2,788	805,182
Total Fund Balances	120,988	-	39,396	642,010	-	2,788	805,182
TOTAL LIABILITIES AND FUND BALANCES	\$ 120,988	\$ 48,582	\$ 56,460	\$ 642,010	\$ 164,060	\$ 2,788	\$ 1,034,888

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2009

	General	Schoolworks Operations	Regional Office of Education Operations	Area IV Learning Technology Hub	Youth Detention Center	Essay Scoring	TOTALS
REVENUES							
Local sources	\$ 576,549	\$ -	\$ 23,143	\$ 148,993	\$ -	\$ 10,978	\$ 759,663
State sources	-	174,903	-	286,403	154,670	-	615,976
State sources - on behalf payments	796,073	-	-	-	-	-	796,073
Total Revenues	1,372,622	174,903	23,143	435,396	154,670	10,978	2,171,712
EXPENDITURES							
Salaries and benefits	170,823	118,038	-	253,655	147,802	9,477	699,795
Purchased services	393,391	39,295	20,234	86,550	6,554	216	546,240
Supplies and materials	7,193	9,126	-	36,976	314	40	53,649
Other objects	36	643	4,079	1,576	-	-	6,334
Payments to governments	-	-	-	6,273	-	-	6,273
On-behalf payments	796,073	-	-	-	-	-	796,073
Capital outlay	2,904	7,815	-	49,557	-	-	60,276
Total Expenditures	1,370,420	174,917	24,313	434,587	154,670	9,733	2,168,640
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES							
	2,202	(14)	(1,170)	809	-	1,245	3,072
OTHER FINANCING SOURCES (USES)							
Capital lease proceeds	-	-	-	24,150	-	-	24,150
Interest income	340	14	230	3,276	-	7	3,867
Interest expense	-	-	-	(155)	-	-	(155)
Total Other Financing Sources (Uses)	340	14	230	27,271	-	7	27,862
NET CHANGE IN FUND BALANCES							
	2,542	-	(940)	28,080	-	1,252	30,934
FUND BALANCE - BEGINNING							
	118,446	-	40,336	613,930	-	1,536	774,248
FUND BALANCE - ENDING							
	\$ 120,988	\$ -	\$ 39,396	\$ 642,010	\$ -	\$ 2,788	\$ 805,182

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2008 to June 30, 2009)
 GENERAL FUND ACCOUNTS
 SCHOOLWORKS OPERATION
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 174,903	\$ 174,903	\$ 174,903
Total Revenue	<u>174,903</u>	<u>174,903</u>	<u>174,903</u>
EXPENDITURES			
Salaries and benefits	120,205	117,301	118,038
Purchased services	44,698	40,541	39,295
Supplies and materials	6,750	8,432	9,126
Other objects	1,250	629	643
Capital outlay	2,000	8,000	7,815
Total Expenditures	<u>174,903</u>	<u>174,903</u>	<u>174,917</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(14)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	14
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>14</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2008 to June 30, 2009)
 GENERAL FUND ACCOUNTS
 AREA IV - LEARNING TECHNOLOGY HUB
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ -	\$ -	\$ 148,993
State	267,403	286,403	286,403
Total Revenue	<u>267,403</u>	<u>286,403</u>	<u>435,396</u>
EXPENDITURES			
Salaries and benefits	206,567	200,257	253,655
Purchased services	52,299	64,967	86,550
Supplies and materials	5,037	14,929	36,976
Other objects	-	-	1,576
Payments to governments	-	250	6,273
Capital outlay	3,500	6,000	49,557
Total Expenditures	<u>267,403</u>	<u>286,403</u>	<u>434,587</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>809</u>
OTHER FINANCING SOURCES (USES):			
Capital lease proceeds	-	-	24,150
Interest	-	-	3,276
Interest expense	-	-	(155)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>27,271</u>
NET CHANGE IN FUND BALANCE			
	<u>-</u>	<u>-</u>	<u>28,080</u>
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>613,930</u>
FUND BALANCE - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 642,010</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2009

	Illinois State Board of Education/ DCFS Interagency Technical Assistance Network	Truants Alternative/ Optional Education	Regional Education Alternative for Developing Youth	McKinney Education For Homeless Children	Novice Teacher Support	Title I Reading First Part B SEA
ASSETS						
Cash and cash equivalents	\$ 4,017	\$ -	\$ 201,750	\$ 703	\$ 9,168	\$ -
Due from other funds	-	-	199,123	-	-	-
Due from other governments:						
Local	-	-	32,681	-	-	-
State	-	29,223	120,650	-	-	-
Federal	-	-	-	-	-	-
TOTAL ASSETS	\$ 4,017	\$ 29,223	\$ 554,204	\$ 703	\$ 9,168	\$ -
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	29,223	-	-	-	-
Unearned revenue	-	-	-	-	9,168	-
Total Liabilities	-	29,223	-	-	9,168	-
FUND BALANCES						
Unreserved	4,017	-	554,204	703	-	-
Total Fund Balances	4,017	-	554,204	703	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,017	\$ 29,223	\$ 554,204	\$ 703	\$ 9,168	\$ -

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2009

	Department of Children & Family Services Grant	McKinney - Vento Homeless Children & Youth Program	ELL Professional Development	Summer Freedom School	National Boards (STANCE)	Standards- Aligned Classroom
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 15,679	\$ -	\$ -
Due from other funds	-	-	-	-	-	-
Due from other governments:						
Local	-	-	-	-	-	-
State	9,914	-	-	-	-	-
Federal	-	-	-	-	7,326	-
TOTAL ASSETS	\$ 9,914	\$ -	\$ -	\$ 15,679	\$ 7,326	\$ -
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	9,914	-	-	-	7,326	-
Unearned revenue	-	-	-	-	-	-
Total Liabilities	9,914	-	-	-	7,326	-
FUND BALANCES						
Unreserved	-	-	-	15,679	-	-
Total Fund Balances	-	-	-	15,679	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,914	\$ -	\$ -	\$ 15,679	\$ 7,326	\$ -

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2009

	Teacher Mentoring	Teacher Quality	Title I School Improvement and Accountability	IVPA-SEL Grant	HR Solutions (Tomlinson)	Family Support Grant
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 26,987	\$ 1,013	\$ -
Due from other funds	-	-	-	-	-	-
Due from other governments:						
Local	-	-	-	-	-	-
State	36,338	-	-	-	-	-
Federal	-	9,933	65,902	-	-	-
TOTAL ASSETS	\$ 36,338	\$ 9,933	\$ 65,902	\$ 26,987	\$ 1,013	\$ -
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	10,082	9,933	65,902	-	-	-
Unearned revenue	26,256	-	-	26,987	-	-
Total Liabilities	36,338	9,933	65,902	26,987	-	-
FUND BALANCES						
Unreserved	-	-	-	-	1,013	-
Total Fund Balances	-	-	-	-	1,013	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 36,338	\$ 9,933	\$ 65,902	\$ 26,987	\$ 1,013	\$ -

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2009

	Freedom School Grant	Teen Reach Grant	ISBE CMAR	Gifted Education	Total
ASSETS					
Cash and cash equivalents	\$ 6,327	\$ -	\$ -	\$ 1,488,470	\$ 1,754,114
Due from other funds	-	-	-	-	199,123
Due from other governments:					
Local	-	-	10,691	-	43,372
State	-	-	-	-	196,125
Federal	-	85,086	-	-	168,247
TOTAL ASSETS	\$ 6,327	\$ 85,086	\$ 10,691	\$ 1,488,470	\$ 2,360,981
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	109,433	\$ 109,433
Due to other funds	-	85,086	10,691	-	228,157
Unearned revenue	6,327	-	-	1,379,037	1,447,775
Total Liabilities	6,327	85,086	10,691	1,488,470	\$ 1,785,365
FUND BALANCES					
Unreserved	-	-	-	-	575,616
Total Fund Balances	-	-	-	-	575,616
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,327	\$ 85,086	\$ 10,691	\$ 1,488,470	\$ 2,360,981

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2009

	Illinois State Board of Education/ DCFS Interagency Technical Assistance Network	Truants Alternative/ Optional Education	Regional Education Alternative for Developing Youth	McKinney Education For Homeless Children	Novice Teacher Support	Title I Reading First Part B SEA
REVENUES						
Local sources	\$ 2,481	\$ -	\$ 901,915	\$ 943	\$ -	\$ -
State sources	-	88,701	547,798	-	-	-
Federal sources	-	-	113,122	-	-	5,565
Total Revenues	<u>2,481</u>	<u>88,701</u>	<u>1,562,835</u>	<u>943</u>	<u>-</u>	<u>5,565</u>
EXPENDITURES						
Salaries and benefits	538	81,827	1,093,920	24	-	1,156
Purchased services	6,333	6,483	235,175	790	213	-
Supplies and materials	173	391	45,160	-	-	4,416
Other objects	-	-	5,939	-	-	-
Payments to other governments	-	-	-	-	-	-
Capital outlay	-	-	27,413	-	-	-
Total Expenditures	<u>7,044</u>	<u>88,701</u>	<u>1,407,607</u>	<u>814</u>	<u>213</u>	<u>5,572</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,563)</u>	<u>-</u>	<u>155,228</u>	<u>129</u>	<u>(213)</u>	<u>(7)</u>
OTHER FINANCING SOURCES (USES):						
Interest income	42	-	2,734	5	213	7
Total Other Financing Sources (Uses)	<u>42</u>	<u>-</u>	<u>2,734</u>	<u>5</u>	<u>213</u>	<u>7</u>
NET CHANGE IN FUND BALANCES	<u>(4,521)</u>	<u>-</u>	<u>157,962</u>	<u>134</u>	<u>-</u>	<u>-</u>
FUND BALANCES - BEGINNING	<u>8,538</u>	<u>-</u>	<u>396,242</u>	<u>569</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 4,017</u>	<u>\$ -</u>	<u>\$ 554,204</u>	<u>\$ 703</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2009

	Department of Children & Family Services Grant	McKinney - Vento Homeless Children & Youth Program	ELL Professional Development	Summer Freedom School	National Boards (STANCE)	Standards Aligned Classroom
REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ 23,560	\$ -	\$ -
State sources	43,234	-	-	-	-	-
Federal sources	23,387	25,246	12,000	-	14,000	43,419
Total Revenues	<u>66,621</u>	<u>25,246</u>	<u>12,000</u>	<u>23,560</u>	<u>14,000</u>	<u>43,419</u>
EXPENDITURES						
Salaries and benefits	34,663	20,141	-	4,217	6,459	1,594
Purchased services	24,899	917	9,554	1,252	3,674	2,627
Supplies and materials	7,059	4,188	2,446	2,826	3,883	1,698
Other objects	9	15	2	-	-	1
Payments to other governments	-	-	-	-	-	37,500
Capital outlay	-	-	-	-	-	-
Total Expenditures	<u>66,630</u>	<u>25,261</u>	<u>12,002</u>	<u>8,295</u>	<u>14,016</u>	<u>43,420</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(9)</u>	<u>(15)</u>	<u>(2)</u>	<u>15,265</u>	<u>(16)</u>	<u>(1)</u>
OTHER FINANCING SOURCES (USES):						
Interest income	9	15	2	63	16	1
Total Other Financing Sources (Uses)	<u>9</u>	<u>15</u>	<u>2</u>	<u>63</u>	<u>16</u>	<u>1</u>
NET CHANGE IN FUND BALANCES	-	-	-	15,328	-	-
FUND BALANCES - BEGINNING	-	-	-	351	-	-
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,679</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2009

	Teacher Mentoring	Teacher Quality	Title I School Improvement and Accountability	IVPA-SEL Grant	HR Solutions (Tomlinson)	Family Support Grant
REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ 70,485	\$ 15,256	\$ 6,071
State sources	59,503	-	-	-	-	-
Federal sources	-	45,367	310,552	-	-	-
Total Revenues	59,503	45,367	310,552	70,485	15,256	6,071
EXPENDITURES						
Salaries and benefits	-	31,148	220,088	40,985	-	5,956
Purchased services	31,567	4,488	49,744	23,655	14,286	82
Supplies and materials	149	-	4,868	5,845	-	33
Other objects	-	-	-	-	-	-
Payments to other governments	27,867	9,731	35,852	-	-	-
Capital outlay	-	-	-	-	-	-
Total Expenditures	59,583	45,367	310,552	70,485	14,286	6,071
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	(80)	-	-	-	970	-
OTHER FINANCING SOURCES (USES):						
Interest income	80	-	-	-	43	-
Total Other Financing Sources (Uses)	80	-	-	-	43	-
NET CHANGE IN FUND BALANCES						
	-	-	-	-	1,013	-
FUND BALANCES - BEGINNING						
	-	-	-	-	-	-
FUND BALANCES - ENDING						
	\$ -	\$ -	\$ -	\$ -	\$ 1,013	\$ -

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2009

	Freedom School Grant	Teen Reach Grant	ISBE CMAR	Gifted Education	Total
REVENUES					
Local sources	\$ 51,521	\$ -	\$ 30,263	\$ -	\$ 1,102,495
State sources	-	7,156	-	629,521	1,375,913
Federal sources	-	193,705	-	-	786,363
Total Revenues	<u>51,521</u>	<u>200,861</u>	<u>30,263</u>	<u>629,521</u>	<u>3,264,771</u>
EXPENDITURES					
Salaries and benefits	29,441	144,254	-	56,955	1,773,366
Purchased services	13,840	46,350	30,263	350,769	856,961
Supplies and materials	8,240	10,257	-	112,869	214,501
Other objects	-	22	-	-	5,988
Payments to other governments	-	-	-	104,150	215,100
Capital outlay	-	-	-	5,155	32,568
Total Expenditures	<u>51,521</u>	<u>200,883</u>	<u>30,263</u>	<u>629,898</u>	<u>3,098,484</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(22)</u>	<u>-</u>	<u>(377)</u>	<u>166,287</u>
OTHER FINANCING SOURCES (USES):					
Interest income	-	22	-	377	3,629
Total Other Financing Sources (Uses)	<u>-</u>	<u>22</u>	<u>-</u>	<u>377</u>	<u>3,629</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	169,916
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>405,700</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 575,616</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2008 to June 30, 2009)
 EDUCATION FUND ACCOUNTS
 TRUANTS ALTERNATIVE/OPTIONAL EDUCATION
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
State	\$ 93,776	\$ 88,701	\$ 88,701
Total Revenue	<u>93,776</u>	<u>88,701</u>	<u>88,701</u>
EXPENDITURES			
Salaries and benefits	85,492	80,417	81,827
Purchased services	7,684	7,684	6,483
Supplies and materials	600	600	391
Total Expenditures	<u>93,776</u>	<u>88,701</u>	<u>88,701</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Interest	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2008 to June 30, 2009)
 EDUCATION FUND ACCOUNTS
 REGIONAL EDUCATION ALTERNATIVE FOR DEVELOPING YOUTH
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ -	\$ -	\$ 901,915
State	239,504	241,300	547,798
Federal	-	-	113,122
Total Revenue	<u>239,504</u>	<u>241,300</u>	<u>1,562,835</u>
EXPENDITURES			
Salaries and benefits	222,146	222,160	1,093,920
Purchased services	12,400	12,405	235,175
Supplies and materials	4,958	6,735	45,160
Other objects	-	-	5,939
Capital outlay	-	-	27,413
Total Expenditures	<u>239,504</u>	<u>241,300</u>	<u>1,407,607</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>155,228</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	2,734
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,734</u>
NET CHANGE IN FUND BALANCE			
	-	-	157,962
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>396,242</u>
FUND BALANCE - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 554,204</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of September 1, 2007 to August 31, 2008)
 EDUCATION FUND ACCOUNTS
 TITLE I- READING FIRST PART B SEA
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 39,517	\$ 39,517	\$ 5,565
Total Revenue	<u>39,517</u>	<u>39,517</u>	<u>5,565</u>
EXPENDITURES			
Salaries and benefits	1,156	1,156	1,156
Purchased services	31,170	31,170	-
Supplies and materials	7,191	7,191	4,416
Total Expenditures	<u>39,517</u>	<u>39,517</u>	<u>5,572</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>(7)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	7
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>7</u>
NET CHANGE IN FUND BALANCE			
	-	-	-
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2008 to June 30, 2009)
 EDUCATION FUND ACCOUNTS
 ELL PROFESSIONAL DEVELOPMENT
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 12,000	\$ 12,000	\$ 12,000
Total Revenue	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>
EXPENDITURES			
Purchased services	11,400	9,435	9,554
Supplies and materials	600	2,565	2,446
Other objects	-	-	2
Total Expenditures	<u>12,000</u>	<u>12,000</u>	<u>12,002</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>(2)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	2
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2</u>
NET CHANGE IN FUND BALANCE			
	-	-	-
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of October 1, 2008 to December 31, 2009)
 EDUCATION FUND ACCOUNTS
 TEACHER MENTORING
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 66,070	\$ 61,005	\$ 59,503
Total Revenue	<u>66,070</u>	<u>61,005</u>	<u>59,503</u>
EXPENDITURES			
Purchased services	65,070	58,005	31,567
Supplies and materials	1,000	3,000	149
Payments to other governments	-	-	27,867
Total Expenditures	<u>66,070</u>	<u>61,005</u>	<u>59,583</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(80)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	80
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>80</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of May 29, 2009 to August 31, 2010)
 EDUCATION FUND ACCOUNTS
 GIFTED EDUCATION
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 2,000,000	\$ 2,000,000	\$ 629,521
Total	<u>2,000,000</u>	<u>2,000,000</u>	<u>629,521</u>
EXPENDITURES			
Salaries and benefits	85,000	65,337	56,955
Purchased services	1,560,000	1,160,068	350,769
Supplies and materials	350,000	769,795	112,869
Payments to other governments	-	-	104,150
Other objects	5,000	4,800	-
Capital outlay	-	-	5,155
Total Expenditures	<u>2,000,000</u>	<u>2,000,000</u>	<u>629,898</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>(377)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	377
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>377</u>
NET CHANGE IN FUND BALANCE			
	-	-	-
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2009

	<u>General Education Development</u>	<u>Bus Driver Training</u>	<u>Supervisory</u>	<u>TOTALS</u>
ASSETS				
Cash and cash equivalents	\$ 60,604	\$ 15,149	\$ -	\$ 75,753
Due from other governments	-	172	-	172
TOTAL ASSETS	<u>\$ 60,604</u>	<u>\$ 15,321</u>	<u>\$ -</u>	<u>\$ 75,925</u>
FUND BALANCES				
Unreserved	\$ 60,604	\$ 15,321	\$ -	\$ 75,925
TOTAL FUND BALANCES	<u>\$ 60,604</u>	<u>\$ 15,321</u>	<u>\$ -</u>	<u>\$ 75,925</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	General Education Development	Bus Driver Training	Supervisory	TOTALS
REVENUES				
Local sources	\$ 46,840	\$ 1,470	\$ -	\$ 48,310
State sources	-	960	2,000	2,960
Total Revenues	<u>46,840</u>	<u>2,430</u>	<u>2,000</u>	<u>51,270</u>
EXPENDITURES				
Salaries and benefits	30,696	-	-	30,696
Purchased services	3,895	1,547	2,000	7,442
Supplies and materials	9,473	-	6	9,479
Other objects	1,356	-	-	1,356
Total Expenditures	<u>45,420</u>	<u>1,547</u>	<u>2,006</u>	<u>48,973</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,420</u>	<u>883</u>	<u>(6)</u>	<u>2,297</u>
OTHER FINANCING SOURCES (USES)				
Interest income	298	81	6	385
Total Other Financing Sources (Uses)	<u>298</u>	<u>81</u>	<u>6</u>	<u>385</u>
NET CHANGE IN FUND BALANCES	1,718	964	-	2,682
FUND BALANCES - BEGINNING	<u>58,886</u>	<u>14,357</u>	<u>-</u>	<u>73,243</u>
FUND BALANCES - ENDING	<u>\$ 60,604</u>	<u>\$ 15,321</u>	<u>\$ -</u>	<u>\$ 75,925</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2009

	<u>Distributive</u>	<u>Payroll Clearing</u>	<u>Regional Board Of Trustees</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 366,105	\$ 260,593	\$ 162	\$ 626,860
Due from other governments	287,941	-	-	287,941
TOTAL ASSETS	<u>\$ 654,046</u>	<u>\$ 260,593</u>	<u>\$ 162</u>	<u>\$ 914,801</u>
LIABILITIES				
Due to other governments	\$ 654,046	\$ 260,593	\$ 162	\$ 914,801
TOTAL LIABILITIES	<u>\$ 654,046</u>	<u>\$ 260,593</u>	<u>\$ 162</u>	<u>\$ 914,801</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>DISTRIBUTIVE</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 5,881,891	\$ 5,515,786	\$ 366,105
Due from other governments	2,180,089	287,941	2,180,089	287,941
Total Assets	\$ 2,180,089	\$ 6,169,832	\$ 7,695,875	\$ 654,046
LIABILITIES				
Due to other governments	\$ 2,180,089	\$ 6,169,832	\$ 7,695,875	\$ 654,046
Total Liabilities	\$ 2,180,089	\$ 6,169,832	\$ 7,695,875	\$ 654,046
<u>PAYROLL CLEARING</u>				
ASSETS				
Cash and cash equivalents	\$ 177,585	\$ 7,513,137	\$ 7,430,129	\$ 260,593
Total Assets	\$ 177,585	\$ 7,513,137	\$ 7,430,129	\$ 260,593
LIABILITIES				
Due to other governments	\$ 177,585	\$ 7,513,137	\$ 7,430,129	\$ 260,593
Total Liabilities	\$ 177,585	\$ 7,513,137	\$ 7,430,129	\$ 260,593

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>REGIONAL BOARD OF TRUSTEES</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 179	\$ -	\$ 17	\$ 162
Total Assets	<u>\$ 179</u>	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 162</u>
<u>LIABILITIES</u>				
Due to other governments	179	\$ -	\$ 17	\$ 162
Total Liabilities	<u>\$ 179</u>	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 162</u>
<u>TOTAL ALL AGENCY FUNDS</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 177,764	\$ 13,395,028	\$ 12,945,932	\$ 626,860
Due from other governments	2,180,089	287,941	2,180,089	287,941
Total Assets	<u>\$ 2,357,853</u>	<u>\$ 13,682,969</u>	<u>\$ 15,126,021</u>	<u>\$ 914,801</u>
<u>LIABILITIES</u>				
Due to other governments	\$ 2,357,853	\$ 13,682,969	\$ 15,126,021	\$ 914,801
Total Liabilities	<u>\$ 2,357,853</u>	<u>\$ 13,682,969</u>	<u>\$ 15,126,021</u>	<u>\$ 914,801</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
 DISTRIBUTIVE FUND
 FOR THE YEAR ENDED JUNE 30, 2009

	Regional Office of Education #9	Rural Champaign Co. Special Education	Total
1510 Interest received from Bank	\$ 164	\$ 163	\$ 327
3001 General State Aid	305,118	-	305,118
3110 Special Ed.-Personnel	-	457,884	457,884
3350.01 Gifted Education	2,000,000	-	2,000,000
3360 State Free Lunch & Breakfast	999	-	999
3365 School Breakfast Incentive	69	-	69
3520 ROE School Bus Training	960	-	960
3695 Truants Alternative/Optional Ed.	59,478	-	59,478
3696 Regional Safe Schools	120,650	-	120,650
3705-00 Early Childhood-Block Grant	-	353,258	353,258
3705-01 Early Childhood-Block Grant	-	105,773	105,773
3705-80 Early Childhood-Block Grant	-	70,701	70,701
3705-90 Early Childhood-Block Grant	-	45,000	45,000
3730 ROE/ISC Operations	126,321	-	126,321
3745 Supervisory Expense	2,000	-	2,000
3780 Technology-Learning Technology Center	146,858	-	146,858
3982 Teacher Mentoring Pilot Program	29,732	-	29,732
4210 National School Lunch Program	18,717	-	18,717
4220 School Breakfast Program	4,198	-	4,198
4337-00 Reading First Part B SEA Funds	10,442	-	10,442
4600 Fed.-Sp.Ed.-Preschool Flow Through	-	50,539	50,539
4620 Fed.-Sp.Ed.-I.D.E.A.-Flow Through	-	1,493,042	1,493,042
4850 ARRA - General State Aid	90,202	-	90,202
4910 Learn and Serve America	-	11,518	11,518
4999 Other Federal Programs	12,000	-	12,000
	<u>\$ 2,927,908</u>	<u>\$ 2,587,878</u>	<u>\$ 5,515,786</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2009

<u>Federal Grantor/Pass Through Grantor, Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # or Contract #</u>	<u>Expenditures 7/1/08-6/30/09</u>
US Department of Education passed through Illinois State Board of Education			
Reading First State Grants - Title I- Reading First Part B SEA	84.357A	08-4337-00	\$ 5,565
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act - ARRA - General State Aid (Regional Education Alternative for Developing Youth)	84.394A	09-4850-93	90,202
English Language Acquisition Grants - ELL Professional Development	84.365A	09-4999-PD	<u>12,000</u>
Total US Department of Education passed through Illinois State Board of Education			<u>107,767</u>
US Department of Agriculture passed through Illinois State Board of Education			
School Breakfast Program	10.553	08-4220-00	785
School Breakfast Program	10.553	09-4220-00	<u>3,416</u>
Total School Breakfast Program			<u>4,201</u>
National School Lunch Program	10.555	08-4210-00	2,556
National School Lunch Program	10.555	09-4210-00	<u>16,163</u>
Total National School Lunch Program			<u>18,719</u>
Total US Department of Agriculture passed through Illinois State Board of Education			<u>22,920</u>
U.S. Department of Education passed through Regional Office of Education #32			
Title I Grants to Local Educational Agencies - Title I School Improvement and Accountability	84.010A	08-4331-SS	58,216
Title I School Improvement and Accountability	84.010A	09-4331-SS	<u>252,336</u>
Total Title I Grants to Local Educational Agencies			<u>310,552 (M)</u>
Education for Homeless Children and Youth - McKinney-Vento Homeless Children and Youth Program	84.196A	09-4920-00	<u>25,246</u>
Total U.S. Department of Education passed through Regional Office of Education #32			<u>335,798</u>
U.S. Department of Education CFDA #84.367A Passed through Regional Office of Education #11			
Improving Teacher Quality State Grants - Standards Aligned Classroom	84.367A	08-4935-00	43,419
Passed through Regional Office of Education #32			
Improving Teacher Quality State Grants - National Boards (STANCE)	84.367A	09-4935-SS	14,000
Teacher Quality	84.367A	09-4935-SS	<u>45,367</u>
Total through U.S. Department of Education CFDA #84.367A			<u>102,786</u>
U.S. Department of Health and Human Services passed through Illinois Department of Human Services			
Temporary Assistance for Needy Families - Teen Reach Grant	93.558	82001440H	<u>193,705</u>
Total U.S. Department of Health and Human Services passed through Illinois Department of Human Services			<u>193,705</u>

The accompanying notes are an integral part of this schedule.

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2009

<u>Federal Grantor/Pass Through Grantor, Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # or Contract #</u>	<u>Expenditures 7/1/08-6/30/09</u>
U.S. Department of Health and Human Services passed through Illinois Department of Children and Family Services			
Community-Based Child Abuse Prevention Grants - Department of Children and Family Services Grant	93.590	418-93730189019	3,387
Child Abuse and Neglect State Grants - Department of Children and Family Services Grant	93.669	418-93730189019	<u>20,000</u>
Total U.S. Department of Health and Human Services passed through Illinois Department of Children and Family Services			<u>23,387</u>
Total Expenditures of Federal Awards			<u>\$ 786,363</u>

(M) Program was audited as a major program.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Regional Office of Education #9 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 in 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 #9 provided federal awards to sub-recipients as follows:

Program Title: Improving Teacher Quality State Grants –
Standards Aligned Classroom
Federal CFDA #: 84.367A
Amount provided to sub-recipients: \$ 37,500

Program Title: Title I Grants to Local Educational Agencies –
Title I School Improvement and Accountability
Federal CFDA# 84.010A
Amount provided to sub-recipients: \$ 35,852

Program Title: Improving Teacher Quality State Grants – Teacher Quality
Federal CFDA #: 84.367A
Amount provided to sub-recipients: \$ 9,731

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAMS

Title I Grants to Local Educational Agencies – Title I School Improvement and Accountability - This program provides area schools/districts with assistance in meeting school improvement needs as they address the requirements of No Child Left Behind. Priority is given to schools whose students have not met Adequate Yearly Progress for at least two years in Math and Reading.

NOTE 4 - NON-CASH ASSISTANCE

None

NOTE 5 - AMOUNT OF INSURANCE

None

NOTE 6 - LOANS OR GUARANTEES OUSTANDING

None