

**STATE OF ILLINOIS  
CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 9**

**FINANCIAL AUDIT**  
**(In Accordance with the Single Audit Act and OMB Circular A-133)**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Performed as Special Assistant Auditors  
for the Auditor General, State of Illinois



E.C. ORTIZ & CO., LLP  
CERTIFIED PUBLIC ACCOUNTANTS

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**

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**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
OFFICIALS**

Regional Superintendent (Current and during the audit period)	Dr. Jane E. Quinlan
Assistant Regional Superintendent (January 1, 2013 to present)	Vacant
Assistant Regional Superintendent (August 16, 2012 to December 31, 2012)	Ms. Judy Pacey
Assistant Regional Superintendent (May 1, 2012 to August 15, 2012)	Vacant
Assistant Regional Superintendent (December 16, 2011 to April 30, 2012)	Ms. Judy Pacey
Assistant Regional Superintendent (September 2, 2011 to December 15, 2011)	Vacant
Assistant Regional Superintendent (July 1, 2011 to September 1, 2011)	Ms. Barbara A. Daly

Office is located at:

200 South Fredrick Street  
Rantoul, Illinois 61866-2433

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
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**

Number of	This Audit	Prior Audit
Audit findings	2	2
Repeated audit findings	1	1
Prior recommendations implemented or not repeated	1	1

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

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

Item No.	Page	Description	Finding Type
<i>FINDING (GOVERNMENT AUDITING STANDARDS)</i>			
12-1	13	Controls Over Financial Statement Preparation	Material Weakness
<i>FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)</i>			
12-2	15	Inadequate Documentation of Payroll Expenditures Charged to Federal Grants	Noncompliance and Significant Deficiency
<i>PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)</i>			
11-2	20	Failure to Apply Appropriate Accounting Principles	N/A
<i>PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)</i>			
		None	N/A

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
COMPLIANCE REPORT SUMMARY (CONTINUED)**

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with the Agency personnel at an exit conference on February 6, 2013, attending were:

Champaign/Ford Counties Regional Office of Education No. 9

Dr. Jane Quinlan, Regional Superintendent  
Amy Page, Payroll Specialist  
Julie Duran, Bookkeeper

E. C. Ortiz & Co., LLP

Leilani N. Rodrigo, Partner  
Cecilia F. Lazaro, Manager

Responses to the recommendations were provided by Dr. Jane Quinlan, Regional Superintendent, in a letter dated February 12, 2013.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the Champaign/Ford Counties Regional Office of Education No. 9 was performed by E. C. Ortiz & Co., LLP.

Based on their audit, the auditors expressed an unqualified opinion on the Champaign/Ford Counties Regional Office of Education No. 9's basic financial statements.





E.C. ORTIZ & CO., LLP  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Champaign/Ford Counties Regional Office of Education No. 9, as of and for the year ended June 30, 2012, which collectively comprise the Champaign/Ford Counties Regional Office of Education No. 9's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Champaign/Ford Counties Regional Office of Education No. 9's management. Our responsibility is to express opinions on these financial statements based on our audit.

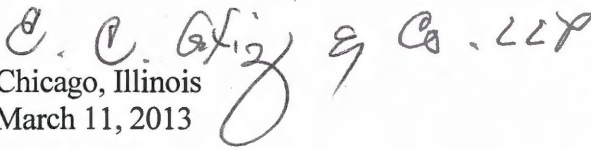
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and 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, assessing the accounting principles used and the 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 Champaign/Ford Counties Regional Office of Education No. 9, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows 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 March 11, 2013 on our consideration of the Champaign/Ford Counties Regional Office of Education No. 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 21 through 27, the Illinois Municipal Retirement Fund Schedule of Funding Progress and the other postemployment benefits information on page 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Champaign/Ford Counties Regional Office of Education No. 9's financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Others, and Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Others, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements taken as a whole.

  
Chicago, Illinois  
March 11, 2013



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Champaign/Ford Counties Regional Office of Education No. 9, as of and for the year ended June 30, 2012, which collectively comprise Champaign/Ford Counties Regional Office of Education No. 9's basic financial statements and have issued our report thereon dated March 11, 2013. 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**

Management of the Champaign/Ford Counties Regional Office of Education No. 9 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Champaign/Ford Counties Regional Office of Education No. 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, but not for the purpose of expressing an opinion on the effectiveness of the Champaign/Ford Counties Regional Office of Education No. 9's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Champaign/Ford Counties Regional Office of Education No. 9's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in 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.

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 a


combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 12-1 to be a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Champaign/Ford Counties Regional Office of Education No. 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*.

The Champaign/Ford Counties Regional Office of Education No. 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 Champaign/Ford Counties Regional Office of Education No. 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 entity, 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.

  
Chicago, Illinois  
March 11, 2013



E.C. ORTIZ & CO., LLP  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 Champaign/Ford Counties Regional Office of Education No. 9's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Champaign/Ford Counties Regional Office of Education No. 9's major federal programs for the year ended June 30, 2012. The Champaign/Ford Counties Regional Office of Education No. 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 Champaign/Ford Counties Regional Office of Education No. 9's management. Our responsibility is to express an opinion on the Champaign/Ford Counties Regional Office of Education No. 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 Champaign/Ford Counties Regional Office of Education No. 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 Champaign/Ford Counties Regional Office of Education No. 9's compliance with those requirements.

In our opinion, the Champaign/Ford Counties Regional Office of Education No. 9 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with those

requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 12-2.

### **Internal Control Over Compliance**

Management of the Champaign/Ford Counties Regional Office of Education No. 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 Champaign/Ford Counties Regional Office of Education No. 9's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Champaign/Ford Counties Regional Office of Education No. 9's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying Schedule of Findings and Questioned Costs as item 12-2. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Champaign/Ford Counties Regional Office of Education No. 9's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Champaign/Ford Counties Regional Office of Education No. 9's response and, accordingly, we express no opinion on it.

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 entity, 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.

*C. C. Grij & Co. LLP*  
Chicago, Illinois  
March 11, 2013

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION I - SUMMARY OF AUDITORS' RESULTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Type of auditors' report issued on compliance for major programs: Unqualified

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

**Identification of major programs:**

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
	Title I, Part A Cluster:
84.389A	Title I, Grants to Local Educational Agencies, Recovery Act
84.010A	Title I, Grants to Local Educational Agencies, (Title I, Part A of the ESEA)
84.287C	Twenty-First Century Community Learning Centers

Dollar threshold used to distinguish between type A and type B Programs: \$300,000

Auditee qualified as low-risk auditee?  Yes  No



**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**SECTION II - FINANCIAL STATEMENT FINDING**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**FINDING NO. 12-1 - Controls Over Financial Statement Preparation (Partially Repeated from Finding Nos. 11-1, 10-1, 09-1, 08-1, and 07-1)**

*Criteria/Specific Requirement:*

The Champaign/Ford Counties Regional Office of Education No. 9 (ROE No. 9) is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). ROE No. 9's 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 they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments* (Statement), requires governments to present government-wide and fund financial statements as well as a summary reconciliation of the (a) total governmental funds balances to net assets of governmental activities in the Statement of Net Assets, and (b) total change in governmental fund balances to the change in net assets of governmental activities in the Statement of Activities. In addition, the Statement requires information about the government's major and nonmajor funds in the aggregate, to be provided in the fund financial statements.

*Condition:*

The ROE No. 9 does not have sufficient internal controls over the financial reporting process. The ROE No. 9 maintains its accounting records on cash basis accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the ROE No. 9 maintains controls over the processing of most accounting transactions, and prepares the governmental fund financial statements, there are not sufficient controls over the preparation of 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.

During the review of the trial balance and financial statements prepared by the ROE No. 9, the following were noted:

- Numerous adjustments were required to present the financial statements in accordance with GAAP. Proposed adjusting entries resulted in an increase in the ROE No. 9's government-wide net assets by \$178,366.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**SECTION II - FINANCIAL STATEMENT FINDING**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**FINDING NO. 12-1 - Controls Over Financial Statement Preparation (Partially Repeated from Finding Nos. 11-1, 10-1, 09-1, 08-1, and 07-1) (Continued)**

*Condition:* (Continued)

- The ROE No. 9 was unable to properly prepare the government-wide and fund financial statements and Schedule of Expenditure of Federal Awards in accordance with GAAP.

*Effect:*

The ROE No. 9 management or its 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 the ROE No. 9 management, they did not have adequate funding to hire and/or train their accounting personnel in order to comply with the GASB requirements.

*Auditors' Recommendation:*

As part of internal control over the preparation of financial statements, the ROE No. 9 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of the applicable GAAP, GASB pronouncements, and knowledge of the ROE No. 9's activities and operations.

*Management's Response:*

ROE No. 9 strives to maintain a system of controls over the preparation of financial statements in accordance with GAAP. ROE No. 9 prepared the individual funds financial statements as well as the notes to the financial statements for the first time in FY2011 and prepared the required reconciliation of government-wide and fund financial statements in FY2012. ROE No. 9 understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. ROE No. 9 will continue to work to alleviate this finding and to improve controls over financial statement preparation.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**SECTION III - FEDERAL AWARD FINDING**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**FINDING NO. 12-2 - Inadequate Documentation of Payroll Expenditures Charged to Federal Grants**

Federal Program Name: Twenty-First Century Community Learning Centers  
Project Nos.: 2011-4421-10, 2012-4421-10, 2012-4421-12  
CFDA No.: 84.287  
Passed Through: Illinois State Board of Education  
Federal Agency: U.S. Department of Education

Federal Program Name: Title I Grants to Local Educational Agencies, Recovery Act  
Project No.: 2011-4854-00  
CFDA No.: 84.389  
Passed Through: Illinois State Board of Education  
Federal Agency: U.S. Department of Education

Federal Program Name: Title I Grants to Local Educational Agencies  
Project No.: 2012-4331-SS  
CFDA No.: 84.010  
Passed Through: Iroquois/Kankakee Regional Office of Education No. 32  
Federal Agency: U.S. Department of Education

*Criteria/Specific Requirement:*

Office of Management and Budget (OMB) Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, establishes principles and standards for determining costs for federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments and federally recognized Indian tribal governments. To be allowable under federal awards, costs must meet certain general criteria. Those criteria, among other things, require the expenditures must be allocable, reasonable, and supported by adequate documentation.

Part 4 of the OMB Circular A-133 Compliance Supplement for the Department of Education prescribes that employee time and effort distribution records must be maintained to document the portion of time and effort dedicated to the single cost objective and each program or other cost objective supported by non-consolidated Federal funds or other revenue sources. Time-and-effort requirements vary under different circumstances. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the following standards unless another substitute system has been approved by the cognizant federal agency:

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**SECTION III - FEDERAL AWARD FINDING**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**FINDING NO. 12-2 - Inadequate Documentation of Payroll Expenditures Charged to Federal Grants (Continued)**

*Criteria/Specific Requirement: (Continued)*

- a. They must reflect an after the fact distribution of the actual activity of each employee;
- b. They must account for the total activity for which each employee is compensated;
- c. They must be prepared at least monthly and must coincide with one or more pay periods;
- d. They must be signed by the employee; and
- e. Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards but may be used for interim accounting purposes provided that:
  - The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
  - At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
  - The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

(OMB Circular A-87, Attachment B, paragraphs 8.h. (4), (5), and (6))

*Condition:*

During our review of payroll expenditures for 11 program employees, we noted salaries and benefits totaling \$267,005 for five (5) salaried employees assigned on multiple programs were allocated and charged to the programs based on budgets. No time allocation sheets or time and effort reports were prepared to account for actual time charged by program.

*Questioned Cost:*

The amount of questioned costs cannot be determined without preparing a cost allocation plan.

*Context:*

The salaries and benefits expenditures for the ROE No. 9 for fiscal year 2012 totaled \$2,796,832, of which \$137,513 pertains to Twenty First Century Community Learning Centers, and \$149,860 pertains to the Title I Part A Cluster which includes the Title I Grants to Local Educational Agencies - Recovery Act and the Title I Grants to Local Education Agencies.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**SECTION III - FEDERAL AWARD FINDING**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**FINDING NO. 12-2 - Inadequate Documentation of Payroll Expenditures Charged to Federal Grants (Continued)**

*Effect:*

Failure to prepare time allocation sheets does not provide a sufficient basis for the allocation of actual payroll charges incurred by program, which may result in a program being over or under charged for salary and benefits. The ROE No. 9 also is not in compliance with the Allowable Costs/Cost Principles of the Circular A-133 Compliance Supplement.

*Cause:*

According to the ROE No. 9 management, they did not have established policies and procedures regarding salaries and benefits that incorporate the requirements of Allowable Costs/Cost Principles of the Circular A-133 Compliance Supplement and the Cost Principles of OMB Circular A-87 for Compensation for Personnel Services. In addition, the Regional Office staff did not anticipate significant differences between the budgeted and actual time spent by program.

*Auditors' Recommendation:*

The ROE No. 9 should develop and implement adequate policies and procedures to ensure compliance with the Allowable Costs/Cost Principles of the OMB Circular A-133 Compliance Supplement and Cost Principles of OMB Circular A-87 for Compensation for Personnel Services. These policies and procedures should include requiring staff involved in multiple programs to submit time sheets by program or a time and effort report by program. The ROE No. 9 should also establish a payroll cost allocation procedure that allows for computation and comparison of actual time charged with budgeted or pre-determined allocation rates on a regular basis. Payroll charges by program should be based on the time devoted and identified specifically to the performance of those programs.

*Management's Response:*

The ROE No. 9 will revise procedures to ensure that documentation of payroll expenditures charged to federal grants meet the standards in OMB Circular A-87 and OMB Circular A-133.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2012**

**FINDING NO. 12-1 - Controls Over Financial Statement Preparation (Partially Repeated from Finding Nos. 11-1, 10-1, 09-1, 08-1, and 07-1)**

*Condition:*

The ROE No. 9 does not have sufficient internal controls over the financial reporting process. The ROE No. 9 maintains its accounting records on cash basis accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the ROE No. 9 maintains controls over the processing of most accounting transactions, and prepares the governmental fund financial statements, there are not sufficient controls over the preparation of 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.

During the review of the trial balance and financial statements prepared by the ROE No. 9, the following were noted:

- Numerous adjustments were required to present the financial statements in accordance with GAAP. Proposed adjusting entries resulted in an increase in the ROE No. 9's government-wide net assets by \$178,366.
- The ROE No. 9 was unable to properly prepare the government-wide and fund financial statements and Schedule of Expenditure of Federal Awards in accordance with GAAP.

*Plan:*

ROE No. 9 will continue to strive to improve controls over financial statement preparation and take advantage of any training opportunities that are available.

*Anticipated Date of Completion:*

June 30, 2013

*Name of Contact Person:*

Dr. Jane Quinlan, Regional Superintendent, Champaign/Ford Counties ROE No. 9

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2012**

**FINDING NO. 12-2 - Inadequate Documentation of Payroll Expenditures Charged to Federal Grants**

*Condition:*

During our review of payroll expenditures for 11 program employees, we noted salaries and benefits totaling \$267,005 for five (5) salaried employees assigned on multiple programs were allocated and charged to the programs based on budgets. No time allocation sheets or time and effort reports were prepared to account for actual time charged by program.

*Plan:*

ROE No. 9 will revise procedures to ensure that documentation of payroll expenditures charged to federal grants meets the standards in OMB Circular A-87 and OMB Circular A-133. Following the exit interview with the audit firm, the Regional Superintendent, bookkeepers and department heads met to review the requirements in the OMB circulars and develop a system of documentation that reflects an after-the-fact distribution of the actual activity of each employee which accounts for the total activity for which he/she is compensated are prepared monthly and coincide with pay periods, and are signed by the employee and supervisor. ROE No. 9 will use estimates determined before services for interim purposes and will compare actual costs to budgeted distributions quarterly. The new procedures were put in place during the second quarter and will be monitored and revised, if necessary, throughout the remainder of the year to ensure compliance.

*Anticipated Date of Completion:*

June 30, 2013

*Name of Contact Person:*

Dr. Jane Quinlan, Regional Superintendent, Champaign/Ford Counties ROE No. 9

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**JUNE 30, 2012**

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
11-1	Controls Over Financial Statement Preparation	Partially Repeated
11-2	Failure to Apply Appropriate Accounting Principles	Not Repeated



**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012**

The Champaign/Ford Counties Regional Office of Education No. 9 (ROE No. 9) 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, 2012. We encourage readers to consider this information in conjunction with the ROE No. 9's financial statements, which follow.

**2012 Financial Highlights**

- Within the Governmental Funds, the General Fund revenues decreased by \$665,082 (18%) from \$3,711,262 in FY 2011 to \$3,046,180 in FY 2012. General Fund expenditures decreased by \$182,881 (6%) from \$3,294,184 in FY 2011 to \$3,111,303 in FY 2012.
- Within the Governmental Funds, the Special Revenue Funds revenues decreased by \$848,467 (32%) from \$2,650,047 in FY 2011 to \$1,801,580 in FY 2012. The Special Revenue Funds expenditures decreased by \$688,787 (28%) from \$2,450,936 in FY 2011 to \$1,762,149 in FY 2012.
- Proprietary Funds revenues decreased by \$211,644 (55%) from \$387,144 in FY 2011 to \$175,500 in FY 2012. The Proprietary Funds expenditures decreased by \$148,408 (36%) from \$408,439 in FY 2011 to \$260,031 in FY 2012.
- The ROE No. 9 has long term debt related to the other post employment retirement benefit obligations and capital lease obligations.

**Using This Report**

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

- Management's Discussion and Analysis introduces financial statements and provides an analytical overview of the ROE No. 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 ROE No. 9 as a whole and present an overall view of the Office's finances.
- *Fund financial statements* report the ROE No. 9's operations in more detail than the government-wide statements by providing information about the most significant funds.
- *Notes to the financial statements* provide additional information that is needed for a full understanding of the data provided in the basic financial statements.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012**

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

**The Statement of Net Assets and the Statement of Activities**

The government-wide statements report information about the ROE No. 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 ROE No. 9's net assets and how they have changed. Net assets - the difference between the assets and liabilities - are one way to measure the ROE No. 9'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 ROE No. 9's activities are divided into two categories:

- Governmental activities - Most of the ROE No. 9's basic services are included here, such as local, State and federal grant-funded programs, support services, and administration.
- Business-type activities - The ROE No. 9 charges fees to help cover costs of certain services and workshops it provides.

**Fund Financial Statements**

The fund financial statements provide detailed information about the ROE No. 9's funds. 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 ROE No. 9 establishes other funds to control and manage money for particular purposes.

The ROE No. 9 has three kinds of funds:

- 1) Governmental funds account for all of the ROE No. 9'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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012**

fewer resources that can be spent in the near future to finance the ROE No. 9'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 ROE No. 9'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 account for resources from fees charged to entities, individuals or other funds that use its resources. Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by government-wide financial statements. The ROE No. 9's proprietary funds include the enterprise fund presented as business-type activities in the government-wide financial statements, and the internal service fund which is included in the governmental activities in the government-wide financial statements. The required proprietary 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 ROE No. 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.

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve, when examined over time, as one indicator of the financial position of the ROE No. 9. The total net assets at the end of FY 2012 were \$2,898,112. The analysis that follows provides a summary of the ROE No. 9's net assets at June 30, 2012 and June 30, 2011, for the governmental and business-type activities.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012**

**CONDENSED STATEMENT OF NET ASSETS**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>ASSETS</b>						
Current assets	\$ 2,409,987	\$ 3,244,247	\$ 577,510	\$ 660,827	\$ 2,987,497	\$ 3,905,074
Capital assets, net of depreciation	164,388	165,441	6,903	6,532	171,291	171,973
<b>TOTAL ASSETS</b>	<b>2,574,375</b>	<b>3,409,688</b>	<b>584,413</b>	<b>667,359</b>	<b>3,158,788</b>	<b>4,077,047</b>
<b>LIABILITIES</b>						
Current liabilities	245,484	1,016,524	1,585	–	247,069	1,016,524
Noncurrent liabilities	13,607	18,586	–	–	13,607	18,586
<b>TOTAL LIABILITIES</b>	<b>259,091</b>	<b>1,035,110</b>	<b>1,585</b>	<b>–</b>	<b>260,676</b>	<b>1,035,110</b>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	149,883	145,781	6,903	6,532	156,786	152,313
Restricted for educational purposes	516,052	504,443	–	–	516,052	504,443
Unrestricted	1,649,349	1,724,354	575,925	660,827	2,225,274	2,385,181
<b>TOTAL NET ASSETS</b>	<b>\$ 2,315,284</b>	<b>\$ 2,374,578</b>	<b>\$ 582,828</b>	<b>\$ 667,359</b>	<b>\$ 2,898,112</b>	<b>\$ 3,041,937</b>

The ROE No. 9's net assets decreased by \$143,825 (5%) from FY 2011 primarily due to the decrease in revenues over expenses generated from governmental activities. Net assets invested in capital assets of \$156,786, representing 5% of total net assets reflects the ROE No. 9's investment in equipment and office furniture, net of obligations under capital leases. An additional portion of the ROE No. 9's net assets of \$516,052 (18%) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for teacher professional development. The largest portion of the ROE No. 9's net assets of \$2,225,274 (77%) reflects the unrestricted net assets that may be used to meet the ROE No. 9's obligations to other entities, employees and creditors.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012**

**STATEMENT OF ACTIVITIES**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Revenues:						
Program revenues:						
Operating grants and contributions	\$ 1,426,532	\$ 2,056,212	\$ -	\$ -	\$ 1,426,532	\$ 2,056,212
Charges for services	345,568	461,542	174,525	385,890	520,093	847,432
General revenues:						
Federal sources	72,527	180,809	-	-	72,527	180,809
State sources	767,628	852,617	-	-	767,628	852,617
Local sources	1,525,741	1,965,472	-	-	1,525,741	1,965,472
On-behalf statements	680,284	712,364	-	-	680,284	712,364
Loss on disposal of assets	(874)	-	-	-	(874)	-
Interest income, net	3,720	3,290	975	1,254	4,695	4,544
Other income	4,458	-	-	-	4,458	-
Total revenues	4,825,584	6,232,306	175,500	387,144	5,001,084	6,619,450
Expenses:						
Salaries and benefits	2,554,720	2,649,342	135,735	66,319	2,690,455	2,715,661
Purchased services	1,223,661	1,654,826	101,706	126,601	1,325,367	1,781,427
Supplies and materials	139,474	420,061	18,905	182,491	158,379	602,552
Capital expenditures	-	-	-	13,016	-	13,016
Depreciation	73,572	58,954	3,523	19,920	77,095	78,874
Payments to other governmental units	188,758	215,494	-	-	188,758	215,494
Miscellaneous	24,409	31,046	162	92	24,571	31,138
On-behalf payments	680,284	712,364	-	-	680,284	712,364
Total expenses	4,884,878	5,742,087	260,031	408,439	5,144,909	6,150,526
Change in net assets	(59,294)	490,219	(84,531)	(21,295)	(143,825)	468,924
Net assets, beginning	2,374,578	1,884,359	667,359	688,654	3,041,937	2,573,013
Net assets, ending	\$ 2,315,284	\$ 2,374,578	\$ 582,828	\$ 667,359	\$ 2,898,112	\$ 3,041,937

During FY 2012, the governmental funds had deficiency of revenues over expenditures of \$59,294. The deficiency in revenues resulted primarily from the decrease in operating grants and contributions received during the fiscal year. The decline in revenues resulted in reduction of operating grants program expenses.

Total governmental revenues of \$4.8 million consisted primarily of State and federal grants totaling \$2.3 million, and local revenues from tuition, fees and flow-through money totaling \$1.9 million. Governmental revenues posted a net decrease of \$1.4 million (23%) from previous year, primarily due to the decrease in operating grants and local sources contributions.

Total governmental expenses posted a net decrease of \$0.9 million (15%) compared to previous year. The decrease was mainly due to reduced expenses for educational materials and on-behalf payments.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012**

**Financial Analysis of the ROE No. 9 Funds**

As previously noted, the ROE No. 9 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Fund Highlights**

The ROE No. 9 continues to offer technical assistance and professional development activities to teachers in all areas of curriculum. In FY 2012, at least 3,438 teachers have received direct professional development to improve their basic knowledge and/or their teaching pedagogy. The ROE No. 9 is responsible for professional development activities to maintain certification by our school administrators through the Administrator Academy. At least 75 administrators have received direct professional development in FY 2012. The ROE No. 9 also operates 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 Truancy Program had 144 referrals and served 79 students to ameliorate their truancy problems. The McKinney Education-Homeless Children Program served 411 students and families. In FY 2012, the ROE No. 9 served 3,196 teachers through the Certification Program that assists teachers in completing certification requirements and obtaining a certificate. The ROE No. 9 also provided nine Bus Driver Trainings throughout the year issuing 78 Initial Bus Driver certificates and 210 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 the ROE No. 9's cooperative effort with Parkland College and the Lincoln's Challenge Program, which includes testing to meet high school equivalency. The ROE No. 9 administered 1,339 GED tests. The 21<sup>st</sup> Century grants served 121 students and the United Way Freedom School served 72 students. In addition, the ROE No. 9 has a variety of smaller programs that would be classified as consultative services working directly with the schools.

The ROE No. 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 FY 2012, the ROE No. 9 responded to 9,697 phone calls and walk-ins with questions concerning bus service, grade problems, special education needs and requirements, residency concerns, and home school issues. The ROE No. 9 also offers guidance to parents, as well as serves as a liaison between parents and the schools.

**Proprietary Fund Highlights**

The business-type activities net assets decreased by \$84,531 during FY 2012 primarily due to the decline in revenues from charges for services. The ROE No. 9 provided training and workshops to 17 public school districts and 24 non-public schools in the region. As part of its mission, the ROE No. 9 continued to provide workshop and training services to school districts even during

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012**

economically challenging times. Many workshops and services were offered free-of-charge and below cost recovery in order to meet organizational objectives.

**Budgetary Highlights**

The ROE No. 9 annually adopts budgets for several funds. However, the annual budgets are not required to be legally adopted. All grant budgets are prepared by the ROE No. 9 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. A schedule showing the comparison of the ROE No. 9's actual financial activity to the budget is included in the supplementary information section of this report.

**Capital Assets**

Capital assets of the ROE No. 9 include office equipment, computers, servers, audiovisual equipment and office furniture. The ROE No. 9 maintains an inventory of capital assets that have been accumulated over time. In FY 2012, total additions amounted to \$77,287 and total retirements amounted to \$29,351. Depreciation expense for FY 2012 was \$73,572.

**Economic Factors and Next Year's Budget**

At the time these financial statements were prepared and audited, the ROE No. 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 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 payment.

The ROE No. 9 has tried to maintain the programs that have been previously offered to the school districts. In the future, these services may have to be reduced if the ROE No. 9 does not receive sufficient funding or if funding is not received in a timely manner. ROE No. 9's goal is to give the very best services to its schools and clients as possible.

**Contacting the ROE No. 9'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 ROE No. 9'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 Champaign/Ford Counties Regional Office of Education No. 9, 200 S. Fredrick, Rantoul, IL 61866.

## **BASIC FINANCIAL STATEMENTS**



**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

**EXHIBIT A**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 2,216,964	\$ 416,741	\$ 2,633,705
Due from (to) other funds	(152,299)	152,299	-
Due from other governmental agencies	345,322	8,470	353,792
Total current assets	<u>2,409,987</u>	<u>577,510</u>	<u>2,987,497</u>
<b>Noncurrent assets</b>			
Capital assets, net	<u>164,388</u>	<u>6,903</u>	<u>171,291</u>
<b>TOTAL ASSETS</b>	<u>2,574,375</u>	<u>584,413</u>	<u>3,158,788</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued expenses	197,527	1,585	199,112
Deferred revenues	42,977	-	42,977
Lease payable	4,980	-	4,980
Total current liabilities	<u>245,484</u>	<u>1,585</u>	<u>247,069</u>
<b>Noncurrent liabilities</b>			
Lease payable	9,525	-	9,525
Net OPEB obligation	4,082	-	4,082
Total noncurrent liabilities	<u>13,607</u>	<u>-</u>	<u>13,607</u>
<b>TOTAL LIABILITIES</b>	<u>259,091</u>	<u>1,585</u>	<u>260,676</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	149,883	6,903	156,786
Restricted for educational purposes	516,052	-	516,052
Unrestricted	1,649,349	575,925	2,225,274
<b>TOTAL NET ASSETS</b>	<u>\$ 2,315,284</u>	<u>\$ 582,828</u>	<u>\$ 2,898,112</u>

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

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2012

EXHIBIT B

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contribution	Primary Government		
				Governmental Activities	Business-Type Activities	Total
<b>Primary government</b>						
<b>Governmental activities:</b>						
<b>Instructional services</b>						
Salaries	\$ 1,930,293	\$ 135,419	\$ 559,025	\$ (1,235,849)	\$ -	\$ (1,235,849)
Benefits	624,427	49,199	203,103	(372,125)	-	(372,125)
Purchased services	1,223,661	111,087	458,574	(654,000)	-	(654,000)
Supplies and materials	139,474	12,266	50,630	(76,578)	-	(76,578)
Depreciation expense	73,572	-	-	(73,572)	-	(73,572)
Miscellaneous	24,409	296	1,222	(22,891)	-	(22,891)
Payments to other governments	188,758	37,017	152,807	1,066	-	1,066
Capital expenditures	-	284	1,171	1,455	-	1,455
<b>Administrative</b>						
On-behalf payments	680,284	-	-	(680,284)	-	(680,284)
<b>Total governmental activities</b>	<u>4,884,878</u>	<u>345,568</u>	<u>1,426,532</u>	<u>(3,112,778)</u>	<u>-</u>	<u>(3,112,778)</u>
<b>Business-type activities:</b>						
Charges for services	260,031	174,525	-	-	(85,506)	(85,506)
<b>Total business-type activities</b>	<u>260,031</u>	<u>174,525</u>	<u>-</u>	<u>-</u>	<u>(85,506)</u>	<u>(85,506)</u>
<b>Total primary government</b>	<u>\$ 5,144,909</u>	<u>\$ 520,093</u>	<u>\$ 1,426,532</u>	<u>(3,112,778)</u>	<u>(85,506)</u>	<u>(3,198,284)</u>
General revenues:						
Federal sources				72,527	-	72,527
State sources				767,628	-	767,628
Local sources				1,525,741	-	1,525,741
Net interest income				3,720	975	4,695
Loss on disposal of capital assets				(874)	-	(874)
Other Income				4,458	-	4,458
On-behalf payments				680,284	-	680,284
Total general revenues				<u>3,053,484</u>	<u>975</u>	<u>3,054,459</u>
Change in net assets				(59,294)	(84,531)	(143,825)
Net assets - beginning				<u>2,374,578</u>	<u>667,359</u>	<u>3,041,937</u>
Net assets - ending				<u>\$ 2,315,284</u>	<u>\$ 582,828</u>	<u>\$ 2,898,112</u>

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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2012**

**EXHIBIT C**

	<b>General Fund</b>	<b>Education Fund</b>	<b>Institute</b>	<b>Nonmajor Special Revenue Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,654,051	\$ 103,181	\$ 326,951	\$ 124,102	\$ 2,208,285
Due from other funds	97,208	-	-	-	97,208
Due from other governmental agencies	101,663	236,584	-	554	338,801
<b>TOTAL ASSETS</b>	<b>1,852,922</b>	<b>339,765</b>	<b>326,951</b>	<b>124,656</b>	<b>2,644,294</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	148,018	48,956	500	53	197,527
Due to other funds	38,273	211,234	-	-	249,507
Deferred revenues	28,400	42,977	-	-	71,377
Total liabilities	214,691	303,167	500	53	518,411
<b>FUND BALANCES</b>					
Restricted	-	36,598	326,451	124,603	487,652
Assigned	1,560,874	-	-	-	1,560,874
Unassigned	77,357	-	-	-	77,357
Total fund balances	1,638,231	36,598	326,451	124,603	2,125,883
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,852,922</b>	<b>\$ 339,765</b>	<b>\$ 326,951</b>	<b>\$ 124,656</b>	<b>\$ 2,644,294</b>

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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9 EXHIBIT D**  
**GOVERNMENTAL FUNDS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

Total fund balances - governmental funds \$ 2,125,883

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

Capital assets used in the governmental activities are not financial resources and therefore, are not reported in the funds. 164,388

Lease payable reflects capital lease payments that the Regional Office of Education No. 9 will recognize as expensed when paid in the governmental financial statements. (14,505)

The OPEB obligation resulting from annual required contributions in excess of actual contributions are not due and payable in the current period and therefore, are not reported in the funds. (4,082)

Revenues are not available to pay for current-period expenditures and therefore, are deferred in the funds. 28,400

The Internal Service Fund is used by management to charge the costs of general accounting services of the Regional Office of Education No. 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	28,466	
Less capital assets of internal service fund included in total above	<u>13,266</u>	<u>15,200</u>

Net assets of governmental activities \$ 2,315,284

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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012**

**EXHIBIT E**

	<b>General Fund</b>	<b>Education Fund</b>	<b>Institute</b>	<b>Nonmajor Special Revenue Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Federal sources	\$ 72,527	\$ 739,561	\$ -	\$ -	\$ 812,088
State sources	767,628	715,491	-	960	1,484,079
Local sources	1,525,741	191,936	88,872	64,760	1,871,309
On-behalf payments	680,284	-	-	-	680,284
Total revenues	<u>3,046,180</u>	<u>1,646,988</u>	<u>88,872</u>	<u>65,720</u>	<u>4,847,760</u>
<b>EXPENDITURES</b>					
Instructional services:					
Salaries	1,239,747	661,394	-	29,152	1,930,293
Benefits	373,541	248,946	-	1,940	624,427
Purchased services	684,908	516,251	42,114	8,097	1,251,370
Supplies and materials	76,933	53,938	92	8,511	139,474
Miscellaneous	22,900	1,509	-	-	24,409
Payments to other governments	-	188,758	-	-	188,758
On-behalf payments	680,284	-	-	-	680,284
Capital expenditures	32,990	1,447	-	-	34,437
Total expenditures	<u>3,111,303</u>	<u>1,672,243</u>	<u>42,206</u>	<u>47,700</u>	<u>4,873,452</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(65,123)	(25,255)	46,666	18,020	(25,692)
<b>OTHER FINANCING SOURCES (USES)</b>					
Repayment of long-term lease payable	(5,154)	-	-	-	(5,154)
Net interest income	2,062	1,005	472	181	3,720
Total other financing sources (uses)	<u>(3,092)</u>	<u>1,005</u>	<u>472</u>	<u>181</u>	<u>(1,434)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(68,215)	(24,250)	47,138	18,201	(27,126)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>1,706,446</u>	<u>60,848</u>	<u>279,313</u>	<u>106,402</u>	<u>2,153,009</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 1,638,231</u>	<u>\$ 36,598</u>	<u>\$ 326,451</u>	<u>\$ 124,603</u>	<u>\$ 2,125,883</u>

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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

**EXHIBIT F**

Net change in fund balances \$ (27,126)

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

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

Capital expenditures, net of transfers	61,917	
Depreciation expense	<u>(73,572)</u>	(11,655)

The net additions to capital assets of the internal service fund is reported under governmental activities	7,019
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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 at the time of disposal. However, in the Statement of Activities the difference between the asset's original cost and its related accumulated depreciations is reported as loss on the disposal of capital assets.	(874)
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Governmental funds report capital outlays as expenditures at the time of purchase, therefore, when an acquisition is made in a noncash transaction, it is not reflected in the governmental activities at the time of acquisition.	4,458
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Repayment of long-term capital lease obligation is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	5,154
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Revenues in the Statement of Activities that do not provide current financial resources are reported as deferred revenues in the funds.	28,400
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Revenues reported in the Statement of Activities in the prior year that did not provide current financial resources are not reported as revenues in the governmental funds.	(57,880)
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The net expense of the internal service fund is reported under governmental activities, excluding the depreciation expense of \$4,447 which is included in total depreciation above.	<u>(6,790)</u>
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Change in net assets of governmental activities	<u><u>\$ (59,294)</u></u>
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*The notes to the financial statements are an integral part of this statement.*

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2012**

**EXHIBIT G**

	<b>Business-Type Activities - Enterprise Fund</b>			<b>Governmental Activities</b>
	<b>Local Workshops</b>	<b>Nonmajor Enterprise Fund</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 404,342	\$ 12,399	\$ 416,741	\$ 8,679
Due from other funds	152,299	-	152,299	-
Due from other governmental agencies	8,470	-	8,470	6,521
Total current assets	565,111	12,399	577,510	15,200
Noncurrent assets				
Capital assets, net	6,903	-	6,903	13,266
<b>TOTAL ASSETS</b>	<b>572,014</b>	<b>12,399</b>	<b>584,413</b>	<b>28,466</b>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	1,585	-	1,585	-
<b>TOTAL LIABILITIES</b>	<b>1,585</b>	<b>-</b>	<b>1,585</b>	<b>-</b>
<b>NET ASSETS</b>				
Invested in capital assets	6,903	-	6,903	13,266
Unrestricted	563,526	12,399	575,925	15,200
<b>TOTAL NET ASSETS</b>	<b>\$ 570,429</b>	<b>\$ 12,399</b>	<b>\$ 582,828</b>	<b>\$ 28,466</b>

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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2012**

**EXHIBIT H**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Local Workshops</b>	<b>Nonmajor Enterprise Fund</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 151,174	\$ 23,351	\$ 174,525	\$ 122,820
<b>OPERATING EXPENSES</b>				
Salaries	107,313	-	107,313	78,070
Benefits	28,422	-	28,422	28,307
Purchased services	82,775	18,931	101,706	11,485
Supplies and materials	18,905	-	18,905	4,799
Miscellaneous	162	-	162	50
Depreciation	3,523	-	3,523	4,447
Total operating expenses	241,100	18,931	260,031	127,158
<b>OPERATING INCOME (LOSSES)</b>	(89,926)	4,420	(85,506)	(4,338)
<b>NONOPERATING REVENUE</b>				
Interest income	957	18	975	120
<b>CHANGE IN NET ASSETS</b>	(88,969)	4,438	(84,531)	(4,218)
<b>NET ASSETS, BEGINNING OF YEAR</b>	659,398	7,961	667,359	32,684
<b>NET ASSETS, END OF YEAR</b>	\$ 570,429	\$ 12,399	\$ 582,828	\$ 28,466

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



**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2012**

**EXHIBIT I**

	<b>Business-Type Activities - Enterprise Fund</b>			<b>Governmental</b>
	<b>Local Workshops</b>	<b>Nonmajor Enterprise Fund</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts for workshops and services	\$ 159,923	\$ 23,351	\$ 183,274	\$ 117,097
Payments to suppliers	152,597	(18,931)	133,666	(16,334)
Payments to employees	(135,735)	-	(135,735)	(106,377)
Net cash provided by (used in) operating activities	<u>176,785</u>	<u>4,420</u>	<u>181,205</u>	<u>(5,614)</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>				
Purchase of capital assets	(3,894)	-	(3,894)	(7,019)
Net cash used in capital financing activities	<u>(3,894)</u>	<u>-</u>	<u>(3,894)</u>	<u>(7,019)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY:</b>				
Interest	957	18	975	120
Net cash provided by investing activity	<u>957</u>	<u>18</u>	<u>975</u>	<u>120</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	173,848	4,438	178,286	(12,513)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>230,494</u>	<u>7,961</u>	<u>238,455</u>	<u>21,192</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 404,342</u>	<u>\$ 12,399</u>	<u>\$ 416,741</u>	<u>\$ 8,679</u>
<b>Reconciliation of operating income (losses) to net cash provided by (used in) operating activities:</b>				
Operating income (losses)	\$ (89,926)	\$ 4,420	\$ (85,506)	\$ (4,338)
Adjustments to reconcile operating income (losses) to net cash provided by (used in) operating activities:				
Depreciation	3,523	-	3,523	4,447
Effects of changes in assets and liabilities:				
Due from other funds	252,854	-	252,854	-
Due from other governmental agencies	8,749	-	8,749	(5,723)
Accounts payable and accrued expenses	1,585	-	1,585	-
Net cash provided by (used in) operating activities	<u>\$ 176,785</u>	<u>\$ 4,420</u>	<u>\$ 181,205</u>	<u>\$ (5,614)</u>

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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2012**

**EXHIBIT J**

**ASSETS**

Cash and cash equivalents	<u>\$ 157,924</u>
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**LIABILITIES**

Accounts payable and accrued expenses	<u>\$ 157,924</u>
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*The notes to the financial statements are an integral part of this statement.*

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

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

A. Financial Reporting Entity

The Champaign/Ford Counties Regional Office of Education No. 9 (ROE No. 9) operates under the School Code (Articles 3 and 3A of Illinois Compiled Statutes, Chapter 105). The ROE No. 9 encompasses Champaign/Ford Counties, Illinois. A Regional Superintendent of Schools serves as chief administrative officer of ROE No. 9, and is elected to the position for a four-year term pursuant to Article 3 of Illinois Compiled Statutes, Chapter 105.

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 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 ROE No. 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.

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.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

For the period ended June 30, 2012, the ROE No. 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 ROE No. 9.

These are the only activities considered to be part of (controlled by or dependent on) the ROE No. 9, as determined by the application of the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. The criteria for inclusion of an entity include, but are not limited to, legal standing, fiscal dependency, imposition of will and potential for financial benefit or burden.

The ROE No. 9 has determined that no other outside agency meets any of the above criteria and, therefore, no other agency has been included as a component unit in the financial statements. Furthermore, the ROE No. 9 does not consider itself to be a component unit of any other entity.

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

The government-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between those activities of the ROE No. 9 that are governmental in nature and those that are considered business-type activities. *Governmental activities* normally are supported by operating grants and contributions, charges for services and intergovernmental revenues. *Business-type activities* normally are supported by amounts assessed or received from local sources for the ROE No. 9 programs.

The Statement of Net Assets presents the ROE No. 9's nonfiduciary assets and liabilities with the differences reported as net assets. Net assets present the difference between assets and liabilities in the Statement of Net Assets. Net assets of the ROE No. 9 are classified as follows:

*Invested in Capital Assets* - represents the ROE No. 9's total investment in capital assets, net of accumulated depreciation and reduced by outstanding balances of any debt attributable to the assets' acquisition.

*Restricted Net Assets* - consists of net assets with constraints placed on their 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* - represent resources used for transactions relating to the general operations of the ROE No. 9 and may be used at the discretion of management to meet expenses for any purpose.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

When both restricted and unrestricted resources are available for use, it is the ROE's policy to use restricted resources first, then unrestricted resources as they are needed. For unrestricted fund balance, committed funds are used first, then assigned funds, then unassigned if any.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to users who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Items not properly included among program revenues are reported instead as *general revenues*.

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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the ROE No. 9 are prepared in accordance with generally accepted accounting principles (GAAP). The government-wide financial statements and the proprietary fund 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 revenues are recognized as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The ROE No. 9 considers revenues as available if they are collected within 60 days after year end. Revenues received more than 60 days after the end of the current period are deferred in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements.

There are, however, essentially two types of these revenues: (1) monies must be expended on the specific purpose or project before any amounts will be paid; therefore, revenues are recognized based upon the expenditures recorded, and (2) monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

receipt or earlier if the susceptible to accrual criteria are met. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for compensated absences and other long-term obligations, which are recognized when paid.

Agency funds financial statements are reported using the accrual basis of accounting, but due to their custodial nature (assets equal liabilities) do not present results of operations or have a measurement focus.

The proprietary fund financial statements include local workshops fund and internal service fund. The proprietary fund distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

As a general rule, the effect of inter-fund activities has been eliminated in the government-wide financial statements. In the Statement of Activities, interfund transactions between internal service fund and governmental funds have been eliminated. Internal service balances, except those representing balances between governmental funds and internal service fund, have been combined with the governmental activities in the Statement of Net Assets.

**D. Fund Accounting**

The accounts of the ROE No. 9 are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue, and expenditures. The ROE No. 9 maintains individual funds as required by the State of Illinois. The resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following summarizes the fund types used:

**Government Fund Types**

Governmental Funds are those through which most governmental functions are financed. The acquisition, use and balances of the expendable financial resources and the related current liabilities are accounted for through governmental funds.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

The governmental funds include the following:

General Fund - Accounts for all financial resources except those required to be accounted for and reported in another fund. It accounts for monies received for, and payment of, expenditures in connection with general administrative activities.

General Operations - Accounts for monies received for, and payment of, expenditures for the general administration of the ROE No. 9 operations.

Essay Scoring - Accounts for local receipts and expenses in administering and scoring of GED essays for the school districts.

School Family Liaison Local - Accounts for monies received for, and payment of, expenditures for a program that assists with the treatment of child abuse victims and helps prevent child abuse situations. This fund was previously reported in prior year as ISBE/DCFS Interagency Technical Assistance Network.

Regional Education Alternative for Developing Youth - Accounts for grant monies and local fees received for, and payment of, expenditures to administer an alternative school program for at-risk students in grades 6-12. The READY fund also includes the school breakfast program, national school lunch program, Workforce Investment Act (WIA) Youth program and the Education Jobs Fund program funded by the American Recovery and Reinvestment Act (ARRA). In addition, the READY program is funded by the General State Aid.

Novice Teacher Support - Accounts for monies received for, and payment of, expenditures for a program that 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.

Summer Freedom School - Accounts for monies received for, and payment of, expenditures for 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.

IL Learning Technology Purchase Program - Accounts for monies received for, and payment of, expenditures for a fund created as a consortium of Learning Technology Centers, Regional Offices of Educations and school districts to purchase software, hardware and peripherals at competitive pricing from accredited suppliers. This fund was previously reported in the prior year under the Area IV Learning Technology Hub Fund.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

Special Revenue Funds - Accounts for grant monies received for, and payment of, expenditures for the proceeds of specific revenue sources (other than those accounted for in the Fiduciary Funds) that are restricted to expenditures for specified purposes. The special revenue funds include the following:

Education - Accounts for various grants supporting education enhancement programs. Education funds include:

Truants Alternative/Optional Education - Accounts for grant monies received for, and payment of, expenditures for a program that offers prevention and intervention services to truant students. Program activities include case management, home and school visits, student advocacy, wraparound, referrals to community agencies, and technical assistance to individual school districts and the community.

McKinney-Vento Homeless Children & Youth Program - Accounts for grant monies received for, and payment of, expenditures for federal statewide grant under McKinney-Vento Homeless Children and Youth Program. This program provides assistance to schools who work with the homeless youth.

Teacher Mentoring - Accounts for grant monies received for, and payment of, expenditures for ISBE funded projects in the State that focus on the support and development of new teachers. The program provides mentoring strategies to veteran teachers, who in turn also provide trainings to new teachers. Program activities include assistance in classroom management and improvement strategies.

Title I School Improvement and Accountability - Accounts for grant monies received for, and payment of, expenditures for one of three Regional System of Support Projects (RESPRO) funded by ISBE and passed through the Iroquois-Kankakee Regional Office of Education No. 32. The grant supports the schools and school districts which are in academic status and have not met the required annual yearly progress for two or more years. Program activities include assistance in setting up school improvement plans and monitoring the status of school improvement plans.

Freedom School - Accounts for grant monies received for, and payment of, expenditures for program that provides safe, restorative learning spaces that operate for six weeks during the summer for seven hours per day.

Teen Reach - Accounts for grant monies received for, and payment of, expenditures for program that expands the range of choices and opportunities that enable, empowers and encourages youth to achieve positive growth and



**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

development, improves expectations and capacities for future success, and avoids and/or reduces risk-taking behavior.

ISBE CMAR - Accounts for grant monies received for, and payment of, expenditures for program that 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*.

Youth Detention Center - Accounts for monies received from the Urbana School District No. 116 to provide an educational program for the students serving time at the Juvenile Detention Center.

21<sup>st</sup> Century - Accounts for grant monies received for, and payment of, expenditures for program that provides academic enrichment opportunities during non-school hours for high school students who attend high-poverty and low-performing schools. This program helps students meet State and local student standards in core academic subjects; offers students a broad array of enrichment activities that can complement their regular academic programs; and offers literacy and other educational services to the families of participating children.

Schoolworks Operations - Accounts for a grant that 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.

Area IV Learning Technology Hub - LTC - Accounts for the grant monies received for, and payment of, expenditures for programs that provide 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.

System of Support - Accounts for the grant monies received for, and payment of, expenditures to provide support for Title I schools in their year 1 and year 2 improvement status.

ARRA - Title 1 School Improvement and Accountability - Accounts for grant monies received for, and payment of, expenditures used to minimize the impact of school improvement budget cuts at the state level. This is funded by the American Reinvestment and Recovery Act (ARRA). This fund assists school districts who have not met adequate yearly progress (AYP) in planning, professional development, data analysis and in implementing school improvement

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and corrective action in order to improve instruction in an effort to meet AYP in subsequent years.

Illinois Response to Intervention Network - Accounts for grant monies received for, and payment of, expenditures used to provide standardized professional development, technical assistance, and coaching to educators and parents throughout the State. These services focus on improving student performance in Grades K-12 through the implementation of a multi-tiered system of instruction, intervention, and assessment, including RtI, with an emphasis on administrative leadership; scientific, research-based reading and math curricula and instruction at Grades K-12; data-based decision making; universal screening and progress monitoring; and parent involvement. Standardized curriculum and a systematic professional development, technical assistance, and coaching structure are used to improve the consistency of project services.

Illinois Math and Science Partnership - Accounts for grant monies received for, and payment of, expenditures used to improve student performance in high-need districts in the areas of mathematics and science by improving the content knowledge and pedagogical skills of Grades K-12 Math and Science teachers. Illinois Math and Science Partnership supports a two-week summer institute and four follow-up sessions providing educators access to the expertise of mathematicians, scientists and engineers and their technologies and resources. The program provides an opportunity for teachers to develop and integrate Science, Technology, Engineering and Math (STEM) concepts into existing middle and high school science and math courses. IMSP activities result in an increase in understanding and application of scientifically based educational research pertinent to mathematics and science teaching and learning.

Institute 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.

Nonmajor Special Revenue Funds - Accounts 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 (GED) - Accounts for the receipts and expenses pertaining to the GED/High School Equivalency program for high school dropouts.

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School Bus Driver Training - Accounts for State and local receipts and expenses as a result of training school district bus drivers.

Proprietary Fund Types

Proprietary funds are those in which revenues and expenses related to services provided to other entities, as well as to other funds within the ROE No. 9 are reported. The ROE No. 9 reports the following enterprise fund:

Local Workshops - Accounts for monies received from registration fees for trainings and workshops conducted by the ROE No. 9 for the school district administrators and professionals.

Nonmajor Enterprise Fund - Nonmajor enterprise fund consists of:

HR Solutions (Tomlinson) - Accounts for monies received from participating school districts which are used to provide technical assistance and training on human resources issues.

The ROE No. 9 reports the following internal service fund:

Internal Service Fund - Accounts for the general accounting services and other expenses provided to other operating areas and programs of the ROE No. 9 on a cost-reimbursement basis.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held in a trustee capacity or as an agent for individuals or private or governmental organizations. The Fiduciary Funds include the following:

Distributive Fund - Accounts for State and federal funds appropriated to the Rural Champaign Co. Special Education Center and to entities which are paid through the ROE No. 9. Funds are received and disbursed to these entities and accounted for in a trustee capacity.

Payroll Clearing - This fund receives money from other funds to pay for the payroll expenses of the ROE No. 9 and the Rural Champaign Co. Special Education Coop.

Regional Board of Trustees - This fund accounts for the monies received from, and disbursed for the activities of the Regional Board of Trustees.

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County School Facility Sales Tax - This fund accounts for monies received from the Champaign County representing 1% of the county's sales tax revenues. In accordance with the School Code 105 ILCS 5/3-14.31, proceeds from the sales tax revenues are distributed to the school districts in Champaign County based on student enrollment.

E. Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Non-exchange transactions, in which the ROE No. 9 receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the ROE No. 9 must provide local resources to be used for specific purpose, and expenditure requirements, in which the resources are provided to the ROE No. 9 on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

F. Cash and Investments

Cash and cash equivalents consist of cash on deposit. Investments with an original maturity of three months or less at the time they are purchased by the ROE No. 9 are considered to be cash equivalents, while investments with original maturities of more than three months are reported as investments.

G. 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 estimated useful lives (3 to 20 years) of the respective assets.

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H. Deferred Revenues

The ROE No. 9 reports deferred revenue in the governmental fund Balance Sheet. Deferred revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period.

I. Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

J. Revenue from Federal and State Grants

Revenues from federal and State grant awards are recorded net of the amount due to the State or federal agency for the unused portion of the grant or the amount carried over to the following fiscal year project. Amounts due to the State or federal agency are carried over to the following year project and are recorded as liabilities.

K. Budgetary Data

The ROE No. 9 did not formally adopt a budget for the year ended June 30, 2012 and is not legally required to do so. The ISBE requires budgets for certain State and federal programs. These budgets were used to prepare Budgetary Comparison Schedules for the following programs:

General Fund:

- Regional Education Alternative for Developing Youth

Special Revenue Funds:

- Education Fund:
  - 21st Century
  - Schoolworks Operations
  - Area IV Learning Technology Hub - LTC
  - Illinois Math and Science Partnership

L. Interest Revenue

Interest earned on the Distributive Fund (a fiduciary fund) by ROE No. 9 on ISBE receipts is allocated and distributed semi-annually to recipients.

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M. 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.

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.

N. New Accounting Pronouncement

Effective July 1, 2011, ROE No. 9 has adopted GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, and GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53). The implementation of these Statements had no impact on the ROE No. 9 financial statements.

O. Governmental Fund Balances

Fund balance is the difference between assets and liabilities in a governmental fund. The following types of fund balances may be presented in the Governmental Funds Balance Sheet and Governmental Funds Combining Schedule of Accounts:

*Nonspendable* - This consists of amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. There were no nonspendable fund balances as of June 30, 2012.

*Restricted* - This consists of amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. The following funds comprise restricted fund balances as of June 30, 2012: Regional Education Alternative for Developing Youth, McKinney-Vento Homeless Children & Youth Program, Freedom School, Youth Detention Center, 21st Century, General Education Development, School Bus Driver Training and Institute Fund.

*Committed* - This consists of amounts with self-imposed constraints or limitations that have been placed at the highest level of decision making. There were no committed fund balances as of June 30, 2012.

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*Assigned* - This consists of net amounts that are constrained by the ROE No. 9's intent to be used for specific purposes, but that are neither restricted nor committed. The following funds comprise assigned fund balances as of June 30, 2012 and are specified for a particular purpose by the Regional Superintendent: Essay Scoring, Regional Education Alternative for Developing Youth, Novice Teacher Support, Summer Freedom School, and IL Learning Technology Purchase Program.

*Unassigned* - This consists of amounts that are available financial resources and are not designated for a specific purpose. The following funds comprise unassigned fund balances as of June 30, 2012: General Operations and School Family Liaison Local Fund.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

Deposits

The ROE No. 9 maintains different bank accounts for its various activities. At June 30, 2012, the total carrying amount of such accounts is \$2,791,629, and the total bank balance is \$2,996,643. The difference between the above amounts primarily represents checks that have been issued but have not yet cleared the bank as of June 30, 2012. The total bank balance of \$2,996,643 as of June 30, 2012 was secured by federal depository insurance and collateral held by banks in the name of ROE No. 9.

**NOTE 3 - DUE FROM OTHER GOVERNMENTAL AGENCIES**

The ROE No. 9's General Fund, Special Revenue Funds, Proprietary Funds, and Fiduciary Funds have funds due from the following governmental agencies:

Due from Other Governmental Agencies:	
Illinois State Board of Education	\$ 108,876
Illinois Department of Human Services	25,045
Iroquois/Kankakee Regional Office of Education No. 32	84,024
Vermilion Regional Office of Education No. 54	32,161
Urbana School District No. 116	25,349
Local school districts	78,337
	<hr/>
Total	\$ 353,792
	<hr/>

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**NOTE 4 - CAPITAL ASSETS**

Capital assets activities for the year ended June 30, 2012 are as follows:

	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012
<b>GOVERNMENTAL FUNDS</b>				
Equipment and office furniture	\$ 630,436	\$ 73,393	\$ (29,114)	\$ 674,715
Less: accumulated depreciation	(464,995)	(73,572)	28,240	(510,327)
Capital assets, net	<u>165,441</u>	<u>( 179)</u>	<u>(874)</u>	<u>164,388</u>
<b>PROPRIETARY FUNDS</b>				
Equipment and office furniture	105,977	3,894	(237)	109,634
Less: accumulated depreciation	(99,445)	(3,523)	237	(102,731)
Capital assets, net	<u>6,532</u>	<u>371</u>	<u>—</u>	<u>6,903</u>
Total capital assets, net	<u>\$ 171,973</u>	<u>\$ 192</u>	<u>\$ (874)</u>	<u>\$ 171,291</u>

Depreciation expense for the year ended June 30, 2012 of \$73,572 was charged to the governmental activities under the instructional services function. For the business-type activities, depreciation of \$3,523 was charged to the enterprise fund - local workshops.

**NOTE 5 - LEASES**

**(a) Capital Lease**

The ROE No. 9 has entered into lease agreements as lessee for financing the acquisition of office equipment and copiers. These lease agreements qualify as a capital lease for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date in the capital assets account.

The future minimum capital lease obligations and the net present value of these lease payments as of June 30, 2012, are as follows:

Year Ending June 30	Amount
2013	\$ 5,558
2014	4,406
2015	4,406
2016	1,367
Total minimum lease payment	<u>15,737</u>
Less: amount representing interest	<u>1,232</u>
Present value of minimum lease payments	<u>\$ 14,505</u>



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**(b) Operating Lease**

The ROE No. 9 is committed under lease agreements for various classroom and office spaces for its Regional Education Alternative for Developing Youth School and School Family Liaison Local programs.

Future minimum lease rentals are as follows:

Year Ending June 30	Amount
2013	\$ 153,189
2014	153,189
2015	153,189
2016	153,189
2017	153,189
Thereafter	357,442
Total	\$ 1,123,387
Current Portion	\$ 153,189

**NOTE 6 - ON BEHALF PAYMENTS**

The salaries of the Superintendent and Assistant Superintendent of ROE No. 9 are paid for by the State of Illinois and Teachers Retirement System (TRS) contributions are paid by the State of Illinois, in accordance with applicable State of Illinois law.

The breakdown of the on-behalf payments is as follows:

Regional Superintendent's salary	\$ 104,616
Regional Superintendent's fringe benefits (includes State paid insurance)	20,467
Assistant Regional Superintendent's salary	51,356
Assistant Regional Superintendent's fringe benefits (includes State paid insurance)	1,483
TRS pension contributions	486,546
THIS OPEB contributions	15,816
Total	\$ 680,284

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent was calculated based on data provided by the ISBE. The fringe benefits amounts include State

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paid insurance. These amounts have been recorded in the accompanying financial statements as on-behalf revenues and expenditures.

**NOTE 7 - EMPLOYEE RETIREMENT SYSTEM AND PENSION PLANS**

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

The ROE No. 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 the primary responsibility for funding 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, 2012, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. 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, 2011 and 2010.

The State of Illinois makes contributions directly to TRS on behalf of the ROE No. 9's TRS-covered employee.

- **On-behalf contributions to TRS.** The State of Illinois makes employer pension contributions on-behalf of the ROE No. 9. For the year ended June 30, 2012, the State of Illinois contributions were based on 24.91 percent of creditable earnings not paid from federal funds, and the ROE No. 9 recognized revenue and expenditures of \$486,546 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2011 and June 30, 2010, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.10 percent (\$465,985) and 23.38 percent (\$1,000,003), respectively.

The ROE No. 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

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ended June 30, 2012 were \$23,678. Contributions for the years ended June 30, 2011 and June 30, 2010, were \$22,833 and \$23,704, respectively.

- **Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the ROE No. 9, there is a statutory requirement for the ROE No. 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, 2012, the employer pension contribution was 24.91 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2011 and 2010, the employer contribution was 23.10 and 23.38 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2012, salaries totaling \$165,875 were paid from federal and special trust funds that required employer contributions of \$41,319. For the years ended June 30, 2011 and June 30, 2010, required ROE No. 9 contributions were \$47,946 and \$98,038, respectively.
  
- **Early retirement option (ERO).** The ROE No. 9 is also required to make one-time employer contributions to TRS for members retiring under the ERO. The payments vary depending on the age and salary of the member.

The maximum employer ERO contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2012, the ROE No. 9 paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2011 and June 30 2010, the ROE No. 9 paid \$0 in employer ERO contributions.

- **Salary increases over 6 percent and excess sick leave.** If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer 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 increases of up to 6 percent. For the year ended June 30, 2012, the ROE No. 9 paid \$1,454 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2011 and 2010, the ROE No. 9 did not have any payments to TRS for employer contributions due on salary increases in excess of 6 percent.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.83 percent of salary during the year ended June 30, 2012). For the year ended June 30, 2012, the ROE No. 9 paid \$0 to TRS for sick leave days granted in

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excess of the normal annual allotment. For the years ended June 30, 2011 and 2010, the ROE No. 9 did not have any payments to TRS for employer contributions granted for sick leave days.

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, 2011. The report for the year ended June 30, 2012, is expected to be available in late 2012. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, Illinois 62794-9253. The most current report is also available on the TRS web site at [trs.illinois.gov](http://trs.illinois.gov).

**Illinois Municipal Retirement Fund**

*Plan Description*

The ROE No. 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 ROE No. 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](http://www.imrf.org).

*Funding Policy*

As set by statute, the ROE No. 9's regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2011 was 11.57 percent. The ROE No. 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*

The required contribution for calendar year 2011 was \$233,960.

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**THREE-YEAR TREND INFORMATION**

<u>Calendar Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/11	\$ 233,960	100%	\$ –
12/31/10	243,431	100%	–
12/31/09	169,522	100%	–

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, 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 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the ROE No. 9's 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 ROE No. 9's regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 10-year basis.

*Funded Status and Funding Progress*

As of December 31, 2011, the most recent actuarial valuation date, the regular plan was 85.38 percent funded. The actuarial accrued liability for benefits was \$4,291,595 and the actuarial value of assets was \$3,663,964, resulting in an underfunded actuarial accrued liability (UAAL) of \$627,631. The covered payroll for the calendar year 2011 (annual payroll of active employees covered by the plan) was \$2,022,122 and the ratio of the UAAL to the covered payroll was 31 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 8 - OTHER POSTEMPLOYMENT BENEFITS**

**Defined Benefit Plan - Health Alliance**

*Plan Description*

The ROE No. 9 provides postemployment health care for eligible retired employees and their dependents through a multiple-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the ROE No. 9, and can be amended through its personnel manual and employee contracts. An irrevocable trust has not

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been established to account for the plan and accordingly, the plan is not accounted for as a trust fund. The plan does not issue a separate report.

*Benefits Provided*

The ROE No. 9 provides postemployment health care for eligible retired employees and their dependents. Employees who terminate after meeting the age and service requirements for retirement are eligible to continue their health care plan coverage by paying the monthly premium rate. The benefit levels are the same as those afforded to active employees. The benefits include general outpatient and inpatient medical services and prescriptions. Because the actuarial cost of health benefits for the retirees exceeds the average amount paid by retirees, the additional cost is paid by the ROE No. 9 and is the basis for OPEB obligation accounted for under GASB Statement No. 45.

*Membership*

At June 30, 2012, membership consisted of:

Retirees and beneficiaries receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	—
Active vested plan members	22
Active nonvested plan members	<u>29</u>
Total	<u>52</u>
Number of participating employers	<u><u>1</u></u>

*Funding Policy*

The Regional Superintendent of the ROE No. 9 negotiates the contribution percentages between the ROE No. 9 and her employees through the employee contracts and the personnel policy. All retirees contribute 100% of the blended premium to the plan and the ROE No. 9 contributes the remainder to cover the cost of providing the benefits to the retirees via the insured plan (pay-as-you-go). GASB Statement No. 45 requires recognition of the current expense of OPEB based on each governing body's annual required contribution, but does not require funding of the related liability. As of June 30, 2012, the ROE No. 9 has chosen not to fund the liability.

*Annual OPEB Cost and Net OPEB Obligation*

The ROE No. 9's annual OPEB cost is calculated based on the annual required contribution (ARC). The ARC represents the normal cost each year and an amount to amortize the unfunded actuarial liability over a period of thirty years.

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*Trend Data*

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information 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 liabilities for benefits.

**Components of Net OPEB Obligation and Expense**

Item	Amount as of June 30, 2010 *
Annual Required Contribution	\$ 6,506
Interest on Net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	6,506
Contributions made	(2,424)
Increase in net OPEB obligation	4,082
Net OPEB obligation - beginning of year	-
Net OPEB obligation - end of year	\$ 4,082

**Schedule of Contributions, OPEB Costs and Net Obligations**

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/10 *	\$ 6,506	37.26%	\$ 4,082

\* latest available information

*Funded Status and Funding Progress*

As of June 30, 2010, the actuarial accrued liability for benefits was \$42,813. The covered payroll was approximately \$2,209,155, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 1.94%.

*Actuarial Method and Assumptions*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the benefits provided at the

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time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members.

In the actuarial valuation for the fiscal year ended June 30, 2010, the entry age normal cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 8% initially, reduced to an ultimate rate of 6% after five years. Rates include a 3% general inflation assumption. The Unfunded Accrued Liability is being amortized as a level dollar amount on a closed basis over 30 years. A discount (interest) rate of 5% was used, as well as a salary progression rate of 5% per year.

**Teacher Health Insurance Security Fund**

The ROE No. 9 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the City of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental or life insurance benefits to annuitants of the TRS. Annuitants may participate in the State administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by CMS with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the State to make a contribution to THIS Fund.

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

- **On-behalf contributions to THIS Fund.** The State of Illinois makes employer retiree health insurance contributions on-behalf of the ROE No. 9. State contributions are intended to match contributions to THIS Fund from active members which were 0.88 percent of pay during the year ended June 30, 2012. The State of Illinois contributions were \$15,816, and the ROE No. 9 recognized revenue and expenditures of this amount during the year. State contributions intended to match active member contributions during the year ended June 30, 2011 and June 30, 2010 were 0.88 percent and 0.84 percent of pay, respectively. State contributions on behalf of ROE No. 9 employees were \$16,067 and \$35,939, respectively.
- **Employer contributions to THIS Fund.** The ROE No. 9 also makes contributions to THIS Fund. The ROE No. 9 THIS Fund contribution was 0.66 percent during the year ended June



**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

30, 2012 and June 30, 2011, and 0.63 percent during the years ended June 30, 2010. For the year ended June 30, 2012, the ROE No. 9 paid \$26,944 to the THIS Fund. For the years ended June 30, 2011 and June 30, 2010, the ROE No. 9 paid \$25,983 and \$25,748 to the THIS Fund, respectively, which was 100 percent of the required contribution.

The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Avenue, Springfield, IL 62763-3838.

**NOTE 10 - RISK MANAGEMENT**

The ROE No. 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 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 11 - INTERFUND TRANSFERS**

**Due From (To) Other Funds**

As of June 30, 2012, amounts due from (to) other funds consist of the following:

Fund	Due From Other Funds	Due To Other Funds
General Fund:		
Regional Education Alternative for Developing Youth Local	\$ 38,273	\$ -
Regional Education Alternative for Developing Youth Program	-	38,273
IL Learning Technology Purchase Program	58,935	-
Education Fund:		
McKinney Vento Homeless Children and Youth Program	-	15,003
Title I School Improvement and Accountability	-	69,021
Teen Reach	-	25,045
21 <sup>st</sup> Century	-	18,887
Schoolworks Operations	-	6,813
Area IV Learning Technology Hub - LTC	-	50,863
Illinois Response to Intervention Network	-	25,348
Illinois Math and Science Partnership	-	254
Proprietary Funds - Enterprise Fund:		
Local workshops	152,299	-
Total	<u>\$ 249,507</u>	<u>\$ 249,507</u>

The amounts due from (to) other funds resulted from interfund borrowing to cover short-term cash deficit.

**REQUIRED SUPPLEMENTARY INFORMATION  
(OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS)**

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2012**

**ILLINOIS MUNICIPAL RETIREMENT FUND -  
SCHEDULE OF FUNDING PROGRESS**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Liability (AAL) - Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
12/31/11	\$ 3,663,964	\$ 4,291,595	\$ 627,631	85.38%	\$ 2,022,122	31.04%
12/31/10	3,244,594	3,911,362	666,768	82.95%	2,116,788	31.50%
12/31/09	3,125,038	3,747,628	622,590	83.39%	2,121,679	29.34%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$3,510,197.  
On a market basis, the funded ratio would be 81.79%.

**OTHER POST EMPLOYMENT BENEFITS -  
SCHEDULE OF FUNDING PROGRESS**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Liability (AAL) - Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
06/30/10 *	\$0	\$42,813	\$42,813	0%	\$2,209,155	1.94%

**OTHER POST EMPLOYMENT BENEFITS PLAN -  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<b>Fiscal Year Ended</b>	<b>Employer Contributions</b>	<b>Annual Required Contributions (ARC)</b>	<b>Percentage Contributed</b>
06/30/10 *	\$2,424	\$6,506	37.26%

\* latest available information

**OTHER SUPPLEMENTARY INFORMATION**

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**  
**GENERAL FUND**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**JUNE 30, 2012**

**SCHEDULE 1**

	<u>General Operations</u>	<u>Essay Scoring</u>	<u>School Family Liaison Local</u>	<u>Regional Education Alternative for Developing Youth</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 104,764	\$ 8,895	\$ 8	\$ 1,157,244
Due from other funds	-	-	-	38,273
Due from other governmental agencies	1,765	502	-	99,396
<b>TOTAL ASSETS</b>	<u>106,529</u>	<u>9,397</u>	<u>8</u>	<u>1,294,913</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	780	-	-	147,238
Due to other funds	-	-	-	38,273
Deferred revenues	-	-	-	28,400
Total liabilities	<u>780</u>	<u>-</u>	<u>-</u>	<u>213,911</u>
<b>FUND BALANCES</b>				
Assigned	-	9,397	-	1,109,402
Unassigned	105,749	-	8	(28,400)
Total fund balances	<u>105,749</u>	<u>9,397</u>	<u>8</u>	<u>1,081,002</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 106,529</u>	<u>\$ 9,397</u>	<u>\$ 8</u>	<u>\$ 1,294,913</u>

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
GENERAL FUND  
COMBINING SCHEDULE OF ACCOUNTS  
JUNE 30, 2012**

**SCHEDULE 1  
(CONTINUED)**

	<u>Novice Teacher Support</u>	<u>Summer Freedom School</u>	<u>IL Learning Technology Purchase Program</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,213	\$ 3,155	\$ 378,772	\$ 1,654,051
Due from other funds	-	-	58,935	97,208
Due from other governmental agencies	-	-	-	101,663
<b>TOTAL ASSETS</b>	<u>1,213</u>	<u>3,155</u>	<u>437,707</u>	<u>1,852,922</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	-	-	-	148,018
Due to other funds	-	-	-	38,273
Deferred revenues	-	-	-	28,400
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,691</u>
<b>FUND BALANCES</b>				
Assigned	1,213	3,155	437,707	1,560,874
Unassigned	-	-	-	77,357
Total fund balances	<u>1,213</u>	<u>3,155</u>	<u>437,707</u>	<u>1,638,231</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,213</u>	<u>\$ 3,155</u>	<u>\$ 437,707</u>	<u>\$ 1,852,922</u>

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**

**SCHEDULE 2**

**GENERAL FUND**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>General Operations</b>	<b>Essay Scoring</b>	<b>School Family Liaison Local</b>	<b>Regional Education Alternative for Developing Youth</b>
<b>REVENUES</b>				
Federal sources	\$ -	\$ -	\$ -	\$ 72,527
State sources	-	-	-	767,628
Local sources	561,702	9,533	492	912,921
On-behalf payments	680,284	-	-	-
Total revenues	<u>1,241,986</u>	<u>9,533</u>	<u>492</u>	<u>1,753,076</u>
<b>EXPENDITURES</b>				
Salaries	122,908	7,008	-	1,057,709
Benefits	51,097	537	-	305,391
Purchased services	372,735	420	954	293,233
Supplies and materials	4,292	19	-	62,305
Miscellaneous	9,719	81	-	6,445
On-behalf payments	680,284	-	-	-
Capital expenditures	-	-	-	32,990
Total expenditures	<u>1,241,035</u>	<u>8,065</u>	<u>954</u>	<u>1,758,073</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	951	1,468	(462)	(4,997)
<b>OTHER FINANCING SOURCES (USES)</b>				
Repayment of long-term lease payable	(3,440)	-	-	(1,714)
Net interest income	(216)	11	2	1,686
Total other financing sources (uses)	<u>(3,656)</u>	<u>11</u>	<u>2</u>	<u>(28)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(2,705)	1,479	(460)	(5,025)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>108,454</u>	<u>7,918</u>	<u>468</u>	<u>1,086,027</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 105,749</u>	<u>\$ 9,397</u>	<u>\$ 8</u>	<u>\$ 1,081,002</u>

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**

**SCHEDULE 2**

**GENERAL FUND**

(CONTINUED)

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Novice Teacher Support</b>	<b>Summer Freedom School</b>	<b>IL Learning Technology Purchase Program</b>	<b>Total</b>
<b>REVENUES</b>				
Federal sources	\$ -	\$ -	\$ -	\$ 72,527
State sources	-	-	-	767,628
Local sources	3,920	1,516	35,657	1,525,741
On-behalf payments	-	-	-	680,284
Total revenues	<u>3,920</u>	<u>1,516</u>	<u>35,657</u>	<u>3,046,180</u>
<b>EXPENDITURES</b>				
Salaries	2,525	-	49,597	1,239,747
Benefits	193	-	16,323	373,541
Purchased services	-	-	17,566	684,908
Supplies and materials	-	-	10,317	76,933
Miscellaneous	-	-	6,655	22,900
On-behalf payments	-	-	-	680,284
Capital expenditures	-	-	-	32,990
Total expenditures	<u>2,718</u>	<u>-</u>	<u>100,458</u>	<u>3,111,303</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,202	1,516	(64,801)	(65,123)
<b>OTHER FINANCING SOURCES (USES)</b>				
Repayment of long-term lease payable	-	-	-	(5,154)
Net interest income	3	2	574	2,062
Total other financing sources (uses)	<u>3</u>	<u>2</u>	<u>574</u>	<u>(3,092)</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,205	1,518	(64,227)	(68,215)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>8</u>	<u>1,637</u>	<u>501,934</u>	<u>1,706,446</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 1,213</u>	<u>\$ 3,155</u>	<u>\$ 437,707</u>	<u>\$ 1,638,231</u>



**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9 SCHEDULE 3  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Regional Education Alternative for Developing Youth</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Federal sources	\$ -	\$ 72,527	\$ 72,527
State sources	127,593	767,628	640,035
Local sources	-	912,921	912,921
Total revenues	<u>127,593</u>	<u>1,753,076</u>	<u>1,625,483</u>
<b>EXPENDITURES</b>			
Salaries	-	1,057,709	(1,057,709)
Benefits	-	305,391	(305,391)
Purchased services	127,593	293,233	(165,640)
Supplies and materials	-	62,305	(62,305)
Miscellaneous	-	6,445	(6,445)
Capital expenditures	-	32,990	(32,990)
Total expenditures	<u>127,593</u>	<u>1,758,073</u>	<u>(1,630,480)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ -</u>	<u>(4,997)</u>	<u>\$ (4,997)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Repayment of long-term lease payable		(1,714)	
Net interest income		<u>1,686</u>	
Total other financing sources (uses)		<u>(28)</u>	
<b>NET CHANGE IN FUND BALANCE</b>		(5,025)	
<b>FUND BALANCE, BEGINNING OF YEAR</b>		<u>1,086,027</u>	
<b>FUND BALANCE, END OF YEAR</b>		<u>\$ 1,081,002</u>	

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
 EDUCATION FUND  
 COMBINING SCHEDULE OF ACCOUNTS  
 JUNE 30, 2012**

**SCHEDULE 4**

	<b>Truants Alternative/ Optional Education</b>	<b>McKinney-Vento Homeless Children &amp; Youth Program</b>	<b>Teacher Mentoring</b>	<b>Title I School Improvement and Accountability</b>	<b>Freedom School</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 2,888	\$ -	\$ 4,779	\$ 48,161
Due from other governmental agencies	-	15,003	-	69,021	-
<b>TOTAL ASSETS</b>	<b>-</b>	<b>17,891</b>	<b>-</b>	<b>73,800</b>	<b>48,161</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	-	2,315	-	4,779	5,178
Due to other funds	-	15,003	-	69,021	-
Deferred revenues	-	-	-	-	42,977
Total liabilities	-	17,318	-	73,800	48,155
<b>FUND BALANCES</b>					
Restricted	-	573	-	-	6
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 17,891</b>	<b>\$ -</b>	<b>\$ 73,800</b>	<b>\$ 48,161</b>

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
 EDUCATION FUND  
 COMBINING SCHEDULE OF ACCOUNTS  
 JUNE 30, 2012**

**SCHEDULE 4  
 (CONTINUED)**

	<u>Teen Reach</u>	<u>ISBE CMAR</u>	<u>Youth Detention Center</u>	<u>21st Century</u>	<u>Schoolworks Operations</u>	<u>Area IV Learning Technology Hub - LTC</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 4,589	\$ -	\$ 24,309	\$ 13,966	\$ 1,172	\$ -
Due from other governmental agencies	25,045	-	25,349	18,888	6,813	50,863
<b>TOTAL ASSETS</b>	<u>29,634</u>	<u>-</u>	<u>49,658</u>	<u>32,854</u>	<u>7,985</u>	<u>50,863</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	4,589	-	13,639	13,967	1,172	-
Due to other funds	25,045	-	-	18,887	6,813	50,863
Deferred revenues	-	-	-	-	-	-
Total liabilities	<u>29,634</u>	<u>-</u>	<u>13,639</u>	<u>32,854</u>	<u>7,985</u>	<u>50,863</u>
<b>FUND BALANCES</b>						
Restricted	-	-	36,019	-	-	-
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 29,634</u>	<u>\$ -</u>	<u>\$ 49,658</u>	<u>\$ 32,854</u>	<u>\$ 7,985</u>	<u>\$ 50,863</u>

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
 EDUCATION FUND  
 COMBINING SCHEDULE OF ACCOUNTS  
 JUNE 30, 2012**

**SCHEDULE 4  
 (CONTINUED)**

	<b>System of Support</b>	<b>ARRA - Title I School Improvement and Accountability</b>	<b>Illinois Response to Intervention Network</b>	<b>Illinois Math and Science Partnership</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 1,100	\$ 2,217	\$ 103,181
Due from other governmental agencies	-	-	25,348	254	236,584
<b>TOTAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>26,448</b>	<b>2,471</b>	<b>339,765</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	-	-	1,100	2,217	48,956
Due to other funds	-	-	25,348	254	211,234
Deferred revenues	-	-	-	-	42,977
Total liabilities	-	-	26,448	2,471	303,167
<b>FUND BALANCES</b>					
Restricted	-	-	-	-	36,598
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,448</b>	<b>\$ 2,471</b>	<b>\$ 339,765</b>

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
EDUCATION FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012**

**SCHEDULE 5**

	<b>Truants Alternative/ Optional Education</b>	<b>McKinney-Vento Homeless Children &amp; Youth Program</b>	<b>Teacher Mentoring</b>	<b>Title I School Improvement and Accountability</b>	<b>Freedom School</b>
<b>REVENUES</b>					
Federal sources	\$ -	\$ 22,065	\$ -	\$ 220,441	\$ -
State sources	22,106	-	10,805	-	-
Local sources	-	320	-	-	50,473
Total revenues	<u>22,106</u>	<u>22,385</u>	<u>10,805</u>	<u>220,441</u>	<u>50,473</u>
<b>EXPENDITURES</b>					
Salaries	12,833	11,500	-	98,340	15,142
Benefits	3,979	3,931	-	51,521	2,850
Purchased services	2,442	2,936	1,166	40,257	25,569
Supplies and materials	2,852	2,879	-	353	6,912
Payments to other governments	-	600	7,332	29,970	-
Miscellaneous	5	-	-	-	44
Capital expenditures	-	567	-	-	-
Total expenditures	<u>22,111</u>	<u>22,413</u>	<u>8,498</u>	<u>220,441</u>	<u>50,517</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(5)	(28)	2,307	-	(44)
<b>OTHER FINANCING SOURCES</b>					
Net interest income	5	1	-	-	50
Total other financing sources	<u>5</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>50</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	(27)	2,307	-	6
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	-	600	(2,307)	-	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 573</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
EDUCATION FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012**

**SCHEDULE 5  
(CONTINUED)**

	<u>Teen Reach</u>	<u>ISBE CMAR</u>	<u>Youth Detention Center</u>	<u>21st Century</u>	<u>Schoolworks Operations</u>	<u>Area IV Learning Technology Hub - LTC</u>
<b>REVENUES</b>						
Federal sources	\$ 127,084	\$ -	\$ -	\$ 207,475	\$ -	\$ 27,480
State sources	-	-	-	-	70,455	246,243
Local sources	-	13,808	127,335	-	-	-
Total revenues	<u>127,084</u>	<u>13,808</u>	<u>127,335</u>	<u>207,475</u>	<u>70,455</u>	<u>273,723</u>
<b>EXPENDITURES</b>						
Salaries	58,621	-	93,505	114,701	24,243	158,718
Benefits	8,873	-	89,781	22,809	6,235	40,334
Purchased services	34,248	13,808	7,364	58,604	26,315	46,674
Supplies and materials	4,107	-	552	11,361	5,288	1,500
Payments to other governments	-	-	-	-	-	17,396
Miscellaneous	-	-	-	54	543	-
Capital expenditures	-	-	-	-	-	880
Total expenditures	<u>105,849</u>	<u>13,808</u>	<u>191,202</u>	<u>207,529</u>	<u>62,624</u>	<u>265,502</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	21,235	-	(63,867)	(54)	7,831	8,221
<b>OTHER FINANCING SOURCES</b>						
Net interest income	-	-	42	54	2	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>42</u>	<u>54</u>	<u>2</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	21,235	-	(63,825)	-	7,833	8,221
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	<u>(21,235)</u>	<u>-</u>	<u>99,844</u>	<u>-</u>	<u>(7,833)</u>	<u>(8,221)</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
EDUCATION FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012**

**SCHEDULE 5  
(CONTINUED)**

	<b>System of Support</b>	<b>ARRA - Title I School Improvement and Accountability</b>	<b>Illinois Response to Intervention Network</b>	<b>Illinois Math and Science Partnership</b>	<b>Total</b>
<b>REVENUES</b>					
Federal sources	\$ -	\$ 39,451	\$ 82,479	\$ 13,086	\$ 739,561
State sources	365,882	-	-	-	715,491
Local sources	-	-	-	-	191,936
Total revenues	<u>365,882</u>	<u>39,451</u>	<u>82,479</u>	<u>13,086</u>	<u>1,646,988</u>
<b>EXPENDITURES</b>					
Salaries	11,358	-	56,133	6,300	661,394
Benefits	1,980	-	16,171	482	248,946
Purchased services	239,860	2,182	9,775	5,051	516,251
Supplies and materials	15,142	2,139	400	453	53,938
Payments to other governments	97,542	35,118	-	800	188,758
Miscellaneous	851	12	-	-	1,509
Capital expenditures	-	-	-	-	1,447
Total expenditures	<u>366,733</u>	<u>39,451</u>	<u>82,479</u>	<u>13,086</u>	<u>1,672,243</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(851)	-	-	-	(25,255)
<b>OTHER FINANCING SOURCES</b>					
Net interest income	851	-	-	-	1,005
Total other financing sources	<u>851</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,005</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-	(24,250)
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	-	-	-	-	60,848
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,598</u>

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
 EDUCATION FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE 6

	Area IV Learning Technology Hub - LTC			21st Century			Schoolworks Operations		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>									
Federal sources	\$ 27,480	\$ 27,480	\$ -	\$ 298,814	\$ 207,475	\$ (91,339)	\$ -	\$ -	\$ -
State sources	206,310	246,243	39,933	-	-	-	34,839	70,455	35,616
Total revenues	233,790	273,723	39,933	298,814	207,475	(91,339)	34,839	70,455	35,616
<b>EXPENDITURES</b>									
Salaries	139,960	158,718	(18,758)	136,142	114,701	21,441	12,940	24,243	(11,303)
Benefits	36,166	40,334	(4,168)	25,160	22,809	2,351	3,377	6,235	(2,858)
Purchased services	55,657	46,674	8,983	107,444	58,604	48,840	15,338	26,315	(10,977)
Supplies and materials	1,007	1,500	(493)	30,068	11,361	18,707	2,881	5,288	(2,407)
Payments to other governments	-	17,396	(17,396)	-	-	-	-	-	-
Miscellaneous	-	-	-	-	54	(54)	302	543	(241)
Capital expenditures	1,000	880	120	-	-	-	1	-	1
Total expenditures	233,790	265,502	(31,712)	298,814	207,529	91,285	34,839	62,624	(27,785)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ -</u>	<u>8,221</u>	<u>\$ 8,221</u>	<u>\$ -</u>	<u>(54)</u>	<u>\$ (54)</u>	<u>\$ -</u>	<u>7,831</u>	<u>\$ 7,831</u>
<b>OTHER FINANCING SOURCES</b>									
Net interest income		-			54			2	
Total other financing sources		-			54			2	
<b>NET CHANGE IN FUND BALANCES</b>		8,221			-			7,833	
<b>FUND BALANCES (DEFICIT), BEGINNING</b>		(8,221)			-			(7,833)	
<b>FUND BALANCES, END OF YEAR</b>		<u>\$ -</u>			<u>\$ -</u>			<u>\$ -</u>	



**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
 EDUCATION FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2012**

**SCHEDULE 6  
 (CONTINUED)**

	<u>Illinois Math and Science Partnership</u>			<u>Total</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>						
Federal sources	\$ 140,000	\$ 13,086	\$ (126,914)	\$ 466,294	\$ 248,041	\$ (218,253)
State sources	-	-	-	241,149	316,698	75,549
Total revenues	<u>140,000</u>	<u>13,086</u>	<u>(126,914)</u>	<u>707,443</u>	<u>564,739</u>	<u>(142,704)</u>
<b>EXPENDITURES</b>						
Salaries	10,850	6,300	4,550	299,892	303,962	(4,070)
Benefits	1,375	482	893	66,078	69,860	(3,782)
Purchased services	121,777	5,051	116,726	300,216	136,644	163,572
Supplies and materials	5,998	453	5,545	39,954	18,602	21,352
Payments to other governments	-	800	(800)	-	18,196	(18,196)
Miscellaneous	-	-	-	302	597	(295)
Capital expenditures	-	-	-	1,001	880	121
Total expenditures	<u>140,000</u>	<u>13,086</u>	<u>126,914</u>	<u>707,443</u>	<u>548,741</u>	<u>158,702</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>15,998</u>	<u>\$ 15,998</u>
<b>OTHER FINANCING SOURCES</b>						
Net interest income		-			56	
Total other financing sources		<u>-</u>			<u>56</u>	
<b>NET CHANGE IN FUND BALANCES</b>		-			16,054	
<b>FUND BALANCES (DEFICIT), BEGINNING</b>		<u>-</u>			<u>(16,054)</u>	
<b>FUND BALANCES, END OF YEAR</b>		<u>\$ -</u>			<u>\$ -</u>	

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012**

**SCHEDULE 7**

	<u>GED</u>	<u>School Bus Driver Training</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 104,734	\$ 19,368	\$ 124,102
Due from other governmental agencies	200	354	554
<b>TOTAL ASSETS</b>	<u>104,934</u>	<u>19,722</u>	<u>124,656</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	<u>53</u>	<u>-</u>	<u>53</u>
 <b>FUND BALANCES</b>			
Restricted	<u>104,881</u>	<u>19,722</u>	<u>124,603</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 104,934</u>	<u>\$ 19,722</u>	<u>\$ 124,656</u>

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012**

**SCHEDULE 8**

	<b>GED</b>	<b>School Bus Driver Training</b>	<b>Total</b>
<b>REVENUES</b>			
State sources	\$ -	\$ 960	\$ 960
Local sources	62,816	1,944	64,760
Total revenues	<u>62,816</u>	<u>2,904</u>	<u>65,720</u>
<b>EXPENDITURES</b>			
Salaries	29,152	-	29,152
Benefits	1,940	-	1,940
Purchased services	6,918	1,179	8,097
Supplies and materials	8,511	-	8,511
Total expenditures	<u>46,521</u>	<u>1,179</u>	<u>47,700</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	16,295	1,725	18,020
<b>OTHER FINANCING SOURCES</b>			
Net interest income	<u>151</u>	<u>30</u>	<u>181</u>
<b>NET CHANGE IN FUND BALANCES</b>	16,446	1,755	18,201
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>88,435</u>	<u>17,967</u>	<u>106,402</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 104,881</u>	<u>\$ 19,722</u>	<u>\$ 124,603</u>

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**  
**FIDUCIARY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**JUNE 30, 2012**

**SCHEDULE 9**

	<u>Distributive</u>	<u>Payroll Clearing</u>	<u>Regional Board of Trustees</u>	<u>County School Facility Sales Tax</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 157,762	\$ 162	\$ -	\$ 157,924
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ -	\$ 157,762	\$ 162	\$ -	\$ 157,924

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**  
**FIDUCIARY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**SCHEDULE 10**

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
<b><u>DISTRIBUTIVE</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 5,932,987	\$ 5,932,987	\$ -
<b>LIABILITIES</b>				
Due to other governmental agencies	\$ -	\$ 5,932,987	\$ 5,932,987	\$ -
<b><u>PAYROLL CLEARING</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 215,782	\$ 7,948,246	\$ 8,006,266	\$ 157,762
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 215,782	\$ 7,948,246	\$ 8,006,266	\$ 157,762
<b><u>REGIONAL BOARD OF TRUSTEES</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 443	\$ 162	\$ 443	\$ 162
<b>LIABILITIES</b>				
Due to other governmental agencies	443	-	443	-
Accounts payable and accrued expenses	-	162	-	162
Total liabilities	\$ 443	\$ 162	\$ 443	\$ 162
<b><u>COUNTY SCHOOL FACILITY SALES TAX</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 17,669,855	\$ 17,669,855	\$ -
<b>LIABILITIES</b>				
Due to other governmental agencies	\$ -	\$ 17,669,855	\$ 17,669,855	\$ -
<b><u>TOTAL ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 216,225	\$ 31,551,250	\$ 31,609,551	\$ 157,924
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	215,782	7,948,408	8,006,266	157,924
Due to other governmental agencies	443	23,602,842	23,603,285	-
Total liabilities	\$ 216,225	\$ 31,551,250	\$ 31,609,551	\$ 157,924

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**  
**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT**  
**TREASURERS AND OTHERS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**SCHEDULE 11**

	Regional Office of Education No. 9	Rural Champaign Co. Special Education Center	Champaign County School Districts	Total
Distributive Fund Bank Interest	\$ 1	\$ -	\$ -	\$ 1
Public Aid	-	110,078	-	110,078
County School Facilities Sales Tax	-	-	17,669,855	17,669,855
General State Aid	626,183	-	-	626,183
Special Ed. - Personnel	-	906,191	-	906,191
State Free Lunch & Breakfast	1,411	-	-	1,411
ROE School Bus Training	960	-	-	960
Truants Alternative / Optional Education	64,096	-	-	64,096
Regional Safe Schools	165,882	-	-	165,882
Early Childhood - Block Grant - 00	-	821,813	-	821,813
Early Childhood - Block Grant - 70	-	80,997	-	80,997
ROE/ISC Operations	81,832	-	-	81,832
Technology - Learning Technology Center	286,053	-	-	286,053
Beginning Teacher Induction Pilot	28,805	-	-	28,805
National School Lunch Program	30,024	-	-	30,024
School Breakfast Program	8,713	-	-	8,713
Title IV - 21st Century Community Learning Centers	145,805	-	-	145,805
Federal Special Ed Preschool - Flow Through	-	48,715	-	48,715
Federal Special Ed I.D.E.A - Flow Through	-	1,742,840	-	1,742,840
ARRA - Title I School Improvement	127,300	-	-	127,300
Federal Special Ed Preschool - Flow Through	-	23,281	-	23,281
Federal Special Ed I.D.E.A. - Flow Through	-	555,431	-	555,431
ARRA - Technology-Enhancing Education	27,480	-	-	27,480
ARRA - Education Jobs Fund	36,264	-	-	36,264
Illinois Mathematics and Science Partnership	12,832	-	-	12,832
	<u>\$ 1,643,641</u>	<u>\$ 4,289,346</u>	<u>\$ 17,669,855</u>	<u>\$ 23,602,842</u>

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**SCHEDULE 12**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/ Contract Number	FY 2012 Expenditures
<b><u>DEPARTMENT OF AGRICULTURE</u></b>			
<b><u>Child Nutrition Cluster:</u></b>			
School Breakfast Program			
Passed-Through Illinois State Board of Education <i>School Breakfast Program</i>	10.553	2011-4220-00	\$ 7,650
National School Lunch Program			
Passed-Through Illinois State Board of Education <i>National School Lunch Program</i>	10.555	2011-4210-00	26,799
Total Child Nutrition Cluster			34,449
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<b>\$ 34,449</b>
<b><u>DEPARTMENT OF EDUCATION</u></b>			
<b><u>Title I, Part A Cluster:</u></b>			
Title I Grants to Local Educational Agencies, Recovery Act			
Passed-Through Illinois State Board of Education <i>ARRA - Title I School Improvement and Accountability</i>	(M) 84.389A	2011-4854-00	\$ 39,451
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)			
Passed-Through Iroquois/Kankakee Regional Office of Education No. 32 <i>Title I School Improvement and Accountability</i>	(M) 84.010A	2012-4331-SS	220,441
Total Title I, Part A Cluster			259,892
Education for Homeless Children and Youth			
Passed-Through Iroquois/Kankakee Regional Office of Education No. 32 <i>McKinney Education for Homeless Children</i>	84.196A	2012-4920-00	22,065
Twenty-First Century Community Learning Centers			
Passed-Through Illinois State Board of Education <i>Twenty-First Century Community Learning Centers</i>	(M) 84.287C	2011-4421-10	44,590
<i>Twenty-First Century Community Learning Centers</i>	(M) 84.287C	2012-4421-10	93,232
<i>Twenty-First Century Community Learning Centers</i>	(M) 84.287C	2012-4421-12	69,653
			207,475
Enhancing Education through Technology, Recovery Act			
Passed-Through Illinois State Board of Education <i>ARRA Technology-Enhancing-Competitive</i>	84.386A	2012-4861-00	27,480
Mathematics and Science Partnerships			
Passed-Through Illinois State Board of Education <i>IL Math and Science Partnership</i>	84.366	2012-4936-40	13,086
Education Jobs Fund, Recovery Act			
Passed-Through Illinois State Board of Education <i>ARRA Education Jobs Fund Program</i>	84.410A	2012-4880-93	889
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<b>\$ 530,887</b>

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**SCHEDULE 12**  
**(CONTINUED)**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/ Contract Number	FY 2012 Expenditures
<b><u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
Temporary Assistance for Needy Families Passed-Through Illinois Department of Human Services <i>Teen Reach Grant</i>	93.558	82001440H	<u>\$ 105,849</u>
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b><u>\$ 105,849</u></b>
<b><u>DEPARTMENT OF LABOR</u></b>			
WIA Youth Activities Passed-Through Champaign Consortium <i>WIA Youth Program</i>	17.259	09-1YS-9003-SYEP	<u>\$ 65,589</u>
<b>TOTAL DEPARTMENT OF LABOR</b>			<b><u>\$ 65,589</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u><u>\$ 736,774</u></u></b>

(M) Program was audited as a major program.

*The accompanying notes are an integral part of this schedule.*



**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

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

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Champaign/Ford Counties Regional Office of Education No. 9 (ROE No. 9) and is prepared 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 - DESCRIPTION OF FEDERAL PROGRAMS AUDITED AS A MAJOR PROGRAM**

Title I, Part A Cluster: Title I Grants to Local Educational Agencies, Recovery Act / Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA) - These programs provide area schools/districts who have not met adequate yearly progress (AYP) with assistance in planning, professional development, data analysis and in implementing school improvement and corrective action in order to improve instruction in an effort to meet AYP in subsequent years.

Twenty First Century Grant Learning Centers - This program provides academic enrichment opportunities during non-school hours for high school students who attend high-poverty and low-performing schools. This program also helps students meet State and local student standards in core academic subjects; offers students a broad array of enrichment activities that can complement their regular academic programs; and offers literacy and other educational services to the families of participating children.

**NOTE 3 - SUBRECIPIENTS**

The ROE No. 9 provided federal awards totaling \$65,888 to the following:

Subrecipients	Title I School Improvement & Accountability (CFDA No. 84.010A)	ARRA Title I School Improvement & Accountability (CFDA No. 84.389A)	Illinois Math Science Partnership (CFDA No. 84.366)	Total
Champaign CUSD No. 4	\$ 189	\$ -	\$ -	\$ 189
Danville District No. 118	15,378	17,618	-	32,996
Hoopeston CUSD No. 11	12,500	-	-	12,500
Urbana District No. 116	-	17,500	800	18,300
Various school districts	1,903	-	-	1,903
<b>Total</b>	<b>\$ 29,970</b>	<b>\$ 35,118</b>	<b>\$ 800</b>	<b>\$ 65,888</b>

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**NOTE 4 - NON-CASH ASSISTANCE**

The ROE No. 9 did not receive any federal non-cash assistance.

**NOTE 5 - LOANS AND INSURANCE**

There were no federal awards received or disbursed by the ROE No. 9 for the purpose of loans or insurance.