

State of Illinois
REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
FINANCIAL AUDIT
(In Accordance with the Single Audit Act
and OMB Circular A-133)
For the Year Ended June 30, 2007

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
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 JUNE 30, 2007

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REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
JUNE 30, 2007

OFFICIALS

Regional Superintendent
(During the Audit Period, Retired Effective June 30, 2007)

Ms. Judith B. Pacey

Regional Superintendent
(Current, Acting Effective July 1, 2007)

Ms. Jane E. Quinlan

Assistant Regional Superintendent
(During the Audit Period)

Ms. Jane E. Quinlan

Assistant Regional Superintendent
(Current, Acting Effective July 1, 2007)

Ms. Barbara A. Daly

Office is located at:

200 South Fredrick Street
Rantoul, IL 61866

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
JUNE 30, 2007

COMPLIANCE REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	4	3
Repeated audit findings	0	1
Prior recommendations implemented		
Or not repeated	3	3

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (<i>GOVERNMENT AUDITING STANDARDS</i>)		
07-1	12a	Controls Over Financial Statement Preparation
07-2	12c	Maintaining Incorrect Fiscal Year for General Fund
07-3	12d	Excess Working Cash in Internal Service Fund
07-4	12f	Inadequate Monitoring of Collateral on Deposits
FINDINGS AND QUESTIONED COSTS (<i>FEDERAL COMPLIANCE</i>)		
None		

PRIOR FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

06-1	15	Controls Over Compliance with Laws and Regulations
06-2	15	Finance Charges and Late Fees
06-3	15	Internal Control over Disbursements and Purchases

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

None

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on August 10, 2007. Attending were Jane Quinlan, Regional Superintendent and Timothy G. Bryan, Partner, Kemper CPA Group LLP. Responses to the recommendations were provided by Jane Quinlan, Regional Superintendent.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
JUNE 30, 2007

FINANCIAL STATEMENT REPORT SUMMARY

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

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

INDEPENDENT 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 Regional Office of Education #9, as of and for the year ended June 30, 2007, which collectively comprise the Regional Office of Education #9's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Office of Education #9's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #9, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 25, 2008 on our consideration of the Regional Office of Education #9's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 16a-16h and 52 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional Office of Education #9's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Evansville, Indiana
March 25, 2008



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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #9, as of and for the year ended June 30, 2007, which collectively comprise the Regional Office of Education #9's basic financial statements and have issued our report thereon dated March 25, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Regional Office of Education #9's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements and not for the purpose of expressing an opinion on the effectiveness of Regional Office of Education #9's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Regional Office of Education #9's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as we discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Regional Office of Education #9's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Regional Office of Education #9's financial statements that is more than inconsequential will not be prevented or detected by the Regional Office of Education #9's internal control. We consider the

deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting, 07-1, 07-2, and 07-3.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Regional Office of Education #9's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies, and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 07-2 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Regional Office of Education #9's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance or other matters which we reported on the accompanying Schedule of Findings and Questioned Costs as item 07-04.

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

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

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Evansville, Indiana
March 25, 2008

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the compliance of the Regional Office of Education #9 with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The Regional Office of Education #9's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Regional Office of Education #9's management. Our responsibility is to express an opinion on the Regional Office of Education #9's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Regional Office of Education #9's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Regional Office of Education #9's compliance with those requirements.

In our opinion, the Regional Office of Education #9 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the Regional Office of Education #9 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Regional Office of Education #9's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education #9's internal control over compliance.

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

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

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

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

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Evansville, Indiana
March 25, 2008

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 SUMMARY OF AUDITOR'S RESULTS
 JUNE 30, 2007

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? No

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

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

Identification of **major** programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010A	Title I School Improvement and Accountability
84.010A	Title I Mathematics and Science
84.010A	Standards Aligned Classroom
84.010A	Title I School Improvement Teacher Quality

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

Auditee qualified as a low-risk auditee? Yes

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 07-1 – Controls Over Financial Statement Preparation

Criteria/Specific Requirement:

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

Condition:

The Regional Office of Education #9 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements sufficient 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. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenues. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenues, there were no entries made by the Regional Office of Education to reconcile their grant activity, such as posting grant receivables and deferred revenues. The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles.

Effect:

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 07-1 – Controls Over Financial Statement Preparation (Concluded)

Cause:

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

Recommendation:

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

Management's Response:

The Regional Office of Education #9 understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The Regional Office of Education #9 staff has reasonable understanding of the financial statements and can determine that the information in the financial statements is accurate. The Regional Office of Education #9 staff lacks the ability to prepare the notes to the financial statements.

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 07-2 – Maintaining Incorrect Fiscal Year for General Fund

Criteria/Specific Requirement:

Generally Accepted Accounting Principles requires that the Regional Office of Education #9 maintain all funds on their established fiscal year end to give an accurate presentation of revenues and expenditures.

Condition:

The Regional Office of Education maintains its County revenue (general fund) on the County's fiscal year end of November 30th rather than the Regional Office of Education's fiscal year end of June 30th.

Effect:

The fund balance for the general fund was off by approximately \$31,000; revenues were understated by \$68,000; and expenditures were understated by \$99,000.

Cause:

The Regional Office of Education does not maintain its County revenue (general fund) on the Regional Office of Education's fiscal year.

Recommendation:

The Regional Office of Education #9 should maintain its County revenue (general fund) on the Regional Office of Education's fiscal year, rather than the County's fiscal year.

Management's Response:

The Regional Office of Education #9 has corrected this situation and will maintain County revenue on the Regional Office of Education's fiscal year, July 1 through June 30.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 07-3 – Excess Working Cash in Internal Service Fund

Criteria/Specific Requirement:

The Internal Service Fund is used to account for the administrative services of the Regional Office of Education #9 where these services are provided for all funds of the Regional Office of Education #9. Revenue is generated through charges to other funds using interfund billings. Regulations set forth by *OMB Circular A-87 (Revised 5/4/95, as further amended 8/29/97)* require charges by an internal service activity to provide for the establishment and maintenance of a reasonable level of working capital reserve. In addition, the full recovery of costs are allowable. A working capital reserve of up to 60 days cash expenses for normal operating purposes is considered reasonable. A working capital reserve exceeding 60 days may be maintained in exceptional cases; however, it requires the approval of the cognizant Federal agency.

Condition:

- 1) Over the last two years, average expenses within the administrative Internal Service Fund were \$124,179. Cash on hand in the administrative Internal Service Fund at June 30, 2007 totaled \$46,970, representing approximately 138 days of average expenses. In comparison, at June 30, 2006, the Internal Service Fund's working cash totaled \$41,375 representing approximately 122 days of average expenses.
- 2) The Internal Service Fund shows a profit of \$7,282 for fiscal year 2007 due to billings in excess of actual costs.

Effect:

During the year ended June 30, 2007, the individual programs paid approximately \$7,282 more than the actual, allowable administrative expenses.

Cause:

The Regional Office of Education #9's indirect cost rate is too high. The Regional Office of Education had decreased the indirect cost rate to account for lower expenses, but the rate decrease was not sufficient.

Recommendation:

- 1) The Regional Office of Education #9 should lower the indirect cost rate.
- 2) The Regional Office of Education #9 should reimburse the \$7,282 to the individual programs.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 07-3 – Excess Working Cash in Internal Service Fund

Management's Response:

The Regional Office of Education #9 will closely monitor the Internal Service Fund to ensure the cash balance doesn't exceed 60 days and will adjust the indirect cost rate as necessary. In addition, the Regional Office of Education #9 is currently evaluating the Regional Office's overall cost allocation plan.

The Regional Office of Education #9 put together a committee of individuals representing the Regional Office of Education programs to investigate purchasing presentation equipment for training and meeting purposes during spring 2007. Bids for the equipment ranged from \$6,566 to \$10,645. The Regional Office of Education #9 was holding these funds to purchase presentation equipment that will benefit all programs. Therefore, rather than reimbursing the \$7,282 to the individual programs, the Regional Office of Education #9 will use the funds to purchase the presentation equipment mentioned above.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

SECTION II – FINANCIAL STATEMENT FINDINGS (Concluded)

Finding No. 07-4 – Inadequate Monitoring of Collateral on Deposits

Criteria/Specific Requirement:

The Public Funds Deposit Act (30 ILCS 225/1) gives the authorization for deposits in excess of the federally insured limit to be covered by pledged collateral held by the financial institutions' trust departments in the Regional Office of Education #9's name. In addition, prudent business practice requires that all cash and investments held by financial institutions for the ROE be adequately covered by depository insurance or collateral.

Condition:

As of June 30, 2007, cash account balances with one bank totaled \$304,443. The Federal Deposit Insurance Corporation (FDIC) covers up to a maximum of \$100,000. Additional collateral totaling \$176,409 was received as of June 30, 2007. The Regional Office of Education #9 had made a formal arrangement with the bank to automatically provide additional collateral for balances exceeding the FDIC coverage. However, additional collateral was not obtained for the balance of \$28,034.

Effect:

Failure to secure full collateral on cash and investment balances may result in monetary losses to the Regional Office of Education #9.

Cause:

According to the Regional Office of Education #9 management, the required additional collateral for the Regional Office of Education #9's deposits was due to the bank insufficiently monitoring account balances when assigning collateral.

Recommendation:

The Regional Office of Education #9 should monitor collateral held for its bank accounts. The Regional Office of Education #9 should also establish controls for confirming amounts pledged by the bank on a regular basis, especially when the cash balances exceed the FDIC level.

Management's Response:

The Regional Office of Education #9 agrees with the finding. Management will meet with bank personnel to review our agreement about additional collateral for the Regional Office of Education and to request a regular statement showing the amounts that have been pledged. The Regional Office of Education #9's staff will more closely monitor collateral pledged on bank account balances.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

INSTANCES OF NONCOMPLIANCE:

NONE

SIGNIFICANT DEFICIENCIES:

NONE

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2007

Corrective Action Plan

Finding No. 07-1 – Controls Over Financial Statement Preparation

Condition:

The Regional Office of Education #9 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements sufficient 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. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenues. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenues, there were no entries made by the ROE to reconcile their grant activity, such as posting grant receivables and deferred revenues. The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles.

Plan:

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

Anticipated Date of Completion:

Immediately upon learning of oversight.

Contact Person Responsible for Corrective Action:

Honorable Jane E. Quinlan, Regional Superintendent of Schools

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2007

Corrective Action Plan (Continued)

Finding No. 07-2 – Maintaining Incorrect Fiscal Year for General Fund

Condition:

The ROE maintains its County revenue (general fund) on the County's fiscal year end of November 30th rather than the ROE's fiscal year end of June 30th.

Plan:

The Regional Office of Education #9 will maintain its County revenue (general fund) on the ROE's fiscal year, rather than the County's fiscal year.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Contact Person Responsible for Corrective Action:

Honorable Jane E. Quinlan, Regional Superintendent of Schools

Finding No. 07-3 – Excess Working Cash in Internal Service Fund

Condition:

- 1) Over the last two years, average expenses within the administrative Internal Service Fund were \$124,179. Cash on hand in the administrative Internal Service Fund at June 30, 2007 totaled \$46,970, representing approximately 138 days of average expenses. In comparison, at June 30, 2006, the Internal Service Fund's working cash totaled \$41,375 representing approximately 122 days of average expenses.
- 1) The Internal Service Fund shows a profit of \$7,282 for fiscal year 2007 due to billings in excess of actual costs.

Plan:

The Regional Office of Education #9 will closely monitor the Internal Service Fund to ensure the cash balance doesn't exceed 60 days and will adjust the indirect cost rate as necessary. In addition, the Regional Office of Education #9 is currently evaluating the Regional Office's overall cost allocation plan.

The Regional Office of Education #9 put together a committee of individuals representing the Regional Office of Education programs to investigate purchasing presentation equipment for training and meeting purposes during spring 2007. Bids for the equipment ranged from \$6,566 to \$10,645. The Regional Office of Education #9 was holding these funds to purchase presentation equipment that will benefit all programs. Therefore, rather than reimbursing the \$7,282 to the individual programs, the Regional Office of Education #9 will use the funds to purchase the presentation equipment mentioned above.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2007

Corrective Action Plan (Concluded)

Finding No. 07-3 – Excess Working Cash in Internal Service Fund(Concluded)

Anticipated Date of Completion:

Immediately upon learning of oversight.

Contact Person Responsible for Corrective Action:

Honorable Jane E. Quinlan, Regional Superintendent of Schools

Finding No. 07-4 – Inadequate Monitoring of Collateral on Deposits

Condition:

As of June 30, 2007, cash account balances with one bank totaled \$304,443. The Federal Deposit Insurance Corporation (FDIC) covers up to a maximum of \$100,000. Additional collateral totaling \$176,409 was received as of June 30, 2007. The Regional Office of Education #9 had made a formal arrangement with the bank to automatically provide additional collateral for balances exceeding the FDIC coverage. However, additional collateral was not obtained for the balance of \$28,034.

Plan:

The Regional Office of Education #9 will meet with bank personnel to review our agreement about additional collateral for the Regional Office of Education and to request a regular statement showing the amounts that have been pledged. The Regional Office of Education #9's staff will more closely monitor collateral pledged on bank account balances.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Contact Person Responsible for Corrective Action:

Honorable Jane E. Quinlan, Regional Superintendent of Schools

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2007

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
06-1	A. Public Act 95-496 repealed the requirements of 105 ILCS 5/3-14.11	Resolved
	B. Controls Over Compliance with the requirements of 105 ILCS 5/3-5	Corrected
	C. Public Act 95-496 repealed the requirements of 105 ILCS 5/3-14.5	Resolved
06-2	Finance Charges and Late Fees	Resolved
06-3	Internal Control over Disbursements and Purchases	Corrected

MANAGEMENT'S DISCUSSION AND ANALYSIS

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007

The Regional Office of Education #9 for Champaign and Ford Counties provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2007. We encourage readers to consider this information in conjunction with the Regional Office of Education #9's financial statements, which follow.

This is the fourth fiscal year the Regional Office of Education #9 has implemented new reporting standards with significant change in content and structure. Much of the information is not easily comparable to years prior to FY04. However, future year's comparisons will be meaningful and will go further in explaining the Regional Office of Education #9's financial position and results of operations.

2007 Financial Highlights

General Fund revenues for FY07 were \$1,736,860. Expenditures for the same period were \$1,700,089 resulting in an excess of \$36,771. Interest for this same period was \$2,615 that resulted in an increase to fund balance of \$39,386. Fund balance for the General Fund for FY07 was \$544,472.

The Education Fund revenues for FY07 were \$2,365,965. Expenditures for the same period were \$2,255,680 resulting in an excess of \$110,285. Interest for this same period was \$2,353 that resulted in an increase to fund balance of \$112,638. Fund balance for the Education Fund for FY07 was \$333,160.

Using This Report

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

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

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

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

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007

Reporting the Office as a Whole

The Statement of Net Assets and the Statement of Activities

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

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

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

To assess the Regional Office's overall health, additional non-financial factors need to be considered.

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

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

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

The Office has three kinds of funds:

Governmental funds account for all of the Office's services. These focus on how cash and other financial assets can be readily converted to cash flow in and out and the balance left at year-end that is available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the Office's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements a reconciliation between the governmental fund financial statements and the government-wide financial statements follow the related governmental fund financial statements. The Office's Governmental Funds include: the General Fund and the Special Revenue Funds. The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2007

The Office has three kinds of funds (Concluded):

Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education #9's service region on a cost reimbursement basis is reported. The proprietary funds required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Fund Net Assets, and a Statement of Cash Flows.

Fiduciary funds are used to account for assets held by the Regional Office of Education #9 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Fiduciary funds required financial statements include a Statement of Fiduciary Net Assets. The Regional Office of Education #9 excludes these assets from the government-wide financial statements because it cannot use these assets to finance its operations.

Government – Wide Financial Analysis

As noted earlier, net assets may serve, when examined over time, as one indicator of the financial position of the Regional Office. The total net assets at the end of FY07 were \$1,826,804. The analysis that follows provides a summary of the Regional Office of Education #9's net assets at June 30, 2007 and June 30, 2006 for the governmental and business-type activities.

CONDENSED STATEMENT OF NET ASSETS

Governmental Activities

	<u>2007</u>	<u>2006</u>	Increase / (Decrease)
Current Assets	\$ 1,313,734	\$ 1,108,831	204,903
Capital assets, being depreciated, net	<u>189,047</u>	<u>211,508</u>	(22,461)
Total Assets	<u>1,502,781</u>	<u>1,320,339</u>	182,442
Current Liabilities	<u>94,705</u>	<u>86,966</u>	7,739
Net Assets:			
Invested in capital assets	189,047	211,508	(22,461)
Unrestricted	992,277	831,182	161,095
Restricted for teacher prof.dev.	<u>226,752</u>	<u>190,683</u>	36,069
Total Net Assets	<u>\$ 1,408,076</u>	<u>\$ 1,233,373</u>	174,703

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2007

Government – Wide Financial Analysis (Continued)

The Regional Office of Education’s governmental assets exceeded governmental liabilities (net assets) by \$1,408,076, which was an increase of \$174,703 from FY06. Cash and cash equivalents made up the majority of current assets. The increase in current assets and current liabilities relates primarily to the increase in unearned revenue from FY06 to FY07. Less unearned revenue was recognized as revenue in FY07 because of the decrease in expenditures of governmental activities, which increased unearned revenue and cash. In addition, net assets related to the Institute Fund are considered restricted for teacher professional development.

CONDENSED STATEMENT OF NET ASSETS

Business-type Activities

	2007	2006	Increase / (Decrease)
Current Assets	\$ 408,909	\$ 367,091	41,818
Capital assets, being depreciated, net	9,819	6,662	3,157
Total Assets	418,728	373,753	44,975
Net Assets:			
Invested in capital assets	9,819	6,662	3,157
Unrestricted	408,909	367,091	41,818
Total Net Assets	\$ 418,728	\$ 373,753	44,975

The Regional Office of Education #9’s business-type net assets increased from fiscal year 2006 to fiscal year 2007 primarily due to an increase in workshop participation.

STATEMENT OF ACTIVITIES

The following analysis shows the changes in net assets for governmental and business-type activities for the year ended June 30, 2007 and June 30, 2006.

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2007

Government – Wide Financial Analysis (Continued)

STATEMENT OF ACTIVITIES

Governmental Activities

	2007	2006	Increase / (Decrease)
Revenues:			
Program Revenues:			
Operating grants and contributions	\$ 1,836,859	\$ 1,669,359	167,500
General revenues:			
Local sources	1,679,604	1,773,026	(93,422)
State sources	308,400	317,707	(9,307)
On-behalf payments	518,835	429,514	89,321
Investment earnings	7,668	5,509	2,159
Noncash contribution	-	-	-
Loss on disposal of assets	(4,563)	(3,170)	(1,393)
Total Revenues	4,346,803	4,191,945	154,858
Expenses:			
Instructional Services			
Salaries and benefits	2,113,791	2,020,221	93,570
Purchased Services	1,004,186	899,345	104,841
Supplies and materials	208,254	203,444	4,810
Other objects	13,781	32,743	(18,962)
Depreciation expense	64,339	63,657	682
Payments to Other Governments	248,914	72,333	176,581
Administrative Expense:			
On-Behalf payments	518,835	429,514	89,321
Total Expenses	4,172,100	3,721,257	450,843
Change in Net Assets	174,703	470,688	(295,985)
Net Assets - Beginning	1,233,373	762,685	470,688
Net Assets - Ending	\$ 1,408,076	\$ 1,233,373	174,703

Revenues for governmental activities were \$4,346,803 and expenses were \$4,172,100. The increase in total revenues is due to several factors.

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2007

Government – Wide Financial Analysis (Concluded)

The Regional Education Alternative for Developing Youth Program had an increase in student enrollment. The increase in salaries and benefits, purchased services and supplies and materials is due to the addition of several mini-grants associated with the Family and Community Services Program. The decrease in other objects is due to the grants not needing to replace as much capital outlay during the fiscal year. All of these factors combined led to an increase in ending net assets in fiscal year 2007.

STATEMENT OF ACTIVITIES

Business-Type Activities

	<u>2007</u>	<u>2006</u>	<u>Increase / (Decrease)</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 142,818	\$ 147,490	(4,672)
General Revenue:			
Investment earnings	<u>1,730</u>	<u>1,826</u>	(96)
Total Revenues	<u>144,548</u>	<u>149,316</u>	(4,768)
Expenses:			
Salaries and benefits	16,126	39,038	(22,912)
Purchased Services	61,173	58,626	2,547
Supplies and materials	20,633	16,721	3,912
Other objects	-	29,856	(29,856)
Depreciation	<u>1,641</u>	<u>437</u>	1,204
Total Expenses	<u>99,573</u>	<u>144,678</u>	(45,105)
Change in Net Assets	44,975	4,638	40,337
Net Assets - Beginning	<u>373,753</u>	<u>369,115</u>	4,638
Net Assets - Ending	<u>\$ 418,728</u>	<u>\$ 373,753</u>	44,975

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007

Revenues for the business-type activities were \$144,548 and expenses were \$99,573. This resulted in an overall increase in total net assets of \$44,975. The increase is due to a number of factors. One of the factors was an increase in the Illinois New Teacher Collaborative conference registrations. The decrease in revenue, salaries and benefits, and other objects are due to the RESPRO projects changing the dynamics of our organization. The RESPRO grants provided us monies to work with area schools affected by No Child Left Behind sanctions. When ROE SchoolWorks staff worked with RESPRO schools, or in the development and support of RESPRO activities, they were paid from the RESPRO grants. All of these factors combined led to the increase in business-type net assets.

Financial Analysis of the Regional Office of Education #9 Funds

As previously noted, the Regional Office of Education #9 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Regional Office of Education #9's Governmental Funds reported combined fund balances of \$1,170,322.

Governmental Fund Highlights

The Regional Office of Education #09 continues to offer technical assistance and professional development activities to teachers in all areas of curriculum. We have documentation that at least 2,254 teachers have received direct professional development to improve their basic knowledge and/or their teaching pedagogy. We are responsible for professional development activities to maintain certification by our school administrators through the Administrator Academy. We have documentation that at least 330 administrators have received direct professional development. We operate a middle school and high school through the Regional Safe School Program for students who have experienced serious difficulties in the public schools. This school served 156 students. The DCFS Education Advisor Online program served 274 schools and 224 individual children were served with direct interventions. Our Truancy Program had 69 referrals and served 69 students to ameliorate their truancy problems. The McKinney Education-Homeless Children Program served 104 students and families. We served 2,421 teachers through the Certification Program that assists teachers in completing certification requirements and obtaining a certificate. We provided 5 Bus Driver Trainings throughout the year issuing 69 Initial Bus Driver certificates and 304 Refresher Bus Driver Certificates. There are a variety of other regulatory programs that are statute based including the annual inspection of school buildings for health and safety and regular compliance monitoring of districts. A General Education Diploma is offered through our cooperative effort with Parkland College and the Lincoln's Challenge Program, which includes testing to meet high school equivalency. We administered 868 GED tests. In addition, we have a variety of smaller programs that would be classified as consultative services working directly with the schools.

The ROE assists parents and other patrons on a daily basis as they call for information and/or with questions or problems related to their children. We answer questions concerning bus service, grade problems, special education needs and requirements, residency concerns, and home school issues. We offer guidance to parents as well as serving as a liaison between parents and the schools.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007

Proprietary Fund Highlights

The local workshop fund provided training and workshops to 17 public school districts and 27 non-public schools in the region. As part of its mission, the Regional Office of Education #9 continued to provide workshop and training services to school districts even during economically challenging times. Many workshops and services were offered free-of-charge and below cost recovery in order to meet organizational objectives.

Budgetary Highlights

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

Capital Assets

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

Economic Factors and Next Year's Budget

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

- The interest rate on investment remains low and will impact income
- Grants have either been reduced or remained at previous levels

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

Contacting the Office's Financial Management

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

BASIC FINANCIAL STATEMENTS

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF NET ASSETS
 JUNE 30, 2007

	Primary Government		
	Current Year		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 1,146,694	\$ 403,362	\$ 1,550,056
Due from other governments:			
Local	36,217	5,547	41,764
State	8,283	-	8,283
Federal	122,540	-	122,540
Total Current Assets	<u>1,313,734</u>	<u>408,909</u>	<u>1,722,643</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	189,047	9,819	198,866
Total Noncurrent Assets	<u>189,047</u>	<u>9,819</u>	<u>198,866</u>
TOTAL ASSETS	<u>1,502,781</u>	<u>418,728</u>	<u>1,921,509</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	5,258	-	5,258
Unearned revenue	89,447	-	89,447
Total Current Liabilities	<u>94,705</u>	<u>-</u>	<u>94,705</u>
TOTAL LIABILITIES	<u>94,705</u>	<u>-</u>	<u>94,705</u>
NET ASSETS			
Invested in capital assets	189,047	9,819	198,866
Restricted for teacher professional development	226,752	-	226,752
Unrestricted	992,277	408,909	1,401,186
TOTAL NET ASSETS	<u>\$ 1,408,076</u>	<u>\$ 418,728</u>	<u>\$ 1,826,804</u>

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2007

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary Government:						
Governmental Activities:						
Instructional Services						
Current:						
Salaries and benefits	\$ 2,113,791	\$ -	\$ 1,007,099	\$ (1,106,692)	\$ -	\$ (1,106,692)
Purchased services	1,004,186	-	413,236	(590,950)	-	(590,950)
Supplies and materials	208,254	-	120,427	(87,827)	-	(87,827)
Depreciation expense	64,339	-	-	(64,339)	-	(64,339)
Capital outlay	-	-	45,585	45,585	-	45,585
Payments to Other Governments	248,914	-	248,914	-	-	-
Other objects	13,781	-	1,598	(12,183)	-	(12,183)
Administrative:						
On-behalf payments - State	518,835	-	-	(518,835)	-	(518,835)
Total Governmental Activities	<u>4,172,100</u>	<u>-</u>	<u>1,836,859</u>	<u>(2,335,241)</u>	<u>-</u>	<u>(2,335,241)</u>
Business-Type Activities:						
Registration fees	99,573	142,818	-	-	43,245	43,245
Total Business-Type Activities	<u>99,573</u>	<u>142,818</u>	<u>-</u>	<u>-</u>	<u>43,245</u>	<u>43,245</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 4,271,673</u>	<u>\$ 142,818</u>	<u>\$ 1,836,859</u>	<u>(2,335,241)</u>	<u>43,245</u>	<u>(2,291,996)</u>
GENERAL REVENUES:						
Local sources				1,679,604	-	1,679,604
State sources				308,400	-	308,400
On-behalf payments				518,835	-	518,835
Investment earnings				7,668	1,730	9,398
Loss on disposal of capital assets				(4,563)	-	(4,563)
Total General Revenues, Special and Extraordinary Items and Transfers				<u>2,509,944</u>	<u>1,730</u>	<u>2,511,674</u>
CHANGE IN NET ASSETS				174,703	44,975	219,678
NET ASSETS - BEGINNING				<u>1,233,373</u>	<u>373,753</u>	<u>1,607,126</u>
NET ASSETS - ENDING				<u>\$ 1,408,076</u>	<u>\$ 418,728</u>	<u>\$ 1,826,804</u>

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2007

	General Fund	Institute	Education Fund	Other Governmental Funds	Eliminations	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 409,803	\$ 226,752	\$ 397,339	\$ 65,830	\$ -	\$ 1,099,724
Due from other funds	130,823	-	-	-	(130,823)	-
Due from other governments:						
Local	20,276	-	14,096	108	-	34,480
State	-	-	8,283	-	-	8,283
Federal	-	-	122,540	-	-	122,540
TOTAL ASSETS	\$ 560,902	\$ 226,752	\$ 542,258	\$ 65,938	\$ (130,823)	\$ 1,265,027
LIABILITIES						
Accounts payable	\$ 5,258	\$ -	\$ -	\$ -	\$ -	\$ 5,258
Due to other funds	-	-	130,823	-	(130,823)	-
Unearned revenue	11,172	-	78,275	-	-	89,447
Total Liabilities	16,430	-	209,098	-	(130,823)	94,705
FUND BALANCES						
Unreserved, reported in:						
General fund	544,472	-	-	-	-	544,472
Special revenue funds	-	226,752	333,160	65,938	-	625,850
Total Fund Balances	544,472	226,752	333,160	65,938	-	1,170,322
TOTAL LIABILITIES AND FUND BALANCES	\$ 560,902	\$ 226,752	\$ 542,258	\$ 65,938	\$ (130,823)	\$ 1,265,027

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
 GOVERNMENTAL FUNDS
 JUNE 30, 2007

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS \$ 1,170,322

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 189,047

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

Net Assets- Internal Service Fund	\$ 56,628	
Less Capital Assets Included in Total Above	<u>(7,921)</u>	<u>48,707</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 1,408,076

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

	General Fund	Institute	Education Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Local sources	\$ 629,538	\$ 55,552	\$ 812,153	\$ 46,424	\$ 1,543,667
State sources	588,487	-	743,296	2,960	1,334,743
State sources- on-behalf payments	518,835	-	-	-	518,835
Federal sources	-	-	810,516	-	810,516
Total Revenues	<u>1,736,860</u>	<u>55,552</u>	<u>2,365,965</u>	<u>49,384</u>	<u>4,207,761</u>
EXPENDITURES					
Current:					
Instructional Services					
Salaries and benefits	648,519	-	1,332,122	29,792	2,010,433
Purchased services	437,575	19,476	523,382	9,105	989,538
Supplies and materials	65,403	594	126,545	8,359	200,901
Capital outlay	23,084	-	22,501	-	45,585
Other objects	6,673	440	2,216	680	10,009
Payments to other governments	-	-	248,914	-	248,914
On-behalf payments	518,835	-	-	-	518,835
Total Expenditures	<u>1,700,089</u>	<u>20,510</u>	<u>2,255,680</u>	<u>47,936</u>	<u>4,024,215</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>36,771</u>	<u>35,042</u>	<u>110,285</u>	<u>1,448</u>	<u>183,546</u>
OTHER FINANCING SOURCES (USES):					
Interest	2,615	1,027	2,353	341	6,336
Total Other Financing Sources (Uses)	<u>2,615</u>	<u>1,027</u>	<u>2,353</u>	<u>341</u>	<u>6,336</u>
NET CHANGE IN FUND BALANCES	39,386	36,069	112,638	1,789	189,882
FUND BALANCES - BEGINNING	<u>505,086</u>	<u>190,683</u>	<u>220,522</u>	<u>64,149</u>	<u>980,440</u>
FUND BALANCES - ENDING	<u>\$ 544,472</u>	<u>\$ 226,752</u>	<u>\$ 333,160</u>	<u>\$ 65,938</u>	<u>\$ 1,170,322</u>

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

NET CHANGE IN FUND BALANCES — GOVERNMENTAL FUNDS \$ 189,882

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

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

Capital outlay	\$ 45,585	
Depreciation expense	<u>(64,339)</u>	(18,754)

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

(4,563)

The Internal Service Fund is used by management to charge the costs of general accounting services of Regional Office of Education #9 to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities - excluding the related depreciation expense of \$5,294 which is included above.

8,138

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 174,703

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2007

	Business-Type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund
	Local Workshops	Total	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 403,362	\$ 403,362	\$ 46,970
Due from other governments:			
Local	5,547	5,547	1,737
Total current assets	<u>408,909</u>	<u>408,909</u>	<u>48,707</u>
Noncurrent assets:			
Capital assets, being depreciated, net	9,819	9,819	7,921
Total noncurrent assets	<u>9,819</u>	<u>9,819</u>	<u>7,921</u>
TOTAL ASSETS	<u>418,728</u>	<u>418,728</u>	<u>56,628</u>
NET ASSETS			
Invested in capital assets	9,819	9,819	7,921
Unrestricted	408,909	408,909	48,707
TOTAL NET ASSETS	<u>\$ 418,728</u>	<u>\$ 418,728</u>	<u>\$ 56,628</u>

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

	Business-Type Activities - Enterprise Fund		Governmental Activities- Internal Service Fund
	Local Workshops	Total	
OPERATING REVENUES			
Registration fees	\$ 142,818	\$ 142,818	\$ 135,937
Total Operating Revenues	<u>142,818</u>	<u>142,818</u>	<u>135,937</u>
OPERATING EXPENSES			
Salaries and benefits	16,126	16,126	103,358
Purchased services	61,173	61,173	14,648
Supplies and materials	20,633	20,633	7,353
Other objects	-	-	3,772
Depreciation	1,641	1,641	5,294
Total Operating Expenses	<u>99,573</u>	<u>99,573</u>	<u>134,425</u>
OPERATING INCOME (LOSS)	<u>43,245</u>	<u>43,245</u>	<u>1,512</u>
NONOPERATING REVENUE			
Interest	1,730	1,730	1,332
Total Nonoperating Revenue	<u>1,730</u>	<u>1,730</u>	<u>1,332</u>
CHANGE IN NET ASSETS	44,975	44,975	2,844
TOTAL NET ASSETS - BEGINNING	<u>373,753</u>	<u>373,753</u>	<u>53,784</u>
TOTAL NET ASSETS - ENDING	<u>\$ 418,728</u>	<u>\$ 418,728</u>	<u>\$ 56,628</u>

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

	Business-Type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund
	Local Workshops	Totals	
Cash Flows from Operating Activities:			
Receipts from customers	\$ 148,947	\$ 148,947	\$ 134,250
Payments to suppliers and providers of goods and services	(81,806)	(81,806)	(25,773)
Payments to employees	(16,126)	(16,126)	(103,358)
Net Cash Provided by Operating Activities	<u>51,015</u>	<u>51,015</u>	<u>5,119</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	(4,798)	(4,798)	(856)
Net Cash Used for Capital and Related Financing Activities	<u>(4,798)</u>	<u>(4,798)</u>	<u>(856)</u>
Cash Flows from Investing Activities:			
Interest earned	1,730	1,730	1,332
Net Cash Provided by Investing Activities	<u>1,730</u>	<u>1,730</u>	<u>1,332</u>
Net Increase (Decrease) in Cash	47,947	47,947	5,595
Cash and cash equivalents - Beginning	<u>355,415</u>	<u>355,415</u>	<u>41,375</u>
Cash and cash equivalents - Ending	<u>\$ 403,362</u>	<u>\$ 403,362</u>	<u>\$ 46,970</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 43,245	\$ 43,245	\$ 1,512
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	1,641	1,641	5,294
(Increase) Decrease in Due from other governments	6,129	6,129	(1,687)
Net Cash Provided by Operating Activities	<u>\$ 51,015</u>	<u>\$ 51,015</u>	<u>\$ 5,119</u>

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 JUNE 30, 2007

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 233,902
TOTAL ASSETS	\$ 233,902
LIABILITIES	
Due to other governments	\$ 233,902
TOTAL LIABILITIES	\$ 233,902

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In 2007, the Regional Office of Education #9 was required to implement GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The Regional Office of Education #9 implemented this standard during the current year; however, it has no impact on the financial statements.

A. FINANCIAL REPORTING ENTITY

The Regional Superintendent is charged with responsibility for township fund lands; registration of the names of applicants for scholarships to State controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers institutes as well as to aid and encourage the formation of other teachers' meetings and assist in their management; evaluate the schools in the region; examine school treasurers' books, accounts, and vouchers; examine evidence of indebtedness; file and keep the returns of elections required to be returned to the Regional Superintendent's office; and file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #9's districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. FINANCIAL REPORTING ENTITY (Concluded)

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the Regional Office of Education #9, or see that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2007, the Regional Office of Education #9 applied for, received, and administered numerous state and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #9. Such activities are reported as a single special revenue fund (Education Fund).

B. SCOPE OF THE REPORTING ENTITY

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

The Regional Office of Education #9 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Regional Office of Education #9, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education #9 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education #9 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #9 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education #9 being considered a component unit of the entity.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #9's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by state and federal grants and other intergovernmental revenues. The Regional Office of Education has one business-type activity that relies on fees and charges for support.

The Regional Office of Education #9's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present a summary of governmental and business-type activities for the Regional Office of Education #9 accompanied by a total column. These statements are presented on an "economic resources" measurement as prescribed by GASB Statement No. 34. All of the Regional Office of Education #9's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services, and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. PROPRIETARY FUND FINANCIAL STATEMENTS

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and nonmajor funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

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

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

E. GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education #9; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING

The Regional Office of Education #9 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education #9 uses governmental, proprietary, and fiduciary funds.

GOVERNMENTAL FUNDS

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

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

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

General Fund - The General Fund is the operating fund of the Regional Office of Education #9. It is used to account for the expenditures, which benefit all school districts in the region except those required to be accounted for in other funds. General Funds include the following:

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

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

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

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

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

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

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

Illinois State Board of Education/DCFS Interagency Technical Assistance Network - This program is generated from funds to provide technical training.

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

Regional Education Alternative for Developing Youth- This program works with students in grades 6-12 who have been suspended multiple times or expelled from school, allowing them to continue their education. It accounts for aid provided by the state based on students that attend the READY and Alternative School programs. In the prior year this program's State aid funding was reported as a separate program in the Education Fund's combining statements, however, in the current year the State aid funding has been combined with this program and is currently reported as a single program in the Education Fund's combining statements.

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

Northern Illinois University Grant - This program works to develop and improve community-based systems of care and provide for a collaborative, comprehensive, strength-based planning process.

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

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

Title II Teacher Quality - This program provides area schools/districts with assistance in meeting school improvement needs as they address the requirements of No Child Left Behind. Priority is given to schools whose students have not met Adequate Yearly Progress for at least two years in Math and Reading.

Title I - Reading First Part B SEA (07-4337-00) & (07-4337-02) - This program provides technical assistance and professional development opportunities to support Reading First districts and primary reading instruction.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

McKinney-Vento Homeless Children & Youth Program - This program is a partnership with the Iroquois-Kankakee Regional Office of Education to provide training and assistance to homeless school liaisons in the 115 school districts in Area IV.

Title I Mathematics & Science - This program provides professional development and supporting materials for Jr. High Math teachers from Area IV IARSS region schools and is designed to improve math instruction and student achievement in the geometry, probability, and data analysis.

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

Standards & Assessments - This program is used to distribute information and support the use and implementation of the Illinois Learning Standards and the associated assessment systems.

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

Math Institute – This program is a RESPRO project that involved teachers from Area IV status schools. The project provided professional development in the areas of math instructional strategies and concept knowledge. Teachers attended days of in-service led by a team of instructors from the University of Illinois Champaign Urbana and Eastern Illinois University. Participants received stipends, mileage, and materials.

Family Literacy Grant – This program is a summer reading program for youth and their families to encourage reading as a family as well as child activities. The ROE combines reading with arts and crafts activities and field trips.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Summer Freedom School – Freedom school is a summer literacy program designed by the Children’s Defense Fund to promote cultural and social pride, and to motivate youth to read. It is a 5-8 week, seven hour per day program taught by college level interns. Weekly parent meetings are required. Youth read and engage in literacy activities on a daily basis and participate in afternoon rotation activities and field trips both in and out of the community and state.

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

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

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

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

Homeless (Regional) – This program receives payments from Iroquois-Kankakee ROE #32 (the lead local education agency liaison for the Area IV McKinney-Vento Homeless Children and Youth Program), for salary and benefits for co-lead homeless liaison. The co-lead homeless liaison is a .5 FTE position. It provides training and technical assistance to school district homeless liaisons in ROE #9, ROE #11, and ROE #54.

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Concluded)

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

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

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

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

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

PROPRIETARY FUNDS

Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education #9 on a cost reimbursement basis are reported. The Regional Office of Education #9 reports the following proprietary fund:

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

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIDUCIARY FUNDS

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

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

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

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

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

H. NET ASSETS

Net assets present the difference between assets and liabilities in the Statement of Net Assets. Net assets are displayed in three components:

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

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

Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets."

I. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. INVENTORY

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

K. CAPITAL ASSETS

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

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

L. COMPENSATED ABSENCES

Non-certified and certified employees who work 12 calendar months earn up to 20 vacation days for a full year of service. The accumulated total of vacation days may never exceed 30 days. In the event that a program terminates, no vacation days will be honored past the ending date of the program. Certified employees who work less than 12 calendar months per year do not earn vacation days.

Employees receive up to 12 sick days annually and the unused portion is accumulated up to 180 days and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay, and therefore, no liability is accrued.

M. ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

N. BUDGET INFORMATION

The Regional Office of Education #9 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Funds. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted nor are they required to be. The General Fund and certain programs within the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results are presented as supplemental information. Budgetary comparison schedules have been provided in supplementary schedules for the following funds: Schoolworks Operations, Youth Detention Center, Area IV Learning Technology Hub, Title I School Improvement and Accountability, National Boards, Novice Teacher Support, Standards-Aligned Classroom, Teacher Mentoring, Title I- Reading First Part B SEA (07-4337-00) & (07-4337-02), Title II Teacher Quality, Title I Mathematics & Science, ELL Professional Development, Teacher Quality, Title I School Improvement – Teacher Quality, Standards & Assessments – Teacher Quality, Math Institute, Standards & Assessments, Regional Education Alternative for Developing Youth, McKinney - Vento Homeless Children & Youth Program, Northern Illinois University Grant, Urban League, Homeless (Regional), Department of Children and Family Services Grant, Family Literacy Grant, IVPA-SEL Grant, and Truants Alternative/Optional Education.

NOTE 2 – CASH

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

A. DEPOSITS

At June 30, 2007, the carrying amount of the Regional Office of Education #9's government-wide and Agency fund deposits were \$1,550,056 and \$233,902, respectively, and the bank balances were \$1,763,466 and \$307,434, respectively. Of the total bank balances as of June 30, 2007, \$200,000 was secured by federal depository insurance, \$1,839,437 was collateralized by securities pledged by the Regional Office of Education #9's financial institution on behalf of the Regional Office and \$28,034 was uncollateralized.

B. INVESTMENTS

The Regional Office of Education #9 does not have a formal investment policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2007, the Regional Office of Education #9 had investments with carrying and fair values of \$3,429 invested in the Illinois Funds Money Market Fund.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 2 – CASH (Concluded)

CREDIT RISK

At June 30, 2007, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

INTEREST RATE RISK

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

CONCENTRATION OF CREDIT RISK

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

NOTE 3 - DEFINED BENEFIT PENSION PLAN

The Regional Office of Education #9's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2007

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Concluded)

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The Regional Office of Education #9 is required to contribute at an actuarially determined rate. The employer rate for calendar year 2006 was 9.23 percent of payroll. The Regional Office of Education #9 contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2006 was 5 years.

For December 31, 2006, the Regional Office of Education #9's annual pension cost of \$153,850 was equal to the Regional Office of Education #9's required and actual contributions. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.0% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2006 actuarial valuation were based on the 2002-2004 experience study.

A. TREND INFORMATION

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contribution</u>	<u>Net Pension Obligation</u>
12/31/06	153,850	100%	\$ 0
12/31/05	124,679	100%	0
12/31/04	117,957	100%	0
12/31/03	121,567	100%	0
12/31/02	103,330	100%	0
12/31/01	15,817	100%	0
12/31/00	14,484	100%	0
12/31/99	13,143	100%	0
12/31/98	9,340	100%	0
12/31/97	5,912	100%	0

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

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

The Regional Office of Education #9 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois, maintains primary responsibility for funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2007, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. In addition, virtually all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not part of this retirement plan. The employer THIS Fund contribution was 0.6 percent during the year ended June 30, 2007, and the member THIS Fund health insurance contribution was 0.8 percent.

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

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #9. For the year ended June 30, 2007, the State of Illinois contributions were based on 9.78 percent of creditable earnings, and the Regional Office of Education #9 recognized revenue and expenditures of \$314,528 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2006 and June 30, 2005, the State of Illinois contribution rates as percentages of creditable earnings were 7.06 percent (\$226,982) and 11.76 percent (\$387,327) respectively. The state contributions to TRS for the years ended June 30, 2007 and June 30, 2006 were based on dollar amounts specified by the statute and were not actuarially determined. The state contributions for the year ended June 30, 2005 were based on an actuarial formula.

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

- **2.2 formula contributions.** Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. Contributions for the year ending June 30, 2007 were \$18,653. Contributions for the years ending June 30, 2006, and June 30, 2005, were \$18,647 and \$19,103, respectively.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

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

- **Federal and trust fund contributions.** When TRS members are paid from federal and trust funds administered by the Regional Office of Education #9, there is a statutory requirement for the Regional Office of Education #9 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and trust funds will be the same as the state contribution rate to TRS. For the year ended June 30, 2007, the employer pension contribution was 9.78 percent of salaries paid from federal and trust funds. For the year ended June 30, 2006, the employer pension contribution was 7.06 percent of salaries paid from those funds. For the year ended June 30, 2005, the employer pension contribution was 10.5 percent of salaries paid from those funds. For the year ended June 30, 2007, salaries totaling \$686,087 were paid from federal and trust funds that required employer funds that required employer contributions of \$67,099. For the years ended June 30, 2006 and 2005, required Regional Office of Education #9 contributions were \$43,552 and \$91,581, respectively.

- **Early retirement option.** The Regional Office of Education #9 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires.

Under Public Act 94-0004, a "Pipeline ERO" program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies for the Pipeline ERO).

Under the ERO program that expired on June 30, 2005 and the Pipeline ERO, the maximum employer contribution is 100 percent of the member's highest salary used in the final average salary calculation. Under the Modified ERO, the maximum employer contribution is 117.5 percent. Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement. For the year ended June 30, 2007, the Regional Office of Education #9 paid no employer contributions to TRS under the Pipeline ERO and Modified ERO programs. For the years ended June 30, 2006 and June 30 2005, the Regional Office of Education #9 paid no employer ERO contributions.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

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

- **Salary increases over 6 percent and excess sick leave.** Public Act 94-0004 added two new employer contributions to TRS. If the Regional Office of Education #9 grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the Regional Office of Education #9 makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increase of up to 6 percent. For the year ended June 30, 2007, the Regional Office of Education #9 paid no employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2006, the Regional Office of Education #9 paid no employer contributions due on salary increases in excess of 6 percent.

If the Regional Office of Education #9 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the Regional Office of Education #9 makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.60 percent of salary during the year ended June 30, 2007.) For the year ended June 30, 2007, the Regional Office of Education #9 paid no employer contributions to TRS for sick leave days granted in the excess of the normal annual allotment. For the year ended June 30, 2006, the Regional Office of Education #9 paid no 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, 2006. The report for the year ended June 30, 2007, is expected to be available in late 2007. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, PO Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov.

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2007

NOTE 5 - INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2007 consist of the following individual due to/from other funds in the governmental fund balance sheet. These balances were eliminated in the government-wide Statement of Net Assets.

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Education Fund	\$ -	\$130,823
General Fund	<u>130,823</u>	<u>-</u>
	<u>\$130,823</u>	<u>\$130,823</u>

TRANSFERS

There were no interfund transfers to/from other fund balances at June 30, 2007.

NOTE 6 – CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education #9 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2007:

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2007

NOTE 6 – CAPITAL ASSETS (Continued)

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
Governmental Activities				
<u>General Fund</u>				
General	\$ 44,533	\$ -	\$ -	\$ 44,533
Schoolworks Operations	102,773	1,000	6,201	97,572
Area IV - Technology Hub	205,755	22,084	2,548	225,291
Youth Detention Center	14,244	-	2,614	11,630
<u>Education Fund</u>				
Illinois State Board of Education/DCFS				
Interagency Technical Assistance Network	3,201	-	3,201	-
Truants Alternative/Optional Education	1,354	-	-	1,354
Adult Education	250	-	-	250
Regional Education Alternative for				
Developing Youth	63,001	22,501	9,475	76,027
Federal Special Education I.D.E.A.	29,767	-	-	29,767
McKinney Education for Homeless Children	6,211	-	-	6,211
Northern Illinois University Grant	13,215	-	11,184	2,031
Title I - Reading First Part B SEA	2,390	-	-	2,390
McKinney - Vento Homeless				
Children & Youth Program	7,417	-	-	7,417
Technology - Enhancing Education -				
Competitive	70,735	-	-	70,735
Area IV System of Support	4,729	-	490	4,239
Title IV - Community Service	279	-	-	279
Regional Office of Education State Grant	6,046	-	-	6,046
Novice Teacher Support Program				
Electronic Expansion Subcontract	4,267	-	-	4,267
<u>Nonmajor Special Revenue Fund</u>				
General Education Development	8,349	-	-	8,349
<u>Internal Service</u>	33,164	856	-	34,020
Governmental Activities				
Total Capital Assets	621,680	46,441	35,713	632,408
Less: Accumulated Depreciation	410,172	64,339	31,150	443,361
Governmental Activities				
Investment in Capital Assets, Net	<u>\$ 211,508</u>	<u>\$ (17,898)</u>	<u>\$ 4,563</u>	<u>\$ 189,047</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2007

NOTE 6 – CAPITAL ASSETS (Concluded)

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
Business-type Activities				
Local Workshops	\$ 7,690	\$ 4,798	\$ -	\$ 12,488
Business-type Activities				
Total Assets	7,690	4,798	-	12,488
Less Accumulated Depreciation	<u>1,028</u>	<u>1,641</u>	<u>-</u>	<u>2,669</u>
Business-type Activities				
Investment in Capital Assets	<u>\$ 6,662</u>	<u>\$ 3,157</u>	<u>\$ -</u>	<u>\$ 9,819</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2007 of \$64,339 and \$1,641 was charged to the governmental activities and the business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

NOTE 7 - RISK MANAGEMENT

The Regional Office of Education #9 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education #9 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

NOTE 8 – OPERATING LEASE

The Education Fund has entered into a renewable five-year lease to provide classroom space for the R.E.A.D.Y. School Program (Ready) and office space for the Illinois Technical Assistance Network (ITAN). Rent expense for 2007 totaled \$109,642. Future minimum rentals are as follows for the years ending June 30:

2008	\$ 93,288
2009	93,288
<u>2010</u>	<u>15,548</u>
Total	<u>\$202,124</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2007

NOTE 9 – ON BEHALF PAYMENTS

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

Regional Superintendent Salary	\$ 88,540
Assistant Regional Superintendent Salary	79,686
Regional Superintendent Benefits (Includes State paid insurance)	19,255
Assistant Regional Superintendent Benefits (Includes State paid insurance)	16,826
TRS Pension Contribution	<u>314,528</u>
 Total	 <u>\$518,835</u>

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

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

NOTE 10 – DUE TO/FROM OTHER GOVERNMENTS

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

Due from Other Governments:

<u>General Fund</u>	
Local Governments	\$ 20,276
<u>Education Fund</u>	
Local Governments	14,096
Illinois State Board of Education	8,283
Federal Government	122,540
<u>Nonmajor Funds</u>	
Local Government	108
<u>Internal Service</u>	
Local Government	1,737
<u>Proprietary Fund</u>	
Local Governments	<u>5,547</u>
Total	<u>\$172,587</u>

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 10 – DUE TO/FROM OTHER GOVERNMENTS (Concluded)

Due to Other Governments:

<u>Fiduciary Fund</u>	
Local School Districts	\$ 2,339
Local Governments	<u>231,563</u>
Total	<u>\$233,902</u>

REQUIRED SUPPLEMENTAL INFORMATION
(Other than Management Discussion and Analysis)

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN / FORD COUNTIES
 ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF FUNDING PROGRESS
 (UNAUDITED)
 JUNE 30, 2007

Actuarial Valuation Date	Actuarial Value of Assets (a)	(2) Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	(3) Unfunded Funded Ratio (a/b)	(4) Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/06	3,046,867	3,072,311	25,444	99.17%	1,666,844	1.53%
12/31/05	2,651,414	2,705,672	54,258	97.99%	1,660,172	3.27%
12/31/04	2,568,053	2,598,435	30,382	98.83%	1,704,581	1.78%
12/31/03	2,327,804	2,228,384	(99,420)	104.46%	1,795,667	0.00%
12/31/02	2,318,311	2,162,986	(155,325)	107.18%	1,845,179	0.00%
12/31/01	2,134,097	1,948,938	(185,159)	109.50%	1,818,013	0.00%
12/31/00	1,950,654	1,609,415	(341,239)	121.20%	1,664,886	0.00%
12/31/99	1,838,752	1,425,735	(413,017)	128.97%	1,444,391	0.00%
12/31/98	1,552,701	1,175,971	(376,730)	132.04%	983,153	0.00%
12/31/97	1,355,888	963,765	(392,123)	140.69%	751,135	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2006 is \$3,249,353.

On a market basis, the funded ratio would be 105.76%.

* Digest of changes

The actuarial assumptions used to determine the actuarial accrued liability for 2006 are based on the 2002-2004 Experience Study.

The principal changes were:

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

SLEP Member contribution rate changed from 6.50% to 7.50% effective June 1, 2006.

OTHER SUPPLEMENTAL INFORMATION

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2007

	General	Schoolworks Operations	Regional Office of Education Operations	Area IV Learning Technology Hub	Youth Detention Center	Essay Scoring	TOTALS
ASSETS							
Cash and cash equivalents	\$ 40,221	\$ -	\$ 29,004	\$ 328,625	\$ 11,172	\$ 781	\$ 409,803
Due from other funds	-	-	-	130,823	-	-	130,823
Due from other governments	-	-	789	19,025	-	462	20,276
TOTAL ASSETS	\$ 40,221	\$ -	\$ 29,793	\$ 478,473	\$ 11,172	\$ 1,243	\$ 560,902
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 5,258	\$ -	\$ -	\$ -	\$ 5,258
Unearned revenue	-	-	-	-	11,172	-	11,172
Total Liabilities	-	-	5,258	-	11,172	-	16,430
FUND BALANCES							
Unreserved	40,221	-	24,535	478,473	-	1,243	544,472
Total Fund Balances	40,221	-	24,535	478,473	-	1,243	544,472
TOTAL LIABILITIES AND FUND BALANCES	\$ 40,221	\$ -	\$ 29,793	\$ 478,473	\$ 11,172	\$ 1,243	\$ 560,902

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2007

	General	Schoolworks Operations	Regional Office of Education Operations	Area IV Learning Technology Hub	Youth Detention Center	Essay Scoring	TOTALS
REVENUES							
Local sources	\$ 433,864	\$ -	\$ 4,009	\$ 182,416	\$ -	\$ 9,249	\$ 629,538
State sources	-	172,128	-	268,635	147,724	-	588,487
State sources - payments made on behalf of region	518,835	-	-	-	-	-	518,835
Total Revenues	952,699	172,128	4,009	451,051	147,724	9,249	1,736,860
EXPENDITURES							
Current:							
Salaries and benefits	146,555	121,755	-	236,733	135,341	8,135	648,519
Purchased services	264,038	42,188	14	119,981	10,530	824	437,575
Supplies and materials	13,376	6,660	3,114	40,238	1,922	93	65,403
Capital outlay	-	1,000	-	22,084	-	-	23,084
Other objects	3,902	611	706	1,449	5	-	6,673
Payments made on behalf of region	518,835	-	-	-	-	-	518,835
Total Expenditures	946,706	172,214	3,834	420,485	147,798	9,052	1,700,089
OTHER FINANCING SOURCES (USES)							
Interest	246	86	77	2,130	74	2	2,615
Total Other Financing Sources (Uses)	246	86	77	2,130	74	2	2,615
NET CHANGE IN FUND BALANCES	6,239	-	252	32,696	-	199	39,386
FUND BALANCE - BEGINNING	33,982	-	24,283	445,777	-	1,044	505,086
FUND BALANCE - ENDING	\$ 40,221	\$ -	\$ 24,535	\$ 478,473	\$ -	\$ 1,243	\$ 544,472

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 GENERAL FUND ACCOUNTS
 SCHOOLWORKS OPERATION
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 172,128	\$ 172,128	\$ 172,128
Total Revenue	<u>172,128</u>	<u>172,128</u>	<u>172,128</u>
EXPENDITURES			
Current:			
Salaries and benefits	125,960	118,820	121,755
Purchased services	37,293	44,882	42,188
Supplies and materials	7,275	6,800	6,660
Capital outlay	1,000	1,000	1,000
Other objects	600	626	611
Total Expenditures	<u>172,128</u>	<u>172,128</u>	<u>172,214</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(86)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	86
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>86</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 GENERAL FUND ACCOUNTS
 AREA IV - LEARNING TECHNOLOGY HUB
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ 152,000	\$ 152,000	182,416
State	190,447	190,447	268,635
Total Revenue	<u>342,447</u>	<u>342,447</u>	<u>451,051</u>
EXPENDITURES			
Current:			
Salaries and benefits	183,391	183,391	236,733
Purchased services	109,221	109,221	119,981
Supplies and materials	12,500	12,500	40,238
Capital outlay	19,030	19,030	22,084
Other objects	18,305	18,305	1,449
Total Expenditures	<u>342,447</u>	<u>342,447</u>	<u>420,485</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>30,566</u>
OTHER FINANCING SOURCES (USES):			
Interest	<u>-</u>	<u>-</u>	<u>2,130</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,130</u>
NET CHANGE IN FUND BALANCE	-	-	32,696
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>445,777</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 478,473</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 GENERAL FUND ACCOUNTS
 YOUTH DETENTION CENTER
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 164,510	\$ 164,510	\$ 147,724
Total Revenue	<u>164,510</u>	<u>164,510</u>	<u>147,724</u>
EXPENDITURES			
Current:			
Salaries and benefits	149,440	149,440	135,341
Purchased services	11,870	11,870	10,530
Supplies and materials	2,700	3,000	1,922
Capital outlay	500	200	-
Other objects	-	-	5
Total Expenditures	<u>164,510</u>	<u>164,510</u>	<u>147,798</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(74)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	74
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>74</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2007

	Illinois State Board of Education/ DCFS Interagency Technical Assistance Network	Truants Alternative/ Optional Education	Title I School Improvement and Accountability	Regional Education Alternative for Developing Youth	McKinney Education For Homeless Children	Northern Illinois University Grant
ASSETS						
Cash and cash equivalents	\$ 1,015	\$ -	\$ -	\$ 318,841	\$ 168	\$ -
Due from other governments:						
Local	-	-	-	13,746	-	-
State	-	-	-	-	-	-
Federal	-	-	-	-	-	-
TOTAL ASSETS	\$ 1,015	\$ -	\$ -	\$ 332,587	\$ 168	\$ -
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	792	-	-	-	168	-
Total Liabilities	792	-	-	-	168	-
FUND BALANCES						
Unreserved	223	-	-	332,587	-	-
Total Fund Balances	223	-	-	332,587	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,015	\$ -	\$ -	\$ 332,587	\$ 168	\$ -

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2007

	Urban League	Novice Teacher Support	Title II Teacher Quality	Title I Reading First Part B SEA (07-4337-00) & (07-4337-02)	McKinney - Vento Homeless Children & Youth Program	Title I Mathematics & Science
ASSETS						
Cash and cash equivalents	\$ -	\$ 7,290	\$ -	\$ 8,335	\$ -	\$ -
Due from other governments:						
Local	-	-	-	-	-	-
State	-	-	-	-	-	-
Federal	-	-	-	-	10,661	-
TOTAL ASSETS	\$ -	\$ 7,290	\$ -	\$ 8,335	\$ 10,661	\$ -
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 10,661	\$ -
Unearned revenue	-	7,290	-	8,335	-	-
Total Liabilities	-	7,290	-	8,335	10,661	-
FUND BALANCES						
Unreserved	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 7,290	\$ -	\$ 8,335	\$ 10,661	\$ -

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2007

	Department of Children & Family Services Grant	Standards & Assessments	ELL Professional Development	Math Institute	Family Literacy Grant	Summer Freedom School
ASSETS						
Cash and cash equivalents	\$ 14	\$ -	\$ 519	\$ -	\$ 3,826	\$ 3,372
Due from other governments:						
Local	-	-	-	-	-	350
State	-	-	-	2,230	-	-
Federal	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 519</u>	<u>\$ 2,230</u>	<u>\$ 3,826</u>	<u>\$ 3,722</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ 2,230	\$ -	\$ -
Unearned revenue	14	-	519	-	3,826	3,372
Total Liabilities	<u>14</u>	<u>-</u>	<u>519</u>	<u>2,230</u>	<u>3,826</u>	<u>3,372</u>
FUND BALANCES						
Unreserved	-	-	-	-	-	350
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 519</u>	<u>\$ 2,230</u>	<u>\$ 3,826</u>	<u>\$ 3,722</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2007

	National Boards	Standards- Aligned Classroom	Teacher Mentoring	Teacher Quality	Title I School Improvement Teacher Quality	Standards & Assessments Teacher Quality
ASSETS						
Cash and cash equivalents	\$ -	\$ 1,333	\$ 42,502	\$ -	\$ -	\$ -
Due from other governments:						
Local	-	-	-	-	-	-
State	-	-	-	-	-	6,053
Federal	18,012	-	-	8,511	80,524	-
TOTAL ASSETS	\$ 18,012	\$ 1,333	\$ 42,502	\$ 8,511	\$ 80,524	\$ 6,053
LIABILITIES						
Due to other funds	\$ 18,012	\$ -	\$ -	\$ 8,511	\$ 80,524	\$ 6,053
Unearned revenue	-	1,333	42,502	-	-	-
Total Liabilities	18,012	1,333	42,502	8,511	80,524	6,053
FUND BALANCES						
Unreserved	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 18,012	\$ 1,333	\$ 42,502	\$ 8,511	\$ 80,524	\$ 6,053

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2007

	Homeless (Regional)	IVPA-SEL Grant	HR Solutions (Tomlinson)	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 9,217	\$ 907	\$ 397,339
Due from other governments:				
Local	-	-	-	14,096
State	-	-	-	8,283
Federal	4,832	-	-	122,540
TOTAL ASSETS	\$ 4,832	\$ 9,217	\$ 907	\$ 542,258
LIABILITIES				
Due to other funds	\$ 4,832	\$ -	\$ -	\$ 130,823
Unearned revenue	-	9,217	907	78,275
Total Liabilities	4,832	9,217	907	209,098
FUND BALANCES				
Unreserved	-	-	-	333,160
Total Fund Balances	-	-	-	333,160
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,832	\$ 9,217	\$ 907	\$ 542,258

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2007

	Illinois State Board of Education/ DCFS Interagency Technical Assistance Network	Truants Alternative/ Optional Education	Title I School Improvement and Accountability	Regional Education Alternative for Developing Youth	McKinney Education For Homeless Children	Northern Illinois University Grant
REVENUES						
Local sources	\$ 335	\$ -	\$ -	\$ 665,925	\$ 291	\$ 66,267
State sources	-	74,117	-	572,791	-	-
Federal sources	-	-	104,057	15,395	-	-
Total Revenues	<u>335</u>	<u>74,117</u>	<u>104,057</u>	<u>1,254,111</u>	<u>291</u>	<u>66,267</u>
EXPENDITURES						
Current:						
Salaries and benefits	-	63,066	14,184	838,791	-	39,677
Purchased services	274	8,738	356	240,591	203	21,061
Supplies and materials	-	2,313	-	41,938	-	3,549
Capital outlay	-	-	-	22,501	-	-
Other objects	62	54	-	30	90	1,980
Payments to other governments	-	-	89,517	-	-	-
Total Expenditures	<u>336</u>	<u>74,171</u>	<u>104,057</u>	<u>1,143,851</u>	<u>293</u>	<u>66,267</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1)</u>	<u>(54)</u>	<u>-</u>	<u>110,260</u>	<u>(2)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):						
Interest	1	54	-	2,028	2	-
Total Other Financing Sources (Uses)	<u>1</u>	<u>54</u>	<u>-</u>	<u>2,028</u>	<u>2</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-	112,288	-	-
FUND BALANCES - BEGINNING	<u>223</u>	<u>-</u>	<u>-</u>	<u>220,299</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 332,587</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2007

	Urban League	Novice Teacher Support	Title II Teacher Quality	Title I Reading First Part B SEA (07-4337-00) & (07-4337-02)	McKinney - Vento Homeless Children & Youth Program	Title I Mathematics & Science
REVENUES						
Local sources	\$ 12,638	\$ 34,788	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	595	22,865	30,105	116,327
Total Revenues	<u>12,638</u>	<u>34,788</u>	<u>595</u>	<u>22,865</u>	<u>30,105</u>	<u>116,327</u>
EXPENDITURES						
Current:						
Salaries and benefits	9,286	26,093	-	-	21,562	10,373
Purchased services	3,352	8,585	-	16,280	2,308	61,711
Supplies and materials	-	200	595	6,603	6,235	44,243
Capital outlay	-	-	-	-	-	-
Other objects	-	-	-	-	-	-
Payments to other governments	-	-	-	-	-	-
Total Expenditures	<u>12,638</u>	<u>34,878</u>	<u>595</u>	<u>22,883</u>	<u>30,105</u>	<u>116,327</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(90)</u>	<u>-</u>	<u>(18)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):						
Interest	-	90	-	18	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>90</u>	<u>-</u>	<u>18</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-	-	-
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2007

	Department of Children & Family Services Grant	Standards & Assessments	ELL Professional Development	Math Institute	Family Literacy Grant	Summer Freedom School
REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 974	\$ 9,003
State sources	47,091	4,577	-	2,230	-	-
Federal sources	20,000	-	9,481	-	-	-
Total Revenues	<u>67,091</u>	<u>4,577</u>	<u>9,481</u>	<u>2,230</u>	<u>974</u>	<u>9,003</u>
EXPENDITURES						
Current:						
Salaries and benefits	45,492	1,060	-	-	-	-
Purchased services	17,559	3,000	5,009	2,230	976	4,435
Supplies and materials	4,040	517	4,485	-	-	4,219
Capital outlay	-	-	-	-	-	-
Other objects	-	-	-	-	-	-
Payments to other governments	-	-	-	-	-	-
Total Expenditures	<u>67,091</u>	<u>4,577</u>	<u>9,494</u>	<u>2,230</u>	<u>976</u>	<u>8,654</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(13)</u>	<u>-</u>	<u>(2)</u>	<u>349</u>
OTHER FINANCING SOURCES (USES):						
Interest	-	-	13	-	2	1
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>2</u>	<u>1</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	-	350
FUND BALANCES - BEGINNING	-	-	-	-	-	-
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 350</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2007

	National Boards	Standards- Aligned Classroom	Teacher Mentoring	Teacher Quality	Title I School Improvement Teacher Quality	Standards & Assessments Teacher Quality
REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	11,002	-	-	31,488
Federal sources	22,994	145,325	-	26,099	273,643	-
Total Revenues	22,994	145,325	11,002	26,099	273,643	31,488
EXPENDITURES						
Current:						
Salaries and benefits	-	13,179	-	18,788	173,956	23,777
Purchased services	22,986	14,952	11,037	5,453	53,684	5,842
Supplies and materials	8	1,707	56	1,858	2,110	1,869
Capital outlay	-	-	-	-	-	-
Other objects	-	-	-	-	-	-
Payments to other governments	-	115,504	-	-	43,893	-
Total Expenditures	22,994	145,342	11,093	26,099	273,643	31,488
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(17)	(91)	-	-	-
OTHER FINANCING SOURCES (USES):						
Interest	-	17	91	-	-	-
Total Other Financing Sources (Uses)	-	17	91	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2007

	Homeless (Regional)	IVPA-SEL Grant	HR Solutions (Tomlinson)	Total
REVENUES				
Local sources	\$ -	\$ 15,783	\$ 6,149	\$ 812,153
State sources	-	-	-	743,296
Federal sources	23,630	-	-	810,516
Total Revenues	<u>23,630</u>	<u>15,783</u>	<u>6,149</u>	<u>2,365,965</u>
EXPENDITURES				
Current:				
Salaries and benefits	23,157	9,681	-	1,332,122
Purchased services	473	6,138	6,149	523,382
Supplies and materials	-	-	-	126,545
Capital outlay	-	-	-	22,501
Other objects	-	-	-	2,216
Payments to other governments	-	-	-	248,914
Total Expenditures	<u>23,630</u>	<u>15,819</u>	<u>6,149</u>	<u>2,255,680</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(36)</u>	<u>-</u>	<u>110,285</u>
OTHER FINANCING SOURCES (USES):				
Interest	-	36	-	2,353
Total Other Financing Sources (Uses)	<u>-</u>	<u>36</u>	<u>-</u>	<u>2,353</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,638</u>
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,522</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 333,160</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 TRUANTS ALTERNATIVE/OPTIONAL EDUCATION
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 69,268	\$ 69,268	\$ 74,117
Total Revenue	<u>69,268</u>	<u>69,268</u>	<u>74,117</u>
EXPENDITURES			
Current:			
Salaries and benefits	58,915	59,797	63,066
Purchased services	9,378	7,996	8,738
Supplies and materials	975	1,475	2,313
Other objects	-	-	54
Total Expenditures	<u>69,268</u>	<u>69,268</u>	<u>74,171</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(54)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	54
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>54</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 TITLE I - SCHOOL IMPROVEMENT AND ACCOUNTABILITY
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
Federal	\$ 336,178	\$ 336,178	\$ 104,057
Total Revenue	<u>336,178</u>	<u>336,178</u>	<u>104,057</u>
EXPENDITURES			
Current:			
Salaries and benefits	125,265	141,426	14,184
Purchased services	59,043	48,738	356
Supplies and materials	1,200	1,109	-
Payments to other governments	150,670	144,905	89,517
Total Expenditures	<u>336,178</u>	<u>336,178</u>	<u>104,057</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 REGIONAL EDUCATION ALTERNATIVE FOR DEVELOPING YOUTH
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ 762,870	\$ 785,070	\$ 665,925
State	616,863	616,863	572,791
Federal	12,538	12,538	15,395
Total Revenue	<u>1,392,271</u>	<u>1,414,471</u>	<u>1,254,111</u>
EXPENDITURES			
Current:			
Salaries and benefits	882,810	898,480	838,791
Purchased services	309,970	303,400	240,591
Supplies and materials	38,058	51,158	41,938
Capital outlay	25,000	25,000	22,501
Other objects	-	-	30
Total Expenditures	<u>1,255,838</u>	<u>1,278,038</u>	<u>1,143,851</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>136,433</u>	<u>136,433</u>	<u>110,260</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	2,028
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,028</u>
NET CHANGE IN FUND BALANCE			
	136,433	136,433	112,288
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>220,299</u>
FUND BALANCE - ENDING			
	<u>\$ 136,433</u>	<u>\$ 136,433</u>	<u>\$ 332,587</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 NORTHERN ILLINOIS UNIVERSITY GRANT
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ 119,493	\$ 119,493	\$ 66,267
Total Revenue	<u>119,493</u>	<u>119,493</u>	<u>66,267</u>
EXPENDITURES			
Current:			
Salaries and benefits	67,354	67,354	39,677
Purchased services	47,008	47,008	21,061
Supplies and materials	5,131	5,131	3,549
Other objects	-	-	1,980
Total Expenditures	<u>119,493</u>	<u>119,493</u>	<u>66,267</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 URBAN LEAGUE
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ 54,976	\$ 12,638	\$ 12,638
Total Revenue	<u>54,976</u>	<u>12,638</u>	<u>12,638</u>
EXPENDITURES			
Current:			
Salaries and benefits	29,320	9,050	9,286
Purchased services	19,456	3,588	3,352
Supplies and materials	6,200	-	-
Total Expenditures	<u>54,976</u>	<u>12,638</u>	<u>12,638</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 NOVICE TEACHER SUPPORT
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ 24,444	\$ 24,444	\$ 34,788
Total Revenue	<u>24,444</u>	<u>24,444</u>	<u>34,788</u>
EXPENDITURES			
Current:			
Salaries and benefits	21,896	15,896	26,093
Purchased services	2,437	8,437	8,585
Supplies and materials	111	111	200
Total Expenditures	<u>24,444</u>	<u>24,444</u>	<u>34,878</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(90)</u>
OTHER FINANCING SOURCES (USES):			
Interest	<u>-</u>	<u>-</u>	<u>90</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>90</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 TITLE II - TEACHER QUALITY
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 595	\$ 595	\$ 595
Total Revenue	<u>595</u>	<u>595</u>	<u>595</u>
EXPENDITURES			
Current:			
Supplies and materials	-	595	595
Payment to other governments	595	-	-
Total Expenditures	<u>595</u>	<u>595</u>	<u>595</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 TITLE I- READING FIRST PART B SEA (07-4337-00) & (07-4337-02)
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 31,200	\$ 31,200	\$ 22,865
Total Revenue	<u>31,200</u>	<u>31,200</u>	<u>22,865</u>
EXPENDITURES			
Current:			
Salaries and benefits	875	875	-
Purchased services	25,075	15,139	16,280
Supplies and materials	5,250	15,186	6,603
Total Expenditures	<u>31,200</u>	<u>31,200</u>	<u>22,883</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(18)</u>
OTHER FINANCING SOURCES (USES):			
Interest	<u>-</u>	<u>-</u>	<u>18</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>18</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 MCKINNEY - VENTO HOMELESS CHILDREN & YOUTH PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 53,735	\$ 53,735	\$ 30,105
Total Revenue	<u>53,735</u>	<u>53,735</u>	<u>30,105</u>
EXPENDITURES			
Current:			
Salaries and benefits	43,751	43,738	21,562
Purchased services	4,955	4,260	2,308
Supplies and materials	3,800	4,508	6,235
Other objects	1,229	1,229	-
Total Expenditures	<u>53,735</u>	<u>53,735</u>	<u>30,105</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 TITLE I - MATHEMATICS AND SCIENCE
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 112,825	\$ 112,825	\$ 116,327
Total Revenue	<u>112,825</u>	<u>112,825</u>	<u>116,327</u>
EXPENDITURES			
Current:			
Salaries and benefits	5,855	10,339	10,373
Purchased services	86,770	56,243	61,711
Supplies and materials	20,200	46,243	44,243
Total Expenditures	<u>112,825</u>	<u>112,825</u>	<u>116,327</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 DEPARTMENT OF CHILDREN & FAMILY SERVICES GRANT
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
State	\$ 67,092	\$ 67,092	\$ 47,091
Federal	-	-	20,000
Total Revenue	<u>67,092</u>	<u>67,092</u>	<u>67,091</u>
EXPENDITURES			
Current:			
Salaries and benefits	44,485	43,719	45,492
Purchased services	19,107	19,333	17,559
Supplies and materials	3,500	4,040	4,040
Total Expenditures	<u>67,092</u>	<u>67,092</u>	<u>67,091</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 STANDARDS AND ASSESSMENTS
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 4,577	\$ 4,577	\$ 4,577
Total Revenue	<u>4,577</u>	<u>4,577</u>	<u>4,577</u>
EXPENDITURES			
Current:			
Salaries and benefits	1,350	1,060	1,060
Purchased services	3,227	3,000	3,000
Supplies and materials	-	517	517
Total Expenditures	<u>4,577</u>	<u>4,577</u>	<u>4,577</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 ELL PROFESSIONAL DEVELOPMENT
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 10,000	\$ 10,000	\$ 9,481
Total Revenue	<u>10,000</u>	<u>10,000</u>	<u>9,481</u>
EXPENDITURES			
Current:			
Salaries and benefits	250	250	-
Purchased services	5,750	4,749	5,009
Supplies and materials	4,000	5,001	4,485
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>9,494</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(13)</u>
OTHER FINANCING SOURCES (USES):			
Interest	<u>-</u>	<u>-</u>	<u>13</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>13</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 MATH INSTITUTE
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 75,000	\$ 75,000	\$ 2,230
Total	<u>75,000</u>	<u>75,000</u>	<u>2,230</u>
EXPENDITURES			
Current:			
Salaries and benefits	5,951	5,951	-
Purchased services	52,388	52,388	2,230
Supplies and materials	16,661	16,661	-
Total Expenditures	<u>75,000</u>	<u>75,000</u>	<u>2,230</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Interest	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 FAMILY LITERACY GRANT
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
Local	\$ 4,800	\$ 4,800	\$ 974
Total Revenue	<u>4,800</u>	<u>4,800</u>	<u>974</u>
EXPENDITURES			
Current:			
Salaries and benefits	1,751	1,751	-
Purchased services	2,286	2,286	976
Supplies and materials	763	763	-
Total Expenditures	<u>4,800</u>	<u>4,800</u>	<u>976</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(2)</u>
OTHER FINANCING SOURCES (USES):			
Interest	<u>-</u>	<u>-</u>	<u>2</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 NATIONAL BOARDS
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
Federal	\$ 28,067	\$ 28,067	\$ 22,994
Total Revenue	<u>28,067</u>	<u>28,067</u>	<u>22,994</u>
EXPENDITURES			
Current:			
Purchased services	26,067	27,067	22,986
Supplies and materials	-	-	8
Payments to other government units	2,000	1,000	-
Total Expenditures	<u>28,067</u>	<u>28,067</u>	<u>22,994</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 STANDARDS-ALIGNED CLASSROOM
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 127,699	\$ 132,699	\$ 145,325
Total Revenue	<u>127,699</u>	<u>132,699</u>	<u>145,325</u>
EXPENDITURES			
Current:			
Salaries and benefits	3,000	2,600	13,179
Purchased services	3,299	3,699	14,952
Supplies and materials	400	400	1,707
Payments to other government units	121,000	126,000	115,504
Total Expenditures	<u>127,699</u>	<u>132,699</u>	<u>145,342</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(17)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	17
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>17</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 TEACHER MENTORING
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
State	\$ 53,504	\$ 24,110	\$ 11,002
Total Revenue	<u>53,504</u>	<u>24,110</u>	<u>11,002</u>
EXPENDITURES			
Current:			
Salaries and benefits	7,678	1,029	-
Purchased services	43,626	22,081	11,037
Supplies and materials	2,200	1,000	56
Total Expenditures	<u>53,504</u>	<u>24,110</u>	<u>11,093</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(91)</u>
OTHER FINANCING SOURCES (USES):			
Interest	<u>-</u>	<u>-</u>	<u>91</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>91</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 TEACHER QUALITY
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 30,000	\$ 30,000	\$ 26,099
Total	<u>30,000</u>	<u>30,000</u>	<u>26,099</u>
EXPENDITURES			
Current:			
Salaries and benefits	14,876	19,366	18,788
Purchased services	3,048	3,058	5,453
Supplies and materials	1,500	3,000	1,858
Payments to other government units	10,576	4,576	-
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>26,099</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 TITLE I SCHOOL IMPROVEMENT TEACHER QUALITY
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 358,356	\$ 358,356	\$ 273,643
Total	<u>358,356</u>	<u>358,356</u>	<u>273,643</u>
EXPENDITURES			
Current:			
Salaries and benefits	168,832	188,080	173,956
Purchased services	53,999	81,596	53,684
Supplies and materials	1,000	1,000	2,110
Payments to other government units	134,525	87,680	43,893
Total Expenditures	<u>358,356</u>	<u>358,356</u>	<u>273,643</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 STANDARDS & ASSESSMENT TEACHER QUALITY
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 33,314	\$ 33,314	\$ 31,488
Total	<u>33,314</u>	<u>33,314</u>	<u>31,488</u>
EXPENDITURES			
Current:			
Salaries and benefits	25,708	25,711	23,777
Purchased services	5,176	5,173	5,842
Supplies and materials	2,430	1,380	1,869
Payments to other government units	-	1,050	-
Total Expenditures	<u>33,314</u>	<u>33,314</u>	<u>31,488</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 HOMELESS (REGIONAL)
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 53,735	\$ 53,735	\$ 23,630
Total	<u>53,735</u>	<u>53,735</u>	<u>23,630</u>
EXPENDITURES			
Current:			
Salaries and benefits	43,751	43,546	23,157
Purchased services	4,955	5,160	473
Supplies and materials	3,800	3,800	-
Other objects	1,229	1,229	-
Total Expenditures	<u>53,735</u>	<u>53,735</u>	<u>23,630</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2006 to June 30, 2007)
 EDUCATION FUND ACCOUNTS
 IVPA-SEL GRANT
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ 50,000	\$ 50,000	\$ 15,783
Total	<u>50,000</u>	<u>50,000</u>	<u>15,783</u>
EXPENDITURES			
Current:			
Salaries and benefits	34,697	34,697	9,681
Purchased services	12,192	12,192	6,138
Supplies and materials	3,111	3,111	-
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>15,819</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(36)</u>
OTHER FINANCING SOURCES (USES):			
Interest	<u>-</u>	<u>-</u>	<u>36</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>36</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2007

	<u>General Education Development</u>	<u>Bus Driver Training</u>	<u>Supervisory</u>	<u>TOTALS</u>
ASSETS				
Cash and cash equivalents	\$ 52,310	\$ 13,520	\$ -	\$ 65,830
Due from other governments	-	108	-	108
TOTAL ASSETS	<u>\$ 52,310</u>	<u>\$ 13,628</u>	<u>\$ -</u>	<u>\$ 65,938</u>
FUND BALANCES				
Unreserved	\$ 52,310	\$ 13,628	\$ -	\$ 65,938
TOTAL FUND BALANCES	<u>\$ 52,310</u>	<u>\$ 13,628</u>	<u>\$ -</u>	<u>\$ 65,938</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

	General Education Development	Bus Driver Training	Supervisory	TOTALS
REVENUES				
Local sources	\$ 44,755	\$ 1,669	\$ -	\$ 46,424
State sources	-	960	2,000	2,960
Total Revenues	<u>44,755</u>	<u>2,629</u>	<u>2,000</u>	<u>49,384</u>
EXPENDITURES				
Current:				
Salaries and benefits	29,792	-	-	29,792
Purchased services	5,504	1,601	2,000	9,105
Supplies and materials	8,290	65	4	8,359
Other objects	680	-	-	680
Total Expenditures	<u>44,266</u>	<u>1,666</u>	<u>2,004</u>	<u>47,936</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>489</u>	<u>963</u>	<u>(4)</u>	<u>1,448</u>
OTHER FINANCING SOURCES (USES)				
Interest	270	67	4	341
Total Other Financing Sources (Uses)	<u>270</u>	<u>67</u>	<u>4</u>	<u>341</u>
NET CHANGE IN FUND BALANCES	759	1,030	-	1,789
FUND BALANCES - BEGINNING	<u>51,551</u>	<u>12,598</u>	<u>-</u>	<u>64,149</u>
FUND BALANCES - ENDING	<u>\$ 52,310</u>	<u>\$ 13,628</u>	<u>\$ -</u>	<u>\$ 65,938</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2007

	<u>Distributive</u>	<u>Payroll Clearing</u>	<u>Regional Board Of Trustees</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 2,339	\$ 231,384	\$ 179	\$ 233,902
TOTAL ASSETS	<u>\$ 2,339</u>	<u>\$ 231,384</u>	<u>\$ 179</u>	<u>\$ 233,902</u>
LIABILITIES				
Due to other governments	\$ 2,339	\$ 231,384	\$ 179	\$ 233,902
TOTAL LIABILITIES	<u>\$ 2,339</u>	<u>\$ 231,384</u>	<u>\$ 179</u>	<u>\$ 233,902</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>DISTRIBUTIVE</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,436	\$ 3,630,682	\$ 3,629,779	\$ 2,339
Due from other governments	124,858	-	124,858	-
Total Assets	<u>\$ 126,294</u>	<u>\$ 3,630,682</u>	<u>\$ 3,754,637</u>	<u>\$ 2,339</u>
<u>LIABILITIES</u>				
Due to other governments	\$ 126,294	\$ 3,630,682	\$ 3,754,637	\$ 2,339
Total Liabilities	<u>\$ 126,294</u>	<u>\$ 3,630,682</u>	<u>\$ 3,754,637</u>	<u>\$ 2,339</u>
<u>PAYROLL CLEARING</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 137,162	\$ 6,397,558	\$ 6,303,336	\$ 231,384
Total Assets	<u>\$ 137,162</u>	<u>\$ 6,397,558</u>	<u>\$ 6,303,336</u>	<u>\$ 231,384</u>
<u>LIABILITIES</u>				
Due to other governments	\$ 137,162	\$ 6,397,558	\$ 6,303,336	\$ 231,384
Total Liabilities	<u>\$ 137,162</u>	<u>\$ 6,397,558</u>	<u>\$ 6,303,336</u>	<u>\$ 231,384</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>REGIONAL BOARD OF TRUSTEES</u>				
ASSETS				
Cash and cash equivalents	\$ 214	\$ -	\$ 35	\$ 179
Total Assets	<u>\$ 214</u>	<u>\$ -</u>	<u>\$ 35</u>	<u>\$ 179</u>
LIABILITIES				
Due to other governments	\$ 214	\$ -	\$ 35	\$ 179
Total Liabilities	<u>\$ 214</u>	<u>\$ -</u>	<u>\$ 35</u>	<u>\$ 179</u>
<u>TOTAL ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 138,812	\$ 10,028,240	\$ 9,933,150	\$ 233,902
Due from other governments	124,858	-	124,858	-
Total Assets	<u>\$ 263,670</u>	<u>\$ 10,028,240</u>	<u>\$ 10,058,008</u>	<u>\$ 233,902</u>
LIABILITIES				
Due to other governments	\$ 263,670	\$ 10,028,240	\$ 10,058,008	\$ 233,902
Total Liabilities	<u>\$ 263,670</u>	<u>\$ 10,028,240</u>	<u>\$ 10,058,008</u>	<u>\$ 233,902</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
 DISTRIBUTIVE FUND
 FOR THE YEAR ENDED JUNE 30, 2007

	Regional Office of Education #9	Rural Champaign Co. Special Education	Total
1510 Interest received from Bank	\$ 1,134	\$ 1,849	\$ 2,983
3001 General State Aid	328,574	-	328,574
3110 Special Ed.-Personnel	-	548,127	548,127
3360 State Free Lunch & Breakfast	736	-	736
3365 School Breakfast Incentive	63	-	63
3520 ROE School Bus Training	960	-	960
3695 Truants Alternative/Optional Ed.	74,117	-	74,117
3696 Regional Safe Schools	243,428	-	243,428
3705-00 Early Childhood-Block Grant	-	439,633	439,633
3705-01 Early Childhood-Block Grant	-	111,659	111,659
3705 Early Childhood-Block Grant	-	-	-
3730 ROE/ISC Operations	172,128	-	172,128
3745 Supervisory Expense	2,000	-	2,000
3780 Technology-Learning Technology Center	268,635	-	268,635
3982 Teacher Mentoring Pilot Program	53,504	-	53,504
4210 National School Lunch Program	11,714	-	11,714
4220 School Breakfast Program	3,471	-	3,471
4250 Child Nutrition Commodity/Salvage	10	-	10
4337 Reading First Part B SEA Funds	31,200	-	31,200
4337-02 Reading First Part B SEA Funds	-	-	-
4420 Title IV Community Service	-	-	-
4600 Fed.-Sp.Ed.-Preschool Flow Through	-	55,687	55,687
4620 Fed.-Sp.Ed.-I.D.E.A.-Flow Through	-	1,257,279	1,257,279
4630 Fed.-Sp.Ed.-I.D.E.A.-Discretionary	-	-	-
4631 IDEA-Improvement Grants-Part D	-	1	1
4910 Learn and Serve America	-	13,870	13,870
4936 Mathematics & Science Partnerships	-	-	-
4972 Technology-Enhancing Ed. Competitive	-	-	-
4999 Other Federal Programs	10,000	-	10,000
	<u>\$ 1,201,674</u>	<u>\$ 2,428,105</u>	<u>\$ 3,629,779</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2007

<u>Federal Grantor/Pass Through Grantor, Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # or Contract #</u>	<u>Expenditures 7/1/06-6/30/07</u>
US Department of Education through Illinois State Board of Education			
Title I- Reading First Part B SEA Funds	84.357	07-4337-00	\$ 22,865
ELL Prof Development	84.365A	07-4999-PD	<u>9,481</u>
Total US Department of Education through Illinois State Board of Education			<u>32,346</u>
US Department of Agriculture through Illinois State Board of Education			
Child Nutritional Commodity	10.550	07-4250-00	<u>10</u>
School Breakfast Program	10.553	06-4220-00	583
School Breakfast Program	10.553	07-4220-00	<u>3,090</u>
			<u>3,673</u>
National School Lunch	10.555	06-4210-00	2,093
National School Lunch	10.555	07-4210-00	<u>9,619</u>
			<u>11,712</u>
Total US Department of Agriculture through Illinois State Board of Education			<u>15,395</u>
US Department of Education through Regional Office of Education #32			
Title I School Improvement and Accountability	84.010A	07-4331-SS	104,057 (M)
Title I Mathematics and Science	84.010A	07-4331-SS	116,327 (M)
Standards Aligned Classroom	84.010A	07-4331-SS	145,325 (M)
Title I School Improvement Teacher Quality	84.010A	07-4331-SS	<u>273,643 (M)</u>
			<u>639,352</u>
Title II Teacher Quality	84.367A	07-4935-SS	595
National Boards (STANCE)	84.367A	07-4935-SS	22,994
Teacher Quality	84.367A	07-4935-SS	<u>26,099</u>
			<u>49,688</u>
McKinney Education for Homeless	84.196	07-4920-00	<u>53,735</u>
Total US Department of Education through Regional Office of Education #32			<u>742,775</u>
US Department of Health and Human Services passed through Illinois Department of Children and Family Services			
Department of Children and Family Services	93.669	AG0521078	16,773
Department of Health and Human Services	93.669	AG3927321	<u>3,227</u>
Total US Department of Health and Human Services through Illinois Department of Children and Family Services			<u>20,000</u>
Total Expenditures of Federal Awards			<u>\$ 810,516</u>

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Regional Office of Education #9 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - SUBRECIPIENTS

Of the federal expenditures presented in the schedule, Regional Office of Education #9 provided federal awards to subrecipients as follows:

Program Title:	Standards Aligned Classroom Grant
Federal CFDA #:	84.010A
Amount provided to subrecipients:	\$ 115,504

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAMS

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

Title I Mathematics & Science - This program provides professional development and supporting materials for Jr. High Math teachers from Area IV IARSS region schools and is designed to improve math instruction and student achievement in the geometry, probability, and data analysis.

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

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

NOTE 4 - NON-CASH ASSISTANCE

None

NOTE 5 - AMOUNT OF INSURANCE

None

NOTE 6 - LOANS OR GUARANTEES OUSTANDING

None