

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

**FINANCIAL AUDIT
(In Accordance with the Single Audit Act and OMB Circular A-133)
FOR THE YEAR ENDED JUNE 30, 2013**

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



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

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9

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

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

Office is located at:

200 South Fredrick Street
Rantoul, Illinois 61866-2433

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

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (<i>GOVERNMENT AUDITING STANDARDS</i>)			
None			
FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)			
None			
PRIOR FINDINGS NOT REPEATED (<i>GOVERNMENT AUDITING STANDARDS</i>)			
12-1	14	Controls Over Financial Statement Preparation	Material Weakness
PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)			
12-2	14	Inadequate Documentation of Payroll Expenditures Charged to Federal Grants	Noncompliance and Significant Deficiency

EXIT CONFERENCE

An exit conference was not held as there were not any findings to discuss.

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

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

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



INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Champaign/Ford Counties Regional Office of Education No. 9, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Champaign/Ford Counties Regional Office of Education No. 9's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Champaign/Ford Counties Regional Office of Education No. 9, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 15 through 22, the Illinois Municipal Retirement Fund Schedule of Funding Progress, and the other postemployment benefits information on page 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Champaign/Ford Counties Regional Office of Education No. 9's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Others, and Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Others, and Schedule of Expenditures of Federal Awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and

reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Others, and Schedule of Expenditures of Federal Awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2014 on our consideration of the Champaign/Ford Counties Regional Office of Education No. 9's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Champaign/Ford Counties Regional Office of Education No. 9's internal control over financial reporting and compliance.

E. C. Grij  & Co. LLP
Chicago, Illinois
February 13, 2014



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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Champaign/Ford Counties Regional Office of Education No. 9, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Champaign/Ford Counties Regional Office of Education No. 9's basic financial statements, and have issued our report thereon dated February 13, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Champaign/Ford Counties Regional Office of Education No. 9's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Champaign/Ford Counties Regional Office of Education No. 9's internal control. Accordingly, we do not express an opinion on the effectiveness of the Champaign/Ford Counties Regional Office of Education No. 9's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not

identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Champaign/Ford Counties Regional Office of Education No. 9's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Champaign/Ford Counties Regional Office of Education No. 9's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Champaign/Ford Counties Regional Office of Education No. 9's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C. C. G. H. z 3 C. C. C. P
Chicago, Illinois
February 13, 2014



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Honorable William G. Holland
Auditor General
State of Illinois

Report on Compliance for Each Major Federal Program

We have audited the Champaign/Ford Counties Regional Office of Education No. 9's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Champaign/Ford Counties Regional Office of Education No. 9's major federal programs for the year ended June 30, 2013. The Champaign/Ford Counties Regional Office of Education No. 9's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Champaign/Ford Counties Regional Office of Education No. 9's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Champaign/Ford Counties Regional Office of Education No. 9's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Champaign/Ford Counties Regional Office of Education No. 9's compliance.

Opinion on Each Major Federal Program

In our opinion, the Champaign/Ford Counties Regional Office of Education No. 9 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Champaign/Ford Counties Regional Office of Education No. 9 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Champaign/Ford Counties Regional Office of Education No. 9's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Champaign/Ford Counties Regional Office of Education No. 9's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

 
Chicago, Illinois
February 13, 2014

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION I - SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2013**

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes ✓ No

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? Yes ✓ No

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II - FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

Material Weaknesses:

None

Significant Deficiencies:

None

Instances of Noncompliance:

None

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III - FEDERAL AWARD FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

Instances of Noncompliance:

None

Material Weaknesses:

None

Significant Deficiencies:

None

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2013

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
12-1	Controls Over Financial Statement Preparation	Not Repeated
12-2	Inadequate Documentation of Payroll Expenditures Charged to Federal Grants	Not Repeated

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

The Champaign/Ford Counties Regional Office of Education No. 9 (ROE No. 9) provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2013. We encourage readers to consider this information in conjunction with the ROE No. 9's financial statements, which follow.

2013 Financial Highlights

- Within the Governmental Funds, the General Fund revenues increased by \$99,377 (3%) from \$3,046,180 in FY 2012 to \$3,145,557 in FY 2013. This is mainly due to increase in revenues from local sources in General Operations and IL Learning Technology Purchase Program during fiscal year 2013. General Fund expenditures increased by \$24,485 (1%) from \$3,111,303 in FY 2012 to \$3,135,788 in FY 2013, due to increase in General Operations expenditures during fiscal year 2013.
- Within the Governmental Funds, the Special Revenue Funds revenues decreased by \$81,658 (5%) from \$1,801,580 in FY 2012 to \$1,719,922 in FY 2013. This is attributable mainly to the decline in State and local revenues from Education, Institute and Nonmajor Special Revenue funds by \$436,730, which was offset by corresponding increase in federal revenues of \$355,072. Special Revenue Funds expenditures decreased by \$103,986 (6%) from \$1,762,149 in FY 2012 to \$1,658,163 in FY 2013. The decrease in spending in fiscal year 2013 directly relates to the decline in total revenues received.
- Proprietary Funds revenues increased by \$10,268 (6%) from \$174,525 in FY 2012 to \$184,793 in FY 2013, due to increase in local workshop revenues during fiscal year 2013. The Proprietary Funds expenditures decreased by \$28,704 (11%) from \$260,031 in FY 2012 to \$231,327 in FY 2013, due to the decline in salaries expense on local workshops.
- The ROE No. 9 has long-term liabilities related to other post-employment retirement benefit obligations, capital lease obligations, and obligations for compensated absences.

Using This Report

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

- Management's Discussion and Analysis introduces financial statements and provides an analytical overview of the ROE No. 9's financial activities.
- The *Government-wide financial statements* consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the ROE No. 9 as a whole and present an overall view of the Office's finances.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

- *Fund financial statements* report the ROE No. 9's operations in more detail than the government-wide statements by providing information about the most significant funds.
- *Notes to the financial statements* provide additional information that is needed for a full understanding of the data provided in the basic financial statements.
- *Required supplementary information* further explains and supports the financial statements and other supplementary information provides detailed information about the major and non-major funds.

The Statement of Net Position and the Statement of Activities

The government-wide statements report information about the ROE No. 9 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the ROE No. 9's net position and how it has changed. Net position - the difference between the assets and liabilities - is one way to measure the ROE No. 9's financial health or position.

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

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

In the government-wide financial statements, the ROE No. 9's activities are divided into two categories:

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

Fund Financial Statements

The fund financial statements provide detailed information about the ROE No. 9's funds. Funds are accounting devices that allow the tracking of specific sources of funding and spending of particular programs. Some funds are required by State law. The ROE No. 9 establishes other funds to control and manage money for particular purposes.

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

The ROE No. 9 has three kinds of funds:

- 1) Governmental funds account for all of the ROE No. 9's services. These focus on how cash and other financial assets can be readily converted to cash flow in and out and the balance left at year-end that is available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the ROE No. 9's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements, reconciliation between the governmental fund financial statements and the government-wide financial statements follows the related governmental fund financial statements. The ROE No. 9's Governmental Funds include the General Fund and the Special Revenue Funds. The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.
- 2) Proprietary funds account for resources from fees charged to entities, individuals or other funds that use its resources. Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by government-wide financial statements. The ROE No. 9's proprietary funds include the enterprise fund presented as business-type activities in the government-wide financial statements, and the internal service fund which is included in the governmental activities in the government-wide financial statements. The required proprietary financial statements include a Statement of Net Position, Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows.
- 3) Fiduciary funds are used to account for assets held by the ROE No. 9 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Fiduciary funds required financial statements include a Statement of Fiduciary Net Position.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

Government-wide Financial Analysis

As noted earlier, Net Position may serve, when examined over time, as one indicator of the financial position of the ROE No. 9. The total net position at the end of FY 2013 was \$2,816,129. The analysis that follows provides a summary of the ROE No. 9's net position at June 30, 2013 and June 30, 2012, for the governmental and business-type activities.

CONDENSED STATEMENT OF NET POSITION

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
ASSETS						
Current assets	\$ 2,409,896	\$ 2,409,987	\$ 510,164	\$ 577,510	\$ 2,920,060	\$ 2,987,497
Capital assets, net of depreciation	108,032	164,388	27,319	6,903	135,351	171,291
TOTAL ASSETS	<u>2,517,928</u>	<u>2,574,375</u>	<u>537,483</u>	<u>584,413</u>	<u>3,055,411</u>	<u>3,158,788</u>
LIABILITIES						
Current liabilities	200,218	245,484	576	1,585	200,794	247,069
Noncurrent liabilities	38,488	13,607	-	-	38,488	13,607
TOTAL LIABILITIES	<u>238,706</u>	<u>259,091</u>	<u>576</u>	<u>1,585</u>	<u>239,282</u>	<u>260,676</u>
NET POSITION						
Net investment in capital assets	98,507	149,883	27,319	6,903	125,826	156,786
Restricted for educational purposes	549,902	516,052	-	-	549,902	516,052
Unrestricted	1,630,813	1,649,349	509,588	575,925	2,140,401	2,225,274
TOTAL NET POSITION (as restated)	<u>\$ 2,279,222</u>	<u>\$ 2,315,284</u>	<u>\$ 536,907</u>	<u>\$ 582,828</u>	<u>\$ 2,816,129</u>	<u>\$ 2,898,112</u>

The ROE No. 9's net position decreased by \$81,983 (3%) from FY 2012 primarily due to the decrease in revenues over expenses generated from governmental activities. Net position invested in capital assets of \$125,826, representing 4% of total net position reflects the ROE No. 9's investment in equipment and office furniture, net of obligations under capital leases. An additional portion of the ROE No. 9's net position of \$549,902 (20%) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for teacher professional development. The largest portion of the ROE No. 9's net position of \$2,140,401 (76%) reflects the unrestricted net position that may be used to meet the ROE No. 9's obligations to other entities, employees and creditors.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

STATEMENT OF ACTIVITIES

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program revenues:						
Operating grants and contributions	\$ 1,500,305	\$ 1,426,532	\$ -	\$ -	\$ 1,500,305	\$ 1,426,532
Charges for services	133,259	345,568	184,793	174,525	318,052	520,093
General revenues:						
Federal sources	-	72,527	-	-	-	72,527
State sources	762,715	767,628	-	-	762,715	767,628
Local sources	1,781,482	1,525,741	-	-	1,781,482	1,525,741
On-behalf payments	664,827	680,284	-	-	664,827	680,284
Loss on disposal of assets	(318)	(874)	-	-	(318)	(874)
Net interest income	562	3,720	613	975	1,175	4,695
Other income	-	4,458	-	-	-	4,458
Total revenues	<u>4,842,832</u>	<u>4,825,584</u>	<u>185,406</u>	<u>175,500</u>	<u>5,028,238</u>	<u>5,001,084</u>
Expenses:						
Salaries and benefits	2,550,390	2,554,720	102,229	135,735	2,652,619	2,690,455
Purchased services	846,823	1,223,661	109,815	101,706	956,638	1,325,367
Supplies and materials	158,501	139,474	11,222	18,905	169,723	158,379
Depreciation	68,337	73,572	6,888	3,523	75,225	77,095
Payments to other governmental units	128,399	188,758	-	-	128,399	188,758
Miscellaneous	438,369	24,409	1,173	162	439,542	24,571
On-behalf payments	664,827	680,284	-	-	664,827	680,284
Total expenses	<u>4,855,646</u>	<u>4,884,878</u>	<u>231,327</u>	<u>260,031</u>	<u>5,086,973</u>	<u>5,144,909</u>
Change in net position	<u>(12,814)</u>	<u>(59,294)</u>	<u>(45,921)</u>	<u>(84,531)</u>	<u>(58,735)</u>	<u>(143,825)</u>
Net position, beginning of year, as previously reported	2,315,284	2,374,578	582,828	667,359	2,898,112	3,041,937
Prior period adjustment	<u>(23,248)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,248)</u>	<u>-</u>
Net position, beginning of year, as restated	<u>2,292,036</u>	<u>2,374,578</u>	<u>582,828</u>	<u>667,359</u>	<u>2,874,864</u>	<u>3,041,937</u>
Net position, ending	<u>\$ 2,279,222</u>	<u>\$ 2,315,284</u>	<u>\$ 536,907</u>	<u>\$ 582,828</u>	<u>\$ 2,816,129</u>	<u>\$ 2,898,112</u>

During FY 2013, the governmental funds had deficiency of revenues over expenditures of \$12,814. The deficiency in revenues resulted primarily from the decrease in charges for services revenues received during the fiscal year.

Total governmental revenues of \$4.8 million consisted primarily of State and federal grants totaling \$2.3 million, and local revenues from tuition, fees and flow-through money totaling \$1.9 million. Governmental revenues posted a net increase of \$17,248 (less than 1%) from previous year, primarily due to the increase in operating grants and local sources contributions.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

Total governmental expenses posted a net decrease of \$29,232 (1%) compared to previous year. The decrease was mainly due to reduced expenses for purchased services and on-behalf payments.

Financial Analysis of the ROE No. 9 Funds

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

Governmental Fund Highlights

The ROE No. 9 continues to offer technical assistance and professional development activities to teachers in all areas of curriculum. In FY 2013, at least 2,785 teachers have received direct professional development to improve their basic knowledge and/or their teaching pedagogy. The ROE No. 9 is responsible for professional development activities to maintain certification by school administrators through the Administrator Academy. At least 37 administrators have received direct professional development in FY 2013. The ROE No. 9 also operates a middle school and high school through the Regional Safe School Program for students who have experienced serious difficulties in the public schools. This school served 191 students. The Truancy Program had 72 referrals and served 53 students to ameliorate their truancy problems. The McKinney Education-Homeless Children Program served 385 students and families. In FY 2013, the ROE No. 9 served 1,764 teachers through the Certification Program that assists teachers in completing certification requirements and obtaining a certificate. The ROE No. 9 also provided 13 bus driver trainings throughout the year issuing 56 initial bus driver certificates and 203 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 Development (GED) program is offered through the ROE No. 9's cooperative effort with Parkland College and the Lincoln's Challenge Program, which includes testing to meet high school equivalency. The ROE No. 9 administered 1,455 GED tests. The 21st Century grants served 205 students during the school year and 65 children during the summer and the Teen Reach After School Program served 102 students. In addition, the ROE No. 9 has a variety of smaller programs that would be classified as consultative services working directly with the schools.

The ROE No. 9 assists educators, parents and other patrons on a daily basis as they call for information and/or with questions or problems related to education. During FY 2013, the ROE No. 9 responded to 8,481 phone calls and walk-ins with questions concerning bus service, grade problems, special education needs and requirements, residency concerns, and home school issues. The ROE No. 9 also offers guidance to parents, as well as serves as a liaison between parents and the schools.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

Proprietary Fund Highlights

The ROE No. 9 provided trainings and workshops to 16 public school districts and 23 non-public schools in the region. As part of its mission, the ROE No. 9 continued to provide workshop and training services to school districts even during economically challenging times. Many workshops and services were offered free-of-charge and below cost recovery in order to meet organizational objectives.

Budgetary Highlights

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

Capital Assets

Capital assets of the ROE No. 9 include office equipment, computers, servers, audiovisual equipment, and office furniture. The ROE No. 9 maintains an inventory of capital assets that have been accumulated over time. In FY 2013, total additions amounted to \$39,603 and total retirements amounted to \$9,960. Depreciation expense for FY 2013 was \$75,225. For the detailed capital assets activities, see Note 4 of the Notes to the Financial Statements.

Economic Factors and Next Year's Budget

At the time these financial statements were prepared and audited, the ROE No. 9 was aware of several existing circumstances that could significantly impact its financial health in the future:

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

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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

Contacting the ROE No. 9's Financial Management

This report is designed to provide the Regional Office's citizens, taxpayers, customers, and creditors with a general overview of the Regional Office's finances and to demonstrate the ROE No. 9's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Regional Superintendent's office at the Champaign/Ford Counties Regional Office of Education No. 9, 200 S. Fredrick, Rantoul, IL 61866.

BASIC FINANCIAL STATEMENTS

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
STATEMENT OF NET POSITION
JUNE 30, 2013

EXHIBIT A

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,312,866	\$ 272,599	\$ 2,585,465
Due from (to) other funds	(219,009)	219,009	-
Due from other governmental agencies	316,039	18,556	334,595
Total current assets	<u>2,409,896</u>	<u>510,164</u>	<u>2,920,060</u>
Noncurrent assets			
Capital assets, net	<u>108,032</u>	<u>27,319</u>	<u>135,351</u>
TOTAL ASSETS	<u>2,517,928</u>	<u>537,483</u>	<u>3,055,411</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	183,773	466	184,239
Deferred revenues	12,420	110	12,530
Lease payable	4,025	-	4,025
Total current liabilities	<u>200,218</u>	<u>576</u>	<u>200,794</u>
Noncurrent liabilities			
Lease payable	5,500	-	5,500
Compensated absences	24,918	-	24,918
Net OPEB obligation	8,070	-	8,070
Total noncurrent liabilities	<u>38,488</u>	<u>-</u>	<u>38,488</u>
TOTAL LIABILITIES	<u>238,706</u>	<u>576</u>	<u>239,282</u>
NET POSITION			
Net investment in capital assets	98,507	27,319	125,826
Restricted for educational purposes	549,902	-	549,902
Unrestricted	<u>1,630,813</u>	<u>509,588</u>	<u>2,140,401</u>
TOTAL NET POSITION	<u>\$ 2,279,222</u>	<u>\$ 536,907</u>	<u>\$ 2,816,129</u>

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

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2013

EXHIBIT B

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contribution	Primary Government		
				Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS						
Primary government						
Governmental activities:						
Instructional services						
Salaries	\$ 1,971,408	\$ 62,232	\$ 685,640	\$ (1,223,536)	\$ -	\$ (1,223,536)
Benefits	578,982	2,532	172,509	(403,941)	-	(403,941)
Purchased services	846,823	56,635	458,369	(331,819)	-	(331,819)
Supplies and materials	158,501	11,860	65,603	(81,038)	-	(81,038)
Depreciation expense	68,337	-	-	(68,337)	-	(68,337)
Miscellaneous	438,369	-	364	(438,005)	-	(438,005)
Payments to other governments	128,399	-	116,175	(12,224)	-	(12,224)
Capital expenditures	-	-	1,645	1,645	-	1,645
Administrative						
On-behalf payments	664,827	-	-	(664,827)	-	(664,827)
Total governmental activities	4,855,646	133,259	1,500,305	(3,222,082)	-	(3,222,082)
Business-type activities:						
Charges for services	231,327	184,793	-	-	(46,534)	(46,534)
Total business-type activities	231,327	184,793	-	-	(46,534)	(46,534)
Total primary government	\$ 5,086,973	\$ 318,052	\$ 1,500,305	(3,222,082)	(46,534)	(3,268,616)
General revenues:						
State sources				762,715	-	762,715
Local sources				1,781,482	-	1,781,482
Net interest income				562	613	1,175
Loss on disposal of assets				(318)	-	(318)
On-behalf payments				664,827	-	664,827
Total general revenues				3,209,268	613	3,209,881
Change in net position				(12,814)	(45,921)	(58,735)
Net position - beginning (restated - see Note 11)				2,292,036	582,828	2,874,864
Net position - ending				\$ 2,279,222	\$ 536,907	\$ 2,816,129

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

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 JUNE 30, 2013

EXHIBIT C

	General Fund	Education Fund	Institute	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 1,721,763	\$ 95,556	\$ 358,091	\$ 122,640	\$ -	\$ 2,298,050
Due from other funds	9,359	-	-	-	(9,359)	-
Due from other governmental agencies	65,601	243,923	-	624	-	310,148
TOTAL ASSETS	1,796,723	339,479	358,091	123,264	(9,359)	2,608,198
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable and accrued expenses	144,331	38,670	-	772	-	183,773
Due to other funds	9,298	219,070	-	-	(9,359)	219,009
Deferred revenues	-	12,420	-	-	-	12,420
Total liabilities	153,629	270,160	-	772	(9,359)	415,202
FUND BALANCES						
Restricted	-	69,319	358,091	122,492	-	549,902
Assigned	1,536,632	-	-	-	-	1,536,632
Unassigned	106,462	-	-	-	-	106,462
Total fund balances	1,643,094	69,319	358,091	122,492	-	2,192,996
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,796,723	\$ 339,479	\$ 358,091	\$ 123,264	\$ (9,359)	\$ 2,608,198

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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
GOVERNMENTAL FUNDS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2013**

EXHIBIT D

Total fund balances - governmental funds \$ 2,192,996

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

Capital assets used in the governmental activities are not financial resources and therefore, are not reported in the funds. 108,032

Lease payable reflects capital lease payments that the Regional Office of Education No. 9 will recognize as expensed when paid in the governmental financial statements. (9,525)

The OPEB obligation resulting from annual required contributions in excess of actual contributions are not due and payable in the current period and therefore, are not reported in the funds. (8,070)

Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds. (24,918)

The Internal Service Fund is used by management to charge the costs of general accounting services of the Regional Office of Education No. 9 to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.

Net Position - Internal Service Fund	\$ 30,342	
Less capital assets of internal service fund included in total above	<u>(9,635)</u>	<u>20,707</u>

Net position of governmental activities \$ 2,279,222

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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2013**

EXHIBIT E

	General Fund	Education Fund	Institute	Nonmajor Special Revenue Funds	Total Governmental Funds
REVENUES					
Federal sources	\$ 111,268	\$ 1,094,633	\$ -	\$ -	\$ 1,205,901
State sources	651,446	433,113	-	960	1,085,519
Local sources	1,718,016	57,957	68,895	64,364	1,909,232
On-behalf payments	664,827	-	-	-	664,827
Total revenues	3,145,557	1,585,703	68,895	65,324	4,865,479
EXPENDITURES					
Instructional services:					
Salaries	1,211,957	708,705	1,000	48,076	1,969,738
Benefits	388,322	188,669	77	1,914	578,982
Purchased services	336,238	461,918	35,771	8,908	842,835
Supplies and materials	85,995	63,161	759	8,586	158,501
Miscellaneous	437,967	402	-	-	438,369
Payments to other governments	-	128,399	-	-	128,399
On-behalf payments	664,827	-	-	-	664,827
Capital expenditures	10,482	1,818	-	-	12,300
Total expenditures	3,135,788	1,553,072	37,607	67,484	4,793,951
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,769	32,631	31,288	(2,160)	71,528
OTHER FINANCING SOURCES (USES)					
Repayment of long-term lease payable	(4,977)	-	-	-	(4,977)
Net interest income	71	90	352	49	562
Total other financing sources (uses)	(4,906)	90	352	49	(4,415)
NET CHANGE IN FUND BALANCES (DEFICIT)	4,863	32,721	31,640	(2,111)	67,113
FUND BALANCES, BEGINNING OF YEAR	1,638,231	36,598	326,451	124,603	2,125,883
FUND BALANCES, END OF YEAR	\$ 1,643,094	\$ 69,319	\$ 358,091	\$ 122,492	\$ 2,192,996

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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

EXHIBIT F

Net change in fund balances		\$	67,113
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital expenditures, net of transfers	\$	12,300	
Depreciation expense		<u>(68,337)</u>	(56,037)
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.			
			(318)
Repayment of long-term capital lease obligation is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.			
			4,977
The increase in the OPEB obligation resulting from annual required contributions in excess of actual contributions do not require the use of current financial resources and, therefore, is not reported as expenditures in the funds.			
			(3,988)
Revenues in the Statement of Activities that do not provide current financial resources are reported as deferred revenues in the funds.			
			(28,400)
Accrued payroll and benefits costs which reflect the amount of vacation pay that has been earned by the Regional Office of Education No. 9's employees in prior years and was paid in the current year, but is not reported in the governmental funds.			
			(1,670)
The net revenue of the internal service fund is reported under governmental activities, excluding the depreciation expense of \$3,631 which is included in total depreciation above.			
			<u>5,509</u>
Change in net position of governmental activities		\$	<u>(12,814)</u>

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

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2013

EXHIBIT G

	Business-Type Activities - Enterprise Funds			Governmental
	Local Workshops	Nonmajor Enterprise Fund	Total	Internal Service Fund
ASSETS				
Current assets				
Cash and cash equivalents	\$ 257,789	\$ 14,810	\$ 272,599	\$ 14,816
Due from other funds	219,009	-	219,009	-
Due from other governmental agencies	18,556	-	18,556	5,891
Total current assets	<u>495,354</u>	<u>14,810</u>	<u>510,164</u>	<u>20,707</u>
Noncurrent assets				
Capital assets, net	<u>27,319</u>	<u>-</u>	<u>27,319</u>	<u>9,635</u>
TOTAL ASSETS	<u>522,673</u>	<u>14,810</u>	<u>537,483</u>	<u>30,342</u>
LIABILITIES				
Accounts payable and accrued expenses	466	-	466	-
Deferred revenues	110	-	110	-
TOTAL LIABILITIES	<u>576</u>	<u>-</u>	<u>576</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	27,319	-	27,319	9,635
Unrestricted	<u>494,778</u>	<u>14,810</u>	<u>509,588</u>	<u>20,707</u>
TOTAL NET POSITION	<u>\$ 522,097</u>	<u>\$ 14,810</u>	<u>\$ 536,907</u>	<u>\$ 30,342</u>

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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2013**

EXHIBIT H

	Business-Type Activities - Enterprise Funds			Governmental
	Local	Nonmajor	Total	Activities
	Workshops	Enterprise Fund		Internal Service Fund
OPERATING REVENUES				
Charges for services	\$ 167,842	\$ 16,951	\$ 184,793	\$ 136,736
OPERATING EXPENSES				
Salaries	82,801	-	82,801	85,419
Benefits	19,428	-	19,428	29,887
Purchased services	95,263	14,552	109,815	11,123
Supplies and materials	11,222	-	11,222	4,927
Miscellaneous	1,173	-	1,173	50
Depreciation	6,888	-	6,888	3,631
Total operating expenses	216,775	14,552	231,327	135,037
OPERATING INCOME (LOSSES)	(48,933)	2,399	(46,534)	1,699
NONOPERATING REVENUE				
Interest income	601	12	613	177
CHANGE IN NET POSITION	(48,332)	2,411	(45,921)	1,876
NET POSITION, BEGINNING OF YEAR	570,429	12,399	582,828	28,466
NET POSITION, END OF YEAR	\$ 522,097	\$ 14,810	\$ 536,907	\$ 30,342

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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2013**

EXHIBIT I

	Business-Type Activities - Enterprise Funds			Governmental
	Local Workshops	Nonmajor Enterprise Fund	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts for workshops and services	\$ 157,868	\$ 16,951	\$ 174,819	\$ 137,366
Payments to suppliers	(108,777)	(14,552)	(123,329)	(16,100)
Payments to employees	(102,229)	-	(102,229)	(115,306)
Net cash provided by (used in) operating activities	(53,138)	2,399	(50,739)	5,960
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Purchase of capital assets	(27,304)	-	(27,304)	-
Net cash used in capital financing activities	(27,304)	-	(27,304)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Increase in interfund borrowing, net	(66,712)	-	(66,712)	-
Net cash used for noncapital financing activities	(66,712)	-	(66,712)	-
CASH FLOWS FROM INVESTING ACTIVITY:				
Interest	601	12	613	177
Net cash provided by investing activity	601	12	613	177
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(146,553)	2,411	(144,142)	6,137
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	404,342	12,399	416,741	8,679
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 257,789	\$ 14,810	\$ 272,599	\$ 14,816
Reconciliation of operating income (losses) to net cash provided by (used in) operating activities:				
Operating income (losses)	\$ (48,933)	\$ 2,399	\$ (46,534)	\$ 1,699
Adjustments to reconcile operating income (losses) to net cash provided by (used in) operating activities:				
Depreciation	6,888	-	6,888	3,631
Effects of changes in assets and liabilities:				
Due from other governmental agencies	(10,084)	-	(10,084)	630
Accounts payable and accrued expenses	(1,119)	-	(1,119)	-
Deferred revenues	110	-	110	-
Net cash provided by (used in) operating activities	\$ (53,138)	\$ 2,399	\$ (50,739)	\$ 5,960

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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013**

EXHIBIT J

ASSETS

Cash and cash equivalents	<u>\$ 221,626</u>
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LIABILITIES

Accounts payable and accrued expenses	<u>\$ 221,626</u>
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The notes to the financial statements are an integral part of this statement.

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

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

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

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the ROE No. 9's districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; to investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

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

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

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

For the period ended June 30, 2013, the ROE No. 9 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in ROE No. 9.

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

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

B. Government-wide and Fund Financial Statements

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

The Statement of Net Position presents the ROE No. 9's non-fiduciary assets and liabilities with the differences reported as net position. Net Position presents the difference between assets and liabilities in the Statement of Net Position. Net position of the ROE No. 9 are classified as follows:

Net investment in capital assets - represents the ROE No. 9's total investment in capital assets, net of accumulated depreciation and outstanding debt or capital lease obligations.

Restricted - represents resources which the ROE No. 9 is legally obligated to spend in accordance with restrictions imposed by either (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 - represents resources used for transactions relating to the general operations of the ROE No. 9 and may be used at the discretion of management to meet expenses for any purpose.

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

When both restricted and unrestricted resources are available for use, it is the ROE No. 9's policy to use restricted resources first, then unrestricted resources as they are needed. For unrestricted fund balance, committed funds are used first, then assigned funds, then unassigned, if any.

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

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

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

The financial statements of the ROE No. 9 are prepared in accordance with generally accepted accounting principles (GAAP). The government-wide financial statements and the proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar revenues are recognized as soon as all eligibility requirements imposed by the provider have been met.

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

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

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

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

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

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

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

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

D. Fund Accounting

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

Government Fund Types

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

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

The governmental funds include the following:

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

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

Essay Scoring - Accounts for local receipts and expenses in administering and scoring of General Education Development (GED) essays for the school districts.

School Family Liaison Local - Accounts for monies received for, and payment of, expenditures for a program that assists with the treatment of child abuse victims and helps prevent child abuse situations.

Regional Education Alternative for Developing Youth (READY) - Accounts for grant monies and local fees received for, and payment of, expenditures to administer an alternative school program for at-risk students in grades 6-12. The READY fund also includes the School Breakfast Program, National School Lunch Program and Workforce Investment Act (WIA) Youth program. In addition, the READY program is funded by the General State Aid.

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

Summer Freedom School - Accounts for monies received for, and payment of, expenditures for summer literacy program designed by the Children's Defense Fund to promote cultural and social pride, and to motivate youth to read. Youth read and engage in literacy activities on a daily basis and participate in afternoon rotation activities and field trips both in and out of the community and State.

IL Learning Technology Purchase Program - Accounts for monies received for, and payment of, expenditures for a fund created as a consortium of Learning Technology Centers, Regional Offices of Educations and school districts to purchase software, hardware and peripherals at competitive pricing from accredited suppliers.

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Special Revenue Funds - Accounts for the proceeds of specific revenue sources (other than those accounted for in the Fiduciary Funds) that are restricted by grant agreements or contracts to expenditures for specified purposes. The special revenue funds include the following:

Education Fund - Accounts for various grants supporting education enhancement programs. The Education Fund includes:

Math Curriculum Models Project - This project involves the development of curriculum and assessments that may be used by educators across Illinois that will aid school districts and teachers in implementing Common Core Mathematics State Standards for all students and address the assessment model that will be used in the Partnership for Assessment of Readiness for College and Careers assessments and will develop materials that will assist schools and districts with the implementation of the Integrated Math Model.

Title II Teacher Quality - Leadership - This program accounts for the proceeds of a grant from the Illinois State Board of Education (ISBE) to improve teacher effectiveness in the classroom.

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

Race to the Top - This project provides professional development to the 35 Race to the Top districts and non-Race to the Top districts across the State of Illinois. The contract is facilitated by one entity to ensure consistency across professional development meeting sites.

Title I School Improvement and Accountability - Accounts for grant monies received for, and payment of, expenditures for Statewide System of Support Projects funded by ISBE and passed through the Iroquois-Kankakee Regional Office of Education No. 32. The grant supports the schools and school districts which are in Corrective Action status or districts participating in the Race to the Top project. Program activities include assistance in using Rising Star to develop, implement and monitor school/district improvement plans and support to implement improvement activities.

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

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Teen Reach - Accounts for grant monies received for, and payment of, expenditures for program that expands the range of choices and opportunities that enable, empowers and encourages youth to achieve positive growth and development, improves expectations and capacities for future success, and avoids and/or reduces risk-taking behavior.

ISBE CMAR - Accounts for grant monies received for, and payment of, expenditures for a program that provides consultants who are contracted to do compliance monitoring and provider application reading for the Supplemental Educational Services program under Title I, Part A, of the *No Child Left Behind Act of 2001*.

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

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

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

Area IV Learning Technology Hub - Accounts for the grant monies received for, and payment of, expenditures for programs that provide assistance to local districts and schools for the implementation and support of a comprehensive system that effectively uses technology in schools to improve student academic achievement.

RtI Network - The Illinois RtI Network provides standardized professional development, technical assistance, and coaching to educators and parents throughout the State. These services focus on improving student performance in grades K-12 through the implementation of a multi-tiered system of instruction, intervention, and assessment, including RtI, with an emphasis on administrative leadership; scientific, research-based reading and math curricula and instruction at grades K-12; data-based decision making; universal screening and progress

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

monitoring; and parent involvement. A standardized curriculum and a systematic professional development, technical assistance, and coaching structure are used to improve the consistency of project services.

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

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

Nonmajor Special Revenue Funds - Nonmajor special revenue funds include the following:

General Education Development (GED) - Accounts for the receipts and expenses pertaining to the GED/High School Equivalency program for high school dropouts.

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

Proprietary Fund Types

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

Local Workshops - Accounts for monies received from registration fees for trainings and workshops conducted by the ROE No. 9 for the school district administrators and professionals. This fund also includes LTC Workshop which was previously reported in the prior year under the Area IV Learning Technology Hub.

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Nonmajor Enterprise Fund - Nonmajor enterprise fund consists of:

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

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

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

Fiduciary Fund Types

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

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

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

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

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

E. Revenues - Exchange and Non-exchange Transactions

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

Non-exchange transactions, in which the ROE No. 9 receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants and

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the ROE No. 9 must provide local resources to be used for specific purpose, and expenditure requirements, in which the resources are provided to the ROE No. 9 on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

F. Cash and Investments

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

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$500 or more and estimated useful lives of greater than two years are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over the estimated useful lives (3 to 20 years) of the respective assets.

H. Deferred Revenues

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

I. Management Estimates

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

J. Revenues from Federal and State Grants

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

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

K. Budgetary Data

The ROE No. 9 did not formally adopt a budget for the year ended June 30, 2013 and is not legally required to do so. The ISBE and other granting agencies require budgets for certain State and federal programs. These budgets were used to prepare Budgetary Comparison Schedules for the following programs:

General Fund:

- Regional Education Alternative for Developing Youth

Special Revenue Funds:

- Education Fund:
 - Title II Teacher Quality - Leadership
 - Title I School Improvement and Accountability
 - 21st Century
 - IMSP
 - Schoolworks Operations
 - Area IV Learning Technology Hub
 - RtI Network

L. Interest Revenue

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

M. Compensated Absences

Non-certified and certified employees who work 12 calendar months earn up to 20 vacation days for a full year of service. The accumulated total of vacation days may never exceed 30 days. In the event that a program terminates, no vacation days will be honored past the ending date of the program. Certified employees who work less than 12 calendar months per year do not earn vacation days. Any accruals as of June 30th are reported as a liability for compensated absences in the basic financial statements. During the fiscal year, the amount in this account increased by \$1,670. At June 30, 2013, the balance in this account was \$24,918.

	Balance July 1, 2012 (Restated)	Additions	Deletions	Balance June 30, 2013
Compensated absences	\$ 23,248	\$ 1,670	\$ —	\$ 24,918

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.

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

N. New Accounting Pronouncements

In 2013, ROE No. 9 implemented GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*; and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The ROE No. 9 implemented these standards during the current year; however, GASB Statement No. 60, and GASB Statement No. 61 had no impact on the financial statements. The implementation of GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflow of resources.

O. Governmental Fund Balances

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

Nonspendable - This consists of amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. There were no nonspendable fund balances as of June 30, 2013.

Restricted - This consists of amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. The following funds comprise restricted fund balances as of June 30, 2013: McKinney-Vento Homeless Children & Youth Program, Juvenile Detention Center, GED, School Bus Driver Training and Institute Fund.

Committed - This consists of amounts with self-imposed constraints or limitations that have been placed at the highest level of decision making. There were no committed fund balances as of June 30, 2013.

Assigned - This consists of net amounts that are constrained by the ROE No. 9's intent to be used for specific purposes, but that are neither restricted nor committed. The following funds comprise assigned fund balances as of June 30, 2013 and are specified for a particular purpose by the Regional Superintendent: Essay Scoring, Regional Education Alternative for Developing Youth, Novice Teacher Support, Summer Freedom School, and IL Learning Technology Purchase Program.

Unassigned - This consists of amounts that are available financial resources and are not designated for a specific purpose. The following funds comprise unassigned fund balances as of June 30, 2013: General Operations and School Family Liaison Local.

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 - CASH AND CASH EQUIVALENTS

Deposits

The ROE No. 9 maintains different bank accounts for its various activities. At June 30, 2013, the total carrying amount of such accounts is \$2,807,091, and the total bank balance is \$3,070,832. The difference between the above amounts primarily represents checks that have been issued but have not yet cleared the bank as of June 30, 2013. The total bank balance of \$3,070,832 as of June 30, 2013 was secured by federal depository insurance and collateral held by banks in the name of ROE No. 9.

NOTE 3 - DUE FROM OTHER GOVERNMENTAL AGENCIES

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

Illinois State Board of Education	\$ 173,406
Illinois Department of Human Services	32,385
Vermilion Regional Office of Education No. 54	13,848
Iroquois/Kankakee Regional Office of Education No. 32	33,812
Local school districts	81,144
Total	\$ 334,595

NOTE 4 - CAPITAL ASSETS

Capital assets activities for the year ended June 30, 2013 are as follows:

	Balance July 1, 2012	Additions	Retirements	Balance June 30, 2013
GOVERNMENTAL FUNDS				
Equipment and office furniture	\$ 674,715	\$ 12,299	\$ 9,960	\$ 677,054
Less: accumulated depreciation	(510,327)	(68,337)	(9,642)	(569,022)
Capital assets, net	164,388	(56,038)	318	108,032
PROPRIETARY FUNDS				
Equipment and office furniture	109,634	27,304	-	136,938
Less: accumulated depreciation	(102,731)	(6,888)	-	(109,619)
Capital assets, net	6,903	20,416	-	27,319
Total capital assets, net	\$ 171,291	\$ (35,622)	\$ 318	\$ 135,351

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Depreciation expense for the year ended June 30, 2013 of \$68,337 was charged to the governmental activities under the instructional services function. For the business-type activities, depreciation of \$6,888 was charged to the Enterprise Funds - Local Workshops.

Included in the capital assets' balance at the beginning of the fiscal year above are equipment recorded as capital lease totaling \$26,455 with an accumulated depreciation totaling \$4,597 as of June 30, 2013.

NOTE 5 - LEASES

(a) Capital Lease

The ROE No. 9 has entered into lease agreements as lessee for financing the acquisition of office equipment and copiers with an original cost of \$26,455. These lease agreements qualify as a capital lease for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date in the capital assets account.

The future minimum capital lease obligations and the net present value of these lease payments as of June 30, 2013, are as follows:

Year Ending June 30	Amount
2014	\$ 4,406
2015	4,406
2016	1,367
Total minimum lease payment	10,179
Less: amount representing interest	654
Present value of minimum lease payments	\$ 9,525
Current Portion	\$ 4,025

(b) Operating Lease

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

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Future minimum lease rentals are as follows:

Year Ending June 30	Amount
2014	\$ 150,082
2015	152,333
2016	154,618
2017	156,937
2018	159,292
2019-2020	215,841
Total	\$ 989,103
Current Portion	\$ 150,082

NOTE 6 - ON BEHALF PAYMENTS

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

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

Regional Superintendent's salary	\$ 107,640
Regional Superintendent's fringe benefits (includes State paid insurance)	34,986
Assistant Regional Superintendent's salary	36,333
Assistant Regional Superintendent's fringe benefits (includes State paid insurance)	527
TRS pension contributions	469,899
THIS OPEB contributions	15,442
Total	\$ 664,827

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent was calculated based on data provided by the ISBE. The fringe benefits amounts include State paid insurance. These amounts have been recorded in the accompanying financial statements as on-behalf revenues and expenditures.

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 7 - EMPLOYEE RETIREMENT SYSTEM AND PENSION PLANS

Teachers' Retirement System of the State of Illinois

The ROE No. 9 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2013, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2012 and 2011.

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

- **On-behalf contributions to TRS.** The State of Illinois makes employer pension contributions on-behalf of the ROE No. 9. For the year ended June 30, 2013, the State of Illinois contributions were based on 28.05 percent of creditable earnings not paid from federal funds, and the ROE No. 9 recognized revenue and expenditures of \$469,899 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2012 and June 30, 2011, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 24.91 percent (\$486,546) and 23.10 percent (\$465,985), respectively.

The ROE No. 9 makes other types of employer contributions directly to TRS.

- **2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2013 were \$22,597. Contributions for the years ended June 30, 2012 and June 30, 2011, were \$23,678 and \$22,833, respectively.
- **Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the ROE No. 9, there is a statutory requirement for

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

the ROE No. 9 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the State contribution rate to TRS. For the year ended June 30, 2013, the employer pension contribution was 28.05 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2012 and 2011, the employer contribution was 24.91 and 23.10 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2013, salaries totaling \$147,207 were paid from federal and special trust funds that required employer contributions of \$41,291. For the years ended June 30, 2012 and June 30, 2011, required ROE No. 9 contributions were \$41,319 and \$47,946, respectively.

- **Early retirement option (ERO).** The ROE No. 9 is also required to make one-time employer contributions to TRS for members retiring under the ERO. The payments vary depending on the age and salary of the member.

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

For the year ended June 30, 2013, the ROE No. 9 paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2012 and June 30, 2011, the ROE No. 9 paid \$0 in employer ERO contributions.

- **Salary increases over 6 percent and excess sick leave.** If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent. For the year ended June 30, 2013, the ROE No. 9 paid \$1,454 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2012 and 2011, the ROE No. 9 paid \$1,454 and \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, respectively.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.63 percent of salary during the year ended June 30, 2013). For the year ended June 30, 2013, the ROE No. 9 paid \$0 to TRS for sick leave days granted in excess of the normal annual allotment. For the years ended June 30, 2012 and 2011, the ROE No. 9 did not have any payments to TRS for employer contributions granted for sick leave days granted in excess of the normal annual allotment.

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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, 2012. The report for the year ended June 30, 2013, is expected to be available in late 2013. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, Illinois 62794-9253. The most current report is also available on the TRS web site at <http://trs.illinois.gov>.

Illinois Municipal Retirement Fund

Plan Description

The ROE No. 9's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The ROE No. 9's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on line at www.imrf.org.

Funding Policy

As set by statute, the ROE No. 9's regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2012 was 12.07 percent. The ROE No. 9 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost

The required contribution for calendar year 2012 was \$237,242.

THREE-YEAR TREND INFORMATION			
Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/12	\$ 237,242	100%	\$ -
12/31/11	233,960	100%	-
12/31/10	243,431	100%	-

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at

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December 31, 2010, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the ROE No. 9's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The ROE No. 9's regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 10-year basis.

Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the regular plan was 88.18 percent funded. The actuarial accrued liability for benefits was \$4,639,224 and the actuarial value of assets was 4,090,697, resulting in an underfunded actuarial accrued liability (UAAL) of \$548,527. The covered payroll for the calendar year 2012 (annual payroll of active employees covered by the plan) was \$1,965,550 and the ratio of the UAAL to the covered payroll was 28 percent.

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

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS

Defined Benefit Plan - Health Alliance

Plan Description

The ROE No. 9 provides postemployment health care for eligible retired employees and their dependents through a multiple-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the ROE No. 9, and can be amended through its personnel manual and employee contracts. An irrevocable trust has not been established to account for the plan and accordingly, the plan is not accounted for as a trust fund. The plan does not issue a separate report.

Benefits Provided

The ROE No. 9 provides postemployment health care for eligible retired employees and their dependents. Employees who terminate after meeting the age and service requirements for retirement are eligible to continue their health care plan coverage by paying the monthly

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

premium rate. The benefit levels are the same as those afforded to active employees. The benefits include general outpatient and inpatient medical services and prescriptions. Because the actuarial cost of health benefits for the retirees exceeds the average amount paid by retirees, the additional cost is paid by the ROE No. 9 and is the basis for other post employment benefits (OPEB) obligation accounted for under GASB Statement No. 45.

Membership

At June 30, 2013, membership consisted of:

Retirees and beneficiaries receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	—
Active vested plan members	24
Active nonvested plan members	<u>48</u>
Total	<u><u>73</u></u>
Number of participating employers	<u><u>1</u></u>

Funding Policy

The Regional Superintendent of the ROE No. 9 negotiates the contribution percentages between the ROE No. 9 and her employees through the employee contracts and the personnel policy. All retirees contribute 100% of the blended premium to the plan and the ROE No. 9 contributes the remainder to cover the cost of providing the benefits to the retirees via the insured plan (pay-as-you-go). GASB Statement No. 45 requires recognition of the current expense of OPEB based on each governing body’s annual required contribution, but does not require funding of the related liability. As of June 30, 2013, the ROE No. 9 has chosen not to fund the liability.

Annual OPEB Cost and Net OPEB Obligation

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

Trend Data

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

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Components of Net OPEB Obligation and Expense

Item	Amount as of June 30, 2013
Annual Required Contribution	\$ 6,570
Interest on Net OPEB obligation	163
Adjustment to annual required contribution	(136)
Annual OPEB cost	6,597
Contributions made	(2,609)
Increase in net OPEB obligation	3,988
Net OPEB obligation - beginning of year	4,082
Net OPEB obligation - end of year	\$ 8,070

Schedule of Contributions, OPEB Costs and Net Obligations

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/13	\$ 6,597	39.5%	\$ 8,070

Funded Status and Funding Progress

As of June 30, 2013, the actuarial accrued liability for benefits was \$71,745. The covered payroll was approximately \$1,942,425, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 3.7%.

Actuarial Method and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members.

In the actuarial valuation for the fiscal year ended June 30, 2013, the entry age normal cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 8% initially, reduced to an ultimate rate of 6% after five years. Rates include a 3% general inflation assumption. The Unfunded Accrued Liability is being amortized as a level dollar amount on a closed basis over 30 years. A discount (interest) rate of 4% was used, as well as a salary progression rate of 4% per year.

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Teacher Health Insurance Security Fund

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

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

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

- **On-behalf contributions to THIS Fund.** The State of Illinois makes employer retiree health insurance contributions on-behalf of the ROE No. 9. State contributions are intended to match contributions to THIS Fund from active members which were 0.92 percent of pay during the year ended June 30, 2013. The State of Illinois contributions were \$15,442, and the ROE No. 9 recognized revenue and expenditures of this amount during the year. State contributions intended to match active member contributions during the years ended June 30, 2012 and June 30, 2011 were 0.88 percent of pay, both years. State contributions on behalf of ROE No. 9 employees were \$15,816 and \$16,067, respectively.
- **Employer contributions to THIS Fund.** The ROE No. 9 also makes contributions to THIS Fund. The ROE No. 9 THIS Fund contribution was 0.69 percent during the year ended June 30, 2013 and .66 percent during the years ended June 30, 2012 and June 30, 2011. For the year ended June 30, 2013, the ROE No. 9 paid \$26,882 to the THIS Fund. For the years ended June 30, 2012 and June 30, 2011, the ROE No. 9 paid \$26,944 and \$25,983 to the THIS Fund, respectively, which was 100 percent of the required contribution.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The 2013 report is listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 9 - RISK MANAGEMENT

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

NOTE 10 - INTERFUND TRANSFERS

Due From (To) Other Funds

As of June 30, 2013, amounts due from (to) other funds consist of the following:

Fund	Due From Other Funds	Due To Other Funds
General Fund:		
Regional Education Alternative for Developing Youth	\$ 9,359	\$ 9,298
Education Fund:		
Math Curriculum Models Project	-	85,628
Title II Teacher Quality	-	10,500
McKinney-Vento Homeless Children & Youth Program	-	61
Title I School Improvement and Accountability	-	29,040
Teen Reach	-	29,924
ISBE CMAR	-	6,000
21 st Century	-	31,248
Schoolworks Operations	-	5,869
Area IV Learning Technology Hub	-	14,966
RtI Network	-	5,834
Enterprise Funds - Local Workshops	219,009	-
Total	<u>\$ 228,368</u>	<u>\$ 228,368</u>

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

NOTE 11 - RESTATEMENT

In prior years the ROE No. 9 did not report their compensated absences on the Statement of Net Position. In the current year, the ROE No. 9 has recorded the balance of the total compensated absences as of June 30, 2013. Below is the effect of reporting the balance for compensated absences at June 30, 2012, on beginning net position:

Net Position, Beginning	\$ 2,315,284
Effect of Compensated Absences, June 30, 2012	<u>(23,248)</u>
Net Position, Ending	<u>\$ 2,292,036</u>

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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)
JUNE 30, 2013**

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/12	\$ 4,090,697	\$ 4,639,224	\$ 548,527	88.18%	\$ 1,965,550	27.91%
12/31/11	3,663,964	4,291,595	627,631	85.38%	2,022,122	31.04%
12/31/10	3,244,594	3,911,362	666,768	82.95%	2,116,788	31.50%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$4,210,982. On a market basis, the funded ratio would be 90.77%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with ROE No. 9. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
06/30/13	\$0	\$71,745	\$71,745	0%	\$1,942,425	3.7%

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

Fiscal Year Ended	Employer Contributions	Annual Required Contributions (ARC)	Percentage Contributed
06/30/13	\$2,609	\$6,570	39.5%

OTHER SUPPLEMENTARY INFORMATION

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
GENERAL FUND
COMBINING SCHEDULE OF ACCOUNTS
JUNE 30, 2013**

SCHEDULE 1

	General Operations	Essay Scoring	School Family Liaison Local	Regional Education Alternative for Developing Youth
ASSETS				
Cash and cash equivalents	\$ 105,528	\$ 10,028	\$ 181	\$ 1,181,657
Due from other funds	-	-	-	9,359
Due from other governmental agencies	1,038	513	-	64,050
TOTAL ASSETS	106,566	10,541	181	1,255,066
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	285	133	-	143,913
Due to other funds	-	-	-	9,298
Total liabilities	285	133	-	153,211
FUND BALANCES				
Assigned	-	10,408	-	1,101,855
Unassigned	106,281	-	181	-
Total fund balances	106,281	10,408	181	1,101,855
TOTAL LIABILITIES AND FUND BALANCES	\$ 106,566	\$ 10,541	\$ 181	\$ 1,255,066

**SCHEDULE 1
(CONTINUED)**

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
GENERAL FUND
COMBINING SCHEDULE OF ACCOUNTS
JUNE 30, 2013**

	Novice Teacher Support	Summer Freedom School	IL Learning Technology Purchase Program	Total
Cash and cash equivalents	\$ 1,215	\$ 2,084	\$ 421,070	\$ 1,721,763
Due from other funds	-	-	-	9,359
Due from other governmental agencies	-	-	-	65,601
TOTAL ASSETS	1,215	2,084	421,070	1,796,723

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payable and accrued expenses	-	-	-	144,331
Due to other funds	-	-	-	9,298
Total liabilities	-	-	-	153,629

FUND BALANCES

Assigned	1,215	2,084	421,070	1,536,632
Unassigned	-	-	-	106,462
Total fund balances	1,215	2,084	421,070	1,643,094

TOTAL LIABILITIES AND FUND BALANCES

\$	1,215	\$ 2,084	\$ 421,070	\$ 1,796,723
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**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2013**

SCHEDULE 2

	General Operations	Essay Scoring	School Family Liaison Local	Regional Education Alternative for Developing Youth
REVENUES				
Federal sources	\$ -	\$ -	\$ -	\$ 111,268
State sources	-	-	-	651,446
Local sources	630,863	8,889	2,315	995,311
On-behalf payments	664,827	-	-	-
Total revenues	<u>1,295,690</u>	<u>8,889</u>	<u>2,315</u>	<u>1,758,025</u>
EXPENDITURES				
Salaries	106,402	6,896	-	1,040,981
Benefits	51,903	528	-	317,990
Purchased services	27,403	465	1,152	290,908
Supplies and materials	6,265	-	991	73,292
Miscellaneous	432,936	-	-	3,663
On-behalf payments	664,827	-	-	-
Capital expenditures	1,940	-	-	8,542
Total expenditures	<u>1,291,676</u>	<u>7,889</u>	<u>2,143</u>	<u>1,735,376</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,014	1,000	172	22,649
OTHER FINANCING SOURCES (USES)				
Repayment of long-term lease payable	(3,194)	-	-	(1,783)
Net interest income (expense)	(288)	11	1	(13)
Total other financing sources (uses)	<u>(3,482)</u>	<u>11</u>	<u>1</u>	<u>(1,796)</u>
NET CHANGE IN FUND BALANCES	532	1,011	173	20,853
FUND BALANCES, BEGINNING OF YEAR	105,749	9,397	8	1,081,002
FUND BALANCES, END OF YEAR	<u>\$ 106,281</u>	<u>\$ 10,408</u>	<u>\$ 181</u>	<u>\$ 1,101,855</u>

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

**SCHEDULE 2
(CONTINUED)**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2013**

	Novice Teacher Support	Summer Freedom School	IL Learning Technology Purchase Program	Total
REVENUES				
Federal sources	\$ -	\$ -	\$ -	\$ 111,268
State sources	-	-	-	651,446
Local sources	-	-	80,638	1,718,016
On-behalf payments	-	-	-	664,827
Total revenues	-	-	80,638	3,145,557
EXPENDITURES				
Salaries	-	-	57,678	1,211,957
Benefits	-	-	17,901	388,322
Purchased services	-	1,019	15,291	336,238
Supplies and materials	-	-	5,447	85,995
Miscellaneous	-	-	1,368	437,967
On-behalf payments	-	-	-	664,827
Capital expenditures	-	-	-	10,482
Total expenditures	-	1,019	97,685	3,135,788
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(1,019)	(17,047)	9,769
OTHER FINANCING SOURCES (USES)				
Repayment of long-term lease payable	-	-	-	(4,977)
Net interest income (expense)	2	(52)	410	71
Total other financing sources (uses)	2	(52)	410	(4,906)
NET CHANGE IN FUND BALANCES	2	(1,071)	(16,637)	4,863
FUND BALANCES, BEGINNING OF YEAR	1,213	3,155	437,707	1,638,231
FUND BALANCES, END OF YEAR	\$ 1,215	\$ 2,084	\$ 421,070	\$ 1,643,094

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2013**

SCHEDULE 3

	Regional Education Alternative for Developing Youth		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ -	\$ 111,268	\$ 111,268
State sources	92,980	651,446	558,466
Local sources	-	995,311	995,311
Total revenues	<u>92,980</u>	<u>1,758,025</u>	<u>1,665,045</u>
EXPENDITURES			
Salaries	-	1,040,981	(1,040,981)
Benefits	-	317,990	(317,990)
Purchased services	92,980	290,908	(197,928)
Supplies and materials	-	73,292	(73,292)
Miscellaneous	-	3,663	(3,663)
Capital expenditures	-	8,542	(8,542)
Total expenditures	<u>92,980</u>	<u>1,735,376</u>	<u>(1,642,396)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	22,649	<u>\$ 22,649</u>
OTHER FINANCING USES			
Repayment of long-term lease payable		(1,783)	
Net interest income		(13)	
Total other financing uses		<u>(1,796)</u>	
NET CHANGE IN FUND BALANCE		20,853	
FUND BALANCE, BEGINNING OF YEAR		<u>1,081,002</u>	
FUND BALANCE, END OF YEAR		<u>\$ 1,101,855</u>	

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
 EDUCATION FUND
 COMBINING SCHEDULE OF ACCOUNTS
 JUNE 30, 2013

	Math Curriculum Models Project	Title II Teacher Quality - Leadership	McKinney-Vento Homeless Children & Youth Program	Race to the Top	Title I School Improvement and Accountability	Freedom School	Teen Reach
\$	-	\$ -	\$ 459	\$ 6,825	\$ -	\$ -	\$ -
	85,628	10,500	61	-	33,751	-	32,385
	85,628	10,500	520	6,825	33,751	-	32,385

ASSETS

Cash and cash equivalents
 Due from other governmental agencies

TOTAL ASSETS

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payable and accrued expenses
 Due to other funds
 Deferred revenues
 Total liabilities

FUND BALANCES

Restricted

	-	-	-	-	4,711	-	2,461
	85,628	10,500	61	-	29,040	-	29,924
	-	-	-	6,825	-	-	-
	85,628	10,500	61	6,825	33,751	-	32,385
	-	-	459	-	-	-	-
\$	85,628	\$ 10,500	\$ 520	\$ 6,825	\$ 33,751	\$ -	\$ 32,385

TOTAL LIABILITIES AND FUND BALANCES

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
 EDUCATION FUND
 COMBINING SCHEDULE OF ACCOUNTS
 JUNE 30, 2013

SCHEDULE 4
 (CONTINUED)

ISBE CMAR	Juvenile Detention Center	21st Century	Schoolworks Operations	Area IV Learning Technology Hub	Rftl Network	IMSP	Total
\$ -	\$ 82,677	\$ -	\$ -	\$ -	\$ -	\$ 5,595	\$ 95,556
6,000	-	46,784	6,741	14,966	7,107	-	243,923
6,000	82,677	46,784	6,741	14,966	7,107	5,595	339,479

ASSETS

Cash and cash equivalents
 Due from other governmental agencies

TOTAL ASSETS

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payable and accrued expenses
 Due to other funds
 Deferred revenues
 Total liabilities

FUND BALANCES

Restricted

TOTAL LIABILITIES AND FUND BALANCES

-	13,817	15,536	872	-	1,273	-	38,670
6,000	-	31,248	5,869	14,966	5,834	-	219,070
-	-	-	-	-	-	5,595	12,420
6,000	13,817	46,784	6,741	14,966	7,107	5,595	270,160
-	68,860	-	-	-	-	-	69,319
\$ 6,000	\$ 82,677	\$ 46,784	\$ 6,741	\$ 14,966	\$ 7,107	\$ 5,595	\$ 339,479

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9

SCHEDULE 5

EDUCATION FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2013

	Title II							Title I School	
	Math Curriculum Models Project	Teacher Quality - Leadership	McKinney-Vento Homeless Children & Youth Program	Race to the Top	Improvement and Accountability	Freedom School	Teen Reach		
REVENUES									
Federal sources	\$ 101,816	\$ 10,500	\$ 23,223	\$ 3,176	\$ 218,981	\$ -	\$ -	\$ 109,510	
State sources	-	-	-	-	-	-	-	-	
Local sources	-	-	165	-	-	42,912	-	-	
Total revenues	101,816	10,500	23,388	3,176	218,981	42,912	-	109,510	
EXPENDITURES									
Salaries	-	-	15,576	459	71,768	9,611	-	50,672	
Benefits	-	-	3,410	182	38,892	1,495	-	13,503	
Purchased services	96,785	10,500	2,379	2,535	64,769	16,604	-	37,384	
Supplies and materials	-	-	2,138	-	360	15,208	-	7,951	
Payments to other governments	5,031	-	-	-	43,192	-	-	-	
Miscellaneous	-	-	-	-	-	70	-	-	
Capital expenditures	-	-	-	-	-	-	-	-	
Total expenditures	101,816	10,500	23,503	3,176	218,981	42,988	-	109,510	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(115)	-	-	(76)	-	-	
OTHER FINANCING SOURCES									
Net interest income	-	-	1	-	-	70	-	-	
Total other financing sources	-	-	1	-	-	70	-	-	
NET CHANGE IN FUND BALANCES	-	-	(114)	-	-	(6)	-	-	
FUND BALANCES, BEGINNING OF YEAR	-	-	573	-	-	6	-	-	
FUND BALANCES, END OF YEAR	\$ -	\$ -	\$ 459	\$ -	\$ -	\$ -	\$ -	\$ -	

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
EDUCATION FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2013**

	ISBE CMAR	Juvenile		21st Century	Schoolworks Operations	Area IV Learning Technology Hub	RtI Network	IMSP	Total
		Detention Center							
REVENUES									
Federal sources	\$ -	\$ -	\$ 359,431	\$ -	\$ -	-	\$ 118,410	\$ 149,586	\$ 1,094,633
State sources	-	162,665	-	62,835	207,613	-	-	-	433,113
Local sources	14,880	-	-	-	-	-	-	-	57,957
Total revenues	14,880	162,665	359,431	62,835	207,613	-	118,410	149,586	1,585,703
EXPENDITURES									
Salaries	-	100,144	184,489	30,263	154,672	-	76,939	14,112	708,705
Benefits	-	20,608	35,616	8,004	39,347	-	24,896	2,716	188,669
Purchased services	14,880	8,554	112,522	19,443	9,962	-	16,290	49,311	461,918
Supplies and materials	-	536	26,804	2,975	-	-	285	6,904	63,161
Payments to other governments	-	-	-	-	3,632	-	-	76,544	128,399
Miscellaneous	-	-	-	332	-	-	-	-	402
Capital expenditures	-	-	-	1,818	-	-	-	-	1,818
Total expenditures	14,880	129,842	359,431	62,835	207,613	-	118,410	149,587	1,553,072
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	32,823	-	-	-	-	-	(1)	32,631
OTHER FINANCING SOURCES									
Net interest income	-	18	-	-	-	-	-	1	90
Total other financing sources	-	18	-	-	-	-	-	1	90
NET CHANGE IN FUND BALANCES	-	32,841	-	-	-	-	-	-	32,721
FUND BALANCES, BEGINNING OF YEAR	-	36,019	-	-	-	-	-	-	36,598
FUND BALANCES, END OF YEAR	\$ -	\$ 68,860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,319

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
 EDUCATION FUND
 BUDGETARY COMPARISON SCHEDULES
 FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE 6

	Title II Teacher Quality - Leadership		Title I School Improvement and Accountability		21st Century		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	Budget	Actual	
REVENUES							
Federal sources	\$ 10,500	\$ 10,500	\$ 218,981	\$ 218,981	\$ 396,990	\$ 359,431	\$ (37,559)
State sources	-	-	-	-	-	-	-
Total revenues	10,500	10,500	218,981	218,981	396,990	359,431	(37,559)
EXPENDITURES							
Salaries	-	-	71,140	71,768	200,807	184,489	16,318
Benefits	-	-	38,725	38,892	40,319	35,616	4,703
Purchased services	10,500	10,500	62,276	64,769	129,185	112,522	16,663
Supplies and materials	-	-	2,200	360	26,679	26,804	(125)
Payments to governments	-	-	44,640	43,192	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-
Total expenditures	10,500	10,500	218,981	218,981	396,990	359,431	37,559
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES							
Net interest income	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-	-	-	-
FUND BALANCES, END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
 EDUCATION FUND
 BUDGETARY COMPARISON SCHEDULES
 FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE 6
 (CONTINUED)

	IMSP		Variance		Schoolworks Operations			Area IV Learning Technology Hub		
	Budget	Actual	Favorable (Unfavorable)		Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES										
Federal sources	\$ 257,114	\$ 149,586	\$ (107,528)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	62,835	62,835	62,835	-	207,613	207,613	-
Total revenues	257,114	149,586	(107,528)	62,835	62,835	207,613	-	207,613	207,613	-
EXPENDITURES										
Salaries	19,635	14,112	5,523	29,842	30,263	(421)	154,678	154,672	6	
Benefits	2,869	2,716	153	8,055	8,004	51	40,024	39,347	677	
Purchased services	94,440	49,311	45,129	19,143	19,443	(300)	9,835	9,962	(127)	
Supplies and materials	12,072	6,904	5,168	3,707	2,975	732	-	-	-	
Payments to governments	128,098	76,544	51,554	-	-	-	3,076	3,632	(556)	
Miscellaneous	-	-	-	270	332	(62)	-	-	-	
Capital expenditures	-	-	-	1,818	1,818	-	-	-	-	
Total expenditures	257,114	149,587	107,527	62,835	62,835	-	207,613	207,613	-	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	(1)	\$ (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
OTHER FINANCING SOURCES										
Net interest income		1								
Total other financing sources		1								
NET CHANGE IN FUND BALANCES		-								
FUND BALANCES, BEGINNING OF YEAR		-								
FUND BALANCES, END OF YEAR	\$ -	-		\$ -			\$ -			

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
 EDUCATION FUND
 BUDGETARY COMPARISON SCHEDULES
 FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE 6
 (CONTINUED)

	RtI Network		Total		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
REVENUES					
Federal sources	\$ 154,073	\$ 118,410	\$ 1,037,658	\$ 856,908	\$ (180,750)
State sources	-	-	270,448	270,448	-
Total revenues	<u>154,073</u>	<u>118,410</u>	<u>1,308,106</u>	<u>1,127,356</u>	<u>(180,750)</u>
EXPENDITURES					
Salaries	97,342	76,939	573,444	532,243	41,201
Benefits	34,299	24,896	164,291	149,471	14,820
Purchased services	21,634	16,290	347,013	282,797	64,216
Supplies and materials	798	285	45,456	37,328	8,128
Payments to governments	-	-	175,814	123,368	52,446
Miscellaneous	-	-	270	332	(62)
Capital expenditures	-	-	1,818	1,818	-
Total expenditures	<u>154,073</u>	<u>118,410</u>	<u>1,308,106</u>	<u>1,127,357</u>	<u>180,749</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>(1)</u>	<u>\$ (1)</u>
OTHER FINANCING SOURCES					
Net interest income	-	-	-	1	1
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
NET CHANGE IN FUND BALANCES					
FUND BALANCES, BEGINNING OF YEAR					
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2013**

SCHEDULE 7

	<u>GED</u>	<u>School Bus Driver Training</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 101,206	\$ 21,434	\$ 122,640
Due from other governmental agencies	-	624	624
TOTAL ASSETS	<u>101,206</u>	<u>22,058</u>	<u>123,264</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	<u>772</u>	<u>-</u>	<u>772</u>
FUND BALANCES			
Restricted	<u>100,434</u>	<u>22,058</u>	<u>122,492</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 101,206</u>	<u>\$ 22,058</u>	<u>\$ 123,264</u>

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2013

SCHEDULE 8

	GED	School Bus Driver Training	Total
REVENUES			
State sources	\$ -	\$ 960	\$ 960
Local sources	61,494	2,870	64,364
Total revenues	<u>61,494</u>	<u>3,830</u>	<u>65,324</u>
EXPENDITURES			
Salaries	48,076	-	48,076
Benefits	1,914	-	1,914
Purchased services	7,454	1,454	8,908
Supplies and materials	8,522	64	8,586
Total expenditures	<u>65,966</u>	<u>1,518</u>	<u>67,484</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,472)	2,312	(2,160)
OTHER FINANCING SOURCES			
Net interest income	25	24	49
NET CHANGE IN FUND BALANCES	(4,447)	2,336	(2,111)
FUND BALANCES, BEGINNING OF YEAR	<u>104,881</u>	<u>19,722</u>	<u>124,603</u>
FUND BALANCES, END OF YEAR	<u>\$ 100,434</u>	<u>\$ 22,058</u>	<u>\$ 122,492</u>

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9

SCHEDULE 9

FIDUCIARY FUNDS

COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2013

	Distributive	Payroll Clearing	Regional Board of Trustees	County School Facility Sales Tax	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ 221,464	\$ 162	\$ -	\$ 221,626
LIABILITIES					
Accounts payable and accrued expenses	\$ -	\$ 221,464	\$ 162	\$ -	\$ 221,626

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9

SCHEDULE 10

FIDUCIARY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<u>DISTRIBUTIVE</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 4,531,291	\$ 4,531,291	\$ -
LIABILITIES				
Due to other governmental agencies	\$ -	\$ 4,531,291	\$ 4,531,291	\$ -
<u>PAYROLL CLEARING</u>				
ASSETS				
Cash and cash equivalents	\$ 157,762	\$ 7,645,986	\$ 7,582,284	\$ 221,464
LIABILITIES				
Accounts payable and accrued expenses	\$ 157,762	\$ 7,645,986	\$ 7,582,284	\$ 221,464
<u>REGIONAL BOARD OF TRUSTEES</u>				
ASSETS				
Cash and cash equivalents	\$ 162	\$ -	\$ -	\$ 162
LIABILITIES				
Accounts payable and accrued expenses	\$ 162	\$ -	\$ -	\$ 162
<u>COUNTY SCHOOL FACILITY SALES TAX</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 17,827,788	\$ 17,827,788	\$ -
LIABILITIES				
Due to other governmental agencies	\$ -	\$ 17,827,788	\$ 17,827,788	\$ -
<u>TOTAL ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 157,924	\$ 30,005,065	\$ 29,941,363	\$ 221,626
LIABILITIES				
Accounts payable and accrued expenses	\$ 157,924	\$ 7,645,986	\$ 7,582,284	\$ 221,626
Due to other governmental agencies	-	22,359,079	22,359,079	-
Total liabilities	\$ 157,924	\$ 30,005,065	\$ 29,941,363	\$ 221,626

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHERS
FOR THE YEAR ENDED JUNE 30, 2013**

SCHEDULE 11

	Regional Office of Education No. 9	Rural Champaign Co. Special Education Center	Champaign County School Districts	Total
Distributive Interest	\$ 148	\$ -	\$ -	\$ 148
Public Aid	-	118,220	-	118,220
County School Facility Sales Tax	-	-	17,827,788	17,827,788
General State Aid	557,798	-	-	557,798
Special Ed. - Personnel	-	715,499	-	715,499
State Free Lunch & Breakfast	867	-	-	867
ROE School Bus Training	960	-	-	960
Regional Safe Schools	121,955	-	-	121,955
Early Childhood - Block Grant - 00	-	811,864	-	811,864
ROE/ISC Operations	33,108	-	-	33,108
Technology - Learning Technology Center	248,912	-	-	248,912
National School Lunch Program	21,073	-	-	21,073
School Breakfast Program	7,193	-	-	7,193
Title IV - 21st Century Community Learning Centers-(CHS)	136,682	-	-	136,682
Title IV - 21st Century Community Learning Centers-(Stratton)	194,852	-	-	194,852
Fed. - Sp. Ed. Preschool Flow Through	-	71,036	-	71,036
Fed. - Sp. Ed. I.D.E.A. Flow Through	-	1,335,690	-	1,335,690
Mathematics and Science Partnership	155,434	-	-	155,434
	<u>\$ 1,478,982</u>	<u>\$ 3,052,309</u>	<u>\$ 17,827,788</u>	<u>\$ 22,359,079</u>

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

SCHEDULE 12

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/ Contract Number	FY 2013 Expenditures
<u>DEPARTMENT OF AGRICULTURE</u>			
<u>Child Nutrition Cluster:</u>			
School Breakfast Program Passed-Through Illinois State Board of Education <i>School Breakfast Program</i>	10.553	2013-4220-00	\$ 7,069
National School Lunch Program Passed-Through Illinois State Board of Education <i>National School Lunch Program</i>	10.555	2013-4210-00	21,073
Total Child Nutrition Cluster			28,142
TOTAL DEPARTMENT OF AGRICULTURE			\$ 28,142
<u>DEPARTMENT OF EDUCATION</u>			
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA) Passed-Through Iroquois/Kankakee Regional Office of Education No. 32 <i>Title I School Improvement and Accountability</i>	(M) 84.010A	2013-4331-SS	\$ 218,981
Education for Homeless Children and Youth Passed-Through Iroquois/Kankakee Regional Office of Education No. 32 <i>McKinney Education for Homeless Children</i>	84.196A	2013-4920-00	23,223
Twenty-First Century Community Learning Centers Passed-Through Illinois State Board of Education <i>Twenty-First Century Community Learning Centers</i>	(M) 84.287C	2012-4421-10	43,798
<i>Twenty-First Century Community Learning Centers</i>	(M) 84.287C	2013-4421-10	122,133
<i>Twenty-First Century Community Learning Centers</i>	(M) 84.287C	2012-4421-12	69,270
<i>Twenty-First Century Community Learning Centers</i>	(M) 84.287C	2013-4421-12	124,230
			359,431
Mathematics and Science Partnerships Passed-Through Illinois State Board of Education <i>IL Math and Science Partnership</i>	84.366B	2013-4936-40	149,587
Improving Teacher Quality State Grants Passed-Through Illinois State Board of Education <i>Title II - Teacher Quality - Leadership</i>	84.367A	2013-4935-02	10,500
TOTAL DEPARTMENT OF EDUCATION			\$ 761,722
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Temporary Assistance for Needy Families Passed-Through Illinois Department of Human Services <i>Teen Reach Grant</i>	93.558	FCSRE00971	\$ 109,510
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 109,510

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2013**

**SCHEDULE 12
 (CONTINUED)**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/ Contract Number	FY 2013 Expenditures
<u>DEPARTMENT OF LABOR</u>			
WIA Youth Activities Passed-Through Champaign Consortium <i>WIA Youth Program</i>	17.259	1210Y2244YETP	\$ 83,126
TOTAL DEPARTMENT OF LABOR			\$ 83,126
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 982,500

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2013

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Champaign/Ford Counties Regional Office of Education No. 9 (ROE No. 9) and is prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE 2 - DESCRIPTION OF FEDERAL PROGRAMS AUDITED AS A MAJOR PROGRAM

Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA) (Title I School Improvement and Accountability) - This program supports the schools and school districts which are in Corrective Action status or districts participating in the Race to the Top project. Program activities include assistance in using Rising Star to develop, implement and monitor school/district improvement plans and support to implement improvement activities.

Twenty-First Century Community Learning Centers (21st Century) - This program provides academic enrichment opportunities during non-school hours for high school students who attend high-poverty and low-performing schools. This program also helps students meet State and local student standards in core academic subjects; offers students a broad array of enrichment activities that can complement their regular academic programs; and offers literacy and other educational services to the families of participating children.

NOTE 3 - SUBRECIPIENTS

The ROE No. 9 provided federal awards in the amount of \$119,736 to subrecipients in 2013 as follows:

<u>Grant/Program Title</u>	<u>CFDA Number</u>	<u>Provided to Subrecipients</u>
Title I School Improvement and Accountability	84.010A	\$ 43,192
IL Math and Science Partnership (IMSP)	84.366B	76,544
Total		<u>\$ 119,736</u>

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2013

NOTE 4 - NON-CASH ASSISTANCE

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

NOTE 5 - LOANS AND INSURANCE

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