

**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, 2014**

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

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 (November 17, 2014 to Present)	Ms. Judy Pacey
Assistant Regional Superintendent (July 1, 2014 to November 16, 2014)	Ms. Barbara Daly
Assistant Regional Superintendent (April 1, 2014 to June 30, 2014)	Vacant
Assistant Regional Superintendent (November 18, 2013 to March 31, 2014)	Ms. Judy Pacey
Assistant Regional Superintendent (July 1, 2013 to November 17, 2013)	Ms. Barbara Daly

Office is located at:

200 South Fredrick Street
Rantoul, Illinois 61866-2433

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

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

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>)			
	12	None	
FINDINGS AND QUESTIONED COSTS (<i>FEDERAL COMPLIANCE</i>)			
	13	None	
PRIOR FINDINGS NOT REPEATED (<i>GOVERNMENT AUDITING STANDARDS</i>)			
		None	
PRIOR FINDINGS NOT REPEATED (<i>FEDERAL COMPLIANCE</i>)			
		None	

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, 2014, 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, 2014, 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 14 through 20, the Illinois Municipal Retirement Fund Schedule of Funding Progress, and the other postemployment benefits information on page 55 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 schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, 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 schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, Schedule of Disbursements to School District Treasurers and Others, and Schedule of Expenditures of Federal Awards, as required by OMB Circular A-133, *Audits of States,*

Local Governments, and Non-Profit Organizations, 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 schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, Schedule of Disbursements to School District Treasurers and Others, and Schedule of Expenditures of Federal Awards, as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 5, 2015 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.

C. C. Ritz & Co. LLP
Chicago, Illinois
February 5, 2015



**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, 2014, 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 5, 2015.

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.

E. C. Grady → Co. LCP
Chicago, Illinois
February 5, 2015



**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, 2014. 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.

Auditors' 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, 2014.

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.

C. C. Atzj 9 G. C. C. R

Chicago, Illinois
February 5, 2015

**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, 2014**

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 federal programs:

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

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

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.287C	Twenty-First Century Community Learning Centers
93.558	Temporary Assistance For Needy Families

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, 2014**

Material Weaknesses:

None

Significant Deficiencies:

None reported

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, 2014**

Instances of Noncompliance:

None

Material Weaknesses:

None

Significant Deficiencies:

None reported

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2014**

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, 2014. We encourage readers to consider this information in conjunction with the ROE No. 9's financial statements, which follow.

2014 Financial Highlights

- Within the Governmental Funds, the General Fund revenues increased by \$57,529 (2%) from \$3,145,557 in FY 2013 to \$3,203,086 in FY 2014. This is mainly due to increase in revenues from on-behalf payments in General Operations during fiscal year 2014. General Fund expenditures increased by \$240,667 (8%) from \$3,135,788 in FY 2013 to \$3,376,455 in FY 2014, due to increase in General Operations expenditures during fiscal year 2014.
- Within the Governmental Funds, the Special Revenue Funds revenues increased by \$508,286 (30%) from \$1,719,922 in FY 2013 to \$2,228,208 in FY 2014. This is attributable mainly to new State and federal grant revenues from Education Funds. Special Revenue Funds expenditures increased by \$511,186 (31%) from \$1,658,163 in FY 2013 to \$2,169,349 in FY 2014. The increase in spending during fiscal year 2014 directly relates to the increase in total revenues received.
- Proprietary Funds revenues decreased by \$25,146 (14%) from \$184,793 in FY 2013 to \$159,647 in FY 2014, due to a decrease in local workshop revenues during fiscal year 2014. The Proprietary Funds expenditures increased by \$116,789 (50%) from \$231,327 in FY 2013 to \$348,116 in FY 2014, due to an increase in purchased services and presenter fees for 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 (UNAUDITED)
JUNE 30, 2014**

- *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, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 deferred outflows of resources and liabilities and deferred inflows of resources - 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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2014**

particular programs. Some funds are required by State law. The ROE No. 9 establishes other funds to control and manage money for particular purposes.

The ROE No. 9 has three kinds of funds:

- 1) Governmental funds account for all of the ROE No. 9's services. These focus on how cash and other financial assets can be readily converted to cash flow in and out and the balance left at year-end that is available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or 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 (UNAUDITED)
JUNE 30, 2014**

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 2014 was \$2,516,205. The analysis that follows provides a summary of the ROE No. 9's net position at June 30, 2014 and June 30, 2013, 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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
ASSETS						
Current assets	\$ 2,475,115	\$ 2,409,896	\$ 330,597	\$ 510,164	\$ 2,805,712	\$ 2,920,060
Capital assets, net of depreciation	<u>83,531</u>	<u>108,032</u>	<u>20,225</u>	<u>27,319</u>	<u>103,756</u>	<u>135,351</u>
TOTAL ASSETS	<u>2,558,646</u>	<u>2,517,928</u>	<u>350,822</u>	<u>537,483</u>	<u>2,909,468</u>	<u>3,055,411</u>
LIABILITIES						
Current liabilities	354,566	200,218	2,013	576	356,579	200,794
Noncurrent liabilities	<u>36,684</u>	<u>38,488</u>	<u>–</u>	<u>–</u>	<u>36,684</u>	<u>38,488</u>
TOTAL LIABILITIES	<u>391,250</u>	<u>238,706</u>	<u>2,013</u>	<u>576</u>	<u>393,263</u>	<u>239,282</u>
NET POSITION						
Net investment in capital assets	78,034	98,507	20,225	27,319	98,259	125,826
Restricted for educational purposes	609,259	549,902	–	–	609,259	549,902
Unrestricted	<u>1,480,103</u>	<u>1,630,813</u>	<u>328,584</u>	<u>509,588</u>	<u>1,808,687</u>	<u>2,140,401</u>
TOTAL NET POSITION (as restated)	<u>\$ 2,167,396</u>	<u>\$ 2,279,222</u>	<u>\$ 348,809</u>	<u>\$ 536,907</u>	<u>\$ 2,516,205</u>	<u>\$ 2,816,129</u>

The ROE No. 9's net position decreased by \$299,924 (11%) from FY 2013 primarily due to the increase in expenditures over revenues generated from both governmental and business type activities during the current fiscal year. Net position invested in capital assets of \$98,259, 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 \$609,259 (24%) 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 \$1,808,687 (72%) 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 (UNAUDITED)
JUNE 30, 2014**

STATEMENT OF ACTIVITIES

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program revenues:						
Operating grants and contributions	\$ 2,243,096	\$ 1,500,305	\$ -	\$ -	\$ 2,243,096	\$ 1,500,305
Charges for services	84,313	133,259	159,647	184,793	243,960	318,052
General revenues:						
State sources	559,222	762,715	-	-	559,222	762,715
Local sources	1,706,555	1,781,482	-	-	1,706,555	1,781,482
On-behalf payments	867,908	664,827	-	-	867,908	664,827
Loss on disposal of assets	(1,454)	(318)	-	-	(1,454)	(318)
Net interest income (expense)	(234)	562	371	613	137	1,175
Other income	-	-	-	-	-	-
Total revenues	<u>5,459,406</u>	<u>4,842,832</u>	<u>160,018</u>	<u>185,406</u>	<u>5,619,424</u>	<u>5,028,238</u>
Expenses:						
Salaries and benefits	2,485,182	2,550,390	123,534	102,229	2,608,716	2,652,619
Purchased services	1,627,436	846,823	182,566	109,815	1,810,002	956,638
Supplies and materials	121,497	158,501	9,673	11,222	131,170	169,723
Depreciation	57,451	68,337	8,519	6,888	65,970	75,225
Payments to other governments	78,835	128,399	-	-	78,835	128,399
Miscellaneous	332,923	438,369	23,824	1,173	356,747	439,542
On-behalf payments	867,908	664,827	-	-	867,908	664,827
Total expenses	<u>5,571,232</u>	<u>4,855,646</u>	<u>348,116</u>	<u>231,327</u>	<u>5,919,348</u>	<u>5,086,973</u>
Change in net position	<u>(111,826)</u>	<u>(12,814)</u>	<u>(188,098)</u>	<u>(45,921)</u>	<u>(299,924)</u>	<u>(58,735)</u>
Net position, beginning of year, as previously reported	2,279,222	2,315,284	536,907	582,828	2,816,129	2,898,112
Prior period adjustment	-	(23,248)	-	-	-	(23,248)
Net position, beginning of year, as restated	<u>2,279,222</u>	<u>2,292,036</u>	<u>536,907</u>	<u>582,828</u>	<u>2,816,129</u>	<u>2,874,864</u>
Net position, ending	<u>\$ 2,167,396</u>	<u>\$ 2,279,222</u>	<u>\$ 348,809</u>	<u>\$ 536,907</u>	<u>\$ 2,516,205</u>	<u>\$ 2,816,129</u>

During FY 2014, the governmental funds had deficiency of revenues over expenditures of \$111,826. The deficiency in revenues resulted primarily from the decrease in charges for services revenues received during the fiscal year.

Total governmental revenues of \$5.5 million consisted primarily of State and federal grants totaling \$2.8 million, and local revenues from tuition, fees and flow-through money totaling \$1.8 million. Governmental revenues posted a net increase of \$616,574 (13%) from previous year, primarily due to the increase in operating grants and contributions.

Total governmental expenses posted a net increase of \$715,586 (15%) compared to previous year. The increase was mainly due to increased expenses for purchased services and on-behalf payments.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2014**

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 2014, at least 5,530 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 97 administrators have received direct professional development in FY 2014. 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 202 students. The Truancy Program had 68 referrals and served 48 students to ameliorate their truancy problems. The McKinney Education-Homeless Children Program served 599 students and families. In FY 2014, the ROE No. 9 served 8,810 teachers through the Certification Program that assists teachers in completing certification requirements and obtaining a certificate. The ROE No. 9 also provided 12 bus driver trainings throughout the year issuing 72 initial bus driver certificates and 270 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 636 GED tests. The 21st Century grants served 330 students during the school year and during the summer and the Teen Reach After School Program served 77 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 2014, the ROE No. 9 responded to 8,943 phone calls and walk-ins with questions concerning bus service, grade problems, special education needs and requirements, residency concerns, and home school issues. The ROE No. 9 also offers guidance to parents, as well as serves as a liaison between parents and the schools.

Proprietary Fund Highlights

The 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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2014**

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 2014, total additions amounted to \$35,830 and total retirements amounted to \$128,833. Depreciation expense for FY 2014 was \$65,971. 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.

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, 2014

EXHIBIT A

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,067,472	\$ 219,860	\$ 2,287,332
Due from (to) other funds	(93,775)	93,775	-
Due from other governmental agencies	501,418	16,962	518,380
Total current assets	<u>2,475,115</u>	<u>330,597</u>	<u>2,805,712</u>
Noncurrent assets			
Capital assets, net	<u>83,531</u>	<u>20,225</u>	<u>103,756</u>
TOTAL ASSETS	<u>2,558,646</u>	<u>350,822</u>	<u>2,909,468</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	190,575	1,688	192,263
Unearned revenue	159,808	325	160,133
Lease payable	4,183	-	4,183
Total current liabilities	<u>354,566</u>	<u>2,013</u>	<u>356,579</u>
Noncurrent liabilities			
Lease payable	1,314	-	1,314
Compensated absences	27,300	-	27,300
Net OPEB obligation	8,070	-	8,070
Total noncurrent liabilities	<u>36,684</u>	<u>-</u>	<u>36,684</u>
TOTAL LIABILITIES	<u>391,250</u>	<u>2,013</u>	<u>393,263</u>
NET POSITION			
Net investment in capital assets	78,034	20,225	98,259
Restricted for educational purposes	609,259	-	609,259
Unrestricted	1,480,103	328,584	1,808,687
TOTAL NET POSITION	<u>\$ 2,167,396</u>	<u>\$ 348,809</u>	<u>\$ 2,516,205</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, 2014

EXHIBIT B

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Grants and Contribution	Primary Government		
				Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS						
Primary government						
Governmental activities:						
Instructional services						
Salaries	\$ 1,909,026	\$ 37,224	\$ 579,840	\$ (1,291,962)	\$ -	\$ (1,291,962)
Benefits	576,156	1,206	157,465	(417,485)	-	(417,485)
Purchased services	1,627,435	39,518	1,378,831	(209,086)	-	(209,086)
Supplies and materials	121,497	4,789	38,581	(78,127)	-	(78,127)
Depreciation expense	57,452	-	-	(57,452)	-	(57,452)
Miscellaneous	332,923	126	-	(332,797)	-	(332,797)
Payments to other governments	78,835	-	80,080	1,245	-	1,245
Capital expenditures	-	1,450	8,299	9,749	-	9,749
Administrative						
On-behalf payments	867,908	-	-	(867,908)	-	(867,908)
Total governmental activities	5,571,232	84,313	2,243,096	(3,243,823)	-	(3,243,823)
Business-type activities:						
Charges for services	348,116	159,647	-	-	(188,469)	(188,469)
Total business-type activities	348,116	159,647	-	-	(188,469)	(188,469)
Total primary government	\$ 5,919,348	\$ 243,960	\$ 2,243,096	(3,243,823)	(188,469)	(3,432,292)
General revenues:						
State sources				559,222	-	559,222
Local sources				1,706,555	-	1,706,555
Net interest income (expense)				(234)	371	137
Loss on disposal of assets				(1,454)	-	(1,454)
On-behalf payments				867,908	-	867,908
Total general revenues				3,131,997	371	3,132,368
Change in net position				(111,826)	(188,098)	(299,924)
Net position - beginning				2,279,222	536,907	2,816,129
Net position - ending				\$ 2,167,396	\$ 348,809	\$ 2,516,205

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, 2014**

EXHIBIT C

	<u>General Fund</u>	<u>Education Fund</u>	<u>Institute</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Eliminations</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 1,323,826	\$ 235,028	\$ 378,835	\$ 109,783	\$ -	\$ 2,047,472
Due from other funds	273,181	-	-	-	(273,181)	-
Due from other governmental agencies	50,860	444,802	-	651	-	496,313
TOTAL ASSETS	<u>1,647,867</u>	<u>679,830</u>	<u>378,835</u>	<u>110,434</u>	<u>(273,181)</u>	<u>2,543,785</u>
LIABILITIES						
Accounts payable and accrued expenses	157,499	33,076	-	-	-	190,575
Due to other funds	-	366,956	-	-	(273,181)	93,775
Unearned revenue	-	159,808	-	-	-	159,808
Total liabilities	<u>157,499</u>	<u>559,840</u>	<u>-</u>	<u>-</u>	<u>(273,181)</u>	<u>444,158</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - reimbursements	<u>25,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,400</u>
FUND BALANCES						
Restricted	-	119,990	378,835	110,434	-	609,259
Assigned	1,348,018	-	-	-	-	1,348,018
Unassigned	116,950	-	-	-	-	116,950
Total fund balances	<u>1,464,968</u>	<u>119,990</u>	<u>378,835</u>	<u>110,434</u>	<u>-</u>	<u>2,074,227</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 1,647,867</u>	<u>\$ 679,830</u>	<u>\$ 378,835</u>	<u>\$ 110,434</u>	<u>\$ (273,181)</u>	<u>\$ 2,543,785</u>

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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
GOVERNMENTAL FUNDS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2014**

EXHIBIT D

Total fund balances - governmental funds \$ 2,074,227

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. 83,531

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. (5,497)

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)

Revenues are not available to pay for current-period expenditures and therefore, are reported as unavailable revenue in the funds. 25,400

Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds. (27,300)

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	\$	31,342	
Less capital assets of internal service fund included in total above		(6,237)	25,105

Net position of governmental activities \$ 2,167,396

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, 2014**

EXHIBIT E

	General Fund	Education Fund	Institute	Nonmajor Special Revenue Funds	Total Governmental Funds
REVENUES					
Federal sources	\$ 60,763	\$ 1,106,960	\$ -	\$ -	\$ 1,167,723
State sources	618,160	1,015,475	-	960	1,634,595
Local sources	1,656,255	20,500	46,796	37,517	1,761,068
On-behalf payments	867,908	-	-	-	867,908
Total revenues	<u>3,203,086</u>	<u>2,142,935</u>	<u>46,796</u>	<u>38,477</u>	<u>5,431,294</u>
EXPENDITURES					
Instructional services:					
Salaries	1,301,206	571,448	-	33,990	1,906,644
Benefits	419,820	155,238	-	1,098	576,156
Purchased services	350,754	1,240,554	26,384	9,744	1,627,436
Supplies and materials	79,071	38,053	-	4,373	121,497
Miscellaneous	332,804	-	-	119	332,923
Payments to other governments	-	78,835	-	-	78,835
On-behalf payments	867,908	-	-	-	867,908
Capital expenditures	24,892	8,190	-	1,323	34,405
Total expenditures	<u>3,376,455</u>	<u>2,092,318</u>	<u>26,384</u>	<u>50,647</u>	<u>5,545,804</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(173,369)	50,617	20,412	(12,170)	(114,510)
OTHER FINANCING SOURCES (USES)					
Repayment of long-term lease payable	(4,025)	-	-	-	(4,025)
Net interest income	(732)	54	332	112	(234)
Total other financing sources (uses)	<u>(4,757)</u>	<u>54</u>	<u>332</u>	<u>112</u>	<u>(4,259)</u>
NET CHANGE IN FUND BALANCES (DEFICIT)	(178,126)	50,671	20,744	(12,058)	(118,769)
FUND BALANCES, BEGINNING OF YEAR	<u>1,643,094</u>	<u>69,319</u>	<u>358,091</u>	<u>122,492</u>	<u>2,192,996</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,464,968</u>	<u>\$ 119,990</u>	<u>\$ 378,835</u>	<u>\$ 110,434</u>	<u>\$ 2,074,227</u>

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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

EXHIBIT F

Net change in fund balances \$ (118,769)

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	\$ 34,405	
Depreciation expense	<u>(57,452)</u>	(23,047)

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.

(1,454)

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.

4,025

Revenues in the Statement of Activities that do not provide current financial resources are reported as unavailable revenue in the funds.

25,400

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.

(2,382)

The net revenue of the internal service fund is reported under governmental activities, excluding the depreciation expense of \$3,398 which is included in total depreciation above.

4,401

Change in net position of governmental activities \$ (111,826)

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, 2014

EXHIBIT G

	Business-Type Activities - Enterprise Funds			Governmental
	Local	Nonmajor	Total	Activities
	Workshops	Enterprise Fund		Internal
				Service Fund
ASSETS				
Current assets				
Cash and cash equivalents	\$ 201,417	\$ 18,443	\$ 219,860	\$ 20,000
Due from other funds	93,775	-	93,775	-
Due from other governmental agencies	16,962	-	16,962	5,105
Total current assets	312,154	18,443	330,597	25,105
Noncurrent assets				
Capital assets, net	20,225	-	20,225	6,237
TOTAL ASSETS	332,379	18,443	350,822	31,342
LIABILITIES				
Accounts payable and accrued expenses	1,688	-	1,688	-
Unearned revenue	325	-	325	-
TOTAL LIABILITIES	2,013	-	2,013	-
NET POSITION				
Net investment in capital assets	20,225	-	20,225	6,237
Unrestricted	310,141	18,443	328,584	25,105
TOTAL NET POSITION	\$ 330,366	\$ 18,443	\$ 348,809	\$ 31,342

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 REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2014**

EXHIBIT H

	Business-Type Activities - Enterprise Funds			Governmental
	Local	Nonmajor	Total	Activities
	Workshops	Enterprise Fund		Internal
				Service Fund
OPERATING REVENUES				
Charges for services	\$ 142,494	\$ 17,153	\$ 159,647	\$ 141,658
OPERATING EXPENSES				
Salaries	102,614	-	102,614	87,508
Benefits	20,920	-	20,920	30,430
Purchased services	169,032	13,534	182,566	14,539
Supplies and materials	9,673	-	9,673	4,688
Miscellaneous	23,824	-	23,824	199
Depreciation	8,519	-	8,519	3,398
Total operating expenses	334,582	13,534	348,116	140,762
OPERATING INCOME (LOSSES)	(192,088)	3,619	(188,469)	896
NONOPERATING REVENUE				
Interest income	357	14	371	104
CHANGE IN NET POSITION	(191,731)	3,633	(188,098)	1,000
NET POSITION, BEGINNING OF YEAR	522,097	14,810	536,907	30,342
NET POSITION, END OF YEAR	\$ 330,366	\$ 18,443	\$ 348,809	\$ 31,342

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, 2014**

EXHIBIT I

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Local Workshops	Nonmajor Enterprise Fund	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts for workshops and services	\$ 144,303	\$ 17,153	\$ 161,456	\$ 142,444
Payments to suppliers	(201,307)	(13,534)	(214,841)	(19,426)
Payments to employees	(123,534)	-	(123,534)	(117,938)
Net cash provided by (used in) operating activities	(180,538)	3,619	(176,919)	5,080
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Purchase of capital assets	(1,425)	-	(1,425)	-
Net cash used in capital financing activities	(1,425)	-	(1,425)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Decrease in interfund borrowing, net	125,234	-	125,234	-
Net cash provided by noncapital financing activities	125,234	-	125,234	-
CASH FLOWS FROM INVESTING ACTIVITY:				
Interest	357	14	371	104
Net cash provided by investing activity	357	14	371	104
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(56,372)	3,633	(52,739)	5,184
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	257,789	14,810	272,599	14,816
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 201,417</u>	<u>\$ 18,443</u>	<u>\$ 219,860</u>	<u>\$ 20,000</u>
Reconciliation of operating income (losses) to net cash provided by (used in) operating activities:				
Operating income (losses)	\$ (192,088)	\$ 3,619	\$ (188,469)	\$ 896
Adjustments to reconcile operating income (losses) to net cash provided by (used in) operating activities:				
Depreciation	8,519	-	8,519	3,398
Effects of changes in assets and liabilities:				
Due from other governmental agencies	1,594	-	1,594	786
Accounts payable and accrued expenses	1,222	-	1,222	-
Unearned revenue	215	-	215	-
Net cash provided by (used in) operating activities	<u>\$ (180,538)</u>	<u>\$ 3,619</u>	<u>\$ (176,919)</u>	<u>\$ 5,080</u>

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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014**

EXHIBIT J

ASSETS

Cash and cash equivalents	\$ 132,462
Due from other governmental agencies	<u>230,198</u>
TOTAL ASSETS	<u><u>\$ 362,660</u></u>

LIABILITIES

Accounts payable and accrued expenses	<u><u>\$ 362,660</u></u>
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The notes to the financial statements are an integral part of this statement.

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014

For the period ended June 30, 2014, 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. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34*. 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 - consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of debt or capital lease obligations that are attributable to the acquisition or improvement of those assets.

Restricted - consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted - the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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 reported as deferred inflows of resources 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, 2014

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, deferred outflows of resources, liabilities, deferred inflows of resources, 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, 2014

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.

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:

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

Truants Alternative & Optional Education Program - This program provides truancy prevention programs and services for monitoring truants.

Foundational Services - This program is a collaborative, statewide initiative between the ISBE and the Illinois Association of Regional Superintendent of Schools. The purpose is for each Regional Office of Education to provide consistent information and regional trainings to district participants in the following five areas: Continuous Improvement Planning, Balanced Assessment, Teacher Evaluation, New Illinois Learning Standards (Common Core) English Language Arts, and New Illinois Learning Standards (Common Core) Mathematics. The Regional Offices send each designated regional trainer to an area-wide training, and then a regional training is scheduled for the districts to attend. Each of the five areas has at least 3 modules of training with some areas having as many as 7. Foundational Services has been developed as a “Training of Trainers” model with the desired outcome being sustainability of initiatives at the district level.

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Math (ROE No. 51) - This program provides professional development to participants in the area of curriculum writing and current standards for mathematics and science. The participants utilize knowledge and skills from the professional development sessions to then write a model curriculum for grades K-12 in both mathematics and science. The curriculum development consists of onsite meetings (trainings, collaborative development, peer review, editing) as well as individual off-site work for continued development of curriculum units. Due to the nature of this statewide initiative, the budget includes funds for travel, materials, consultant services, and editors.

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

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

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

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

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
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with the School Code 105 ILCS 5/3-14.31, proceeds from the sales tax revenues are distributed to the school districts in Champaign County based on student enrollment.

E. Revenues - Exchange and Non-exchange Transactions

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

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

F. Cash and Investments

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

G. Capital Assets

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

H. Deferred Inflows and Outflows of Resources

GASB Statement No. 65 reclassified as deferred outflows of resources or deferred inflows of resources certain items that were previously reported as assets and liabilities. Decreases in net assets that relate to future periods are reported as deferred outflows of resources. Increases in net assets that relate to future periods are reported as deferred inflows of

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
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resources. When an asset is recorded in the governmental fund financial statements but the revenue is not available, ROE No. 9 reports a deferred inflows of resources until such time the revenue becomes available. *Available* means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are not available if they are received more than 60 days after the end of the fiscal year.

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.

K. Budgetary Data

The ROE No. 9 did not formally adopt a budget for the year ended June 30, 2014 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
 - Truant's Alternative & Optional Education Program
 - 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.

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
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M. Compensated Absences

Non-certified and certified employees who work 12 calendar months earn up to 20 vacation days for a full year of service. The accumulated total of vacation days may never exceed 30 days. In the event that a program terminates, no vacation days will be honored past the ending date of the program. Certified employees who work less than 12 calendar months per year do not earn vacation days. 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 \$2,382. At June 30, 2014, the balance in this account was \$27,300.

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Compensated absences	\$ 24,918	\$ 2,382	\$ –	\$ 27,300

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

N. New Accounting Pronouncements

In FY 2014, ROE No. 9 implemented Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*; GASB Statement No. 66, *Technical Corrections – 2012 - an amendment of GASB Statements No. 10 and No. 62*; GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*; and GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The implementation of GASB Statement No. 65 reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The implementation of GASB Statement No. 66 resolved conflicting guidance that resulted from the issuance of GASB Statement Nos. 54 and 62 regarding risk financing activities, operating leases, purchased loans, and servicing fees. The implementation of GASB Statement No. 67 improved financial reporting by state and local governmental pension plans. GASB Statement No. 70 had no impact on the financial statements.

In addition, GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27*. This statement will be implemented for the fiscal year ending June 30, 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
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addition, the Statement of Net Position is expected to include a significant liability for the government's proportionate share of the employee pension plan.

O. Governmental Fund Balances

Fund balance is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources 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, 2014.

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, 2014: 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, 2014.

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, 2014 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, 2014: General Operations and School Family Liaison Local.

NOTE 2 - CASH AND CASH EQUIVALENTS

Deposits

The ROE No. 9 maintains different bank accounts for its various activities. At June 30, 2014, the total carrying amount of such accounts is \$2,419,794, and the total bank balance is

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NOTES TO THE FINANCIAL STATEMENTS
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\$2,901,251. The difference between the above amounts primarily represents checks that have been issued but have not yet cleared the bank as of June 30, 2014. The total bank balance of \$2,901,251 as of June 30, 2014 was secured by federal depository insurance and collateral held by banks in the name of ROE No. 9.

NOTE 3 - DUE FROM OTHER GOVERNMENTAL AGENCIES

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

Illinois State Board of Education	\$ 51,841
Illinois Department of Human Services	33,632
Vermilion Regional Office of Education No. 54	19,064
Sangamon Regional Office of Education No. 51	266,680
Iroquois/Kankakee Regional Office of Education No. 32	10,432
Local school districts	<u>366,929</u>
Total	<u>\$ 748,578</u>

NOTE 4 - CAPITAL ASSETS

Capital assets activities for the year ended June 30, 2014 are as follows:

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014
GOVERNMENTAL FUNDS				
Equipment and office furniture	\$ 677,054	\$ 34,405	\$ (124,000)	\$ 587,459
Less: accumulated depreciation	<u>(569,022)</u>	<u>(57,452)</u>	<u>(122,546)</u>	<u>(503,928)</u>
Capital assets, net	<u>108,032</u>	<u>(23,047)</u>	<u>(1,454)</u>	<u>83,531</u>
PROPRIETARY FUNDS				
Equipment and office furniture	136,938	1,425	(4,833)	133,530
Less: accumulated depreciation	<u>(109,619)</u>	<u>(8,519)</u>	<u>(4,833)</u>	<u>(113,305)</u>
Capital assets, net	<u>27,319</u>	<u>(7,094)</u>	<u>-</u>	<u>20,225</u>
Total capital assets, net	<u>\$ 135,351</u>	<u>\$ (30,141)</u>	<u>\$ (1,454)</u>	<u>\$ 103,756</u>

Depreciation expense for the year ended June 30, 2014 of \$57,452 was charged to the governmental activities under the instructional services function. For the business-type activities, depreciation of \$8,519 was charged to the Enterprise Funds - Local Workshops.

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
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JUNE 30, 2014

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 \$21,318 as of June 30, 2014.

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, 2014, are as follows:

Year Ending June 30	Amount
2015	\$ 4,406
2016	1,367
Total minimum lease payment	5,773
Less: amount representing interest	276
Present value of minimum lease payments	\$ 5,497
Current Portion	\$ 4,183

(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. Rent expense for Fiscal Year 2014 totaled \$150,082.

Future minimum lease rentals are as follows:

Year Ending June 30	Amount
2015	\$ 160,183
2016	154,618
2017	156,937
2018	159,292
2019	161,681
2020	54,160
Total	\$ 846,871

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
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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	\$ 109,464
Regional Superintendent's fringe benefits (includes State paid insurance)	32,755
Assistant Regional Superintendent's salary	73,908
Assistant Regional Superintendent's fringe benefits (includes State paid insurance)	1,072
TRS pension contributions	634,309
THIS OPEB contributions	16,400
Total	\$ 867,908

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.

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, 2014, 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

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JUNE 30, 2014

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, 2013 and 2012.

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, 2014, the State of Illinois contributions were based on 35.41 percent of creditable earnings not paid from federal funds, and the ROE No. 9 recognized revenue and expenditures of \$634,309 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2013 and June 30, 2012, the contribution rates were 28.05 percent (\$469,899) and 24.91 percent (\$486,546), 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, 2014 were \$20,509. Contributions for the years ended June 30, 2013 and June 30, 2012, were \$22,597 and \$23,678, respectively.
- **Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the ROE No. 9, there is a statutory requirement for the ROE No. 9 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since 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. Public Act 98-0674 now requires the two rates to be the same. For the year ended June 30, 2014, the employer pension contribution was 35.41 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2013 and 2012, the employer contribution rate was 28.05 and 24.91, respectively. For the year ended June 30, 2014, salaries totaling \$82,746 were paid from federal and special trust funds that required employer contributions of \$29,300. For the years ended June 30, 2013 and June 30, 2012, required ROE No. 9 contributions were \$41,291 and \$41,319, 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 146.5 percent and applies when the member is age 55 at retirement.

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
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For the year ended June 30, 2014, the ROE No. 9 paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2013 and June 30, 2012, 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, 2014, the ROE No. 9 paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2013 and 2012, the ROE No. 9 paid \$1,454 and \$1,454, 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 (17.29 percent of salary during the year ended June 30, 2014). For the year ended June 30, 2014, 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, 2013 and 2012, 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.

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, 2013. The report for the year ended June 30, 2014, is expected to be available in late 2014. 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.

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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 2013 was 11.89 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 2013 was \$221,617.

THREE-YEAR TREND INFORMATION			
Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/13	\$ 221,617	100%	\$ –
12/31/12	237,242	100%	–
12/31/11	233,960	100%	–

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, 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, 2011 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, 2013, the most recent actuarial valuation date, the regular plan was 91.59 percent funded. The actuarial accrued liability for benefits was \$4,704,134 and the actuarial value of assets was \$4,308,433, resulting in an underfunded actuarial accrued liability (UAAL) of \$395,701. The covered payroll for the calendar year 2013 (annual payroll of active employees covered by the plan) was \$1,863,894 and the ratio of the UAAL to the covered payroll was 21 percent.

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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 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	48
Total	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 2px;"/> <hr style="border: 0; border-top: 1px solid black; margin-bottom: 2px;"/> 73
Number of participating employers	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 2px;"/> 1

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014, 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 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

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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.

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 it does not provide vision, dental or life insurance benefits to annuitants of the TRS. Annuitants not enrolled in Medicare may participate in the State administered participating provider option plan or choose from several managed care options. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

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

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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 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 the THIS Fund from active members which were 0.97 percent of pay during the year ended June 30, 2014. State of Illinois contributions were \$16,400, 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, 2013 and June 30, 2012 were 0.92 and 0.88 percent of pay, respectively. State contributions on behalf of ROE No. 9 employees were \$15,442 and \$15,816, respectively.

- **Employer contributions to THIS Fund.** The ROE No. 9 also makes contributions to THIS Fund. The ROE No. 9 THIS Fund contribution was 0.72 percent during the year ended June 30, 2014 and 0.69 and 0.66 percent during the years ended June 30, 2013 and June 30, 2012. For the year ended June 30, 2014, the ROE No. 9 paid \$25,460 to the THIS Fund. For the years ended June 30, 2013 and June 30, 2012, the ROE No. 9 paid \$26,882 and \$26,944 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 current reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

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.

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 10 - INTERFUND TRANSFERS

Due From (To) Other Funds

As of June 30, 2014, 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	\$ 273,181	\$ -
Education Fund:		
Title II Teacher Quality - Leadership	-	7,000
McKinney-Vento Homeless Children & Youth Program	-	6,501
Truant's Alternative & Optional Education	-	7,757
Foundational Services	-	3,931
Math (ROE No. 51)	-	266,680
Teen Reach	-	28,081
ISBE CMAR	-	14,060
Schoolworks Operations	-	5,559
Area IV Learning Technology Hub	-	14,144
RtI Network	-	13,243
Enterprise Funds - Local Workshops	93,775	-
Total	<u>\$ 366,956</u>	<u>\$ 366,956</u>

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

NOTE 11 - DEFERRED INFLOWS OF RESOURCES

The governmental funds report a separate section for deferred inflows of resources. A deferred inflow of resources reflects an increase in fund balance that applies to a future period. The Regional Office has only one type of item that is reported as a deferred inflow of resources. Grant revenues received more than 60 days after the end of the year, which are thus not available under the modified accrual basis of accounting, are reported as deferred inflows of resources in the governmental funds balance sheet. The Regional Office reported \$25,400 of deferred inflows of resources at June 30, 2014.

**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, 2014**

**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)
12/31/13	\$ 4,308,433	\$ 4,704,134	\$ 395,701	91.59%	\$ 1,863,894	21.23%
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%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$5,009,833. On a market basis, the funded ratio would be 106.50%.

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, 2014**

SCHEDULE 1

	General Operations	Essay Scoring	School Family Liaison Local	Regional Education Alternative for Developing Youth
ASSETS				
Cash and cash equivalents	\$ 116,225	\$ 11,943	\$ 15	\$ 801,481
Due from other funds	-	-	-	273,181
Due from other governmental agencies	995	-	-	44,927
TOTAL ASSETS	117,220	11,943	15	1,119,589
LIABILITIES				
Accounts payable and accrued expenses	285	-	-	157,214
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - reimbursements	-	-	-	22,900
FUND BALANCES				
Assigned	-	11,943	-	939,475
Unassigned	116,935	-	15	-
Total fund balances	116,935	11,943	15	939,475
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 117,220	\$ 11,943	\$ 15	\$ 1,119,589

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
GENERAL FUND
COMBINING SCHEDULE OF ACCOUNTS
JUNE 30, 2014**

**SCHEDULE 1
(CONTINUED)**

	Novice Teacher Support	Summer Freedom School	IL Learning Technology Purchase Program	Total
ASSETS				
Cash and cash equivalents	\$ 1,216	\$ 2,252	\$ 390,694	\$ 1,323,826
Due from other funds	-	-	-	273,181
Due from other governmental agencies	-	-	4,938	50,860
TOTAL ASSETS	1,216	2,252	395,632	1,647,867
LIABILITIES				
Accounts payable and accrued expenses	-	-	-	157,499
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - reimbursements	-	-	2,500	25,400
FUND BALANCES				
Assigned	1,216	2,252	393,132	1,348,018
Unassigned	-	-	-	116,950
Total fund balances	1,216	2,252	393,132	1,464,968
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,216	\$ 2,252	\$ 395,632	\$ 1,647,867

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9

SCHEDULE 2

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

	General Operations	Essay Scoring	School Family Liaison Local	Regional Education Alternative for Developing Youth
REVENUES				
Federal sources	\$ -	\$ -	\$ -	\$ 60,763
State sources	-	-	-	618,160
Local sources	543,500	6,670	1,295	1,027,359
On-behalf payments	867,908	-	-	-
Total revenues	<u>1,411,408</u>	<u>6,670</u>	<u>1,295</u>	<u>1,706,282</u>
EXPENDITURES				
Salaries	111,749	4,403	-	1,126,887
Benefits	52,648	337	-	348,767
Purchased services	26,379	360	1,402	298,178
Supplies and materials	9,100	-	-	68,413
Miscellaneous	322,964	44	59	7,979
On-behalf payments	867,908	-	-	-
Capital expenditures	7,389	-	-	16,963
Total expenditures	<u>1,398,137</u>	<u>5,144</u>	<u>1,461</u>	<u>1,867,187</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	13,271	1,526	(166)	(160,905)
OTHER FINANCING SOURCES (USES)				
Repayment of long-term lease payable	(2,171)	-	-	(1,854)
Net interest income (expense)	(446)	9	-	379
Total other financing sources (uses)	<u>(2,617)</u>	<u>9</u>	<u>-</u>	<u>(1,475)</u>
NET CHANGE IN FUND BALANCES (DEFICIT)	10,654	1,535	(166)	(162,380)
FUND BALANCES, BEGINNING OF YEAR	<u>106,281</u>	<u>10,408</u>	<u>181</u>	<u>1,101,855</u>
FUND BALANCES, END OF YEAR	<u>\$ 116,935</u>	<u>\$ 11,943</u>	<u>\$ 15</u>	<u>\$ 939,475</u>

**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, 2014**

**SCHEDULE 2
(CONTINUED)**

	Novice Teacher Support	Summer Freedom School	IL Learning Technology Purchase Program	Total
REVENUES				
Federal sources	\$ -	\$ -	\$ -	\$ 60,763
State sources	-	-	-	618,160
Local sources	-	5,600	71,831	1,656,255
On-behalf payments	-	-	-	867,908
Total revenues	<u>-</u>	<u>5,600</u>	<u>71,831</u>	<u>3,203,086</u>
EXPENDITURES				
Salaries	-	-	58,167	1,301,206
Benefits	-	-	18,068	419,820
Purchased services	-	5,114	19,321	350,754
Supplies and materials	-	287	1,271	79,071
Miscellaneous	-	-	1,758	332,804
On-behalf payments	-	-	-	867,908
Capital expenditures	-	-	540	24,892
Total expenditures	<u>-</u>	<u>5,401</u>	<u>99,125</u>	<u>3,376,455</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	199	(27,294)	(173,369)
OTHER FINANCING SOURCES (USES)				
Repayment of long-term lease payable	-	-	-	(4,025)
Net interest income (expense)	1	(31)	(644)	(732)
Total other financing sources (uses)	<u>1</u>	<u>(31)</u>	<u>(644)</u>	<u>(4,757)</u>
NET CHANGE IN FUND BALANCES (DEFICIT)	1	168	(27,938)	(178,126)
FUND BALANCES, BEGINNING OF YEAR	<u>1,215</u>	<u>2,084</u>	<u>421,070</u>	<u>1,643,094</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,216</u>	<u>\$ 2,252</u>	<u>\$ 393,132</u>	<u>\$ 1,464,968</u>

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014**

SCHEDULE 3

	Regional Education Alternative for Developing Youth		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$ -	\$ 60,763	\$ 60,763
State sources	91,701	618,160	526,459
Local sources	-	1,027,359	1,027,359
Total revenues	<u>91,701</u>	<u>1,706,282</u>	<u>1,614,581</u>
EXPENDITURES			
Salaries	-	1,126,887	(1,126,887)
Benefits	-	348,767	(348,767)
Purchased services	91,701	298,178	(206,477)
Supplies and materials	-	68,413	(68,413)
Miscellaneous	-	7,979	(7,979)
Capital expenditures	-	16,963	(16,963)
Total expenditures	<u>91,701</u>	<u>1,867,187</u>	<u>(1,775,486)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>(160,905)</u>	<u>\$ (160,905)</u>
OTHER FINANCING SOURCES (USES)			
Repayment of long-term lease payable		(1,854)	
Net interest income		379	
Total other financing uses		<u>(1,475)</u>	
NET CHANGE IN FUND BALANCE (DEFICIT)		(162,380)	
FUND BALANCE, BEGINNING OF YEAR		<u>1,101,855</u>	
FUND BALANCE, END OF YEAR		<u>\$ 939,475</u>	

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
 EDUCATION FUND
 COMBINING SCHEDULE OF ACCOUNTS
 JUNE 30, 2014

SCHEDULE 4

	<u>Math Curriculum Models Project</u>	<u>Title II Teacher Quality - Leadership</u>	<u>McKinney-Vento Homeless Children & Youth Program</u>	<u>Race to the Top</u>	<u>Truant's Alternative & Optional Education Program</u>	<u>Foundational Services</u>	<u>Math (ROE No. 51)</u>	<u>Teen Reach</u>
ASSETS								
Cash and cash equivalents	\$ 142,200	\$ -	\$ 2,648	\$ 16,886	\$ -	\$ -	\$ -	\$ -
Due from other governmental agencies	-	7,000	6,501	-	11,702	3,931	266,680	33,632
TOTAL ASSETS	<u>142,200</u>	<u>7,000</u>	<u>9,149</u>	<u>16,886</u>	<u>11,702</u>	<u>3,931</u>	<u>266,680</u>	<u>33,632</u>
LIABILITIES								
Accounts payable and accrued expenses	-	-	-	-	3,945	-	-	5,551
Due to other funds	-	7,000	6,501	-	7,757	3,931	266,680	28,081
Unearned revenue	142,200	-	-	16,886	-	-	-	-
Total liabilities	<u>142,200</u>	<u>7,000</u>	<u>6,501</u>	<u>16,886</u>	<u>11,702</u>	<u>3,931</u>	<u>266,680</u>	<u>33,632</u>
FUND BALANCES								
Restricted	-	-	2,648	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 142,200</u>	<u>\$ 7,000</u>	<u>\$ 9,149</u>	<u>\$ 16,886</u>	<u>\$ 11,702</u>	<u>\$ 3,931</u>	<u>\$ 266,680</u>	<u>\$ 33,632</u>

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
 EDUCATION FUND
 COMBINING SCHEDULE OF ACCOUNTS
 JUNE 30, 2014

SCHEDULE 4
 (CONTINUED)

	ISBE CMAR	Juvenile Detention Center	21st Century	Schoolworks Operations	Area IV Learning Technology Hub	RtI Network	IMSP	Total
ASSETS								
Cash and cash equivalents	\$ -	\$ 64,701	\$ 8,593	\$ -	\$ -	\$ -	\$ -	\$ 235,028
Due from other governmental agencies	14,060	63,915	4,173	5,821	14,144	13,243	-	444,802
TOTAL ASSETS	14,060	128,616	12,766	5,821	14,144	13,243	-	679,830
LIABILITIES								
Accounts payable and accrued expenses	-	11,274	12,044	262	-	-	-	33,076
Due to other funds	14,060	-	-	5,559	14,144	13,243	-	366,956
Unearned revenue	-	-	722	-	-	-	-	159,808
Total liabilities	14,060	11,274	12,766	5,821	14,144	13,243	-	559,840
FUND BALANCES								
Restricted	-	117,342	-	-	-	-	-	119,990
TOTAL LIABILITIES AND FUND BALANCES	\$ 14,060	\$ 128,616	\$ 12,766	\$ 5,821	\$ 14,144	\$ 13,243	\$ -	\$ 679,830

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, 2014

SCHEDULE 5

	Math Curriculum Models Project	Title II Teacher Quality - Leadership	McKinney-Vento Homeless Children & Youth Program	Race to the Top	Truant's Alternative & Optional Education Program	Foundational Services	Math (ROE No. 51)	Teen Reach
REVENUES								
Federal sources	\$ 361,808	\$ 10,226	\$ 30,723	\$ 109,939	\$ -	\$ 3,931	\$ -	\$ 109,509
State sources	-	-	-	-	64,368	-	564,870	-
Local sources	-	-	5,000	-	-	-	-	-
Total revenues	361,808	10,226	35,723	109,939	64,368	3,931	564,870	109,509
EXPENDITURES								
Salaries	2,889	-	12,430	12,790	41,625	650	5,778	56,560
Benefits	1,421	-	3,157	5,123	9,804	351	1,754	13,621
Purchased services	354,567	10,226	14,795	86,775	10,258	2,137	538,432	35,381
Supplies and materials	100	-	3,154	501	2,681	365	1,011	3,947
Payments to other governments	2,831	-	-	4,750	-	428	17,895	-
Capital expenditures	-	-	-	-	-	-	-	-
Total expenditures	361,808	10,226	33,536	109,939	64,368	3,931	564,870	109,509
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES								
	-	-	2,187	-	-	-	-	-
OTHER FINANCING SOURCE								
Net interest income	-	-	2	-	-	-	-	-
NET CHANGE IN FUND BALANCES								
	-	-	2,189	-	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR								
	-	-	459	-	-	-	-	-
FUND BALANCES, END OF YEAR								
	\$ -	\$ -	\$ 2,648	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2014

SCHEDULE 5
 (CONTINUED)

	ISBE CMAR	Juvenile Detention Center	21st Century	Schoolworks Operations	Area IV Learning Technology Hub	RtI Network	IMSP	Total
REVENUES								
Federal sources	\$ -	\$ -	\$ 237,490	\$ -	\$ -	\$ 135,806	\$ 107,528	\$ 1,106,960
State sources	-	167,613	-	63,038	155,586	-	-	1,015,475
Local sources	15,500	-	-	-	-	-	-	20,500
Total revenues	15,500	167,613	237,490	63,038	155,586	135,806	107,528	2,142,935
EXPENDITURES								
Salaries	-	78,507	131,099	32,676	108,248	82,246	5,950	571,448
Benefits	-	18,639	26,236	7,835	28,857	38,007	433	155,238
Purchased services	15,500	11,828	67,688	18,587	17,596	15,051	41,733	1,240,554
Supplies and materials	-	2,728	12,468	3,230	-	502	7,366	38,053
Payments to other governments	-	-	-	-	885	-	52,046	78,835
Capital expenditures	-	7,480	-	710	-	-	-	8,190
Total expenditures	15,500	119,182	237,491	63,038	155,586	135,806	107,528	2,092,318
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	48,431	(1)	-	-	-	-	50,617
OTHER FINANCING SOURCE								
Net interest income	-	51	1	-	-	-	-	54
NET CHANGE IN FUND BALANCES	-	48,482	-	-	-	-	-	50,671
FUND BALANCES, BEGINNING OF YEAR	-	68,860	-	-	-	-	-	69,319
FUND BALANCES, END OF YEAR	\$ -	\$ 117,342	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,990

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
 EDUCATION FUND
 BUDGETARY COMPARISON SCHEDULES
 FOR THE YEAR ENDED JUNE 30, 2014

SCHEDULE 6

	Title II Teacher Quality - Leadership			Truant's Alternative & Optional Education Program			21st Century		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
			Favorable (Unfavorable)			Favorable (Unfavorable)			Favorable (Unfavorable)
REVENUES									
Federal sources	\$ 10,619	\$ 10,226	\$ (393)	\$ -	\$ -	\$ -	\$ 299,138	\$ 237,490	\$ (61,648)
State sources	-	-	-	64,368	64,368	-	-	-	-
Total revenues	10,619	10,226	(393)	64,368	64,368	-	299,138	237,490	(61,648)
EXPENDITURES									
Salaries	-	-	-	41,574	41,625	(51)	154,925	131,099	23,826
Benefits	-	-	-	10,122	9,804	318	31,393	26,236	5,157
Purchased services	10,619	10,226	393	10,312	10,258	54	96,440	67,688	28,752
Supplies and materials	-	-	-	2,360	2,681	(321)	16,380	12,468	3,912
Payments to governments	-	-	-	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-	-	-
Total expenditures	10,619	10,226	393	64,368	64,368	-	299,138	237,491	61,647
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1)</u>	<u>\$ (1)</u>
OTHER FINANCING SOURCE									
Net interest income		-			-			1	
Total other financing source		-			-			1	
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>	<u>-</u>	

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
 EDUCATION FUND
 BUDGETARY COMPARISON SCHEDULES
 FOR THE YEAR ENDED JUNE 30, 2014

SCHEDULE 6
 (CONTINUED)

	IMSP			Schoolworks Operations			Area IV Learning Technology Hub		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES									
Federal sources	\$107,528	\$ 107,528	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	63,038	63,038	-	155,586	155,586	-
Total revenues	107,528	107,528	-	63,038	63,038	-	155,586	155,586	-
EXPENDITURES									
Salaries	5,523	5,950	(427)	32,811	32,676	135	105,684	108,248	(2,564)
Benefits	153	433	(280)	7,863	7,835	28	29,338	28,857	481
Purchased services	45,130	41,733	3,397	18,905	18,587	318	17,064	17,596	(532)
Supplies and materials	5,168	7,366	(2,198)	2,749	3,230	(481)	-	-	-
Payments to governments	51,554	52,046	(492)	-	-	-	3,500	885	2,615
Capital expenditures	-	-	-	710	710	-	-	-	-
Total expenditures	107,528	107,528	-	63,038	63,038	-	155,586	155,586	-
DEFICIENCY OF REVENUES OVER EXPENDITURES									
	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
OTHER FINANCING SOURCE									
Net interest income		-			-			-	
Total other financing source		-			-			-	
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, 2014**

**SCHEDULE 6
(CONTINUED)**

	<u>RtI Network</u>			<u>Total</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES						
Federal sources	\$ 168,922	\$ 135,806	\$ (33,116)	\$ 586,207	\$ 491,050	\$ (95,157)
State sources	-	-	-	282,992	282,992	-
Total revenues	<u>168,922</u>	<u>135,806</u>	<u>(33,116)</u>	<u>869,199</u>	<u>774,042</u>	<u>(95,157)</u>
EXPENDITURES						
Salaries	102,911	82,246	20,665	443,428	401,844	41,584
Benefits	44,474	38,007	6,467	123,343	111,172	12,171
Purchased services	20,937	15,051	5,886	219,407	181,139	38,268
Supplies and materials	600	502	98	27,257	26,247	1,010
Payments to governments	-	-	-	55,054	52,931	2,123
Capital expenditures	-	-	-	710	710	-
Total expenditures	<u>168,922</u>	<u>135,806</u>	<u>33,116</u>	<u>869,199</u>	<u>774,043</u>	<u>95,156</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1)</u>	<u>\$ (1)</u>
OTHER FINANCING SOURCE						
Net interest income		<u>-</u>			<u>1</u>	
Total other financing source		<u>-</u>			<u>1</u>	
NET CHANGE IN FUND BALANCES		<u>-</u>			<u>-</u>	
FUND BALANCES, BEGINNING OF YEAR		<u>-</u>			<u>-</u>	
FUND BALANCES, END OF YEAR		<u>\$ -</u>			<u>\$ -</u>	

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2014**

SCHEDULE 7

	<u>GED</u>	<u>School Bus Driver Training</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 86,364	\$ 23,419	\$ 109,783
Due from other governmental agencies	99	552	651
TOTAL ASSETS	<u>86,463</u>	<u>23,971</u>	<u>110,434</u>
FUND BALANCES			
Restricted	<u>\$ 86,463</u>	<u>\$ 23,971</u>	<u>\$ 110,434</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, 2014**

SCHEDULE 8

	GED	School Bus Driver Training	Total
REVENUES			
State sources	\$ -	\$ 960	\$ 960
Local sources	34,823	2,694	37,517
Total revenues	<u>34,823</u>	<u>3,654</u>	<u>38,477</u>
EXPENDITURES			
Salaries	33,990	-	33,990
Benefits	1,098	-	1,098
Purchased services	7,982	1,762	9,744
Supplies and materials	4,373	-	4,373
Miscellaneous	119	-	119
Capital expenditures	1,323	-	1,323
Total expenditures	<u>48,885</u>	<u>1,762</u>	<u>50,647</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(14,062)	1,892	(12,170)
OTHER FINANCING SOURCE			
Net interest income	91	21	112
NET CHANGE IN FUND BALANCES (DEFICIT)	(13,971)	1,913	(12,058)
FUND BALANCES, BEGINNING OF YEAR	<u>100,434</u>	<u>22,058</u>	<u>122,492</u>
FUND BALANCES, END OF YEAR	<u>\$ 86,463</u>	<u>\$ 23,971</u>	<u>\$ 110,434</u>

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014

SCHEDULE 9

	<u>Distributive</u>	<u>Payroll Clearing</u>	<u>Regional Board of Trustees</u>	<u>County School Facility Sales Tax</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ -	\$ 132,300	\$ 162	\$ -	\$ 132,462
Due from other governmental agencies	-	230,198	-	-	230,198
TOTAL ASSETS	<u>-</u>	<u>362,498</u>	<u>162</u>	<u>-</u>	<u>362,660</u>
LIABILITIES					
Accounts payable and accrued expenses	<u>\$ -</u>	<u>\$ 362,498</u>	<u>\$ 162</u>	<u>\$ -</u>	<u>\$ 362,660</u>

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, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<u>DISTRIBUTIVE</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 4,462,576	\$ 4,462,576	\$ -
LIABILITIES				
Due to other governmental agencies	\$ -	\$ 4,462,576	\$ 4,462,576	\$ -
<u>PAYROLL CLEARING</u>				
ASSETS				
Cash and cash equivalents	\$ 221,464	\$ 6,950,698	\$ 7,039,862	\$ 132,300
Due from other governmental agencies	-	230,198	-	230,198
	<u>\$ 221,464</u>	<u>\$ 7,180,896</u>	<u>\$ 7,039,862</u>	<u>\$ 362,498</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 221,464	\$ 7,180,896	\$ 7,039,862	\$ 362,498
<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	\$ -	\$ 17,967,048	\$ 17,967,048	\$ -
LIABILITIES				
Due to other governmental agencies	\$ -	\$ 17,967,048	\$ 17,967,048	\$ -
<u>TOTAL ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 221,626	\$ 29,380,322	\$ 29,469,486	\$ 132,462
Due from other governmental agencies	-	230,198	-	230,198
Total Assets	<u>221,626</u>	<u>29,610,520</u>	<u>29,469,486</u>	<u>362,660</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 221,626	\$ 7,180,896	\$ 7,039,862	\$ 362,660
Due to other governmental agencies	-	22,429,624	22,429,624	-
Total liabilities	<u>\$ 221,626</u>	<u>\$ 29,610,520</u>	<u>\$ 29,469,486</u>	<u>\$ 362,660</u>

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHERS
FOR THE YEAR ENDED JUNE 30, 2014**

SCHEDULE 11

	Regional Office of Education No. 9	Rural Champaign Co. Special Education Center	Champaign County School Districts	Total
Distributive Interest	\$ 19	\$ -	\$ -	\$ 19
Public Aid	-	160,585	-	160,585
County School Facility Sales Tax	-	-	17,967,048	17,967,048
General State Aid	525,743	-	-	525,743
Special Ed. - Personnel	-	809,264	-	809,264
State Free Lunch & Breakfast	687	-	-	687
ROE School Bus Training	960	-	-	960
Truants Alternative / Optional Education	52,666	-	-	52,666
Regional Safe Schools	100,999	-	-	100,999
Early Childhood - Block Grant - 00	-	683,079	-	683,079
ROE/ISC Operations	37,187	-	-	37,187
Technology - Learning Technology Center	156,408	-	-	156,408
National School Lunch Program	28,530	-	-	28,530
School Breakfast Program	8,260	-	-	8,260
Title IV - 21st Century Community Learning Centers-(CHS)	129,155	-	-	129,155
Title IV - 21st Century Community Learning Centers-(Stratton)	151,668	-	-	151,668
Fed. - Sp. Ed. Preschool Flow Through	-	50,757	-	50,757
Fed. - Sp. Ed. I.D.E.A. Flow Through	-	1,450,949	-	1,450,949
Title II-Teacher Quality	13,726	-	-	13,726
Mathematics and Science Partnership	101,934	-	-	101,934
	<u>\$ 1,307,942</u>	<u>\$ 3,154,634</u>	<u>\$ 17,967,048</u>	<u>\$ 22,429,624</u>

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

SCHEDULE 12

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/ Contract Number	FY 2014 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	2014-4220-00	\$ 8,260
National School Lunch Program Passed-Through Illinois State Board of Education <i>National School Lunch Program</i>	10.555	2014-4210-00	28,530
Total Child Nutrition Cluster			36,790
TOTAL DEPARTMENT OF AGRICULTURE			\$ 36,790
<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>Foundational Services - (ROE No. 9)</i>	84.010A	2014-4331-SS	\$ 1,738
<i>Foundational Services - (ROE No. 54)</i>	84.010A	2014-4331-SS	2,193
			3,931
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	2014-4920-00	30,723
Twenty-First Century Community Learning Centers Passed-Through Illinois State Board of Education <i>Twenty-First Century Community Learning Centers</i>	(M) 84.287C	2013-4421-10	11,908
<i>Twenty-First Century Community Learning Centers</i>	(M) 84.287C	2014-4421-10	80,026
<i>Twenty-First Century Community Learning Centers</i>	(M) 84.287C	2013-4421-12	25,650
<i>Twenty-First Century Community Learning Centers</i>	(M) 84.287C	2014-4421-12	119,906
			237,490
Mathematics and Science Partnerships Passed-Through Illinois State Board of Education <i>IL Math and Science Partnership</i>	84.366B	2014-4936-40	107,528
Improving Teacher Quality State Grants Passed-Through Illinois State Board of Education <i>Title II - Teacher Quality - Leadership</i>	84.367A	2013-4935-02	2,100
<i>Title II - Teacher Quality - Leadership</i>	84.367A	2014-4935-02	8,126
			10,226
TOTAL DEPARTMENT OF EDUCATION			\$ 389,898
<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>	(M) 93.558	FCSRE00971	\$ 109,509
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 109,509

The accompanying notes are an integral part of this schedule.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2014**

**SCHEDULE 12
 (CONTINUED)**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/ Contract Number	FY 2014 Expenditures
<u>DEPARTMENT OF LABOR</u>			
WIA Youth Activities Passed-Through Champaign Consortium <i>WIA Youth Program</i>	17.259	1210Y2244YETP	\$ 45,847
TOTAL DEPARTMENT OF LABOR			\$ 45,847
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 582,044

(M) Program was audited as a major program.

CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2014

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

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.

Temporary Assistance for Needy Families (Teen Reach) – This program 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.

NOTE 3 - SUBRECIPIENTS

The ROE No. 9 provided federal awards in the amount of \$52,046 to subrecipients in 2014 from the Illinois Math and Science Partnership (IMSP) Grant (CFDA 84.366B).

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.