

**State of Illinois
REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
FINANCIAL AUDIT
(In Accordance with the Single Audit Act
and OMB Circular A-133)
For the Year Ended June 30, 2005**

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 TABLE OF CONTENTS
 JUNE 30, 2005

TABLE OF CONTENTS

	<u>PAGE</u>
Agency Officials	1
Compliance Report Summary.....	2-3
Financial Statement Report Summary	4
Independent Auditor’s Report	5-6
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	7-8
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	9-10
Schedule of Findings and Questioned Costs	
Section I - Summary of Auditor’s Results.....	11
Section II - Financial Statement Findings.....	12a-12c
Section III - Federal Award Findings	13
Corrective Action Plan for Current Year Audit Findings.....	14a-14b
Summary Schedule of Prior Audit Findings.....	15
Management’s Discussion and Analysis	16a-16h

BASIC FINANCIAL STATEMENTS

Statement of Net Assets.....	17
Statement of Activities	18
Balance Sheet - Governmental Funds.....	19
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds	20
Statement of Revenues, Expenditures, and Changes In Fund Balances - Governmental Funds	21

Technology - Enhancing Education - Competitive.....	69
Illinois Mathematics and Science Partnership.....	70
Area IV- System of Support	71
Department of Children and Family Services Grant	72
Positive Behavior Facilitation Grant	73
Combining Balance Sheet	
Nonmajor Special Revenue Funds.....	74
Combining Statement of Revenues, Expenditures and Changes in	
Fund Balances - Nonmajor Special Revenue Funds.....	75
Combining Statement of Fiduciary Net Assets	
Agency Funds	76
Combining Statement of Changes in Assets and Liabilities	
Agency Funds	77-78
Schedule of Funds Disbursed to School District Treasurers and	
Other Entities - Distributive Fund	79
Schedule of Expenditures of Federal Awards	80-81
Notes to the Schedule of Expenditures of Federal Awards	82

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
JUNE 30, 2005

OFFICIALS

Regional Superintendent
(Current and during the Audit Period)

Ms. Judith B. Pacey

Assistant Regional Superintendent
(Current and during the Audit Period)

Ms. Jane Quinlan

Office is located at:

200 South Fredrick Street
Rantoul, IL 61866

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
JUNE 30, 2005

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	4	2
Repeated audit findings	0	1
Prior recommendations implemented Or not repeated	2	3

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (<i>GOVERNMENT AUDITING STANDARDS</i>)		
05-1	12a	Inadequate Review of Bank Accounts
05-2	12b	Capitalization Policy
05-3	12c	Controls over Compliance with Laws and Regulations
FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)		
05-4	13	Unexpended Interest Income

PRIOR FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

04-1	15	State expenditure reports and cash management
04-2	15	Working cash in internal service fund

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

NONE

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on August 26, 2005. Attending were Judith Pacey, Regional Superintendent and Tami Knight, CPA, Manager, Kemper CPA Group, LLP. Responses to the recommendations were provided by Judith Pacey, Regional Superintendent.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
JUNE 30, 2005

FINANCIAL STATEMENT REPORT SUMMARY

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #9, as of and for the year ended June 30, 2005, which collectively comprise the Regional Office of Education #9's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Office of Education #9's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #9, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 26, 2005, on our consideration of the Regional Office of Education #9's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress, on pages 16a-16h, and 49, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

A handwritten signature in black ink that reads "Kemper CPA Group LLP". The signature is written in a cursive, flowing style.

Certified Public Accountants and Consultants

Mt. Vernon, Illinois
August 26, 2005

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #9, as of and for the year ended June 30, 2005, which collectively comprise the Regional Office of Education #9's basic financial statements and have issued our report thereon dated August 26, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Regional Office of Education #9's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Regional Office of Education #9's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 05-1 and 05-2.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 05-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Regional Office of Education #9's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance which is required by the *Guidelines to Auditing and Reporting for a Regional Office of Education*, to be reported on the accompanying Schedule of Findings and Questioned Costs as item 05-3.

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

A handwritten signature in cursive script that reads "Kemper CPA Group, LLP".

Certified Public Accountants and Consultants

Mt. Vernon, Illinois
August 26, 2005

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the compliance of the Regional Office of Education #9 with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The Regional Office of Education #9's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Regional Office of Education #9's management. Our responsibility is to express an opinion on the Regional Office of Education #9's compliance based on our audit.

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

In our opinion, the Regional Office of Education #9 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 05-4.

Internal Control Over Compliance

The management of the Regional Office of Education #9 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Regional Office of Education #9's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

A handwritten signature in cursive script that reads "Komper CPA Group, LLP".

Certified Public Accountants and Consultants

Mt. Vernon, Illinois
August 26, 2005

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 SUMMARY OF AUDITOR'S RESULTS
 JUNE 30, 2005

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Reportable condition(s) identified that are not considered to be material weakness(es)? Yes
- Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Reportable condition(s) identified that are not considered to be material weakness(es)? No

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

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)? Yes

Identification of **major** programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.366	Illinois Mathematics & Science Partnership
84.027A	Federal Special Education I.D.E.A. - Discretionary

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

Auditee qualified as a low-risk auditee? Yes

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2005

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No.: 05-1 – Inadequate Review of Bank Accounts

Criteria/specific requirement:

Each month's bank statement should be reconciled to the related general ledger account balance and reviewed by the appropriate level of management.

Condition:

The Regional Office of Education #9's bank reconciliations are not being reviewed to ensure the reconciliation is taking place and that the reconciliation is complete.

Effect:

There is the possibility that an error or fraud may occur and not be detected.

Cause:

The Regional Office of Education #9 has insufficient internal controls.

Auditors' Recommendation:

The Regional Office of Education #9's management should review bank reconciliations each month after the reconciliation has been completed.

Management's response:

The Regional Superintendent agrees with the finding.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2005

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 05-2 – Capitalization Policy

Criteria/specific requirement:

Capital asset acquisitions and dispositions should be recorded in the correct accounting period.

Condition:

The Regional Office of Education #9 included \$8,242 of capital asset purchases in their capital asset listing as of June 30, 2005 when the assets were received and installed in July and August 2005.

In addition, the Regional Office of Education #9 removed \$8,973 of capital assets from their capital asset listing as of June 30, 2005 when the assets were not physically removed from the Regional Office's custody until July 5, 2005 and the Inventory Disposal Form was not approved by the Regional Superintendent until July 22, 2005.

Effect:

There is a net understatement of capital assets of \$731. In addition, the capital asset listing was incomplete.

Cause:

The Regional Office of Education #9's accounting personnel misunderstood the appropriate date to use when placing and removing assets from service.

Recommendation:

The Regional Office of Education #9 should review the capital asset addition and disposal report with the original supporting documentation to ensure that the Regional Office of Education #9 recorded capital asset acquisitions and dispositions in the correct accounting period.

Management's response:

The Regional Superintendent agrees with the finding.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2005

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 05-3 – Controls Over Compliance with Laws and Regulations

Criteria/specific requirement:

The Illinois School Code 105 ILCS 5/3-14.11 states that the Regional Superintendent shall examine at least once each year all books, accounts, and vouchers of every school treasurer in his educational service region, and if he finds any irregularities in them, to report them at once, in writing, to the trustees in Class II county school units, to the respective school boards of those school districts which form a part of a Class II county school unit but which are not subject to the jurisdiction of the trustees of schools of any township in which any such district is located, or to the respective school boards of the district in Class I county school units whose duty it shall be to take immediately such action as the case demands.

This mandate has existed in its current form since at least 1953.

Condition:

The Regional Office is not examining all books, accounts, and vouchers of every school treasurer in his educational service area at least once each year. Regional Office officials noted that they believe this mandate is outdated and that they are satisfying the intent of the statute by other reviews they undertake. For example, the Regional Superintendent signs off on the Annual Financial Reports from the school districts in his region. In addition, the Regional Office gets a spreadsheet from the Illinois State Board of Education (ISBE) that outlines all of the school districts and their audit exceptions, if any. The Regional Office follows up with school districts having exceptions and gets the corrective action and forwards it to ISBE.

While these are reviews involving the finances of school treasurers, they are not in the level of detail required by 105 ILCS 5/3-14.11.

Effect:

The Regional Office of Education #9 did not comply with statutory requirements.

Cause:

The Regional Superintendent was unaware of the statutory requirements.

Recommendation:

The Regional Office of Education #9 should comply with the requirements of 105 ILCS 5/3-14.11. If the Regional Office believes the statutory mandate is obsolete or otherwise unnecessary, then it should seek legislative action to revise the statute accordingly.

Management's response:

In 1953, there were 102 county superintendents and their duties were a lot less numerous than today. Few schools had budgets that exceeded \$500,000. Under such conditions, this law probably made sense. During the past 50+ years, various practices have evolved eliminating the need for this type of monitoring. In the 21st century, all schools have multi-million dollar budgets that are: 1.) audited annually by professionally certified outside auditing firms; 2.) audits are filed for public record & inspection; and 3.) this is tracked through the process by the procedures mentioned above in the section titled "Condition". Requiring the ROE's to do another review would be redundant, costly, and require the hiring of teams of new staff members in each ROE to carry out the task. The latter begs the question of which level(s) of government would bear the cost to carry out this task and how costly might that be to reinstitute the practice?

We are grateful for the OAG's assistance in calling this to our collective attention because it provides the Regional Offices of Education with additional justification to request that the General Assembly delete this and other obsolete sections from the statutes. We will seek a legislative solution to this and other obsolete passages.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2005

SECTION III – FEDERAL AWARD FINDINGS

Finding No.: 05-4 – Unexpended Interest Income

Federal Program Name & Year: (a) Federal Special Education I.D.E.A.-Discretionary, (b) Technology – Enhancing Education – Competitive, (c) Title I – Reading First Part B SEA Funds

Project Number: (a) 05-4630-00, (b) 05-4972-00, (c) 05-4337-02 and 05-4337-00

CFDA Number: (a) 84.027A, (b) 84.318X, (c) 84.357

Passed Through: (a, b, and c) Illinois State Board of Education

Federal Agency: (a, b, and c) U.S. Department of Education

Criteria/specific requirement:

The Cash Management Improvement Act of 1990 (31 CFR part 205) requires that interest earned on federal fund balances in excess of \$100 be remitted back to the federal granting agency.

Condition:

The Regional Office of Education #9 had \$7,096 of accumulated interest income from federal funds at June 30, 2005 of which \$3,238 was carried forward from fiscal year 2004 and \$3,858 was earned in fiscal year 2005.

Questioned Costs:

(a) \$1,769, (b) \$4,854, (c) \$473

Context:

N/A

Effect:

The accumulation of unexpended interest income during the grant period results in unexpended funds, which should be returned to the granting agency and is in violation of the Cash Management Improvement Act of 1990.

Cause:

Oversight on the part of the Regional Office of Education #9.

Recommendation:

The Regional Office of Education #9 should expend up to \$100 of the interest income earned from each federally funded program on administrative program expenditures incurred during each program year. All interest earned on federally funded programs in excess of \$100 should be promptly returned to the federal grantor agency.

Management's Response:

The Regional Superintendent agrees with the findings.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2005

Corrective Action Plan

Finding 05-1

Condition:

The Regional Office of Education #9's bank reconciliations are not being reviewed to ensure the reconciliation is taking place and that the reconciliation is complete.

Plan:

The Regional Office of Education #9's management will review bank reconciliations each month after the reconciliation has been completed.

Anticipated Date of Completion:

Immediately upon learning of the oversight.

Contact Person Responsible for Corrective Action:

Ms. Judith B. Pacey, Regional Superintendent

Finding 05-2

Condition:

The Regional Office of Education #9 included \$8,242 of capital asset purchases in their capital asset listing as of June 30, 2005 when the assets were received and installed in July and August 2005.

In addition, the Regional Office of Education #9 removed \$8,973 of capital assets from their capital asset listing as of June 30, 2005 when the assets were not physically removed from the Regional Office's custody until July 5, 2005 and the Inventory Disposal Form was not approved by the Regional Superintendent until July 22, 2005.

Plan:

The Regional Office of Education #9 will review the capital asset addition and disposal report with the original supporting documentation to ensure that the Regional Office of Education #9 recorded capital asset acquisitions and dispositions in the correct accounting period.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Contact Person Responsible for Corrective Action:

Ms. Judith B. Pacey, Regional Superintendent

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2005

Corrective Action Plan

Finding 05-3

Condition:

The Regional Office is not examining all books, accounts, and vouchers of every school treasurer in his educational service area at least once each year. Regional Office officials noted that they believe this mandate is outdated and that they are satisfying the intent of the statute by other reviews they undertake. For example, the Regional Superintendent signs off on the Annual Financial Reports from the school districts in his region. In addition, the Regional Office gets a spreadsheet from the Illinois State Board of Education (ISBE) that outlines all of the school districts and their audit exceptions, if any. The Regional Office follows up with school districts having exceptions and gets the corrective action and forwards it to ISBE.

While these are reviews involving the finances of school treasurers, they are not in the level of detail required by 105 ILCS 5/3-14.11.

Plan:

The Regional Office of Education #9 will comply with the requirements of 105 ILCS 5/3-14.11. If the Regional Office believes the statutory mandate is obsolete or otherwise unnecessary, then it will seek legislative action to revise the statute accordingly.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Contact Person Responsible for Corrective Action:

Ms. Judith B. Pacey, Regional Superintendent

Finding 05-4

Condition:

The Regional Office of Education #9 had \$7,096 of accumulated interest income from federal funds at June 30, 2005 of which \$3,238 was carried forward from fiscal year 2004 and \$3,858 was earned in fiscal year 2005.

Plan:

The Regional Office of Education #9 will expend up to \$100 of the interest income earned from each federally funded program on administrative program expenditures incurred during each program year. All interest earned on federally funded programs in excess of \$100 will be promptly returned to the federal grantor agency.

Anticipated Date of Completion:

Immediately upon learning of the oversight.

Contact Person Responsible for Corrective Action:

Ms. Judith B. Pacey, Regional Superintendent

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2005

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
04-1	State Expenditure Reports and Cash Management	Corrective Action Taken
04-2	Working Cash in Internal Service Fund	Correction Action Taken

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005

The Regional Office of Education #9 for Champaign and Ford Counties provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2005. We encourage readers to consider this information in conjunction with the Regional Office of Education #9's financial statements, which follow.

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

Financial Highlights

General Fund revenues decreased from \$1,727,029 in FY04 to \$1,658,384 in FY05, while General Fund expenditures also decreased from \$1,728,041 in FY04 to \$1,593,369 in FY05. This resulted in an increase in the fund balance for the General Fund from \$87,437 in FY04 to \$155,121 in FY05.

The Education Fund revenues increased from \$3,218,085 in FY04 to \$3,848,299 in FY05, while expenditures also increased from \$3,232,161 in FY04 to \$3,748,033 in FY05. This resulted in an increase in fund balance for the Education Fund from \$8,298 in FY04 to \$118,773 in FY05.

Using This Report

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

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

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

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

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005

Reporting the Office as a Whole

The Statement of Net Assets and the Statement of Activities

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

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

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

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

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

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

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

The Office has three kinds of funds:

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2005

The Office has three kinds of funds (Concluded):

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

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

Government – Wide Financial Analysis

As noted earlier, net assets may serve, when examined over time, as one indicator of the financial position of the Regional Office. The total net assets at the end of FY05 were \$1,121,993. The analysis that follows provides a summary of the Regional Office of Education #9's net assets at June 30, 2005, for the governmental and business-type activities.

CONDENSED STATEMENT OF NET ASSETS

Governmental Activities

	2005	2004	Increase / (Decrease)
Current Assets	\$ 1,439,201	\$ 1,895,865	(456,664)
Capital assets, being depreciated, net	232,761	179,076	53,685
Total Assets	1,671,962	2,074,941	(402,979)
Current Liabilities	919,084	1,569,659	(650,575)
Net Assets:			
Invested in capital assets	232,761	179,076	53,685
Unrestricted	520,117	326,206	193,911
Total Net Assets	\$ 752,878	\$ 505,282	247,596

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2005

Government – Wide Financial Analysis (Continued)

The Regional Office of Education’s governmental assets exceeded governmental liabilities (net assets) by \$752,878, which was an increase of \$247,596. Cash and cash equivalents made up the majority of current assets. The decrease in current assets and current liabilities relates primarily to the decrease in unearned revenue from FY04 to FY05. More unearned revenue was recognized as revenue in FY05 because of the increase in expenditures of governmental activities, which decreased unearned revenue and cash. The Learning Technology Center purchased equipment that has not yet been fully depreciated which resulted in the increase in capital assets and invested in capital assets. These factors combined led to the increase in governmental net assets.

CONDENSED STATEMENT OF NET ASSETS

Business-type Activities

	2005	2004	Increase / (Decrease)
Current Assets	\$ 366,704	\$ 367,596	(892)
Capital assets, being depreciated, net	2,411	2,806	(395)
Total Assets	369,115	370,402	(1,287)
Net Assets:			
Invested in capital assets	2,411	2,806	(395)
Unrestricted	366,704	367,596	(892)
Total Net Assets	\$ 369,115	\$ 370,402	(1,287)

The Regional Office of Education #9’s business-type net assets remained relatively consistent from fiscal year 2004 to fiscal year 2005.

STATEMENT OF ACTIVITIES

The following analysis shows the changes in net assets for governmental and business-type activities for the year ended June 30, 2005.

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2005

Government – Wide Financial Analysis (Continued)

STATEMENT OF ACTIVITIES

Governmental Activities

	2005	2004	Increase / (Decrease)
Revenues:			
Program Revenues:			
Operating grants and contributions	\$ 3,541,441	\$ 2,855,615	685,826
General revenues:			
Local sources	1,353,159	1,533,606	(180,447)
State sources	251,373	159,521	91,852
On-behalf payments	588,185	663,630	(75,445)
Investment earnings	5,965	8,112	(2,147)
Noncash contribution	8,771	-	8,771
Loss on disposal of assets	-	(2,425)	2,425
Total Revenues	5,748,894	5,218,059	530,835
Expenses:			
Instructional Services			
Salaries and benefits	2,380,177	2,568,122	(187,945)
Purchased Services	1,670,988	1,127,061	543,927
Supplies and materials	349,817	254,975	94,842
Other objects	451,654	504,707	(53,053)
Depreciation expense	59,527	50,111	9,416
Administrative Expense:			
On-Behalf payments	588,185	663,630	(75,445)
Total Expenses	5,500,348	5,168,606	331,742
Change in Net Assets	248,546	49,453	199,093
Net Assets - Beginning	504,332	455,829	48,503
Net Assets - Ending	\$ 752,878	\$ 505,282	247,596

Revenues for governmental activities were \$5,748,894 and expenses were \$5,500,348. The increase in total revenues is due to several factors. The Institute Fund is in the first year of a new five-year cycle for teacher certification and the number of people requiring certification renewal is the highest during this year. The Regional Education Alternative for Developing Youth Program had an increase due to a

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2005

Government – Wide Financial Analysis (Continued)

change in reporting procedures, increase in student enrollment and an increase in tuition fees. The decrease in salaries and benefits is due to The Area IV Learning Technology Center losing two personnel positions. This department only replaced one of those positions at a lower salary. Also, the Juvenile Detention Center lost the equivalent of one full-time position due to a lower number of students. The increase in purchased services is due to ROE SchoolWorks using outside consultants to provide specific services to schools on the academic watch list through System of Support. Schools are on the watch list for failing to meet state standards for two years in a row. Each school develops a school improvement plan to meet their specific needs. ROE SchoolWorks tries to support each school with their specific plan and meet their individual needs. All of these factors combined led to an increase in ending net assets in fiscal year 2005.

STATEMENT OF ACTIVITIES

	<u>2005</u>	<u>2004</u>	<u>Increase / (Decrease)</u>
<u>Business-Type Activities</u>			
Revenues:			
Program Revenues:			
Charges for Services	\$ 150,972	\$ 161,745	(10,773)
General Revenue:			
Investment earnings	<u>1,818</u>	<u>1,877</u>	(59)
Total Revenues	<u>152,790</u>	<u>163,622</u>	(10,832)
Expenses:			
Salaries and benefits	67,608	106,849	(39,241)
Purchased Services	73,211	99,688	(26,477)
Supplies and materials	12,863	15,135	(2,272)
Other objects	-	494	(494)
Depreciation	<u>395</u>	<u>196</u>	199
Total Expenses	<u>154,077</u>	<u>222,362</u>	(68,285)
Change in Net Assets	(1,287)	(58,740)	57,453
Net Assets - Beginning	<u>370,402</u>	<u>429,142</u>	(58,740)
Net Assets - Ending	<u>\$ 369,115</u>	<u>\$ 370,402</u>	(1,287)

Revenues for the business-type activities were \$152,790 and expenses were \$154,077. This resulted in an overall decrease in total net assets of \$1,287. The decrease is due to a number of factors. The decrease in revenue, salaries and benefits, and purchased services are due to the System of Support

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005

Government – Wide Financial Analysis (Concluded)

project changing the dynamics of our organization. FY05 became a planning year. ROE SchoolWorks offered fewer workshops than in the previous year and thus had less revenue. The System of Support (SOS) grant also affected the salaries and benefits portion of the expenditures. The System of Support/RESPRO grants provided us monies to work with area schools affected by No Child Left Behind sanctions. When ROE SchoolWorks staff worked with SOS schools, or in the development and support of SOS activities, they were paid from the SOS grant. All of these factors combined led to the decrease in business-type net assets.

Financial Analysis of the Regional Office of Education #9 Funds

As previously noted, the Regional Office of Education #9 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Regional Office of Education #9's Governmental Funds reported combined fund balances of \$471,468.

Governmental Fund Highlights

The Regional Office of Education #9 continues to offer technical assistance and professional development activities to teachers in all areas of curriculum. We have documentation that at least 3,201 teachers have received direct professional development to improve their basic knowledge and/or their teaching pedagogy. We are responsible for professional development activities to maintain certification by our school administrators through the Administrator Academy. We have documentation that at least 318 administrators have received direct professional development. We operate a middle school and high school through the Regional Safe School Program for students who have experienced serious difficulties in the public schools. This school served 154 students. The Positive Behavioral Intervention and Support (PBIS) program served 133 schools and the EBD Network provided training to 452 participants. Our Truancy Program had 105 referrals and served 72 students to ameliorate their truancy problems. The McKinney Education-Homeless Children Program served 92 students and families. We served 3,216 teachers through the Certification Program that assists teachers in completing certification requirements and obtaining a certificate. There are a variety of other regulatory programs that are statute based including the annual inspection of school buildings for health and safety and regular compliance monitoring of districts. A General Education Diploma is offered through our cooperative effort with Parkland College and the Lincoln's Challenge Program, which includes testing to meet high school equivalency. We administered 862 GED tests. In addition, we have a variety of smaller programs that would be classified as consultative services working directly with the schools.

The ROE assists parents and other patrons on a daily basis as they call for information and/or with questions or problems related to their children. We answer questions concerning bus service, grade problems, special education needs and requirements, residency concerns, and home school issues. We offer guidance to parents as well as serving as a liaison between parents and the schools. We have offered assistance to 474 foster/adoptive families through our DCFS Education Advisor's Office. The ROE has also provided assistance to 52 families and 92 children through the La Comunidad Unida Latino Program.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005

Proprietary Fund Highlights

The local workshop fund provided training and workshops to 17 public school districts and 26 non-public schools in the region. As part of its mission, the Regional Office of Education #9 continued to provide workshop and training services to school districts even during economically challenging times. Many workshops and services were offered free-of-charge and below cost recovery in order to meet organizational objectives.

Budgetary Highlights

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

Capital Assets

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

Economic Factors and Next Year's Budget

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

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

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

Contacting the Office's Financial Management

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

BASIC FINANCIAL STATEMENTS

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF NET ASSETS
 JUNE 30, 2005

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash	\$ 1,212,932	\$ 365,353	\$ 1,578,285
Due from other governments:			
Local	106,016	1,351	107,367
State	52,154	-	52,154
Federal	68,099	-	68,099
Total Current Assets	<u>1,439,201</u>	<u>366,704</u>	<u>1,805,905</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	232,761	2,411	235,172
Total Noncurrent Assets	<u>232,761</u>	<u>2,411</u>	<u>235,172</u>
TOTAL ASSETS	<u>1,671,962</u>	<u>369,115</u>	<u>2,041,077</u>
LIABILITIES			
Current Liabilities:			
Due to other governments:			
State	8,153		8,153
Federal	7,096	-	7,096
Unearned revenue	903,835	-	903,835
Total Current Liabilities	<u>919,084</u>	<u>-</u>	<u>919,084</u>
TOTAL LIABILITIES	<u>919,084</u>	<u>-</u>	<u>919,084</u>
NET ASSETS			
Invested in capital assets	232,761	2,411	235,172
Unrestricted	520,117	366,704	886,821
TOTAL NET ASSETS	<u>\$ 752,878</u>	<u>\$ 369,115</u>	<u>\$ 1,121,993</u>

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2005

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary Government:						
Governmental Activities:						
Instructional Services						
Current:						
Salaries and benefits	\$ 2,380,177	\$ -	\$ 1,579,229	\$ (800,948)	\$ -	\$ (800,948)
Purchased services	1,670,988	-	1,206,913	(464,075)	-	(464,075)
Supplies and materials	349,817	-	210,845	(138,972)	-	(138,972)
Depreciation expense	59,527	-	-	(59,527)	-	(59,527)
Capital outlay	-	-	108,773	108,773	-	108,773
Other objects	451,654	-	435,681	(15,973)	-	(15,973)
Administrative:						
On-behalf payments - State	588,185	-	-	(588,185)	-	(588,185)
Total Governmental Activities	<u>5,500,348</u>	<u>-</u>	<u>3,541,441</u>	<u>(1,958,907)</u>	<u>-</u>	<u>(1,958,907)</u>
Business-Type Activities:						
Registration Fees	154,077	150,972	-	-	(3,105)	(3,105)
Total Business-Type Activities:	<u>154,077</u>	<u>150,972</u>	<u>-</u>	<u>-</u>	<u>(3,105)</u>	<u>(3,105)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 5,654,425</u>	<u>\$ 150,972</u>	<u>\$ 3,541,441</u>	<u>(1,958,907)</u>	<u>(3,105)</u>	<u>(1,962,012)</u>
GENERAL REVENUES:						
Local sources				1,353,159	-	1,353,159
State sources				251,373	-	251,373
On-behalf payments				588,185	-	588,185
Investment earnings				5,965	1,818	7,783
Noncash contribution				8,771	-	8,771
Total General Revenues, Special and Extraordinary Items and Transfers				<u>2,207,453</u>	<u>1,818</u>	<u>2,209,271</u>
CHANGE IN NET ASSETS				248,546	(1,287)	247,259
NET ASSETS - BEGINNING				504,332	370,402	874,734
NET ASSETS - ENDING				<u>\$ 752,878</u>	<u>\$ 369,115</u>	<u>\$ 1,121,993</u>

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2005

	General Fund	Institute	Education Fund	Other Governmental Funds	Eliminations	Total Governmental Funds
ASSETS						
Cash	\$ 315,191	\$ 141,339	\$ 653,513	\$ 56,011	\$ -	\$ 1,166,054
Due from other funds	173,291	-	-	-	(173,291)	-
Due from other governments:						
Local	19,164	-	84,857	224	-	104,245
State	13,826	-	38,328	-	-	52,154
Federal	-	-	68,099	-	-	68,099
TOTAL ASSETS	\$ 521,472	\$ 141,339	\$ 844,797	\$ 56,235	\$ (173,291)	\$ 1,390,552
LIABILITIES						
Due to other funds	\$ 12,621	\$ -	\$ 160,670	\$ -	\$ (173,291)	\$ -
Due to other governments:						
State	-	-	8,153	-	-	8,153
Federal	-	-	7,096	-	-	7,096
Unearned revenue	353,730	-	550,105	-	-	903,835
Total Liabilities	366,351	-	726,024	-	(173,291)	919,084
FUND BALANCES						
Unreserved, reported in:						
General fund	155,121	-	-	-	-	155,121
Special revenue funds	-	141,339	118,773	56,235	-	316,347
Total Fund Balances	155,121	141,339	118,773	56,235	-	471,468
TOTAL LIABILITIES AND FUND BALANCES	\$ 521,472	\$ 141,339	\$ 844,797	\$ 56,235	\$ (173,291)	\$ 1,390,552

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
 GOVERNMENTAL FUNDS
 JUNE 30, 2005

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS	\$	471,468
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		232,761
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The Internal Service Fund is used by management to charge the costs of general accounting services of the Regional Office of Education #9 to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the Statement of Net Assets.

Net Assets- Internal Service Fund	\$ 57,502		
Less Capital Assets Included in Total Above	<u>(8,853)</u>	<u>48,649</u>	

NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<u><u>752,878</u></u>
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REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005

	General Fund	Institute	Education Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Local sources	\$ 539,734	\$ 64,205	\$ 588,910	\$ 46,784	\$ 1,239,633
State sources	530,465	-	815,785	2,960	1,349,210
State sources- on-behalf payments	588,185	-	-	-	588,185
Federal sources	-	-	2,443,604	-	2,443,604
Total Revenues	<u>1,658,384</u>	<u>64,205</u>	<u>3,848,299</u>	<u>49,744</u>	<u>5,620,632</u>
EXPENDITURES					
Current:					
Instructional Services					
Salaries and benefits	572,806	-	1,684,192	32,095	2,289,093
Purchased services	279,354	21,098	1,341,062	6,441	1,647,955
Supplies and materials	100,171	679	218,767	9,539	329,156
Capital outlay	39,569	-	69,204	-	108,773
Other objects	13,284	-	434,808	325	448,417
On-behalf payments	588,185	-	-	-	588,185
Total Expenditures	<u>1,593,369</u>	<u>21,777</u>	<u>3,748,033</u>	<u>48,400</u>	<u>5,411,579</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	<u>65,015</u>	<u>42,428</u>	<u>100,266</u>	<u>1,344</u>	<u>209,053</u>
OTHER FINANCING SOURCES (USES):					
Interest	2,669	551	1,438	301	4,959
Noncash contribution	-	-	8,771	-	8,771
Total Other Financing Sources (Uses)	<u>2,669</u>	<u>551</u>	<u>10,209</u>	<u>301</u>	<u>13,730</u>
NET CHANGE IN FUND BALANCES	67,684	42,979	110,475	1,645	222,783
FUND BALANCES - BEGINNING	<u>87,437</u>	<u>98,360</u>	<u>8,298</u>	<u>54,590</u>	<u>248,685</u>
FUND BALANCES - ENDING	<u>\$ 155,121</u>	<u>\$ 141,339</u>	<u>\$ 118,773</u>	<u>\$ 56,235</u>	<u>\$ 471,468</u>

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005

NET CHANGE IN FUND BALANCES — GOVERNMENTAL FUNDS \$ 222,783

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

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

Capital outlay	\$ 108,773	
Depreciation expense	<u>(59,527)</u>	49,246

The Internal Service Funds is used by management to charge the costs of general accounting services of Regional Office of Education #9 to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities - excluding the related depreciation expense of \$4,291 which is included above.

(23,483)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 248,546

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2005

	Business-Type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund
	Local Workshops	Total	
ASSETS			
Current assets:			
Cash	\$ 365,353	\$ 365,353	\$ 46,878
Due from other governments:			
Local	1,351	1,351	1,771
Total current assets	<u>366,704</u>	<u>366,704</u>	<u>48,649</u>
Noncurrent assets:			
Capital assets, being depreciated, net	2,411	2,411	8,853
Total noncurrent assets	<u>2,411</u>	<u>2,411</u>	<u>8,853</u>
TOTAL ASSETS	<u>369,115</u>	<u>369,115</u>	<u>57,502</u>
NET ASSETS			
Invested in capital assets	2,411	2,411	8,853
Unrestricted	366,704	366,704	48,649
TOTAL NET ASSETS	<u>\$ 369,115</u>	<u>\$ 369,115</u>	<u>\$ 57,502</u>

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005

	Business-Type Activities - Enterprise Fund		Governmental Activities- Internal Service Fund
	Local Workshops	Total	
OPERATING REVENUES			
Registration fees	\$ 150,972	\$ 150,972	\$ 113,526
Total Operating Revenues	<u>150,972</u>	<u>150,972</u>	<u>113,526</u>
OPERATING EXPENSES			
Salaries and benefits	67,608	67,608	91,084
Purchased services	73,211	73,211	23,033
Supplies and materials	12,863	12,863	20,661
Other objects	-	-	3,237
Depreciation	395	395	4,291
Total Operating Expenses	<u>154,077</u>	<u>154,077</u>	<u>142,306</u>
OPERATING INCOME (LOSS)	<u>(3,105)</u>	<u>(3,105)</u>	<u>(28,780)</u>
NONOPERATING REVENUE			
Interest	1,818	1,818	1,006
Total Nonoperating Revenue	<u>1,818</u>	<u>1,818</u>	<u>1,006</u>
CHANGE IN NET ASSETS	(1,287)	(1,287)	(27,774)
TOTAL NET ASSETS - BEGINNING	<u>370,402</u>	<u>370,402</u>	<u>85,276</u>
TOTAL NET ASSETS - ENDING	<u>\$ 369,115</u>	<u>\$ 369,115</u>	<u>\$ 57,502</u>

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005

	Business-Type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund
	Local Workshops	Totals	
Cash Flows from Operating Activities:			
Receipts from customers	\$ 151,383	\$ 151,383	\$ 111,755
Payments to suppliers and providers of goods and services	(86,074)	(86,074)	(46,931)
Payments to employees	(67,608)	(67,608)	(91,084)
Net Cash Provided by (Used for) Operating Activities	<u>(2,299)</u>	<u>(2,299)</u>	<u>(26,260)</u>
Cash Flows from Noncapital Financing Activities:			
Cash transfers from other funds	119,314	119,314	-
Net Cash Provided by Noncapital Financing Activities	<u>119,314</u>	<u>119,314</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	-	-	(4,439)
Net Cash Flows from Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(4,439)</u>
Cash Flows from Investing Activities:			
Interest Earned	1,818	1,818	1,006
Net Cash Flows from Investing Activities	<u>1,818</u>	<u>1,818</u>	<u>1,006</u>
Net Increase (Decrease) in Cash	118,833	118,833	(29,693)
Cash - Beginning	<u>246,520</u>	<u>246,520</u>	<u>76,571</u>
Cash - Ending	<u>\$ 365,353</u>	<u>\$ 365,353</u>	<u>\$ 46,878</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (3,105)	\$ (3,105)	\$ (28,780)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	395	395	4,291
(Increase) Decrease in Due from Other Governments	411	411	(1,771)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (2,299)</u>	<u>\$ (2,299)</u>	<u>\$ (26,260)</u>

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 JUNE 30, 2005

	Agency Funds
ASSETS	
Cash	\$ 107,855
Due from other governments	60,253
TOTAL ASSETS	\$ 168,108
 LIABILITIES	
Due to other governments	\$ 168,108
TOTAL LIABILITIES	\$ 168,108

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In 2005, the Regional Office of Education #9 implemented Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*, GASB Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*, an Amendment of GASB Statement No. 34, GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, and GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, an Amendment of GASB Statement No. 34 which changes note disclosure requirements for governmental entities. The Regional Office of Education #9 implemented these standards early because they do not have a significant impact on the financial statements.

GASB Statement No. 34 established a new financial reporting model for State and local governments that included the addition of a Management's Discussion and Analysis, government-wide financial statements, required supplementary information and the elimination of the effects of the internal service activities and the use of account groups to the already required fund financial statements and notes.

A. FINANCIAL REPORTING ENTITY

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

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. FINANCIAL REPORTING ENTITY (Concluded)

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

For the period ended June 30, 2005, the Regional Office of Education #9 applied for, received, and administered numerous state and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #9. Such activities are reported as a single special revenue fund (Education Fund).

B. SCOPE OF THE REPORTING ENTITY

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

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

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

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #9's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by state and

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Concluded)

federal grants and other intergovernmental revenues. The Regional Office of Education has one business-type activity that relies on fees and charges for support.

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

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

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

D. PROPRIETARY FUND FINANCIAL STATEMENTS

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and nonmajor funds aggregated. A column representing internal service funds is also presented in

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. PROPRIETARY FUND FINANCIAL STATEMENTS (Concluded)

these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

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

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

E. GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

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

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

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

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

G. FUND ACCOUNTING

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

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are reported. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

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

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

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

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

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

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

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

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

Institute - This fund accounts for teacher certificate registration, issuance and evaluation fees for processing certificates, and expenses of meetings of a professional nature.

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

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

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

Adult Education - This program uses local money to operate the Adult Education program.

Regional Education Alternative for Developing Youth- This program works with students in grades 6-12 who have been suspended multiple times or expelled from school, allowing them to continue their education.

Federal Special Education I.D.E.A. - This program provides information, support, resources, and training to schools, families and community agencies who work with families of children with, or at risk of developing severe emotional or behavioral disabilities.

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

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

Extended School Year - This program is for the summer school program at the Juvenile Detention Center.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

Title I - Reading First Part B SEA (05-4337-00) & (05-4337-02) - This program provides technical assistance and professional development opportunities to support Reading First districts and primary reading instruction.

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

Technology - Enhancing Education – Competitive - This program focuses on data analysis driving professional development for increasing student achievement. Activities occur regionally to provide local support.

Illinois Mathematics and Science Partnerships - This program enhances the content knowledge and teaching skills of classroom teachers in the areas of mathematics and science.

Area IV System of Support - This program was formed to assist area schools and districts within six regional offices in Area IV with systematic and sustainable improvement efforts.

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

Interactive Illinois Report Card - This program provides in-services and on-site assistance about the Interactive Illinois Report Card for local schools and districts.

Positive Behavior Facilitation Grant - This program provides Positive Behavior Facilitation (PBF) Leader Training and PBF Trainer of Trainer in-services.

Regional Education Alternative for Developing Youth State Aid - This program accounts for aid provided by the state based on students that attend the READY and Alternative School programs.

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Concluded)

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

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

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

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

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

PROPRIETARY FUNDS

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

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

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

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

FIDUCIARY FUNDS

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIDUCIARY FUNDS (Concluded)

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

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

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

H. NET ASSETS

Net assets present the difference between assets and liabilities in the Statement of Net Assets. Net assets are reported as restricted when there are legal limitations imposed on their use by legislation or external restrictions by grantors, laws or regulations of other governments.

I. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit.

J. INVENTORY

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

K. CAPITAL ASSETS

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

L. COMPENSATED ABSENCES

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

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

M. ESTIMATES

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

N. BUDGET INFORMATION

The Regional Office of Education #9 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Funds. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted nor are they required to be. The General Fund and certain programs within the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results are presented as supplemental information. Budgetary comparison schedules have been provided in supplementary schedules for the following funds: Schoolworks Operations, Area IV Learning Technology Hub, Youth Detention Center, Truants Alternative/Optional Education, Regional Education Alternative for Developing Youth, Federal Special Education I.D.E.A, Northern Illinois University Grant, Extended School Year, Novice Teacher Support, Title I- Reading First Part B SEA (05-4337-00) & (05-4337-02), McKinney - Vento Homeless Children & Youth Program, Technology - Enhancing Education - Competitive, Illinois Mathematics and Science Partnerships, Area IV – System of Support, Department of Children and Family Services Grant, and Positive Behavior Facilitation Grant.

NOTE 2 – CASH

The Regional Office of Education #9 is allowed to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 2 – CASH (Concluded)

A. DEPOSITS

At June 30, 2005, the carrying amount of the Regional Office of Education #9's government-wide and Agency fund deposits were \$1,578,285 and \$107,855, respectively, and the bank balances were \$2,314,811 and \$336,533, respectively. Of the total bank balances as of June 30, 2005, \$200,000 was secured by federal depository insurance and \$2,302,688 was collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education #9's name.

B. INVESTMENTS

The Regional Office of Education #9 does not have a formal investment policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2005, the Regional Office of Education #9 had investments with carrying and fair values of \$148,656 invested in the Illinois Funds Money Market Fund.

CREDIT RISK

At June 30, 2005, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

INTEREST RATE RISK

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

CONCENTRATION OF CREDIT RISK

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

NOTE 3 - DEFINED BENEFIT PENSION PLAN

The Regional Office of Education #9's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2005

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Concluded)

members and beneficiaries. IMRF is an agent multiple-employer plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The Regional Office of Education #9 is required to contribute at an actuarially determined rate. The employer rate for calendar year 2004 was 6.92 percent of payroll. The Regional Office of Education #9 contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2004 was 5 years.

For December 31, 2004, the Regional Office of Education #9's annual pension cost of \$117,957 was equal to the Regional Office of Education #9's required and actual contributions. The required contribution was determined as part of the December 31, 2002 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2004 actuarial valuation were based on the 1999-2001 experience study.

A. TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contribution	Net Pension Obligation
12/31/04	117,957	100%	\$ 0
12/31/03	121,567	100%	0
12/31/02	103,330	100%	0
12/31/01	15,817	100%	0
12/31/00	14,484	100%	0
12/31/99	13,143	100%	0
12/31/98	9,340	100%	0
12/31/97	5,912	100%	0
12/31/96	4,388	100%	0
12/31/95	2,562	100%	0

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

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

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

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate through June 30, 2005 was 9 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. In addition, virtually all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not part of this retirement plan. The employer THIS Fund contribution was 0.5 percent during the year ended June 30, 2005, and the member THIS Fund health insurance contribution was 0.75 percent.

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

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #9. For the year ended June 30, 2005, the State of Illinois contributions were based on 11.76 percent of creditable earnings, and the Regional Office of Education #9 recognized revenue and expenditures of \$387,327 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2004 and 2003, the State of Illinois contribution rates as percentages of creditable earnings were 13.98 percent (\$465,411) and 13.01 percent (\$421,313) respectively.

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

- **2.2 formula contributions.** For the year ended June 30, 2005 and June 30, 2004, employers contributed 0.58 percent of creditable earnings for the 2.2 formula change. Contributions for the years ending June 30, 2005, and June 30, 2004, were \$19,103 and \$19,309, respectively. For the year ended June 30, 2003, part of the employer's 2.2 formula contribution (0.58 percent of pay) was reduced as a result of a new employer THIS Fund contribution for retiree health insurance (0.4 percent of pay). The remaining 0.18 percent was submitted to TRS. Contributions for the year ended June 30, 2003 were \$5,289.
- **Federal and trust fund contributions.** When TRS members are paid from federal and trust funds administered by the Regional Office of Education #9, there is a statutory requirement for the Regional Office of Education #9 to pay an employer pension contribution from those funds. For the three years ended June 30, 2005, the employer pension contribution was 10.5 percent of salaries paid from those funds. For the year ended June 30, 2005, salaries totaling \$872,201 were paid from federal and trust

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

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

funds that required employer contributions of \$91,581. For the years ended June 30, 2004 and 2003, required Regional Office of Education #9 contributions were \$90,589 and \$77,927, respectively.

- **Early retirement option.** The Regional Office of Education #9 is also required to make one-time employer contributions to TRS for members retiring under the early retirement option. The payments vary depending on the age and salary of the member. No member or employer contributions are required if the member has 34 years of service. The maximum employer payment of 100 percent of the member's highest salary used in the calculation of final average salary is required if the member is 55 years old. For the year ending June 30, 2005, 2004, and 2003, the Regional Office of Education #9 paid no employer contributions under the Early Retirement Option.

Changes

Public Act 94-0004, which was signed into law on June 1, 2005, contained a number of provisions affecting employer and active member contributions. Most will not be effective or impact financial statements until the year ending June 30, 2006. The changes are summarized below:

- **Active member contributions.** The active member contribution rate will increase from the current 9.0 percent of creditable earnings to 9.4 percent beginning July 1, 2005. The increase is to help cover the cost of the new ERO program and will be refunded if the member does not retire under ERO.
- **State/federal contributions.** Under a policy adopted by the Board of Trustees before Public Act 94-0004 was enacted, the employer contribution rate for employees paid from federal funds will be the same as the rate paid by the state. Under Public Act 94-0004, the state contribution rate in FY 2006 was reduced to 7.06 percent of pay. Therefore, the employer contribution rate for employees paid from federal funds in FY 2006 will be 7.06 percent, a decrease from the current 10.50 percent.
- **New employer contributions.**
 - **Salary increases over 6 percent.** If employers grant salary increases in excess of 6 percent that are used in final average salary calculations, the employer will make a lump-sum contribution to TRS to cover the cost of the portion of the benefit due to salary increases over 6 percent. Public Act 94-0004 exempts salary increases granted under contracts and collective bargaining agreements in effect on June 1, 2005.
 - **Sick leave in excess of normal allotment.** If employers grant sick leave near retirement in excess of the normal allotment and that sick leave is counted as service credit, the employer will make a lump-sum contribution to TRS. The act exempts sick leave granted under contracts and collective bargaining agreements in effect on June 1, 2005.
- **Early Retirement Option.** In addition to the changes described above, the following changes were made to ERO:

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2005

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

- Both active member and employer ERO contribution rates are increased. For employers, the maximum contribution increases from the current 100 percent of the member's highest salary used in the calculation of final average salary to 117.5 percent.
- The waiver of member and employer ERO contributions when the member has 34 years of service ended with the program that expired June 30, 2005.
- A "Pipeline ERO" program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007.
- Public Act 94-0004 provides for a review of the member and employer ERO contributions every five years to ensure that the program is revenue neutral.

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 year ended June 30, 2004. The report for the year ended June 30, 2005, is expected to be available in late 2005. The reports may be obtained by writing to the Teacher's Retirement System of the State of Illinois, PO Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov.

NOTE 5 - INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2005 consist of the following individual due to/from other funds in the governmental fund balance sheet. These balances were eliminated in the government-wide Statement of Net Assets.

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Education Fund	\$ -	\$160,670
General Fund	<u>173,291</u>	<u>12,621</u>
	<u>\$173,291</u>	<u>\$173,291</u>

TRANSFERS

There were no interfund transfers to/from other fund balances at June 30, 2005.

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2005

NOTE 6 – CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education #9 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental fund statements. The following table provides a summary of changes in capital assets for the year ended June 30, 2005:

Governmental Funds	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
<u>General Fund</u>				
General	\$ 31,895	\$ 15,870	\$ 4,494	\$ 43,271
Schoolworks Operations	116,831	5,064	11,207	110,688
Area IV - Technology Hub	182,028	18,635	155	200,508
Youth Detention Center	20,023	-	3,888	16,135
<u>Education Fund</u>				
Illinois State Board of Education/DCFS				
Interagency Technical Assistance Network	3,787	-	-	3,787
Truants Alternative/Optional Education	1,925	1,354	75	3,204
Adult Education	250	-	-	250
Regional Education Alternative for Developing Youth	49,566	9,515	1,890	57,191
Federal Special Education I.D.E.A.	62,831	6,717	21,095	48,453
McKinney Education for Homeless Children	6,088	-	1,537	4,551
Northern Illinois University Grant	8,982	1,879	-	10,861
Title I - Reading First Part B SEA	2,390	-	-	2,390
McKinney - Vento Homeless Children & Youth Program	-	7,417	-	7,417
Technology - Enhancing Education - Competitive	28,146	39,995	-	68,141
Area IV System of Support	490	2,327	-	2,817
Title IV - Community Service	279	-	-	279
Regional Office of Education State Grant	6,046	-	-	6,046
Novice Teacher Support Program Electronic Expansion Subcontract	4,267	-	-	4,267
<u>Nonmajor Special Revenue Fund</u>				
General Education Development	6,887	-	-	6,887
Internal Service	18,918	4,439	-	23,357
Governmental Funds Total Assets	<u>\$ 551,629</u>	<u>\$ 113,212</u>	<u>\$ 44,341</u>	<u>\$ 620,500</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2005 of \$59,527 was charged to governmental funds. The following table provides a summary of changes in accumulated depreciation for the year ended June 30, 2005:

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2005

NOTE 6 – CAPITAL ASSETS (Continued)

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
Governmental Funds				
<u>General Fund</u>				
General	\$ 21,925	\$ 3,910	\$ 4,494	\$ 21,341
Schoolworks Operations	90,273	6,787	11,207	85,853
Area IV - Technology Hub	145,990	11,654	155	157,489
Youth Detention Center	15,263	577	3,888	11,952
<u>Education Fund</u>				
Illinois State Board of Education/DCFS				
Interagency Technical Assistance Network	2,422	605	-	3,027
Truants Alternative/Optional Education	1,925	203	75	2,053
Adult Education	250	-	-	250
The Regional Education Alternative for				-
Developing Youth	21,439	7,189	1,890	26,738
Federal Special Education I.D.E.A.	43,578	11,966	21,095	34,449
McKinney Education for Homeless Children	5,823	54	1,537	4,340
Northern Illinois University Grant	7,111	468	-	7,579
Title I - Reading First Part B SEA	398	478	-	876
McKinney - Vento Homeless Children &				
Youth Program	-	1,137		1,137
Technology - Enhancing Education - Competitive	1,878	6,614	-	8,492
Area IV System of Support	49	476	-	525
Title IV - Community Service	19	28	-	47
Regional Office of Education State Grant	97	1,424	-	1,521
Novice Teacher Support Program Electronic				-
Expansion Subcontract	136	459	-	595
<u>Nonmajor Special Revenue Fund</u>				
General Education Development	3,764	1,207	-	4,971
<u>Internal Service</u>	10,213	4,291	-	14,504
Governmental Funds				
Total Accumulated Depreciation	<u>\$ 372,553</u>	<u>\$ 59,527</u>	<u>\$ 44,341</u>	<u>\$ 387,739</u>

Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation. The following table provides a summary of changes in investment in fixed assets for the year ended June 30, 2005:

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 6 – CAPITAL ASSETS (Continued)

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
Governmental Funds				
<u>General Fund</u>				
General	\$ 9,970	\$ 15,870	\$ 3,910	\$ 21,930
Schoolworks Operations	26,558	5,064	6,787	24,835
Area IV - Technology Hub	36,038	18,635	11,654	43,019
Youth Detention Center	4,760	-	577	4,183
<u>Education Fund</u>				
Illinois State Board of Education/DCFS				
Interagency Technical Assistance Network	1,365	-	605	760
Truants Alternative/Optional Education	-	1,354	203	1,151
Adult Education	-	-	-	-
The Regional Education Alternative for				
Developing Youth	28,127	9,515	7,189	30,453
Federal Special Education I.D.E.A.	19,253	6,717	11,966	14,004
McKinney Education for Homeless Children	265	-	54	211
Northern Illinois University Grant	1,871	1,879	468	3,282
Title I - Reading First Part B SEA	1,992	-	478	1,514
McKinney - Vento Homeless Children &				
Youth Program	-	7,417	1,137	6,280
Technology - Enhancing Education - Competitive	26,268	39,995	6,614	59,649
Area IV System of Support	441	2,327	476	2,292
Title IV - Community Service	260	-	28	232
Regional Office of Education State Grant	5,949	-	1,424	4,525
Novice Teacher Support Program Electronic				
Expansion Subcontract	4,131	-	459	3,672
<u>Nonmajor Special Revenue Fund</u>				
General Education Development	3,123	-	1,207	1,916
<u>Internal Service</u>	8,705	4,439	4,291	8,853
Governmental Funds				
Investment in Capital Assets	\$ 179,076	\$ 113,212	\$ 59,527	\$ 232,761

Purchases of business-type capital assets are capitalized when purchased. Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2005 of \$395 was charged to business-type activities. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in business-type capital assets for the year ended June 30, 2005:

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2005

NOTE 6 – CAPITAL ASSETS (Concluded)

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2005</u>
Business-type Activities				
Local Workshops	\$ 3,002	\$ -	\$ -	\$ 3,002
Business-type Activities				
Total Assets	3,002	-	-	3,002
Less Accumulated Depreciation	<u>196</u>	<u>395</u>	<u>-</u>	<u>591</u>
Business-type Activities				
Investment in Capital Assets	<u>\$ 2,806</u>	<u>\$ (395)</u>	<u>\$ -</u>	<u>\$ 2,411</u>

NOTE 7 - RISK MANAGEMENT

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

NOTE 8 – OPERATING LEASE

The Education Fund has entered into a renewable five-year lease to provide classroom space for the R.E.A.D.Y. School Program (Ready) and office space for the Illinois Technical Assistance Network (ITAN). Rent expense for Ready and ITAN for 2005 totaled \$98,140. Future minimum rentals are as follows for the years ending June 30:

2006	\$ 113,688
2007	93,288
2008	93,288
2009	93,288
2010	<u>15,548</u>
Total	<u>\$409,100</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2005

NOTE 9 – ON BEHALF PAYMENTS

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

Regional Superintendent Salary	\$ 88,540
Assistant Regional Superintendent Salary	79,686
Regional Superintendent Benefits (Includes State paid insurance)	17,328
Assistant Regional Superintendent Benefits (Includes State paid insurance)	15,304
TRS Pension Contribution	<u>387,327</u>
 Total	 <u>\$588,185</u>

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

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

NOTE 10 – RECLASSIFICATION

Federal Special Education I.D.E.A.'s fund balance consists of interest earned in prior years that should have been recorded as a Due to Other Government. The following is the effect of this reclassification on the beginning Education Fund's fund balance and the Governmental Activities beginning Net Assets:

Education Fund	
Fund Balance – July 1, 2004	\$ 9,248
Effect of Reclassification	<u>(950)</u>
Fund Balance, Restated – July 1, 2004	<u>\$ 8,298</u>
 Government-Wide Statement of Activities	
Governmental Activities, Net Assets -	
July 1, 2004	\$505,282
Effect of Reclassification - Federal Special Education I.D.E.A.	<u>(950)</u>
Governmental Activities, Net Assets, Restated - July 1, 2004	<u>\$504,332</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2005

NOTE 11 – DUE TO/FROM OTHER GOVERNMENTS

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

Due from Other Governments:

<u>Fiduciary Fund</u>	
Illinois State Board of Education	\$ 60,253
<u>General Fund</u>	
Local Governments	19,164
Illinois State Board of Education	13,826
<u>Education Fund</u>	
Local Governments	84,857
Illinois State Board of Education	38,328
Federal Government	68,099
<u>Nonmajor Funds</u>	
Local Government	224
<u>Internal Service</u>	
Local Government	1,771
<u>Proprietary Fund</u>	
Local Governments	<u>1,351</u>
Total	<u>\$287,873</u>

Due to Other Governments:

<u>Fiduciary Fund</u>	
Local School Districts	\$ 61,787
Local Governments	106,321
<u>Education Fund</u>	
Illinois State Board of Education	8,153
Federal Government	<u>7,096</u>
Total	<u>\$183,357</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN / FORD COUNTIES
 ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF FUNDING PROGRESS
 (UNAUDITED)
 JUNE 30, 2005

Actuarial Valuation Date	Actuarial Value of Assets (a)	(2) Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	(3) Unfunded Funded Ratio (a/b)	(4) Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/04	2,568,053	2,598,435	30,382	98.83%	1,704,581	1.78%
12/31/03	2,327,804	2,228,384	(99,420)	104.46%	1,795,667	0.00%
12/31/02	2,318,311	2,162,986	(155,325)	107.18%	1,845,179	0.00%
12/31/01	2,134,097	1,948,938	(185,159)	109.50%	1,818,013	0.00%
12/31/00	1,950,654	1,609,415	(341,239)	121.20%	1,664,886	0.00%
12/31/99	1,838,752	1,425,735	(413,017)	128.97%	1,444,391	0.00%
12/31/98	1,552,701	1,175,971	(376,730)	132.04%	983,153	0.00%
12/31/97	1,355,888	963,765	(392,123)	140.69%	751,135	0.00%
12/31/96	1,177,638	780,164	(397,474)	150.95%	482,174	0.00%
12/31/95	1,082,427	718,870	(363,557)	150.57%	327,711	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2004 is \$2,573,238.

On a market basis, the funded ratio would be 99.03%.

* Digest of changes

The actuarial assumptions used to determine the actuarial accrued liability for 2004 are based on the 1999-2001 Experience Study. The principal changes were:

- Fewer members are expected to take refunds early in their career.
- For Regular members, fewer normal and early retirements are expected to occur.

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2005

	General	Schoolworks Operations	Regional Office of Education Operations	Area IV Learning Technology Hub	Youth Detention Center	Essay Scoring	TOTALS
ASSETS							
Cash	\$ 40,383	\$ -	\$ 27,301	\$ 247,261	\$ -	\$ 246	\$ 315,191
Due from other funds	-	-	-	173,291	-	-	173,291
Due from other governments	53	-	16	19,979	12,621	321	32,990
TOTAL ASSETS	\$ 40,436	\$ -	\$ 27,317	\$ 440,531	\$ 12,621	\$ 567	\$ 521,472
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 12,621	\$ -	\$ 12,621
Unearned revenue	-	-	-	353,730	-	-	353,730
Total Liabilities	-	-	-	353,730	12,621	-	366,351
FUND BALANCES							
Unreserved	40,436	-	27,317	86,801	-	567	155,121
Total Fund Balances	40,436	-	27,317	86,801	-	567	155,121
TOTAL LIABILITIES AND FUND BALANCES	\$ 40,436	\$ -	\$ 27,317	\$ 440,531	\$ 12,621	\$ 567	\$ 521,472

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2005

	General	Schoolworks Operations	Regional Office of Education Operations	Area IV Learning Technology Hub	Youth Detention Center	Essay Scoring	TOTALS
REVENUES							
Local sources	\$ 304,904	\$ -	\$ 4,823	\$ 220,799	\$ 196	\$ 9,012	\$ 539,734
State sources	-	149,571	-	267,403	113,491	-	530,465
State sources - payments made on behalf of region	588,185	-	-	-	-	-	588,185
Total Revenues	893,089	149,571	4,823	488,202	113,687	9,012	1,658,384
EXPENDITURES							
Current:							
Salaries and benefits	125,695	107,335	-	224,871	105,635	9,270	572,806
Purchased services	142,852	27,881	7,530	93,412	6,695	984	279,354
Supplies and materials	24,443	8,938	1,089	64,248	1,367	86	100,171
Capital outlay	15,870	5,064	-	18,635	-	-	39,569
Other objects	8,459	398	1,879	2,548	-	-	13,284
Payments made on behalf of region	588,185	-	-	-	-	-	588,185
Total Expenditures	905,504	149,616	10,498	403,714	113,697	10,340	1,593,369
OTHER FINANCING SOURCES (USES)							
Interest	197	45	102	2,313	10	2	2,669
Total Other Financing Sources (Uses)	197	45	102	2,313	10	2	2,669
NET CHANGE IN FUND BALANCES	(12,218)	-	(5,573)	86,801	-	(1,326)	67,684
FUND BALANCE - BEGINNING	52,654	-	32,890	-	-	1,893	87,437
FUND BALANCE - ENDING	\$ 40,436	\$ -	\$ 27,317	\$ 86,801	\$ -	\$ 567	\$ 155,121

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2004 to June 30, 2005)
 GENERAL FUND ACCOUNTS
 SCHOOLWORKS OPERATION
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 149,571	\$ 149,571	\$ 149,571
Total Revenue	<u>149,571</u>	<u>149,571</u>	<u>149,571</u>
EXPENDITURES			
Current:			
Salaries and benefits	103,253	107,353	107,335
Purchased services	36,420	27,187	27,881
Supplies and materials	6,223	8,606	8,938
Capital outlay	3,275	6,025	5,064
Other objects	400	400	398
Total Expenditures	<u>149,571</u>	<u>149,571</u>	<u>149,616</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(45)</u>
OTHER FINANCING SOURCES (USES):			
Interest	<u>-</u>	<u>-</u>	<u>45</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>45</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2004 to June 30, 2005)
 GENERAL FUND ACCOUNTS
 AREA IV - LEARNING TECHNOLOGY HUB
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ 152,000	\$ 152,000	\$ 220,799
State	267,403	267,401	267,403
Total Revenue	<u>419,403</u>	<u>419,401</u>	<u>488,202</u>
EXPENDITURES			
Current:			
Salaries and benefits	227,017	228,387	224,871
Purchased services	148,150	138,650	93,412
Supplies and materials	18,500	19,650	64,248
Capital outlay	22,474	30,477	18,635
Other objects	3,262	2,237	2,548
Total Expenditures	<u>419,403</u>	<u>419,401</u>	<u>403,714</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>84,488</u>
OTHER FINANCING SOURCES (USES):			
Interest	<u>-</u>	<u>-</u>	<u>2,313</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,313</u>
NET CHANGE IN FUND BALANCE	-	-	86,801
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,801</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2004 to June 30, 2005)
 GENERAL FUND ACCOUNTS
 YOUTH DETENTION CENTER
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ -	\$ -	\$ 196
State	120,000	120,000	113,491
Total Revenue	<u>120,000</u>	<u>120,000</u>	<u>113,687</u>
EXPENDITURES			
Current:			
Salaries and benefits	104,760	104,760	105,635
Purchased services	9,940	9,940	6,695
Supplies and materials	3,750	3,750	1,367
Capital outlay	1,350	1,350	-
Other objects	200	200	-
Total Expenditures	<u>120,000</u>	<u>120,000</u>	<u>113,697</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(10)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	10
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>10</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2005

	Illinois State Board of Education/ DCFS Interagency Technical Assistance Network	Truants Alternative/ Optional Education	Adult Education	Regional Education Alternative for Developing Youth	Federal Special Education I.D.E.A.	McKinney Education For Homeless Children
ASSETS						
Cash	\$ 845	\$ 8,153	\$ 640	\$ 132,903	\$ -	\$ 550
Due from other governments:						
Local	-	-	-	11,149	-	-
State	-	-	-	6,155	-	-
Federal	-	-	-	-	21,299	-
TOTAL ASSETS	\$ 845	\$ 8,153	\$ 640	\$ 150,207	\$ 21,299	\$ 550
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 19,530	\$ -
Due to other governments:						
State	-	8,153	-	-	-	-
Federal	-	-	-	-	1,769	-
Unearned revenue	-	-	-	33,930	-	550
Total Liabilities	-	8,153	-	33,930	21,299	550
FUND BALANCES						
Unreserved	845	-	640	116,277	-	-
Total Fund Balances	845	-	640	116,277	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 845	\$ 8,153	\$ 640	\$ 150,207	\$ 21,299	\$ 550

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2005

	Northern Illinois University Grant	Extended School Year	Novice Teacher Support	Title I - Reading First Part B SEA (05-4337-00) & (05-4337-02)	McKinney - Vento Homeless Children & Youth Program	Technology - Enhancing Education - Competitive	Illinois Mathematics & Science Partnerships
ASSETS							
Cash	\$ -	\$ 3,541	\$ 32,776	\$ 9,212	\$ -	\$ 463,882	\$ -
Due from other governments:							
Local	73,708	-	-	-	-	-	-
State	-	-	-	-	-	-	-
Federal	-	-	-	11,541	11,911	-	-
TOTAL ASSETS	<u>\$ 73,708</u>	<u>\$ 3,541</u>	<u>\$ 32,776</u>	<u>\$ 20,753</u>	<u>\$ 11,911</u>	<u>\$ 463,882</u>	<u>\$ -</u>
LIABILITIES							
Due to other funds	\$ 73,708	\$ -	\$ -	\$ -	\$ 11,911	\$ -	\$ -
Due to other governments:							
State	-	-	-	-	-	-	-
Federal	-	-	-	473	-	4,854	-
Unearned revenue	-	3,541	32,776	20,280	-	459,028	-
Total Liabilities	<u>73,708</u>	<u>3,541</u>	<u>32,776</u>	<u>20,753</u>	<u>11,911</u>	<u>463,882</u>	<u>-</u>
FUND BALANCES							
Unreserved	-	-	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 73,708</u>	<u>\$ 3,541</u>	<u>\$ 32,776</u>	<u>\$ 20,753</u>	<u>\$ 11,911</u>	<u>\$ 463,882</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2005

	Area IV System of Support	Department of Children & Family Services Grant	Interactive Illinois Report Card	Positive Behavior Facilitation Grant	Regional Education Alternative for Developing Youth State Aid	Standards & Assessments	Total
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ 1,011	\$ -	\$ 653,513
Due from other governments:							
Local	-	-	-	-	-	-	84,857
State	32,173	-	-	-	-	-	38,328
Federal	-	10,302	612	11,934	-	500	68,099
TOTAL ASSETS	\$ 32,173	\$ 10,302	\$ 612	\$ 11,934	\$ 1,011	\$ 500	\$ 844,797
LIABILITIES							
Due to other funds	\$ 32,173	\$ 10,302	\$ 612	\$ 11,934	\$ -	\$ 500	\$ 160,670
Due to other governments:							
State	-	-	-	-	-	-	8,153
Federal	-	-	-	-	-	-	7,096
Unearned revenue	-	-	-	-	-	-	550,105
Total Liabilities	32,173	10,302	612	11,934	-	500	726,024
FUND BALANCES							
Unreserved	-	-	-	-	1,011	-	118,773
Total Fund Balances	-	-	-	-	1,011	-	118,773
TOTAL LIABILITIES AND FUND BALANCES	\$ 32,173	\$ 10,302	\$ 612	\$ 11,934	\$ 1,011	\$ 500	\$ 844,797

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2005

	Illinois State Board of Education/ DCFS Interagency Technical Assistance Network	Truants Alternative/ Optional Education	Adult Education	Regional Education Alternative for Developing Youth	Federal Special Education I.D.E.A.	McKinney Education For Homeless Children
REVENUES						
Local sources	\$ 3,845	\$ -	\$ -	\$ 528,269	\$ -	\$ 235
State sources	-	65,516	-	227,096	-	-
Federal sources	-	-	-	58,818	836,784	-
Total Revenues	3,845	65,516	-	814,183	836,784	235
EXPENDITURES						
Current:						
Salaries and benefits	-	53,046	-	478,616	579,519	-
Purchased services	3,887	8,153	-	179,678	240,053	-
Supplies and materials	6,750	4,317	-	30,337	10,495	-
Capital outlay	-	1,354	-	9,515	6,717	-
Other objects	50	20	-	475	-	238
Total Expenditures	10,687	66,890	-	698,621	836,784	238
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,842)	(1,374)	-	115,562	-	(3)
OTHER FINANCING SOURCES (USES):						
Interest	26	20	3	715	-	3
Noncash contribution	-	1,354	-	-	-	-
Total Other Financing Sources (Uses)	26	1,374	3	715	-	3
NET CHANGE IN FUND BALANCES	(6,816)	-	3	116,277	-	-
FUND BALANCES - BEGINNING	7,661	-	637	-	-	-
FUND BALANCES - ENDING	\$ 845	\$ -	\$ 640	\$ 116,277	\$ -	\$ -

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2005

	Northern Illinois University Grant	Extended School Year	Novice Teacher Support	Title I - Reading First Part B SEA (05-4337-00) & (05-4337-02)	McKinney - Vento Homeless Children & Youth Program	Technology - Enhancing Education - Competitive	Illinois Mathematics & Science Partnerships
REVENUES							
Local sources	\$ -	\$ 16,561	\$ 40,000	\$ -	\$ -	\$ -	\$ -
State sources	141,408	-	-	-	-	-	-
Federal sources	-	-	3,059	109,081	52,703	892,320	286,234
Total Revenues	141,408	16,561	43,059	109,081	52,703	892,320	286,234
EXPENDITURES							
Current:							
Salaries and benefits	68,164	12,311	39,982	10,107	48,377	-	43,457
Purchased services	62,229	1,974	3,013	59,900	2,361	407,736	175,262
Supplies and materials	7,552	2,276	230	39,074	1,690	12,810	67,806
Capital outlay	1,879	-	-	-	7,417	39,995	-
Other objects	1,584	-	20	-	275	431,879	-
Total Expenditures	141,408	16,561	43,245	109,081	60,120	892,420	286,525
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(186)	-	(7,417)	(100)	(291)
OTHER FINANCING SOURCES (USES):							
Interest	-	-	186	-	-	100	291
Noncash contribution	-	-	-	-	7,417	-	-
Total Other Financing Sources (Uses)	-	-	186	-	7,417	100	291
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2005

	Area IV System of Support	Department of Children & Family Services Grant	Interactive Illinois Report Card	Positive Behavior Facilitation Grant	Regional Education Alternative for Developing Youth State Aid	Standards & Assessments	Total
REVENUES							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 588,910
State sources	56,954	43,848	-	-	280,963	-	815,785
Federal sources	107,541	9,259	2,306	28,807	56,192	500	2,443,604
Total Revenues	<u>164,495</u>	<u>53,107</u>	<u>2,306</u>	<u>28,807</u>	<u>337,155</u>	<u>500</u>	<u>3,848,299</u>
EXPENDITURES							
Current:							
Salaries and benefits	115,742	34,988	-	-	199,883	-	1,684,192
Purchased services	30,184	12,990	2,306	24,009	126,827	500	1,341,062
Supplies and materials	16,242	4,873	-	4,798	9,517	-	218,767
Capital outlay	2,327	-	-	-	-	-	69,204
Other objects	-	267	-	-	-	-	434,808
Total Expenditures	<u>164,495</u>	<u>53,118</u>	<u>2,306</u>	<u>28,807</u>	<u>336,227</u>	<u>500</u>	<u>3,748,033</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(11)</u>	<u>-</u>	<u>-</u>	<u>928</u>	<u>-</u>	<u>100,266</u>
OTHER FINANCING SOURCES (USES):							
Interest	-	11	-	-	83	-	1,438
Noncash contribution	-	-	-	-	-	-	8,771
Total Other Financing Sources (Uses)	<u>-</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>83</u>	<u>-</u>	<u>10,209</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,011</u>	<u>-</u>	<u>110,475</u>
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,298</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,011</u>	<u>\$ -</u>	<u>\$ 118,773</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2004 to June 30, 2005)
 EDUCATION FUND ACCOUNTS
 TRUANTS ALTERNATIVE/OPTIONAL EDUCATION
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 73,669	\$ 73,669	\$ 65,516
Total Revenue	<u>73,669</u>	<u>73,669</u>	<u>65,516</u>
EXPENDITURES			
Current:			
Salaries and benefits	67,057	58,257	53,046
Purchased services	6,512	11,342	8,153
Supplies and materials	100	4,070	4,317
Capital outlay	-	-	1,354
Other objects	-	-	20
Total Expenditures	<u>73,669</u>	<u>73,669</u>	<u>66,890</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(1,374)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	20
Noncash contribution	-	-	1,354
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,374</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2004 to June 30, 2005)
 EDUCATION FUND ACCOUNTS
 REGIONAL EDUCATION ALTERNATIVE FOR DEVELOPING YOUTH
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ -	\$ -	\$ 528,269
State	227,390	226,184	227,096
Federal	-	-	58,818
Total Revenue	<u>227,390</u>	<u>226,184</u>	<u>814,183</u>
EXPENDITURES			
Current:			
Salaries and benefits	207,700	211,369	478,616
Purchased services	9,185	7,215	179,678
Supplies and materials	10,505	7,600	30,337
Capital outlay	-	-	9,515
Other objects	-	-	475
Total Expenditures	<u>227,390</u>	<u>226,184</u>	<u>698,621</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>115,562</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	715
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>715</u>
NET CHANGE IN FUND BALANCE	-	-	116,277
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,277</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2004 to June 30, 2005)
 EDUCATION FUND ACCOUNTS
 FEDERAL SPECIAL EDUCATION I.D.E.A.
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 858,441	\$ 841,243	\$ 836,784
Total Revenue	<u>858,441</u>	<u>841,243</u>	<u>836,784</u>
EXPENDITURES			
Current:			
Salaries and benefits	615,011	583,553	579,519
Purchased services	229,070	240,780	240,053
Supplies and materials	8,360	10,910	10,495
Capital outlay	6,000	6,000	6,717
Total Expenditures	<u>858,441</u>	<u>841,243</u>	<u>836,784</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2004 to June 30, 2005)
 EDUCATION FUND ACCOUNTS
 NORTHERN ILLINOIS UNIVERSITY GRANT
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 144,608	\$ 143,841	\$ 141,408
Total Revenue	<u>144,608</u>	<u>143,841</u>	<u>141,408</u>
EXPENDITURES			
Current:			
Salaries and benefits	84,020	70,343	68,164
Purchased services	57,088	62,998	62,229
Supplies and materials	3,500	6,000	7,552
Capital outlay	-	4,500	1,879
Other objects	-	-	1,584
Total Expenditures	<u>144,608</u>	<u>143,841</u>	<u>141,408</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2004 to June 30, 2005)
 EDUCATION FUND ACCOUNTS
 EXTENDED SCHOOL YEAR
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ 20,000	\$ 20,000	\$ 16,561
Total Revenue	<u>20,000</u>	<u>20,000</u>	<u>16,561</u>
EXPENDITURES			
Current:			
Salaries and benefits	13,103	13,103	12,311
Purchased services	1,897	1,897	1,974
Supplies and materials	5,000	5,000	2,276
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>16,561</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2004 to June 30, 2005)
 EDUCATION FUND ACCOUNTS
 NOVICE TEACHER SUPPORT
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ 75,491	\$ 75,491	\$ 40,000
Federal	-	-	3,059
Total Revenue	<u>75,491</u>	<u>75,491</u>	<u>43,059</u>
EXPENDITURES			
Current:			
Salaries and benefits	56,403	65,952	39,982
Purchased services	16,529	8,507	3,013
Supplies and materials	2,559	1,032	230
Other objects	-	-	20
Total Expenditures	<u>75,491</u>	<u>75,491</u>	<u>43,245</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(186)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	186
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>186</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2004 to June 30, 2005)
 EDUCATION FUND ACCOUNTS
 TITLE I- READING FIRST PART B SEA (05-4337-00) & (05-4337-02)
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 69,085	\$ 160,690	\$ 109,081
Total Revenue	<u>69,085</u>	<u>160,690</u>	<u>109,081</u>
EXPENDITURES			
Current:			
Salaries and benefits	14,902	14,903	10,107
Purchased services	36,842	93,042	59,900
Supplies and materials	15,341	50,745	39,074
Capital outlay	2,000	2,000	-
Total Expenditures	<u>69,085</u>	<u>160,690</u>	<u>109,081</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2004 to June 30, 2005)
 EDUCATION FUND ACCOUNTS
 MCKINNEY - VENTO HOMELESS CHILDREN & YOUTH PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 50,430	\$ 51,171	\$ 52,703
Total Revenue	<u>50,430</u>	<u>51,171</u>	<u>52,703</u>
EXPENDITURES			
Current:			
Salaries and benefits	46,270	46,869	48,377
Purchased services	2,947	2,697	2,361
Supplies and materials	1,213	1,565	1,690
Capital outlay	-	-	7,417
Other objects	-	40	275
Total Expenditures	<u>50,430</u>	<u>51,171</u>	<u>60,120</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(7,417)</u>
OTHER FINANCING SOURCES (USES):			
Noncash contribution	-	-	7,417
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>7,417</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2004 to June 30, 2005)
 EDUCATION FUND ACCOUNTS
 TECHNOLOGY - ENHANCING EDUCATION -COMPETITIVE
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 820,013	\$ 1,351,347	\$ 892,320
Total Revenue	<u>820,013</u>	<u>1,351,347</u>	<u>892,320</u>
EXPENDITURES			
Current:			
Salaries and benefits	10,841	-	-
Purchased services	357,755	527,015	407,736
Supplies and materials	15,655	96,136	12,810
Capital outlay	-	42,500	39,995
Other objects	435,762	685,696	431,879
Total Expenditures	<u>820,013</u>	<u>1,351,347</u>	<u>892,420</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(100)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	100
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>100</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2004 to August 31, 2005)
 EDUCATION FUND ACCOUNTS
 ILLINOIS MATHEMATICS AND SCIENCE PARTNERSHIPS
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 298,504	\$ 287,566	\$ 286,234
Total Revenue	<u>298,504</u>	<u>287,566</u>	<u>286,234</u>
EXPENDITURES			
Current:			
Salaries and benefits	98,573	79,275	43,457
Purchased services	165,344	142,504	175,262
Supplies and materials	34,587	63,837	67,806
Capital outlay	-	1,950	-
Total Expenditures	<u>298,504</u>	<u>287,566</u>	<u>286,525</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(291)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	291
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>291</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2004 to June 30, 2005)
 EDUCATION FUND ACCOUNTS
 AREA IV - SYSTEM OF SUPPORT
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUE			
State	\$ 23,621	\$ 46,298	\$ 56,954
Federal	120,157	131,773	107,541
Total Revenue	<u>143,778</u>	<u>178,071</u>	<u>164,495</u>
EXPENDITURES			
Current:			
Salaries and benefits	89,047	107,783	115,742
Purchased services	44,541	44,951	30,184
Supplies and materials	3,274	15,927	16,242
Capital outlay	6,916	9,410	2,327
Total Expenditures	<u>143,778</u>	<u>178,071</u>	<u>164,495</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2004 to June 30, 2005)
 EDUCATION FUND ACCOUNTS
 DEPARTMENT OF CHILDREN & FAMILY SERVICES GRANT
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 33,546	\$ 33,546	\$ 43,848
Federal	33,546	33,546	9,259
Total Revenue	<u>67,092</u>	<u>67,092</u>	<u>53,107</u>
EXPENDITURES			
Current:			
Salaries and benefits	37,938	37,938	34,988
Purchased services	23,954	23,954	12,990
Supplies and materials	5,200	5,200	4,873
Other objects	-	-	267
Total Expenditures	<u>67,092</u>	<u>67,092</u>	<u>53,118</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(11)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	11
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>11</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2004 to June 30, 2005)
 EDUCATION FUND ACCOUNTS
 POSITIVE BEHAVIOR FACILITATION GRANT
 FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 53,740	\$ 53,740	\$ 28,807
Total Revenue	<u>53,740</u>	<u>53,740</u>	<u>28,807</u>
EXPENDITURES			
Current:			
Purchased services	48,140	24,160	24,009
Supplies and materials	5,600	29,580	4,798
Total Expenditures	<u>53,740</u>	<u>53,740</u>	<u>28,807</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2005

	General Education Development	Bus Driver Training	Supervisory	TOTALS
ASSETS				
Cash	\$ 44,484	\$ 11,527	\$ -	\$ 56,011
Due from other governments	164	60	-	224
TOTAL ASSETS	<u>\$ 44,648</u>	<u>\$ 11,587</u>	<u>\$ -</u>	<u>\$ 56,235</u>
FUND BALANCES				
Unreserved	<u>\$ 44,648</u>	<u>\$ 11,587</u>	<u>\$ -</u>	<u>\$ 56,235</u>
TOTAL FUND BALANCES	<u>\$ 44,648</u>	<u>\$ 11,587</u>	<u>\$ -</u>	<u>\$ 56,235</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005

	General Education Development	Bus Driver Training	Supervisory	TOTALS
REVENUES				
Local sources	\$ 45,312	\$ 1,472	\$ -	\$ 46,784
State sources	-	960	2,000	2,960
Total Revenues	<u>45,312</u>	<u>2,432</u>	<u>2,000</u>	<u>49,744</u>
EXPENDITURES				
Current:				
Salaries and benefits	32,095	-	-	32,095
Purchased services	3,284	1,157	2,000	6,441
Supplies and materials	9,491	43	5	9,539
Other objects	325	-	-	325
Total Expenditures	<u>45,195</u>	<u>1,200</u>	<u>2,005</u>	<u>48,400</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>117</u>	<u>1,232</u>	<u>(5)</u>	<u>1,344</u>
OTHER FINANCING SOURCES (USES)				
Interest	<u>240</u>	<u>56</u>	<u>5</u>	<u>301</u>
Total Other Financing Sources (Uses)	<u>240</u>	<u>56</u>	<u>5</u>	<u>301</u>
NET CHANGE IN FUND BALANCES	357	1,288	-	1,645
FUND BALANCES - BEGINNING	<u>44,291</u>	<u>10,299</u>	<u>-</u>	<u>54,590</u>
FUND BALANCES - ENDING	<u>\$ 44,648</u>	<u>\$ 11,587</u>	<u>\$ -</u>	<u>\$ 56,235</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2005

	<u>Distributive</u>	<u>Payroll Clearing</u>	<u>Regional Board Of Trustees</u>	<u>Total</u>
ASSETS				
Cash	\$ 1,457	\$ 106,321	\$ 77	\$ 107,855
Due from other governments	<u>60,253</u>	<u>-</u>	<u>-</u>	<u>60,253</u>
TOTAL ASSETS	<u><u>\$ 61,710</u></u>	<u><u>\$ 106,321</u></u>	<u><u>\$ 77</u></u>	<u><u>\$ 168,108</u></u>
LIABILITIES				
Due to other governments	<u>\$ 61,710</u>	<u>\$ 106,321</u>	<u>\$ 77</u>	<u>\$ 168,108</u>
TOTAL LIABILITIES	<u><u>\$ 61,710</u></u>	<u><u>\$ 106,321</u></u>	<u><u>\$ 77</u></u>	<u><u>\$ 168,108</u></u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>DISTRIBUTIVE</u>				
<u>ASSETS</u>				
Cash	\$ 568	\$ 5,195,949	\$ 5,195,060	\$ 1,457
Due from other governments	199,330	60,253	199,330	60,253
Total Assets	<u>\$ 199,898</u>	<u>\$ 5,256,202</u>	<u>\$ 5,394,390</u>	<u>\$ 61,710</u>
<u>LIABILITIES</u>				
Due to other governments	<u>\$ 199,898</u>	<u>\$ 5,256,202</u>	<u>\$ 5,394,390</u>	<u>\$ 61,710</u>
Total Liabilities	<u>\$ 199,898</u>	<u>\$ 5,256,202</u>	<u>\$ 5,394,390</u>	<u>\$ 61,710</u>
<u>PAYROLL CLEARING</u>				
<u>ASSETS</u>				
Cash	<u>\$ 76,629</u>	<u>\$ 6,230,085</u>	<u>\$ 6,200,393</u>	<u>\$ 106,321</u>
Total Assets	<u>\$ 76,629</u>	<u>\$ 6,230,085</u>	<u>\$ 6,200,393</u>	<u>\$ 106,321</u>
<u>LIABILITIES</u>				
Due to other governments	<u>\$ 76,629</u>	<u>\$ 6,230,085</u>	<u>\$ 6,200,393</u>	<u>\$ 106,321</u>
Total Liabilities	<u>\$ 76,629</u>	<u>\$ 6,230,085</u>	<u>\$ 6,200,393</u>	<u>\$ 106,321</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>REGIONAL BOARD TRUSTEES</u>				
ASSETS				
Cash	\$ 491	\$ 1,000	\$ 1,414	\$ 77
Total Assets	<u>\$ 491</u>	<u>\$ 1,000</u>	<u>\$ 1,414</u>	<u>\$ 77</u>
LIABILITIES				
Due to other governments	\$ 491	\$ 1,000	\$ 1,414	\$ 77
Total Liabilities	<u>\$ 491</u>	<u>\$ 1,000</u>	<u>\$ 1,414</u>	<u>\$ 77</u>
<u>TOTAL ALL AGENCY FUNDS</u>				
ASSETS				
Cash	\$ 77,688	\$ 11,427,034	\$ 11,396,867	\$ 107,855
Due from other governments	199,330	60,253	199,330	60,253
Total Assets	<u>\$ 277,018</u>	<u>\$ 11,487,287</u>	<u>\$ 11,596,197</u>	<u>\$ 168,108</u>
LIABILITIES				
Due to other governments	\$ 277,018	\$ 11,487,287	\$ 11,596,197	\$ 168,108
Total Liabilities	<u>\$ 277,018</u>	<u>\$ 11,487,287</u>	<u>\$ 11,596,197</u>	<u>\$ 168,108</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 SCHEDULE OF FUNDS DISBURSED TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
 DISTRIBUTIVE FUND
 FOR THE YEAR ENDED JUNE 30, 2005

	ROE #9	Rural Champaign Co. Special Education	Total
1510 Interest received from Bank	\$ 626	\$ 623	\$ 1,249
3001 General State Aid	337,155	-	337,155
3110 Special Ed.-Personnel	-	516,185	516,185
3360 State Free Lunch & Breakfast	762	-	762
3365 School Breakfast Incentive	19	-	19
3520 ROE School Bus Training	960	-	960
3695 Truants Alternative/Optional Ed.	73,669	-	73,669
3696 Regional Safe Schools	220,029	-	220,029
3705-01 Early Childhood-Block Grant	-	57,684	57,684
3705-51 Early Childhood-Block Grant	-	15,156	15,156
3705 Early Childhood-Block Grant	-	371,891	371,891
3730 ROE/ISC Operations	149,571	-	149,571
3745 Supervisory Expense	2,000	-	2,000
3780 Technology-Learning Technology Center	267,403	-	267,403
4210 National School Lunch Program	12,160	-	12,160
4220 School Breakfast Program	2,103	-	2,103
4337 Reading First Part B SEA Funds	28,451	-	28,451
4337-02 Reading First Part B SEA Funds	23,018	-	23,018
4420 Title IV Community Service	-	-	-
4600 Fed.-Sp.Ed.-Preschool Flow Through	-	52,168	52,168
4620 Fed.-Sp.Ed.-I.D.E.A.-Flow Through	-	1,286,071	1,286,071
4630 Fed.-Sp.Ed.-I.D.E.A.-Discretionary	864,981	10,000	874,981
4631 IDEA-Improvement Grants-Part D	-	61,412	61,412
4910 Learn and Serve America	-	18,002	18,002
4936 Mathematics & Science Partnerships	115,854	-	115,854
4972 Technology-Enhancing Ed. Competitive	707,107	-	707,107
	<u>\$ 2,805,868</u>	<u>\$ 2,389,192</u>	<u>\$ 5,195,060</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2005

<u>Federal Grantor/Pass Through Grantor, Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # or Contract #</u>	<u>Expenditures 7/1/04-6/30/05</u>
US Department of Education through Illinois State Board of Education			
Federal Special Education I.D.E.A. - Discretionary	84.027A	05-4630-00	\$ 836,784 (M)
Technology - Enhancing Education - Competitive	84.318X	04-4972-00	644,241
Technology - Enhancing Education - Competitive	84.318X	05-4972-00	248,079
Total Technology - Enhancing Education - Competitive			<u>892,320</u>
Title I- Reading First Part B SEA Funds	84.357	04-4337-00	13,045
Title I- Reading First Part B SEA Funds	84.357	05-4337-00	8,171
Title I- Reading First Part B SEA Funds	84.357	04-4337-02	53,306
Title I- Reading First Part B SEA Funds	84.357	05-4337-02	34,559
Total Title I- Reading First Part B SEA Funds			<u>109,081</u>
Illinois Mathematics & Science Partnership	84.366	04-4936-00	182,814 (M)
Illinois Mathematics & Science Partnership	84.366	05-4936-00	103,420 (M)
Total Illinois Mathematics & Science Partnership			<u>286,234</u>
US Department of Agriculture through Illinois State Board of Education			
National School Lunch Program	10.555	04-4210-00	1,955
National School Lunch Program	10.555	05-4210-00	10,205
School Breakfast Program	10.553	04-4220-00	472
School Breakfast Program	10.553	05-4220-00	1,761
Total National School Lunch and Breakfast Programs			<u>14,393</u>
US Department of Health & Human Services through Illinois State Board of Education			
Regional Safe Schools (TANF)	93.558	04-3696-00	44,425
Regional Safe Schools - General State Aid (TANF)	93.558	05-3001-93	56,192
Total Regional Safe Schools			<u>100,617</u>
Total Through Illinois State Board of Education			<u>2,239,429</u>

The accompanying notes are an integral part of this schedule.

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2005

<u>Federal Grantor/Pass Through Grantor, Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # or Contract #</u>	<u>Expenditures 7/1/04-6/30/05</u>
US Department of Health & Human Services through Illinois Department of Children & Family Services			
DCFS Interagency Technical Assistance Network	93.669	53730189015	9,259
Total Through Illinois Department of Children & Family Services			<u>9,259</u>
US Department of Education through Regional Office of Education #32			
Title I School Improvement and Accountability	84.010A	05-4331-SS	85,601
Title II Teacher Quality - Leadership Grant	84.367A	05-4935-SS	45,504
Title V Innovative Programs - SEA Projects	84.298A	05-4105-SS	8,049
McKinney - Vento Homeless Children & Youth Program	84.196	05-4920-00	52,703
Total Through Regional Office of Education #32			<u>191,857</u>
US Department of Education through University of Illinois			
Novice Teacher Support Program	84.281A	04-4935-00	3,059
Total Expenditures of Federal Awards			<u>\$ 2,443,604</u>

(M) Program was audited as a major program.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

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

NOTE 2 - SUBRECIPIENTS

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

Program Title:	Federal Special Education I.D.E.A. - Discretionary
Federal CFDA #:	84.027A
Amount provided to subrecipients:	\$ 5,000

Program Title:	Technology- Enhancing Education - Competitive
Federal CFDA #:	84.318X
Amount provided to subrecipients:	\$ 431,779

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM

Federal Special Education I.D.E.A. - Discretionary provides information, support, resources, and training to schools, families and community agencies who work with families of children with, or at risk of developing severe emotional or behavioral disabilities.

Illinois Mathematics and Science Partnerships enhances the content knowledge and teaching skills of classroom teachers in the areas of mathematics and science.

NOTE 4 - NON-CASH ASSISTANCE

None

NOTE 5 - AMOUNT OF INSURANCE

None

NOTE 6 - LOANS OR GUARANTEES OUSTANDING

None