

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, 2006

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, 2006

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-12d
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

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Funds.....	22
Statement of Net Assets – Proprietary Funds	23
Statement of Revenues, Expenses, and Changes In Fund Net Assets – Proprietary Funds	24
Statement of Cash Flows – Proprietary Funds.....	25
Statement of Fiduciary Net Assets – Fiduciary Fund	26
Notes to the Financial Statements	27-48

REQUIRED SUPPLEMENTARY INFORMATION

Illinois Municipal Retirement Fund Schedule of Funding Progress.....	49
--	----

OTHER SUPPLEMENTAL INFORMATION

Combining Schedule of Accounts General Fund.....	50
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund Accounts.....	51
Budgetary Comparison Schedules General Fund	
Schoolworks Operation.....	52
Area IV Learning Technology Hub.....	53
Youth Detention Center	54
Combining Schedule of Accounts Education Fund	55-57
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Education Fund Accounts	58-60
Budgetary Comparison Schedules Education Fund	
Truants Alternative/Optional Education	61
Title I – School Improvement and Accountability.....	62
Regional Education Alternative for Developing Youth (READY)	63
Northern Illinois University Grant.....	64
Urban League.....	65
Extended School Year.....	66

Novice Teacher Support.....	67
Title II – Teacher Quality.....	68
Title I- Reading First Part B SEA (06-4337-00) & (06-4337-02).....	69
McKinney - Vento Homeless Children & Youth Program.....	70
Technology - Enhancing Education - Competitive.....	71
Title I – Math and Science.....	72
Area IV- System of Support.....	73
Department of Children and Family Services Grant.....	74
Interactive Illinois Report Card.....	75
Positive Behavior Facilitation Grant.....	76
Standards and Assessments.....	77
Combining Balance Sheet	
Nonmajor Special Revenue Funds.....	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	79
Combining Statement of Fiduciary Net Assets	
Agency Funds.....	80
Combining Statement of Changes in Assets and Liabilities	
Agency Funds.....	81-82
Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund.....	83
Schedule of Expenditures of Federal Awards.....	84
Notes to the Schedule of Expenditures of Federal Awards.....	85

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
JUNE 30, 2006

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, 2006

COMPLIANCE REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

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>)		
06-1	12a	Controls over Compliance with Laws and Regulations
06-2	12c	Finance Charges and Late Fees
06-3	12d	Internal Control over Disbursements and Purchases

FINDINGS AND QUESTIONED COSTS (*FEDERAL COMPLIANCE*)

None

PRIOR FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

05-1	15	Inadequate Review of Bank Accounts
05-2	15	Capitalization Policy

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

05-4	15	Unexpended Interest Income
------	----	----------------------------

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on August 25, 2006. Attending were Judith Pacey, Regional Superintendent and Emily Tynes, Staff II Accountant, 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, 2006

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, 2006, 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, 2006, 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 25, 2006, 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, budgetary comparison schedules, and the Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Mt. Vernon, Illinois
August 25, 2006



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, 2006, which collectively comprise the Regional Office of Education #9's basic financial statements and have issued our report thereon dated August 25, 2006. 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 06-2 and 06-3.

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, we believe that none of the reportable conditions described above is 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 we reported on the accompanying Schedule of Findings and Questioned Costs as item 06-1.

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

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Mt. Vernon, Illinois
August 25, 2006



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, 2006. 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, 2006.

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.

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Mt. Vernon, Illinois
August 25, 2006

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 SUMMARY OF AUDITOR'S RESULTS
 JUNE 30, 2006

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? No
- 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)? No

Identification of **major** programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010A	Title I School Improvement and Accountability

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

Auditee qualified as a low-risk auditee? Yes

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2006

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 06-1 – Controls Over Compliance with Laws and Regulations (Repeat 05-3)

Criteria/specific requirements:

- A. 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 her educational service region, and if she 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.)
- B. The Illinois School Code 105 ILCS 5/3-5 states that the county superintendent shall present under oath or affirmation to the county board at its meeting in September and as nearly quarterly thereafter as it may have regular or special meetings, a report of all her acts as county superintendent, including a list of all the schools visited with the dates of visitation. (This mandate has existed in its current form since at least 1953.)
- C. The Illinois School Code 105 ILCS 5/3-14.5 requires the Regional Superintendent to visit each public school in the county at least once a year, noting the methods of instruction, the branches taught, the text-books used, and the discipline, government and general condition of the schools. (This mandate has existed in its current form since at least 1953.)

Conditions:

- A. The Regional Office is not examining all books, accounts, and vouchers of every school treasurer in her 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 has been examining school district financial statements on an annual basis.
- B. The Regional Office of Education #9 did not present at the September county board meeting and as nearly quarterly thereafter, a report of all her acts including a list of all the schools visited and dates of visitation. The Regional Superintendent does submit an annual report each fall to the county boards in the region and holds meetings quarterly with several county board members.
- C. The Regional Office of Education #9 performs compliance inspections for each public school in her Region on a rotational basis every 4 years instead of annually. While the Illinois Public School Accreditation Process Compliance Component document completed at these inspections includes many of the items delineated in 105 ILCS 5/3-14.5, it does not include a review of the methods of instruction and the textbooks used in the district.

Effects:

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2006

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 06-1 – Controls Over Compliance with Laws and Regulations (Repeat 05-3), Concluded

Causes:

- A. The level of financial review performed by the Regional Superintendent is not adequate to comply with the statute.
- B. The Regional Superintendent does present an annual report to the board and holds quarterly meetings with county board members, but the Superintendent was unaware of the specific details required to be provided at the meetings.
- C. The Regional Superintendent believed that the periodic compliance visits completed at the public schools were sufficient to satisfy the statutory requirement.

Recommendations:

- A. The Regional Office of Education #9 should comply with the requirements of 105 ILCS 5/3-14.11.
- B. The Regional Superintendent should attend the county board meeting in September and quarterly thereafter and present a report of all of her acts as county superintendent, including a list of all the schools visited with the dates of visitation as required by 105 ILCS 5/3-5.
- C. The Regional Superintendent should visit each public school annually to review all items noted in the statute as required by 105 ILCS 5/3-14.5.

If the Regional Office believes that any of these statutory mandates are obsolete or otherwise unnecessary, then it should seek legislative action to revise the statutes accordingly.

Management's responses:

- A. The Illinois Association of Regional Superintendents of Schools and the Illinois State Board of Education have agreed to seek legislation to remove duplicative and/or obsolete sections of the Illinois School Code. Both parties agree that section 5/3-7 of the Illinois School Code is a more current, thorough, and comprehensive requirement concerning a public school district's financial transactions. As a result, the two parties working together will seek legislation to repeal section 5/3-14.11 of the Illinois School Code.
- B. The Regional Superintendent agrees with the finding.
- C. The Illinois Association of Regional Superintendents of Schools and the Illinois State Board of Education have agreed to seek legislation to remove duplicative and/or obsolete sections of the Illinois School Code. Both parties agree that section 1.20 of the 23rd Illinois Administrative Code is a more current, thorough, and comprehensive requirement concerning visitation of public schools by the Regional Superintendent. As a result, the two parties working together will seek legislation to repeal section 5/3-14.5 of the Illinois School Code.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2006

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 06-2 – Finance charges and late fees

Criteria/specific requirement:

Grant provisions require that funding be spent on allowable costs. Internal controls should exist to ensure timely payment of invoices.

Condition:

In our testing of 90 disbursements, we noted 4 instances where the Regional Office had not made timely payment of their telephone bill and had incurred late charges.

Effect:

Late charges and finance charges are possible when the disbursements are not made in a timely manner.

Cause:

The Regional Office of Education's program directors were not forwarding their telephone bills for payment in a timely manner.

Recommendation:

The Regional Office of Education #9 should implement internal controls to ensure that disbursements are paid in a timely manner in order to avoid late charges and finance charges.

Management's Response:

The Regional Superintendent agrees with the finding.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2006

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 06-3 – Internal Control over Disbursements and Purchases

Criteria/specific requirement:

The Regional Superintendent of Schools is responsible for establishing and maintaining an internal control system over disbursements and purchases to prevent errors and fraud.

Condition:

In two instances, the Regional Office made disbursements to vendors dated June 30, 2006, when the related vendor invoices were dated in July, 2006.

Effect:

Cash and accounts payable were both understated at June 30, 2006 by \$6,738.

Cause:

Instead of accruing an account payable, the Regional Office paid for the purchases even though they had not yet received an invoice so they could record the expenditures in fiscal year 2006.

Recommendation:

The Regional Office of Education #9 should not make disbursements until an invoice is received. To record expenditures in the proper accounting period, the Regional Office should accrue an account payable at June 30 for the amount of the invoices.

Management's Response:

The Regional Superintendent agrees with the finding.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2006

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

INSTANCES OF NONCOMPLIANCE:

NONE

REPORTABLE CONDITIONS:

NONE

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
JUNE 30, 2006

Corrective Action Plan

Finding 06-1

Condition:

- A. The Regional Office is not examining all books, accounts, and vouchers of every school treasurer in her 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 has been examining school district financial statements on an annual basis.
- B. The Regional Office of Education #9 did not present at the September county board meeting and as nearly quarterly thereafter, a report of all her acts including a list of all the schools visited and dates of visitation. The Regional Superintendent does submit an annual report each fall to the county boards in the region and holds meetings quarterly with several county board members.
- C. The Regional Office of Education #9 performs compliance inspections for each public school in her Region on a rotational basis every 4 years instead of annually. While the Illinois Public School Accreditation Process Compliance Component document completed at these inspections includes many of the items delineated in 105 ILCS 5/3-14.5, it does not include a review of the methods of instruction and the textbooks used in the district.

Plan:

- A. The Regional Office of Education #9 will comply with the requirements of 105 ILCS 5/3-14.11.
- B. The Regional Superintendent will attend the county board meeting in September and quarterly thereafter and present a report of all of her acts as county superintendent, including a list of all the schools visited with the dates of visitation as required by 105 ILCS 5/3-5.
- C. The Regional Superintendent will visit each public school annually to review all items noted in the statute as required by 105 ILCS 5/3-14.5.

If the Regional Office believes that any of these statutory mandates are obsolete or otherwise unnecessary, then it will seek legislative action to revise the statutes accordingly.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Contact Person Responsible for Corrective Action:

Ms. Judith B. Pacey, Regional Superintendent

Finding 06-2

Condition:

In our testing of 90 disbursements, we noted 4 instances where the Regional Office had not made timely payment of their telephone bill and had incurred late charges.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
JUNE 30, 2006

Corrective Action Plan

Finding 06-2, Concluded

Plan:

The Regional Office of Education #9 will implement internal controls to ensure that disbursements are paid in a timely manner in order to avoid late charges and finance charges.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Contact Person Responsible for Corrective Action:

Ms. Judith B. Pacey, Regional Superintendent

Finding 06-3

Condition:

In two instances, the Regional Office made disbursements to vendors dated June 30, 2006, when the related vendor invoices were dated in July, 2006.

Plan:

The Regional Office of Education #9 will not make disbursements until an invoice is received. To record expenditures in the proper accounting period, the Regional Office will accrue an account payable at June 30 for the amount of the invoices.

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
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2006

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
05-1	Inadequate Review of Bank Accounts	Corrective Action Taken
05-2	Capitalization Policy	Correction Action Taken
05-3	Controls over Compliance with Laws and Regulations	Repeat 06-1
05-4	Unexpended Interest Income	Corrective Action Taken

MANAGEMENT'S DISCUSSION AND ANALYSIS

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2006

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, 2006. We encourage readers to consider this information in conjunction with the Regional Office of Education #9's financial statements, which follow.

2006 Financial Highlights

General Fund revenues for FY06 and FY05 were \$1,806,660 and \$1,658,384, respectively. Expenditures for the same period were \$1,459,258 and \$1,593,369, respectively, resulting in an excess of revenues over expenditures of \$347,402 and \$65,015, respectively. Interest for this period was \$2,563 and \$2,669, respectively. The net increase to fund balance was \$349,965 and \$67,684, respectively. Fund balance for the General Fund for FY06 and FY05 was \$505,086 and \$155,121, respectively.

The Education Fund revenues for FY06 and FY05 were \$2,150,479 and \$3,848,299, respectively. Expenditures for the same period were \$2,049,222 and \$3,748,033, respectively, resulting in an excess of revenues over expenditures of \$101,257 and \$100,266, respectively. Interest for this period was \$492 and \$1,438, respectively. The net increase to fund balance was \$101,749 and \$110,475, respectively. Fund balance for the Education Fund for FY06 and FY05 was \$220,522 and \$118,773, respectively.

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, 2006

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, 2006

The Office has three kinds of funds (Concluded):

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

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

Government – Wide Financial Analysis

As noted earlier, net assets may serve, when examined over time, as one indicator of the financial position of the Regional Office. The total net assets at the end of FY06 and FY05 were \$1,607,126 and \$1,131,800, respectively . The analysis that follows provides a summary of the Regional Office of Education #9's net assets at June 30, 2006 and 2005, for the governmental and business-type activities.

CONDENSED STATEMENT OF NET ASSETS

Governmental Activities

	2006	2005	Increase / (Decrease)
Current Assets	\$ 1,108,831	\$ 1,439,201	(330,370)
Capital assets, being depreciated, net	211,508	242,568	(31,060)
Total Assets	1,320,339	1,681,769	(361,430)
Current Liabilities	86,966	919,084	(832,118)
Net Assets:			
Invested in capital assets	211,508	242,568	(31,060)
Unrestricted	831,182	378,778	452,404
Restricted for teacher prof.dev.	190,683	141,339	49,344
Total Net Assets	\$ 1,233,373	\$ 762,685	470,688

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2006

Government – Wide Financial Analysis (Continued)

The Regional Office of Education’s governmental assets exceeded governmental liabilities (net assets) by \$1,233,373, which was an increase of \$470,688. 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 FY05 to FY06. More unearned revenue was recognized as revenue in FY06 because of the increase in expenditures of governmental activities, which decreased unearned revenue and cash. In addition, net assets related to the Institute Fund are considered restricted for teacher professional development.

CONDENSED STATEMENT OF NET ASSETS

Business-type Activities

	2006	2005	Increase / (Decrease)
Current Assets	\$ 367,091	\$ 366,704	387
Capital assets, being depreciated, net	6,662	2,411	4,251
Total Assets	373,753	369,115	4,638
Net Assets:			
Invested in capital assets	6,662	2,411	4,251
Unrestricted	367,091	366,704	387
Total Net Assets	\$ 373,753	\$ 369,115	4,638

The Regional Office of Education #9’s business-type net assets remained relatively consistent from fiscal year 2005 to fiscal year 2006.

STATEMENT OF ACTIVITIES

The following analysis shows the changes in net assets for governmental and business-type activities for the year ended June 30, 2006 and 2005.

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2006

Government – Wide Financial Analysis (Continued)

STATEMENT OF ACTIVITIES

Governmental Activities

	2006	2005	Increase / (Decrease)
Revenues:			
Program Revenues:			
Operating grants and contributions	\$ 1,669,359	\$ 3,541,441	(1,872,082)
General revenues:			
Local sources	1,773,026	1,353,159	419,867
State sources	317,707	251,373	66,334
On-behalf payments	429,514	588,185	(158,671)
Investment earnings	5,509	5,965	(456)
Noncash contribution	-	8,771	(8,771)
Loss on disposal of assets	(3,170)	-	(3,170)
Total Revenues	4,191,945	5,748,894	(1,556,949)
Expenses:			
Instructional Services:			
Salaries and benefits	2,020,221	2,380,177	(359,956)
Purchased Services	899,345	1,670,988	(771,643)
Supplies and materials	203,444	340,010	(136,566)
Other objects	32,743	451,654	(418,911)
Depreciation expense	63,657	59,527	4,130
Payments to Other Governments	72,333	-	72,333
Administrative Expense:			
On-Behalf payments	429,514	588,185	(158,671)
Total Expenses	3,721,257	5,490,541	(1,769,284)
Change in Net Assets	470,688	258,353	212,335
Net Assets - Beginning	762,685	504,332	258,353
Net Assets - Ending	\$ 1,233,373	\$ 762,685	470,688

Revenues for governmental activities were \$4,191,945 and expenses were \$3,721,257. The decrease in total revenues is due primarily to cuts in State and federal grant funding.

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2006

Government – Wide Financial Analysis (Continued)

The Regional Education Alternative for Developing Youth Program had a decrease in student enrollment. The decrease in salaries and benefits, purchased services and supplies and materials is due to the loss of the Federal Special Education-I.D.E.A.-Discretionary grant. The decrease in other objects is due to the grants not needing to replace as much capital outlay during the fiscal year. All of these factors combined led to an increase in ending net assets in fiscal year 2006.

STATEMENT OF ACTIVITIES

Business-Type Activities

	<u>2006</u>	<u>2005</u>	<u>Increase / (Decrease)</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 147,490	\$ 150,972	(3,482)
General Revenue:			
Investment earnings	<u>1,826</u>	<u>1,818</u>	8
Total Revenues	<u>149,316</u>	<u>152,790</u>	(3,474)
Expenses:			
Salaries and benefits	39,038	67,608	(28,570)
Purchased Services	58,626	73,211	(14,585)
Supplies and materials	16,721	12,863	3,858
Other objects	29,856	-	29,856
Depreciation	<u>437</u>	<u>395</u>	42
Total Expenses	<u>144,678</u>	<u>154,077</u>	(9,399)
Change in Net Assets	4,638	(1,287)	5,925
Net Assets - Beginning	<u>369,115</u>	<u>370,402</u>	(1,287)
Net Assets - Ending	<u>\$ 373,753</u>	<u>\$ 369,115</u>	4,638

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2006

Government – Wide Financial Analysis (Concluded)

Revenues for the business-type activities were \$149,316 and expenses were \$144,678. This resulted in an overall increase in total net assets of \$4,638. The decrease in revenue, salaries and benefits, and purchased services are due to the System of Support project changing the dynamics of our organization. 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 overall increase in business-type net assets.

Financial Analysis of the Regional Office of Education #9 Funds

As previously noted, the Regional Office of Education #9 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Regional Office of Education #9's Governmental Funds reported combined fund balances of \$980,440.

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 3,066 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 253 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 130 students. The DCFS Education Advisor Online program served 129 schools and 35 individual children were served with direct interventions. Our Truancy Program had 115 referrals and served 77 students to ameliorate their truancy problems. The McKinney Education-Homeless Children Program served 215 students and families. We served 3,327 teachers through the Certification Program that assists teachers in completing certification requirements and obtaining a certificate. We provided 5 Bus Driver Trainings throughout the year issuing 81 Initial Bus Driver certificates and 295 Refresher Bus Driver Certificates. There are a variety of other regulatory programs that are statute based including the annual inspection of school buildings for health and safety and regular compliance monitoring of districts. A General Education Diploma is offered through our cooperative effort with Parkland College and the Lincoln's Challenge Program, which includes testing to meet high school equivalency. We administered 933 GED tests. In addition, we have a variety of smaller programs that would be classified as consultative services working directly with the schools.

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2006

Proprietary Fund Highlights

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

Budgetary Highlights

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

Capital Assets

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

Economic Factors and Next Year's Budget

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

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

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

Contacting the Office's Financial Management

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

BASIC FINANCIAL STATEMENTS

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF NET ASSETS
 JUNE 30, 2006

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash	\$ 869,600	\$ 355,415	\$ 1,225,015
Due from other governments:			
Local	110,042	11,676	121,718
State	93,860	-	93,860
Federal	35,329	-	35,329
Total Current Assets	<u>1,108,831</u>	<u>367,091</u>	<u>1,475,922</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	211,508	6,662	218,170
Total Noncurrent Assets	<u>211,508</u>	<u>6,662</u>	<u>218,170</u>
TOTAL ASSETS	<u>1,320,339</u>	<u>373,753</u>	<u>1,694,092</u>
LIABILITIES			
Current Liabilities:			
Due to other governments:			
Federal	59,158	-	59,158
Unearned revenue	27,808	-	27,808
Total Current Liabilities	<u>86,966</u>	<u>-</u>	<u>86,966</u>
TOTAL LIABILITIES	<u>86,966</u>	<u>-</u>	<u>86,966</u>
NET ASSETS			
Invested in capital assets	211,508	6,662	218,170
Unrestricted	831,182	367,091	1,198,273
Restricted for teacher professional development	190,683	-	190,683
TOTAL NET ASSETS	<u>\$ 1,233,373</u>	<u>\$ 373,753</u>	<u>\$ 1,607,126</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, 2006

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	\$ 2,020,221	\$ -	\$ 1,033,476	\$ (986,745)	\$ -	\$ (986,745)
Purchased services	899,345	-	408,490	(490,855)	-	(490,855)
Supplies and materials	203,444	-	116,596	(86,848)	-	(86,848)
Depreciation expense	63,657	-	-	(63,657)	-	(63,657)
Capital outlay	-	-	35,767	35,767	-	35,767
Payments to Other Governments	72,333	-	72,333	-	-	-
Other objects	32,743	-	2,697	(30,046)	-	(30,046)
Administrative:						
On-behalf payments - State	429,514	-	-	(429,514)	-	(429,514)
Total Governmental Activities	<u>3,721,257</u>	<u>-</u>	<u>1,669,359</u>	<u>(2,051,898)</u>	<u>-</u>	<u>(2,051,898)</u>
Business-Type Activities:						
Registration Fees	144,678	147,490	-	-	2,812	2,812
Total Business-Type Activities:	<u>144,678</u>	<u>147,490</u>	<u>-</u>	<u>-</u>	<u>2,812</u>	<u>2,812</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 3,865,935</u>	<u>\$ 147,490</u>	<u>\$ 1,669,359</u>	<u>(2,051,898)</u>	<u>2,812</u>	<u>(2,049,086)</u>
GENERAL REVENUES:						
Local sources				1,773,026	-	1,773,026
State sources				317,707	-	317,707
On-behalf payments				429,514	-	429,514
Investment earnings				5,509	1,826	7,335
Loss on disposal of capital assets				(3,170)	-	(3,170)
Total General Revenues, Special and Extraordinary Items and Transfers				<u>2,522,586</u>	<u>1,826</u>	<u>2,524,412</u>
CHANGE IN NET ASSETS				470,688	4,638	475,326
NET ASSETS - BEGINNING				<u>762,685</u>	<u>369,115</u>	<u>1,131,800</u>
NET ASSETS - ENDING				<u>\$ 1,233,373</u>	<u>\$ 373,753</u>	<u>\$ 1,607,126</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, 2006

	General Fund	Institute	Education Fund	Other Governmental Funds	Eliminations	Total Governmental Funds
ASSETS						
Cash	\$ 270,611	\$ 190,683	\$ 302,914	\$ 64,017	\$ -	\$ 828,225
Due from other funds	214,408	-	-	-	(214,408)	-
Due from other governments:						
Local	28,324	-	81,536	132	-	109,992
State	-	-	93,860	-	-	93,860
Federal	-	-	35,329	-	-	35,329
TOTAL ASSETS	\$ 513,343	\$ 190,683	\$ 513,639	\$ 64,149	\$ (214,408)	\$ 1,067,406
LIABILITIES						
Due to other funds	\$ 8,257	\$ -	\$ 206,151	\$ -	\$ (214,408)	\$ -
Due to other governments:						
Federal	-	-	59,158	-	-	59,158
Unearned revenue	-	-	27,808	-	-	27,808
Total Liabilities	8,257	-	293,117	-	(214,408)	86,966
FUND BALANCES						
Unreserved, reported in:						
General fund	505,086	-	-	-	-	505,086
Special revenue funds	-	190,683	220,522	64,149	-	475,354
Total Fund Balances	505,086	190,683	220,522	64,149	-	980,440
TOTAL LIABILITIES AND FUND BALANCES	\$ 513,343	\$ 190,683	\$ 513,639	\$ 64,149	\$ (214,408)	\$ 1,067,406

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, 2006

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS \$ 980,440

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. 211,508

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	\$ 53,784	
Less Capital Assets Included in Total Above	<u>(12,359)</u>	<u>41,425</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 1,233,373

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, 2006

	General Fund	Institute	Education Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Local sources	\$ 838,679	\$ 71,012	\$ 704,840	\$ 47,877	\$ 1,662,408
State sources	538,467	-	897,424	2,960	1,438,851
State sources- on-behalf payments	429,514	-	-	-	429,514
Federal sources	-	-	548,215	-	548,215
Total Revenues	<u>1,806,660</u>	<u>71,012</u>	<u>2,150,479</u>	<u>50,837</u>	<u>4,078,988</u>
EXPENDITURES					
Current:					
Instructional Services					
Salaries and benefits	605,155	-	1,295,233	24,282	1,924,670
Purchased services	332,228	20,612	520,094	9,102	882,036
Supplies and materials	53,760	545	135,373	8,306	197,984
Capital outlay	15,759	-	18,546	1,462	35,767
Other objects	22,842	1,308	7,643	43	31,836
Payments to Other Governments	-	-	72,333	-	72,333
On-behalf payments	429,514	-	-	-	429,514
Total Expenditures	<u>1,459,258</u>	<u>22,465</u>	<u>2,049,222</u>	<u>43,195</u>	<u>3,574,140</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>347,402</u>	<u>48,547</u>	<u>101,257</u>	<u>7,642</u>	<u>504,848</u>
OTHER FINANCING SOURCES (USES):					
Interest	2,563	797	492	272	4,124
Total Other Financing Sources (Uses)	<u>2,563</u>	<u>797</u>	<u>492</u>	<u>272</u>	<u>4,124</u>
NET CHANGE IN FUND BALANCES	349,965	49,344	101,749	7,914	508,972
FUND BALANCES - BEGINNING	<u>155,121</u>	<u>141,339</u>	<u>118,773</u>	<u>56,235</u>	<u>471,468</u>
FUND BALANCES - ENDING	<u>\$ 505,086</u>	<u>\$ 190,683</u>	<u>\$ 220,522</u>	<u>\$ 64,149</u>	<u>\$ 980,440</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, 2006

NET CHANGE IN FUND BALANCES — GOVERNMENTAL FUNDS \$ 508,972

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	\$ 35,767	
Depreciation expense	<u>(63,657)</u>	(27,890)

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

(3,170)

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 \$6,301 which is included above.

(7,224)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 470,688

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2006

	Business-Type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund
	Local Workshops	Total	
ASSETS			
Current assets:			
Cash	\$ 355,415	\$ 355,415	\$ 41,375
Due from other governments:			
Local	11,676	11,676	50
Total current assets	<u>367,091</u>	<u>367,091</u>	<u>41,425</u>
Noncurrent assets:			
Capital assets, being depreciated, net	6,662	6,662	12,359
Total noncurrent assets	<u>6,662</u>	<u>6,662</u>	<u>12,359</u>
TOTAL ASSETS	<u>373,753</u>	<u>373,753</u>	<u>53,784</u>
NET ASSETS			
Invested in capital assets	6,662	6,662	12,359
Unrestricted	367,091	367,091	41,425
TOTAL NET ASSETS	<u>\$ 373,753</u>	<u>\$ 373,753</u>	<u>\$ 53,784</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, 2006

	Business-Type Activities - Enterprise Fund		Governmental Activities- Internal Service Fund
	Local Workshops	Total	
OPERATING REVENUES			
Registration fees	\$ 147,490	\$ 147,490	\$ 110,618
Total Operating Revenues	<u>147,490</u>	<u>147,490</u>	<u>110,618</u>
OPERATING EXPENSES			
Salaries and benefits	39,038	39,038	95,551
Purchased services	58,626	58,626	17,309
Supplies and materials	16,721	16,721	5,460
Other objects	29,856	29,856	907
Depreciation	437	437	6,301
Total Operating Expenses	<u>144,678</u>	<u>144,678</u>	<u>125,528</u>
OPERATING INCOME (LOSS)	<u>2,812</u>	<u>2,812</u>	<u>(14,910)</u>
NONOPERATING REVENUE			
Interest	1,826	1,826	1,385
Total Nonoperating Revenue	<u>1,826</u>	<u>1,826</u>	<u>1,385</u>
CHANGE IN NET ASSETS	4,638	4,638	(13,525)
TOTAL NET ASSETS - BEGINNING	<u>369,115</u>	<u>369,115</u>	<u>67,309</u>
TOTAL NET ASSETS - ENDING	<u>\$ 373,753</u>	<u>\$ 373,753</u>	<u>\$ 53,784</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, 2006

	Business-Type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund
	Local Workshops	Totals	
Cash Flows from Operating Activities:			
Receipts from customers	\$ 137,165	\$ 137,165	\$ 112,339
Payments to suppliers and providers of goods and services	(105,203)	(105,203)	(23,676)
Payments to employees	(39,038)	(39,038)	(95,551)
Net Cash Provided by (Used for) Operating Activities	<u>(7,076)</u>	<u>(7,076)</u>	<u>(6,888)</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	(4,688)	(4,688)	-
Net Cash Flows from Capital and Related Financing Activities	<u>(4,688)</u>	<u>(4,688)</u>	<u>-</u>
Cash Flows from Investing Activities:			
Interest Earned	1,826	1,826	1,385
Net Cash Flows from Investing Activities	<u>1,826</u>	<u>1,826</u>	<u>1,385</u>
Net Increase (Decrease) in Cash	(9,938)	(9,938)	(5,503)
Cash - Beginning	<u>365,353</u>	<u>365,353</u>	<u>46,878</u>
Cash - Ending	<u>\$ 355,415</u>	<u>\$ 355,415</u>	<u>\$ 41,375</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 2,812	\$ 2,812	\$ (14,910)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	437	437	6,301
(Increase) Decrease in Due from Other Governments	(10,325)	(10,325)	1,721
Net Cash Provided by (Used for) Operating Activities	<u>\$ (7,076)</u>	<u>\$ (7,076)</u>	<u>\$ (6,888)</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, 2006

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 138,812
Due from other governments	<u>124,858</u>
TOTAL ASSETS	<u><u>\$ 263,670</u></u>
LIABILITIES	
Due to other governments	<u>\$ 263,670</u>
TOTAL LIABILITIES	<u><u>\$ 263,670</u></u>

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, 2006

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 2006, the Regional Office of Education #9 implemented Governmental Accounting Standards Board (GASB) Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section, an Amendment of NCGA Statement 1*, GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, an Amendment of GASB No. 34 and GASB No. 47, *Accounting for Termination Benefits*. The Regional Office of Education #9 implemented these standards during the current year, however; they do not have a significant impact on the financial statements.

GASB Statement No. 34 established a 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, 2006

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, 2006, the Regional Office of Education #9 applied for, received, and administered numerous state and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #9. Such activities are reported as a single special revenue fund (Education Fund).

B. SCOPE OF THE REPORTING ENTITY

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

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

E. GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING

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

GOVERNMENTAL FUNDS

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

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

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

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

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

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

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

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

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

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

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

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

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.

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

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

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

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

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Title I - Reading First Part B SEA (06-4337-00) & (06-4337-02) - 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.

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

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.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Concluded)

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.

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

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

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

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

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

PROPRIETARY FUNDS

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

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

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

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIDUCIARY FUNDS

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

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

Payroll Clearing - This fund receives money from other programs/funds to pay payroll expenses for the Regional Office of Education 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.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. CAPITAL ASSETS

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

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

L. COMPENSATED ABSENCES

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

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

M. ESTIMATES

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

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

N. BUDGET INFORMATION

The Regional Office of Education #9 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Funds. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted nor are they required to be. The General Fund and certain programs within the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results are presented as supplemental information. Budgetary comparison schedules have been provided in supplementary schedules for the following funds: Schoolworks Operations, Area IV Learning Technology Hub, Youth Detention Center, Truants Alternative/Optional Education, Title I School Improvement and Accountability, Regional Education Alternative for Developing Youth, Northern Illinois University Grant, Urban League, Extended School Year, Novice Teacher Support, Title II Teacher Quality, Title I- Reading First Part B SEA (06-4337-00) & (06-4337-02), McKinney - Vento Homeless Children & Youth Program, Technology - Enhancing Education - Competitive, Title I Math & Science, Area IV – System of Support, Department of Children and Family Services Grant, Interactive Illinois Report Card, Positive Behavior Facilitation Grant, and Standards & Assessments.

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.

A. DEPOSITS

At June 30, 2006, the carrying amount of the Regional Office of Education #9's government-wide and Agency fund deposits were \$1,225,015 and \$138,812, respectively, and the bank balances were \$1,591,539 and \$210,022, respectively. Of the total bank balances as of June 30, 2006, \$200,000 was secured by federal depository insurance and \$1,599,413 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, 2006, the Regional Office of Education #9 had investments with carrying and fair values of \$2,148 invested in the Illinois Funds Money Market Fund.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 2 – CASH (Concluded)

CREDIT RISK

At June 30, 2006, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

INTEREST RATE RISK

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

CONCENTRATION OF CREDIT RISK

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

NOTE 3 - DEFINED BENEFIT PENSION PLAN

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

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2006

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Concluded)

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The Regional Office of Education #9 is required to contribute at an actuarially determined rate. The employer rate for calendar year 2005 was 7.51 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, 2005 was 5 years.

For December 31, 2005, the Regional Office of Education #9's annual pension cost of \$124,679 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, 2003 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 2005 actuarial valuation were based on the 2002-2004 experience study.

A. TREND INFORMATION

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contribution</u>	<u>Net Pension Obligation</u>
12/31/05	124,679	100%	\$ 0
12/31/04	117,957	100%	0
12/31/03	121,567	100%	0
12/31/02	103,330	100%	0
12/31/01	15,817	100%	0
12/31/00	14,484	100%	0
12/31/99	13,143	100%	0
12/31/98	9,340	100%	0
12/31/97	5,912	100%	0
12/31/96	4,388	100%	0

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

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

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

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2006, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. In addition, virtually all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not part of this retirement plan. The employer THIS Fund contribution was 0.6 percent during the year ended June 30, 2006, and the member THIS Fund health insurance contribution was 0.80 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, 2006, the State of Illinois contributions were based on 7.06 percent of creditable earnings, and the Regional Office of Education #9 recognized revenue and expenditures of \$226,982 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2005 and June 30, 2004, the State of Illinois contribution rates as percentages of creditable earnings were 11.76 percent (\$387,327) and 13.98 percent (\$465,411), respectively.

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

- **2.2 formula contributions.** Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. Contributions for the year ending June 30, 2006 were \$18,647. Contributions for the years ending June 30, 2005, and June 30, 2004, were \$19,103 and \$19,309, respectively.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

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

- **Federal and trust fund contributions.** When TRS members are paid from federal and trust funds administered by the Regional Office of Education #9, there is a statutory requirement for the Regional Office of Education #9 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and trust funds will be the same as the state contribution rate to TRS. For the year ended June 30, 2006, the employer pension contribution was 7.06 percent of salaries paid from federal and trust funds. For the two 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, 2006, salaries totaling \$616,886 were paid from federal and trust funds that required employer funds that required employer contributions of \$43,552. For the years ended June 30, 2005 and 2004, required Regional Office of Education #9 contributions were \$91,581 and \$90,589, 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 and under which ERO program the member retires.

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

Under the ERO program that expired on June 30, 2005 and the Pipeline ERO, the maximum employer contribution is 100 percent of the member's highest salary used in the final average salary calculation. Under the Modified ERO, the maximum employer contribution is 117.5 percent. Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement. For the year ended June 30, 2006, the Regional Office of Education #9 paid no employer contributions to TRS under the Pipeline ERO and Modified ERO programs. For the years ended June 30, 2005 and June 30 2004, the Regional Office of Education #9 paid no employer ERO contributions.

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, 2005. The report for the year ended June 30, 2006, is expected to be available in late 2006. 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.

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2006

NOTE 5 - INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2006 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	\$ -	\$206,151
General Fund	<u>214,408</u>	<u>8,257</u>
	<u>\$214,408</u>	<u>\$214,408</u>

TRANSFERS

There were no interfund transfers to/from other fund balances at June 30, 2006.

NOTE 6 – CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education #9 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased. A prior period adjustment was made to record assets that had been inadvertently omitted from capital assets. See Note 11 for more details. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2006:

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 6 – CAPITAL ASSETS (Continued)

	Balance July 1, 2005	Prior Period Adjustment	Additions	Deletions	Balance June 30, 2006
Governmental Activities					
<u>General Fund</u>					
General	\$ 43,271	\$ -	\$ 2,207	\$ 945	\$ 44,533
Schoolworks Operations	110,688	-	-	7,915	102,773
Area IV - Technology Hub	200,508	-	12,836	7,589	205,755
Youth Detention Center	16,135	-	716	2,607	14,244
<u>Education Fund</u>					
Illinois State Board of Education/DCFS					
Interagency Technical Assistance Network	3,787	-	-	586	3,201
Truants Alternative/Optional Education	3,204	-	-	1,850	1,354
Adult Education	250	-	-	-	250
Regional Education Alternative for Developing Youth	57,191	-	10,026	4,216	63,001
Federal Special Education I.D.E.A.	48,453	-	-	18,686	29,767
McKinney Education for Homeless Children	4,551	-	1,660	-	6,211
Northern Illinois University Grant	10,861	-	2,354	-	13,215
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	68,141	-	2,594	-	70,735
Area IV System of Support	2,817	-	1,912	-	4,729
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	-	1,462	-	8,349
<u>Internal Service</u>	23,357	9,807	-	-	33,164
Governmental Activities					
Total Capital Assets	620,500	9,807	35,767	44,394	621,680
Less: Accumulated Depreciation	387,739	-	63,657	41,224	410,172
Governmental Activities					
Investment in Capital Assets, Net	<u>\$ 232,761</u>	<u>\$ 9,807</u>	<u>\$ (27,890)</u>	<u>\$ 3,170</u>	<u>\$ 211,508</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2006

NOTE 6 – CAPITAL ASSETS (Concluded)

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>
Business-type Activities				
Local Workshops	\$ 3,002	\$ 4,688	\$ -	\$ 7,690
Business-type Activities				
Total Assets	3,002	4,688	-	7,690
Less Accumulated Depreciation	<u>591</u>	<u>437</u>	<u>-</u>	<u>1,028</u>
Business-type Activities				
Investment in Capital Assets	<u>\$ 2,411</u>	<u>\$ 4,251</u>	<u>\$ -</u>	<u>\$ 6,662</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, 2006 of \$63,657 and \$437 was charged to the governmental activities and the business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

NOTE 7 - RISK MANAGEMENT

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

NOTE 8 – OPERATING LEASE

The Education Fund has entered into a renewable five-year lease to provide classroom space for the R.E.A.D.Y. School Program (Ready) and office space for the Illinois Technical Assistance Network (ITAN). Rent expense for 2006 totaled \$104,259. Future minimum rentals are as follows for the years ending June 30:

2007	\$ 93,288
2008	93,288
2009	93,288
2010	<u>15,548</u>
Total	<u>\$295,412</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2006

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)	18,321
Assistant Regional Superintendent Benefits (Includes State paid insurance)	15,985
TRS Pension Contribution	<u>226,982</u>
 Total	 <u>\$429,514</u>

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

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

NOTE 10 – DUE TO/FROM OTHER GOVERNMENTS

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

Due from Other Governments:

<u>Fiduciary Fund</u>	
Illinois State Board of Education	\$124,858
<u>General Fund</u>	
Local Governments	28,324
<u>Education Fund</u>	
Local Governments	81,536
Illinois State Board of Education	111,755
Federal Government	17,434
<u>Nonmajor Funds</u>	
Local Government	132
<u>Internal Service</u>	
Local Government	50
<u>Proprietary Fund</u>	
Local Governments	<u>11,676</u>
Total	<u>\$375,765</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2006

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

Due to Other Governments:

<u>Fiduciary Fund</u>	
Local School Districts	\$126,294
Local Governments	137,376
<u>Education Fund</u>	
Federal Government	<u>59,158</u>
Total	<u>\$322,828</u>

NOTE 11 - PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to the internal service fund to record assets that had been inadvertently omitted from capital assets. The following is the effect of this prior period adjustment on the beginning Internal Service Fund's fund balance and the governmental activities beginning net assets.

Internal Service Fund

Fund Balance - July 1, 2005	\$ 57,502
Effect of Prior Period Adjustment	<u>9,807</u>
Fund Balance - July 1, 2005, Restated	<u>\$ 67,309</u>

Government-Wide - Statement of Activities - Governmental Activities

Net Assets - July 1, 2005	\$752,878
Effect of Prior Period Adjustment	<u>9,807</u>
Net Assets - July 1, 2005, Restated	<u>\$762,685</u>

**REQUIRED SUPPLEMENTAL INFORMATION
(Other than Management Discussion and Analysis)**

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN / FORD COUNTIES
 ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF FUNDING PROGRESS
 (UNAUDITED)
 JUNE 30, 2006

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)
12/31/05	2,651,414	2,705,672	54,258	97.99%	1,660,172	3.27%
12/31/04	2,568,053	2,598,435	30,382	98.83%	1,704,581	1.78%
12/31/03	2,327,804	2,228,384	(99,420)	104.46%	1,795,667	0.00%
12/31/02	2,318,311	2,162,986	(155,325)	107.18%	1,845,179	0.00%
12/31/01	2,134,097	1,948,938	(185,159)	109.50%	1,818,013	0.00%
12/31/00	1,950,654	1,609,415	(341,239)	121.20%	1,664,886	0.00%
12/31/99	1,838,752	1,425,735	(413,017)	128.97%	1,444,391	0.00%
12/31/98	1,552,701	1,175,971	(376,730)	132.04%	983,153	0.00%
12/31/97	1,355,888	963,765	(392,123)	140.69%	751,135	0.00%
12/31/96	1,177,638	780,164	(397,474)	150.95%	482,174	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2005 is \$2,680,196.

On a market basis, the funded ratio would be 99.06%.

* Digest of changes

The actuarial assumptions used to determine the actuarial accrued liability for 2005 are based on the 2002-2004 Experience Study. The principal changes were:

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

OTHER SUPPLEMENTAL INFORMATION

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2006

	General	Schoolworks Operations	Regional Office of Education Operations	Area IV Learning Technology Hub	Youth Detention Center	Essay Scoring	TOTALS
ASSETS							
Cash	\$ 33,982	\$ -	\$ 22,560	\$ 213,465	\$ -	\$ 604	\$ 270,611
Due from other funds	-	-	-	214,408	-	-	214,408
Due from other governments	-	-	1,723	17,904	8,257	440	28,324
TOTAL ASSETS	\$ 33,982	\$ -	\$ 24,283	\$ 445,777	\$ 8,257	\$ 1,044	\$ 513,343
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 8,257	\$ -	\$ 8,257
Total Liabilities	-	-	-	-	8,257	-	8,257
FUND BALANCES							
Unreserved	33,982	-	24,283	445,777	-	1,044	505,086
Total Fund Balances	33,982	-	24,283	445,777	-	1,044	505,086
TOTAL LIABILITIES AND FUND BALANCES	\$ 33,982	\$ -	\$ 24,283	\$ 445,777	\$ 8,257	\$ 1,044	\$ 513,343

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, 2006

	General	Schoolworks Operations	Regional Office of Education Operations	Area IV Learning Technology Hub	Youth Detention Center	Essay Scoring	TOTALS
REVENUES							
Local sources	\$ 354,376	\$ -	\$ 4,347	\$ 470,540	\$ -	\$ 9,416	\$ 838,679
State sources	-	143,978	-	267,403	127,086	-	538,467
State sources - payments made on behalf of region	429,514	-	-	-	-	-	429,514
Total Revenues	783,890	143,978	4,347	737,943	127,086	9,416	1,806,660
EXPENDITURES							
Current:							
Salaries and benefits	145,463	100,999	-	235,898	114,906	7,889	605,155
Purchased services	192,157	36,582	977	91,184	10,403	925	332,228
Supplies and materials	10,859	5,517	2,122	34,146	1,080	36	53,760
Capital outlay	2,207	-	-	12,836	716	-	15,759
Other objects	10,287	925	4,372	7,167	-	91	22,842
Payments made on behalf of region	429,514	-	-	-	-	-	429,514
Total Expenditures	790,487	144,023	7,471	381,231	127,105	8,941	1,459,258
OTHER FINANCING SOURCES (USES)							
Interest	143	45	90	2,264	19	2	2,563
Total Other Financing Sources (Uses)	143	45	90	2,264	19	2	2,563
NET CHANGE IN FUND BALANCES	(6,454)	-	(3,034)	358,976	-	477	349,965
FUND BALANCE - BEGINNING	40,436	-	27,317	86,801	-	567	155,121
FUND BALANCE - ENDING	\$ 33,982	\$ -	\$ 24,283	\$ 445,777	\$ -	\$ 1,044	\$ 505,086

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 GENERAL FUND ACCOUNTS
 SCHOOLWORKS OPERATION
 FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUE			
State	\$ 143,979	\$ 143,978	\$ 143,978
Total Revenue	<u>143,979</u>	<u>143,978</u>	<u>143,978</u>
EXPENDITURES			
Current:			
Salaries and benefits	95,028	101,913	100,999
Purchased services	41,076	36,235	36,582
Supplies and materials	5,475	4,950	5,517
Capital outlay	2,000	-	-
Other objects	400	880	925
Total Expenditures	<u>143,979</u>	<u>143,978</u>	<u>144,023</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			
	<u>-</u>	<u>-</u>	<u>-</u>
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, 2005 to June 30, 2006)
 GENERAL FUND ACCOUNTS
 AREA IV - LEARNING TECHNOLOGY HUB
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ 152,000	\$ 152,000	\$ 470,540
State	267,403	267,403	267,403
Total Revenue	<u>419,403</u>	<u>419,403</u>	<u>737,943</u>
EXPENDITURES			
Current:			
Salaries and benefits	236,028	237,627	235,898
Purchased services	139,574	139,174	91,184
Supplies and materials	18,201	18,643	34,146
Capital outlay	24,500	22,859	12,836
Other objects	1,100	1,100	7,167
Total Expenditures	<u>419,403</u>	<u>419,403</u>	<u>381,231</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>356,712</u>
OTHER FINANCING SOURCES (USES):			
Interest	<u>-</u>	<u>-</u>	<u>2,264</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,264</u>
NET CHANGE IN FUND BALANCE	-	-	358,976
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>86,801</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 445,777</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 GENERAL FUND ACCOUNTS
 YOUTH DETENTION CENTER
 FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUE			
State	\$ 137,100	\$ 137,100	\$ 127,086
Total Revenue	<u>137,100</u>	<u>137,100</u>	<u>127,086</u>
EXPENDITURES			
Current:			
Salaries and benefits	122,230	122,230	114,906
Purchased services	10,450	10,450	10,403
Supplies and materials	3,000	3,000	1,080
Capital outlay	1,300	1,300	716
Other objects	120	120	-
Total Expenditures	<u>137,100</u>	<u>137,100</u>	<u>127,105</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>(19)</u>
OTHER FINANCING SOURCES (USES):			
Interest	<u>-</u>	<u>-</u>	<u>19</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>19</u>
NET CHANGE IN FUND BALANCE			
	<u>-</u>	<u>-</u>	<u>-</u>
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, 2006

	Illinois State Board of Education/ DCFS Interagency Technical Assistance Network	Truants Alternative/ Optional Education	Title I School Improvement and Accountability	Adult Education	Regional Education Alternative for Developing Youth	McKinney Education For Homeless Children	Northern Illinois University Grant
ASSETS							
Cash	\$ 223	\$ -	\$ -	\$ -	\$ 171,920	\$ 410	\$ -
Due from other governments:							
Local	-	-	-	-	4,574	-	52,417
State	-	-	93,860	-	-	-	-
Federal	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 223	\$ -	\$ 93,860	\$ -	\$ 176,494	\$ 410	\$ 52,417
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ 93,860	\$ -	\$ -	\$ -	\$ 52,417
Due to other governments:							
Federal	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	410	-
Total Liabilities	-	-	93,860	-	-	410	52,417
FUND BALANCES							
Unreserved	223	-	-	-	176,494	-	-
Total Fund Balances	223	-	-	-	176,494	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 223	\$ -	\$ 93,860	\$ -	\$ 176,494	\$ 410	\$ 52,417

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2006

	Urban League	Extended School Year	Novice Teacher Support	Title II Teacher Quality	Title I Reading First Part B SEA (06-4337-00) & (06-4337-02)	McKinney -			
						Vento Homeless Children & Youth Program	Technology - Enhancing Education - Competitive		
ASSETS									
Cash	\$ -	\$ -	\$ 25,133	\$ -	\$ 2,265	\$ -	\$ -	\$ -	\$ 59,158
Due from other governments:									
Local	15,737	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	-	-
Federal	-	-	-	15,397	-	-	17,434	-	-
TOTAL ASSETS	\$ 15,737	\$ -	\$ 25,133	\$ 15,397	\$ 2,265	\$ 17,434	\$ -	\$ -	\$ 59,158
LIABILITIES									
Due to other funds	\$ 15,737	\$ -	\$ -	\$ 15,397	\$ -	\$ 17,434	\$ -	\$ -	\$ -
Due to other governments:									
Federal	-	-	-	-	-	-	-	-	59,158
Unearned revenue	-	-	25,133	-	2,265	-	-	-	-
Total Liabilities	15,737	-	25,133	15,397	2,265	17,434	-	-	59,158
FUND BALANCES									
Unreserved	-	-	-	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 15,737	\$ -	\$ 25,133	\$ 15,397	\$ 2,265	\$ 17,434	\$ -	\$ -	\$ 59,158

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2006

	Title I Mathematics & Science	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,805	\$ -	\$ 302,914
Due from other governments:								
Local	-	-	-	-	-	-	8,808	81,536
State	-	-	-	-	-	-	-	93,860
Federal	2,498	-	-	-	-	-	-	35,329
TOTAL ASSETS	\$ 2,498	\$ -	\$ -	\$ -	\$ -	\$ 43,805	\$ 8,808	\$ 513,639
LIABILITIES								
Due to other funds	\$ 2,498	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,808	\$ 206,151
Due to other governments:								
Federal	-	-	-	-	-	-	-	59,158
Unearned revenue	-	-	-	-	-	-	-	27,808
Total Liabilities	2,498	-	-	-	-	-	8,808	293,117
FUND BALANCES								
Unreserved	-	-	-	-	-	43,805	-	220,522
Total Fund Balances	-	-	-	-	-	43,805	-	220,522
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,498	\$ -	\$ -	\$ -	\$ -	\$ 43,805	\$ 8,808	\$ 513,639

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, 2006

	Illinois State Board of Education/ DCFS Interagency Technical Assistance Network	Truants Alternative/ Optional Education	Title I School Improvement and Accountability	Adult Education	Regional Education Alternative for Developing Youth	McKinney Education For Homeless Children	Northern Illinois University Grant
REVENUES							
Local sources	\$ 6,319	\$ -	\$ -	\$ -	\$ 584,277	\$ 215	\$ -
State sources	-	69,268	-	-	239,411	-	118,493
Federal sources	-	-	241,798	-	15,422	-	-
Total Revenues	6,319	69,268	241,798	-	839,110	215	118,493
EXPENDITURES							
Current:							
Salaries and benefits	-	59,042	123,547	-	612,943	-	63,386
Purchased services	2,981	9,156	54,777	-	126,492	218	44,768
Supplies and materials	672	1,069	3,946	-	26,313	-	7,985
Capital outlay	-	-	-	-	10,026	-	2,354
Other objects	3,309	44	-	641	3,204	-	-
Payments to Other Governments	-	-	59,528	-	-	-	-
Total Expenditures	6,962	69,311	241,798	641	778,978	218	118,493
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(643)	(43)	-	(641)	60,132	(3)	-
OTHER FINANCING SOURCES (USES):							
Interest	21	43	-	1	85	3	-
Total Other Financing Sources (Uses)	21	43	-	1	85	3	-
NET CHANGE IN FUND BALANCES	(622)	-	-	(640)	60,217	-	-
FUND BALANCES - BEGINNING	845	-	-	640	116,277	-	-
FUND BALANCES - ENDING	\$ 223	\$ -	\$ -	\$ -	\$ 176,494	\$ -	\$ -

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, 2006

	Urban League	Extended School Year	Novice Teacher Support	Title II Teacher Quality	Title I Reading First Part B SEA (06-4337-00) & (06-4337-02)	McKinney - Vento Homeless Children & Youth Program	Technology - Enhancing Education - Competitive
REVENUES							
Local sources	\$ 62,947	\$ 3,439	\$ 47,643	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	29,405	62,606	53,735	98,683
Total Revenues	62,947	3,439	47,643	29,405	62,606	53,735	98,683
EXPENDITURES							
Current:							
Salaries and benefits	27,341	2,408	45,861	13,521	6,527	41,887	-
Purchased services	27,082	335	1,920	2,969	41,212	3,684	69,777
Supplies and materials	8,524	696	40	110	14,867	6,184	26,312
Capital outlay	-	-	-	-	-	1,660	2,594
Other objects	9	102	-	-	-	320	-
Payments to Other Governments	-	-	-	12,805	-	-	-
Total Expenditures	62,956	3,541	47,821	29,405	62,606	53,735	98,683
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9)	(102)	(178)	-	-	-	-
OTHER FINANCING SOURCES (USES):							
Interest	9	102	178	-	-	-	-
Total Other Financing Sources (Uses)	9	102	178	-	-	-	-
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, 2006

	Title I Mathematics & Science	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 704,840
State sources	-	8,046	90,336	-	-	327,966	43,904	897,424
Federal sources	2,498	12,616	-	22,460	8,949	-	43	548,215
Total Revenues	2,498	20,662	90,336	22,460	8,949	327,966	43,947	2,150,479
EXPENDITURES								
Current:								
Salaries and benefits	-	10,105	71,402	-	166	178,758	38,339	1,295,233
Purchased services	2,420	1,000	15,248	6,136	8,783	96,086	5,050	520,094
Supplies and materials	78	7,645	3,686	16,324	-	10,364	558	135,373
Capital outlay	-	1,912	-	-	-	-	-	18,546
Other objects	-	-	14	-	-	-	-	7,643
Payments to Other Governments	-	-	-	-	-	-	-	72,333
Total Expenditures	2,498	20,662	90,350	22,460	8,949	285,208	43,947	2,049,222
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(14)	-	-	42,758	-	101,257
OTHER FINANCING SOURCES (USES):								
Interest	-	-	14	-	-	36	-	492
Total Other Financing Sources (Uses)	-	-	14	-	-	36	-	492
NET CHANGE IN FUND BALANCES	-	-	-	-	-	42,794	-	101,749
FUND BALANCES - BEGINNING	-	-	-	-	-	1,011	-	118,773
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,805	\$ -	\$ 220,522

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 TRUANTS ALTERNATIVE/OPTIONAL EDUCATION
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 69,268	\$ 69,268	\$ 69,268
Total Revenue	<u>69,268</u>	<u>69,268</u>	<u>69,268</u>
EXPENDITURES			
Current:			
Salaries and benefits	58,817	59,017	59,042
Purchased services	9,221	8,941	9,156
Supplies and materials	1,230	1,310	1,069
Other objects	-	-	44
Total Expenditures	<u>69,268</u>	<u>69,268</u>	<u>69,311</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>(43)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	43
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>43</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, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 TITLE I - SCHOOL IMPROVEMENT AND ACCOUNTABILITY
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 345,855	\$ 345,855	\$ 241,798
Total Revenue	<u>345,855</u>	<u>345,855</u>	<u>241,798</u>
EXPENDITURES			
Current:			
Salaries and benefits	139,599	125,265	123,547
Purchased services	186,256	216,792	54,777
Supplies and materials	17,000	3,798	3,946
Capital outlay	3,000	-	-
Payments to other governments	-	-	59,528
Total Expenditures	<u>345,855</u>	<u>345,855</u>	<u>241,798</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, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 REGIONAL EDUCATION ALTERNATIVE FOR DEVELOPING YOUTH
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ 604,180	\$ 604,180	\$ 584,277
State	227,316	239,686	239,411
Federal	12,058	12,058	15,422
Total Revenue	<u>843,554</u>	<u>855,924</u>	<u>839,110</u>
EXPENDITURES			
Current:			
Salaries and benefits	627,220	625,070	612,943
Purchased services	182,434	195,254	126,492
Supplies and materials	23,900	27,100	26,313
Capital outlay	10,000	8,500	10,026
Other objects	-	-	3,204
Total Expenditures	<u>843,554</u>	<u>855,924</u>	<u>778,978</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>60,132</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	85
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>85</u>
NET CHANGE IN FUND BALANCE			
	-	-	60,217
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>116,277</u>
FUND BALANCE - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,494</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 NORTHERN ILLINOIS UNIVERSITY GRANT
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 118,493	\$ 118,493	\$ 118,493
Total Revenue	<u>118,493</u>	<u>118,493</u>	<u>118,493</u>
EXPENDITURES			
Current:			
Salaries and benefits	62,387	63,387	63,386
Purchased services	49,356	44,774	44,768
Supplies and materials	4,000	7,596	7,985
Capital outlay	2,750	2,736	2,354
Total Expenditures	<u>118,493</u>	<u>118,493</u>	<u>118,493</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, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 URBAN LEAGUE
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ 62,947	\$ 62,947	\$ 62,947
Total Revenue	<u>62,947</u>	<u>62,947</u>	<u>62,947</u>
EXPENDITURES			
Current:			
Salaries and benefits	32,027	32,027	27,341
Purchased services	24,720	25,196	27,082
Supplies and materials	6,200	5,724	8,524
Other objects	-	-	9
Total Expenditures	<u>62,947</u>	<u>62,947</u>	<u>62,956</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>(9)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	9
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>9</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, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 EXTENDED SCHOOL YEAR
 FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUE			
Local	\$ 3,439	\$ 3,439	\$ 3,439
Total Revenue	<u>3,439</u>	<u>3,439</u>	<u>3,439</u>
EXPENDITURES			
Current:			
Salaries and benefits	2,408	2,408	2,408
Purchased services	335	335	335
Supplies and materials	696	696	696
Other objects	-	-	102
Total Expenditures	<u>3,439</u>	<u>3,439</u>	<u>3,541</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>(102)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	102
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>102</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, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 NOVICE TEACHER SUPPORT
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ 72,265	\$ 72,265	\$ 47,643
Total Revenue	<u>72,265</u>	<u>72,265</u>	<u>47,643</u>
EXPENDITURES			
Current:			
Salaries and benefits	67,432	67,432	45,861
Purchased services	4,682	4,682	1,920
Supplies and materials	151	151	40
Total Expenditures	<u>72,265</u>	<u>72,265</u>	<u>47,821</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(178)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	178
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>178</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, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 TITLE II - TEACHER QUALITY
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 30,000	\$ 30,000	\$ 29,405
Total Revenue	<u>30,000</u>	<u>30,000</u>	<u>29,405</u>
EXPENDITURES			
Current:			
Salaries and benefits	21,012	13,521	13,521
Purchased services	6,988	16,369	2,969
Supplies and materials	2,000	110	110
Payment to other governments	-	-	12,805
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>29,405</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, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 TITLE I- READING FIRST PART B SEA (06-4337-00) & (06-4337-02)
 FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUE			
Federal	\$ 64,870	\$ 64,870	\$ 62,606
Total Revenue	<u>64,870</u>	<u>64,870</u>	<u>62,606</u>
EXPENDITURES			
Current:			
Salaries and benefits	15,488	6,729	6,527
Purchased services	33,182	44,800	41,212
Supplies and materials	16,200	13,341	14,867
Total Expenditures	<u>64,870</u>	<u>64,870</u>	<u>62,606</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, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 MCKINNEY - VENTO HOMELESS CHILDREN & YOUTH PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 53,735	\$ 53,735	\$ 53,735
Total Revenue	<u>53,735</u>	<u>53,735</u>	<u>53,735</u>
EXPENDITURES			
Current:			
Salaries and benefits	45,993	45,993	41,887
Purchased services	5,242	5,242	3,684
Supplies and materials	2,000	2,000	6,184
Capital outlay	-	-	1,660
Other objects	500	500	320
Total Expenditures	<u>53,735</u>	<u>53,735</u>	<u>53,735</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, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 TECHNOLOGY - ENHANCING EDUCATION -COMPETITIVE
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 128,226	\$ 128,226	\$ 98,683
Total Revenue	<u>128,226</u>	<u>128,226</u>	<u>98,683</u>
EXPENDITURES			
Current:			
Purchased services	117,746	117,746	69,777
Supplies and materials	10,480	10,480	26,312
Capital outlay	-	-	2,594
Total Expenditures	<u>128,226</u>	<u>128,226</u>	<u>98,683</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, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 TITLE I - MATH AND SCIENCE
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 118,825	\$ 118,825	\$ 2,498
Total Revenue	<u>118,825</u>	<u>118,825</u>	<u>2,498</u>
EXPENDITURES			
Current:			
Salaries and benefits	5,855	5,855	-
Purchased services	92,770	92,770	2,420
Supplies and materials	20,200	20,200	78
Total Expenditures	<u>118,825</u>	<u>118,825</u>	<u>2,498</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, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 AREA IV - SYSTEM OF SUPPORT
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ -	\$ -	\$ 8,046
Federal	20,662	20,662	12,616
Total Revenue	<u>20,662</u>	<u>20,662</u>	<u>20,662</u>
EXPENDITURES			
Current:			
Salaries and benefits	10,105	10,105	10,105
Purchased services	1,000	1,000	1,000
Supplies and materials	7,394	7,394	7,645
Capital outlay	2,163	2,163	1,912
Total Expenditures	<u>20,662</u>	<u>20,662</u>	<u>20,662</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, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 DEPARTMENT OF CHILDREN & FAMILY SERVICES GRANT
 FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUE			
State	\$ 90,336	\$ 90,336	\$ 90,336
Total Revenue	<u>90,336</u>	<u>90,336</u>	<u>90,336</u>
EXPENDITURES			
Current:			
Salaries and benefits	69,319	69,224	71,402
Purchased services	16,357	17,015	15,248
Supplies and materials	4,660	4,097	3,686
Other objects	-	-	14
Total Expenditures	<u>90,336</u>	<u>90,336</u>	<u>90,350</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>(14)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	14
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>14</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, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 INTERACTIVE ILLINOIS REPORT CARD
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 22,459	\$ 22,459	\$ 22,460
Total Revenue	<u>22,459</u>	<u>22,459</u>	<u>22,460</u>
EXPENDITURES			
Current:			
Purchased services	6,135	6,135	6,136
Supplies and materials	16,324	16,324	16,324
Total Expenditures	<u>22,459</u>	<u>22,459</u>	<u>22,460</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, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 POSITIVE BEHAVIOR FACILITATION GRANT
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 8,949	\$ 8,949	\$ 8,949
Total Revenue	<u>8,949</u>	<u>8,949</u>	<u>8,949</u>
EXPENDITURES			
Current:			
Salaries and benefits	166	166	166
Purchased Services	8,783	8,783	8,783
Total Expenditures	<u>8,949</u>	<u>8,949</u>	<u>8,949</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, 2005 to June 30, 2006)
 EDUCATION FUND ACCOUNTS
 STANDARDS AND ASSESSMENTS
 FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 33,314	\$ 33,314	\$ 43,904
Federal	15,210	15,210	43
Total Revenue	<u>48,524</u>	<u>48,524</u>	<u>43,947</u>
EXPENDITURES			
Current:			
Salaries and benefits	40,538	40,188	38,339
Purchased services	7,028	7,378	5,050
Supplies and materials	958	958	558
Total Expenditures	<u>48,524</u>	<u>48,524</u>	<u>43,947</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, 2006

	<u>General Education Development</u>	<u>Bus Driver Training</u>	<u>Supervisory</u>	<u>TOTALS</u>
ASSETS				
Cash	\$ 51,551	\$ 12,466	\$ -	\$ 64,017
Due from other governments	-	132	-	132
TOTAL ASSETS	<u>\$ 51,551</u>	<u>\$ 12,598</u>	<u>\$ -</u>	<u>\$ 64,149</u>
FUND BALANCES				
Unreserved	\$ 51,551	\$ 12,598	\$ -	\$ 64,149
TOTAL FUND BALANCES	<u>\$ 51,551</u>	<u>\$ 12,598</u>	<u>\$ -</u>	<u>\$ 64,149</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, 2006

	General Education Development	Bus Driver Training	Supervisory	TOTALS
REVENUES				
Local sources	\$ 46,284	\$ 1,593	\$ -	\$ 47,877
State sources	-	960	2,000	2,960
Total Revenues	<u>46,284</u>	<u>2,553</u>	<u>2,000</u>	<u>50,837</u>
EXPENDITURES				
Current:				
Salaries and benefits	24,282	-	-	24,282
Purchased services	5,560	1,542	2,000	9,102
Supplies and materials	8,302	-	4	8,306
Capital outlay	1,462	-	-	1,462
Other objects	43	-	-	43
Total Expenditures	<u>39,649</u>	<u>1,542</u>	<u>2,004</u>	<u>43,195</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,635</u>	<u>1,011</u>	<u>(4)</u>	<u>7,642</u>
OTHER FINANCING SOURCES (USES)				
Interest	<u>268</u>	<u>-</u>	<u>4</u>	<u>272</u>
Total Other Financing Sources (Uses)	<u>268</u>	<u>-</u>	<u>4</u>	<u>272</u>
NET CHANGE IN FUND BALANCES	6,903	1,011	-	7,914
FUND BALANCES - BEGINNING	<u>44,648</u>	<u>11,587</u>	<u>-</u>	<u>56,235</u>
FUND BALANCES - ENDING	<u>\$ 51,551</u>	<u>\$ 12,598</u>	<u>\$ -</u>	<u>\$ 64,149</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2006

	<u>Distributive</u>	<u>Payroll Clearing</u>	<u>Regional Board Of Trustees</u>	<u>Total</u>
ASSETS				
Cash	\$ 1,436	\$ 137,162	\$ 214	\$ 138,812
Due from other governments	124,858	-	-	124,858
TOTAL ASSETS	<u>\$ 126,294</u>	<u>\$ 137,162</u>	<u>\$ 214</u>	<u>\$ 263,670</u>
LIABILITIES				
Due to other governments	<u>\$ 126,294</u>	<u>\$ 137,162</u>	<u>\$ 214</u>	<u>\$ 263,670</u>
TOTAL LIABILITIES	<u>\$ 126,294</u>	<u>\$ 137,162</u>	<u>\$ 214</u>	<u>\$ 263,670</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, 2006

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>DISTRIBUTIVE</u>				
<u>ASSETS</u>				
Cash	\$ 1,457	\$ 3,489,739	\$ 3,489,760	\$ 1,436
Due from other governments	60,253	124,858	60,253	124,858
Total Assets	<u>\$ 61,710</u>	<u>\$ 3,614,597</u>	<u>\$ 3,550,013</u>	<u>\$ 126,294</u>
<u>LIABILITIES</u>				
Due to other governments	\$ 61,710	\$ 3,614,597	\$ 3,550,013	\$ 126,294
Total Liabilities	<u>\$ 61,710</u>	<u>\$ 3,614,597</u>	<u>\$ 3,550,013</u>	<u>\$ 126,294</u>
<u>PAYROLL CLEARING</u>				
<u>ASSETS</u>				
Cash	\$ 106,321	\$ 6,190,927	\$ 6,160,086	\$ 137,162
Total Assets	<u>\$ 106,321</u>	<u>\$ 6,190,927</u>	<u>\$ 6,160,086</u>	<u>\$ 137,162</u>
<u>LIABILITIES</u>				
Due to other governments	\$ 106,321	\$ 6,190,927	\$ 6,160,086	\$ 137,162
Total Liabilities	<u>\$ 106,321</u>	<u>\$ 6,190,927</u>	<u>\$ 6,160,086</u>	<u>\$ 137,162</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, 2006

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>REGIONAL BOARD OF TRUSTEES</u>				
ASSETS				
Cash	\$ 77	\$ 137	\$ -	\$ 214
Total Assets	<u>\$ 77</u>	<u>\$ 137</u>	<u>\$ -</u>	<u>\$ 214</u>
LIABILITIES				
Due to other governments	\$ 77	\$ 137	\$ -	\$ 214
Total Liabilities	<u>\$ 77</u>	<u>\$ 137</u>	<u>\$ -</u>	<u>\$ 214</u>
<u>TOTAL ALL AGENCY FUNDS</u>				
ASSETS				
Cash	\$ 107,855	\$ 9,680,803	\$ 9,649,846	\$ 138,812
Due from other governments	60,253	124,858	60,253	124,858
Total Assets	<u>\$ 168,108</u>	<u>\$ 9,805,661</u>	<u>\$ 9,710,099</u>	<u>\$ 263,670</u>
LIABILITIES				
Due to other governments	\$ 168,108	\$ 9,805,661	\$ 9,710,099	\$ 263,670
Total Liabilities	<u>\$ 168,108</u>	<u>\$ 9,805,661</u>	<u>\$ 9,710,099</u>	<u>\$ 263,670</u>

REGIONAL OFFICE OF EDUCATION #9
 CHAMPAIGN/FORD COUNTIES
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
 DISTRIBUTIVE FUND
 FOR THE YEAR ENDED JUNE 30, 2006

	ROE #9	Rural Champaign Co. Special Education	Total
1510 Interest received from Bank	\$ 1,231	\$ 1,304	\$ 2,535
3001 General State Aid	327,966	-	327,966
3110 Special Ed.-Personnel	-	376,712	376,712
3360 State Free Lunch & Breakfast	931	-	931
3365 School Breakfast Incentive	33	-	33
3520 ROE School Bus Training	960	-	960
3695 Truants Alternative/Optional Ed.	69,268	-	69,268
3696 Regional Safe Schools	244,709	-	244,709
3705-01 Early Childhood-Block Grant	-	105,612	105,612
3705-51 Early Childhood-Block Grant	-	15,990	15,990
3705 Early Childhood-Block Grant	-	480,061	480,061
3730 ROE/ISC Operations	143,978	-	143,978
3745 Supervisory Expense	2,000	-	2,000
3780 Technology-Learning Technology Center	267,403	-	267,403
4210 National School Lunch Program	12,734	-	12,734
4220 School Breakfast Program	2,818	-	2,818
4337 Reading First Part B SEA Funds	10,825	-	10,825
4337-02 Reading First Part B SEA Funds	45,307	-	45,307
4420 Title IV Community Service	-	-	-
4600 Fed.-Sp.Ed.-Preschool Flow Through	-	52,994	52,994
4620 Fed.-Sp.Ed.-I.D.E.A.-Flow Through	-	1,264,302	1,264,302
4630 Fed.-Sp.Ed.-I.D.E.A.-Discretionary	21,299	-	21,299
4631 IDEA-Improvement Grants-Part D	-	22,492	22,492
4910 Learn and Serve America	-	18,831	18,831
4936 Mathematics & Science Partnerships	-	-	-
4972 Technology-Enhancing Ed. Competitive	-	-	-
	<u>\$ 1,151,462</u>	<u>\$ 2,338,298</u>	<u>\$ 3,489,760</u>

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006

Federal Grantor/Pass Through Grantor, Program or Cluster Title	CFDA Number	Project # or Contract #	Expenditures 7/1/05-6/30/06
US Department of Education through Illinois State Board of Education			
Technology - Enhancing Education - Competitive	84.318X	05-4972-00	\$ 29,615
Technology - Enhancing Education - Competitive	84.318X	06-4972-00	69,068
Total Technology - Enhancing Education - Competitive			<u>98,683</u>
Title I- Reading First Part B SEA Funds	84.357	05-4337-00	28,062
Title I- Reading First Part B SEA Funds	84.357	06-4337-00	3,043
Title I- Reading First Part B SEA Funds	84.357	06-4337-02	31,501
Total Title I- Reading First Part B SEA Funds			<u>62,606</u>
US Department of Agriculture through Illinois State Board of Education			
National School Lunch Program	10.555	05-4210-00	2,505
National School Lunch Program	10.555	06-4210-00	10,229
Total National School Lunch Program			<u>12,734</u>
School Breakfast Program	10.553	05-4220-00	500
School Breakfast Program	10.553	06-4220-00	2,188
Total School Breakfast Program			<u>2,688</u>
Total Through Illinois State Board of Education			<u>176,711</u>
US Department of Education through Regional Office of Education #32			
Title I School Improvement and Accountability	84.010A	05-4331-SS	34,392 (M)
Title I School Improvement and Accountability	84.010A	06-4331-SS	244,296 (M)
Total Title I School Improvement and Accountability			<u>278,688</u>
Title II Teacher Quality - Leadership Grant	84.367A	05-4935-SS	2,059
Title II Teacher Quality - Leadership Grant	84.367A	06-4935-SS	29,405
Total Title II Teacher Quality - Leadership Grant			<u>31,464</u>
Title V Innovative Programs - SEA Projects	84.298A	05-4105-SS	7,617
McKinney - Vento Homeless Children & Youth Program	84.196	06-4920-00	53,735
Total Through Regional Office of Education #32			<u>371,504</u>
Total Expenditures of Federal Awards			<u>\$ 548,215</u>

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

REGIONAL OFFICE OF EDUCATION #9
CHAMPAIGN/FORD COUNTIES
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006

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:	Title I School Improvement and Accountability
Federal CFDA #:	84.010A
Amount provided to subrecipients:	\$ 59,528

Program Title:	Title II Teacher Quality - Leadership Grant
Federal CFDA #:	84.367A
Amount provided to subrecipients:	\$ 12,805

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM

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

NOTE 4 - NON-CASH ASSISTANCE

None

NOTE 5 - AMOUNT OF INSURANCE

None

NOTE 6 - LOANS OR GUARANTEES OUSTANDING

None