

**STATE OF ILLINOIS  
CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
FINANCIAL AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2016**

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

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
JUNE 30, 2016

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CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
JUNE 30, 2016

OFFICIALS

Regional Superintendent  
(Current and during the audit period)

Dr. Jane E. Quinlan

Assistant Regional Superintendent  
(December 1, 2015 to present)

Ms. Donna Kaufman

Assistant Regional Superintendent  
(July 16, 2015 to November 30, 2015)

Ms. Barbara Daly

Assistant Regional Superintendent  
(July 1, 2015 to July 15, 2015)

Vacant

Office is located at:

200 South Fredrick Street  
Rantoul, Illinois 61866-2433

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
JUNE 30, 2016

FINANCIAL REPORT SUMMARY

The financial 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 do not contain scope limitations, disclaimers, or other significant nonstandard language.

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	-	-
Repeated audit findings	-	-
Prior recommendations implemented or not repeated	-	-

Details of audit findings are presented in a separate report section.

SUMMARY OF FINDINGS AND RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
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FINDINGS (*GOVERNMENT AUDITING STANDARDS*)

None

PRIOR AUDIT FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

None

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
JUNE 30, 2016

FINANCIAL REPORT SUMMARY (Concluded)

EXIT CONFERENCE

An informal exit conference was held on October 18, 2016. There were no audit findings to discuss with Agency personnel. Attending were Jane Quinlan, Regional Superintendent; Julie Duran, Bookkeeper; Amy Page, Payroll Specialist; Tami Knight, CPA, Kemper CPA Group LLP; and Matt Price, CPA, Kemper CPA Group LLP. The Regional Office did not request a formal exit conference at this time.

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
JUNE 30, 2016

FINANCIAL STATEMENT REPORT SUMMARY

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

Based on their audit, the auditors expressed an unmodified opinion on the Champaign/Ford Counties Regional Office of Education #9's basic financial statements.

## INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

### **Report on the Financial Statements**

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Champaign/Ford Counties Regional Office of Education #9, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Champaign/Ford Counties Regional Office of Education #9's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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



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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Champaign/Ford Counties Regional Office of Education #9, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Illinois Municipal Retirement Fund Schedule of Changes in the Net Pension Liability, & Related Ratios, Illinois Municipal Retirement Fund Schedule of Employer Contributions, Teachers' Retirement System of the State of Illinois Schedule of the Employer's Proportionate Share of the Net Pension Liability, Teachers' Retirement System of Illinois Schedule of Employer Contributions, and Other Postemployment Benefits – Health Insurance Plan for Retired Employees Schedule of Funding Progress on pages 11a through 11h and 60 through 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Champaign/Ford Counties Regional Office of Education #9's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, and the Schedule of Disbursements to School District Treasurers and Other Entities – Distributive Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, the Schedule of Disbursements to School District Treasurers and Other Entities – Distributive Fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic

financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, and the Schedule of Disbursements to School District Treasurers and Other Entities – Distributive Fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2017, on our consideration of the Champaign/Ford Counties 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Champaign/Ford Counties Regional Office of Education #9’s internal control over financial reporting and compliance.

Original signature on file

Mattoon, Illinois  
January 31, 2017

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

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Champaign/Ford Counties Regional Office of Education #9, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Champaign/Ford Counties Regional Office of Education #9's basic financial statements and have issued our report thereon dated January 31, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Champaign/Ford Counties Regional Office of Education #9's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Champaign/Ford Counties Regional Office of Education #9's internal control. Accordingly, we do not express an opinion on the effectiveness of Champaign/Ford Counties Regional Office of Education #9's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material

weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Champaign/Ford Counties 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*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Champaign/Ford Counties Regional Office of Education #9's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Champaign/Ford Counties Regional Office of Education #9's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Original signature on file

Mattoon, Illinois  
January 31, 2017

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2016

**Financial Statements**

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION #9  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2016**

The Champaign/Ford Counties Regional Office of Education #9 (ROE #9) provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2016. We encourage readers to consider this information in conjunction with the ROE #9's financial statements, which follow.

**2016 Financial Highlights**

- Within the Governmental Funds, the General Fund revenues increased by \$197,496 (9%) from \$2,286,081 in FY 2015 to \$2,483,577 in FY 2016. This is mainly due to an increase in the revenues for the ILTPP program. General Fund expenditures decreased by \$130,569 (5%) from \$2,437,890 in FY 2015 to \$2,307,321 in FY 2016, due to a decrease in salaries and benefits that were paid from the Regional Education Alternative for Developing Youth program.
- Within the Governmental Funds, the Special Revenue Funds revenues decreased by \$642,161 (32%) from \$2,014,853 in FY 2015 to \$1,372,692 in FY 2016. This is attributable mainly to overall reductions in State source revenues in the Education Funds. Special Revenue Funds expenditures decreased by \$517,012 (27%) from \$1,895,281 in FY 2015 to \$1,378,269 in FY 2016. The decrease in spending during FY2016 directly relates to the decrease in total revenues received.
- Proprietary Funds revenues decreased by \$25,277 (19%) from \$130,283 in FY 2015 to \$105,006 in FY 2016, due to a decrease in local workshop revenues. The Proprietary Funds expenditures decreased by \$129,352 (101%) from \$128,499 in FY 2015 to (\$853) in FY 2016, due to the recognition of pension income related to IMRF and TRS net pension obligations.
- The ROE #9 has long-term liabilities related to other post-employment retirement benefit obligations, capital lease obligations, obligations for compensated absences, and IMRF and TRS net pension liabilities.

**Using This Report**

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

- Management's Discussion and Analysis introduces financial statements and provides an analytical overview of the ROE #9's financial activities.
- The *Government-wide financial statements* consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the ROE #9 as a whole and present an overall view of the Office's finances.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION #9  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2016**

- *Fund financial statements* report the ROE #9's operations in more detail than the government-wide statements by providing information about the most significant funds.
- *Notes to the financial statements* provide additional information that is needed for a full understanding of the data provided in the basic financial statements.
- *Required supplementary information* further explains and supports the financial statements and other supplementary information provides detailed information about the major and non-major funds.

**The Statement of Net Position and the Statement of Activities**

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

The two government-wide statements report the ROE #9's net position and how it has changed. Net position - the difference between the assets and deferred outflows of resources and liabilities and deferred inflows of resources - is one way to measure the ROE #9's financial health or position.

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

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

In the government-wide financial statements, the ROE #9's activities are divided into two categories:

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

**Fund Financial Statements**

The fund financial statements provide detailed information about the ROE #9's funds. Funds are accounting devices that allow the tracking of specific sources of funding and spending of particular



**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION #9  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2016**

programs. Some funds are required by State law. The ROE #9 establishes other funds to control and manage money for particular purposes.

The ROE #9 has three kinds of funds:

- 1) Governmental funds account for all of the ROE #9's services. These focus on how cash and other financial assets can be readily converted to cash flow in and out and the balance left at year-end that is available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the ROE #9's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements, reconciliation between the governmental fund financial statements and the government-wide financial statements follows the related governmental fund financial statements. The ROE #9's Governmental Funds include the General Fund and the Special Revenue Funds. The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.
- 2) Proprietary funds account for resources from fees charged to entities, individuals or other funds that use its resources. Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by government-wide financial statements. The ROE #9's proprietary funds include the enterprise fund presented as business-type activities in the government-wide financial statements, and the internal service fund which is included in the governmental activities in the government-wide financial statements. The required proprietary financial statements include a Statement of Net Position, Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows.
- 3) Fiduciary funds are used to account for assets held by the ROE #9 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Fiduciary funds required financial statements include a Statement of Fiduciary Net Position.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION #9  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2016**

**Government-wide Financial Analysis**

As noted earlier, Net Position may serve, when examined over time, as one indicator of the financial position of the ROE #9. The total net position at the end of FY 2016 was \$2,142,305. The analysis that follows provides a summary of the ROE #9's net position at June 30, 2016 and June 30, 2015, for the governmental and business-type activities.

**CONDENSED STATEMENT OF NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current assets	\$ 3,293,915	\$ 3,109,498	\$ 331,800	\$ 330,655	\$ 3,625,715	\$ 3,440,153
Capital assets, net	82,871	85,185	4,232	9,054	87,103	94,239
Net pension asset	-	603,478	-	-	-	603,478
Total assets	3,376,786	3,798,161	336,032	339,709	3,712,818	4,137,870
Deferred outflows of resources	636,418	212,597	-	1,198	636,418	213,795
Current liabilities	1,007,455	1,016,612	5,687	625	1,013,142	1,017,237
Noncurrent liabilities	466,285	656,499	-	74,292	466,285	730,791
Total liabilities	1,473,740	1,673,111	5,687	74,917	1,479,427	1,748,028
Deferred inflows of resources	727,504	392,872	-	41,803	727,504	434,675
Net position:						
Investment in capital assets	76,802	76,284	4,232	9,054	81,034	85,338
Restricted—other	785,387	1,358,592	-	-	785,387	1,358,592
Unrestricted	949,771	509,899	326,113	215,133	1,275,884	725,032
Total net position	\$ 1,811,960	\$ 1,944,775	\$ 330,345	\$ 224,187	\$ 2,142,305	\$ 2,168,962

The ROE #9's net position decreased by \$26,657 (1%) from FY 2015. Net position invested in capital assets of \$81,034, representing 4% of total net position, reflects the ROE #9's investment in equipment and office furniture, net of obligations under capital leases. An additional portion of the ROE #9's net position of \$785,387 (37%) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for teacher professional development. The largest portion of the ROE #9's net position of \$1,275,884 (60%) reflects the unrestricted net position that may be used to meet the ROE #9's obligations to other entities, employees and creditors.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION #9  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2016**

**CHANGES IN NET POSITION**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues:						
Program revenues:						
Operating grants and contributions	\$ 1,261,448	\$ 1,390,940	\$ -	\$ -	\$ 1,261,448	\$ 1,390,940
Charges for services	-	84,441	105,006	130,283	105,006	214,724
General revenues:						
Local sources	1,676,217	2,027,621	-	-	1,676,217	2,027,621
State sources	295,297	585,821	-	-	295,297	585,821
Federal sources	461,057	-	-	-	461,057	-
On-behalf payments	989,821	1,703,048	-	-	989,821	1,703,048
Loss on disposal of assets	(547)	(2,814)	-	(7,255)	(547)	(10,069)
Gain on termination of lease	-	1,925	-	-	-	1,925
Net interest income	2,234	1,713	299	282	2,533	1,995
Total revenues	<u>4,685,527</u>	<u>5,792,695</u>	<u>105,305</u>	<u>123,310</u>	<u>4,790,832</u>	<u>5,916,005</u>
Expenses:						
Programs expenses:						
Salaries and benefits	2,148,978	2,254,665	9,495	19,892	2,158,473	2,274,557
Purchased services	876,364	1,479,096	93,097	98,651	969,461	1,577,747
Supplies and materials	172,398	125,558	2,864	3,898	175,262	129,456
Other objects	29,083	53,866	560	63	29,643	53,929
Payments to other governments	191,814	24,096	2,940	1,388	194,754	25,484
Depreciation	32,284	44,478	4,821	7,984	37,105	52,462
Pension expense (income)	377,600	(321,009)	(114,630)	(3,377)	262,970	(324,386)
Administrative expenses:						
On-behalf payments	989,821	1,703,048	-	-	989,821	1,703,048
Total expenses	<u>4,818,342</u>	<u>5,363,798</u>	<u>(853)</u>	<u>128,499</u>	<u>4,817,489</u>	<u>5,492,297</u>
Changes in net position	(132,815)	428,897	106,158	(5,189)	(26,657)	423,708
Net position - beginning	<u>1,944,775</u>	<u>1,515,878</u>	<u>224,187</u>	<u>229,376</u>	<u>2,168,962</u>	<u>1,745,254</u>
Net position, ending	<u>\$ 1,811,960</u>	<u>\$ 1,944,775</u>	<u>\$ 330,345</u>	<u>\$ 224,187</u>	<u>\$ 2,142,305</u>	<u>\$ 2,168,962</u>

During FY 2016, the governmental funds had an excess of expenditures over revenues of \$132,815. The excess in expenditures resulted primarily from the pension expense recognized in the current year.

Total governmental revenues of \$4.69 million consisted primarily of State and federal grants totaling \$1.98 million, and local revenues from tuition, fees and flow-through money totaling \$1.87 million. Governmental revenues posted a net decrease of \$1,107,168 (19%) from previous year, primarily due to the decrease in on-behalf payments.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION #9  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2016**

Total governmental expenses posted a net decrease of \$545,456 (10%) compared to previous year. The decrease was mainly due to the decrease in on-behalf payments.

**Financial Analysis of the ROE #9 Funds**

As previously noted, the ROE #9 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Fund Highlights**

The ROE #9 continues to offer technical assistance and professional development activities to teachers in all areas of curriculum. In FY 2016, at least 6,337 teachers and school personnel have received direct professional development to improve their basic knowledge and/or their teaching pedagogy. The ROE #9 is responsible for professional development activities to maintain licensure by school administrators through the Administrator Academy. At least 101 administrators have received direct professional development in FY 2016. The ROE #9 also operates a middle school and high school through the Regional Safe School Program for students who have experienced serious difficulties in the public schools. This school served 198 students. The Truancy Program had 72 referrals and served 72 students to ameliorate their truancy problems. The McKinney Education-Homeless Children Program served 453 students and families. In FY 2016, the ROE #9 served 1,120 teachers through the Licensure Program that assists teachers in completing licensure requirements and obtaining a license. The ROE #9 also provided 18 bus driver trainings throughout the year issuing 26 initial bus driver certificates and 256 refresher bus driver certificates. There are a variety of other regulatory programs that are statute based including the annual inspection of school buildings for health and safety and regular compliance monitoring of districts. A General Education Development (GED) program is offered through the ROE #9's cooperative effort with Parkland College which includes testing to meet high school equivalency. The ROE #9 administered 273 GED tests. In addition, the ROE #9 has a variety of smaller programs that would be classified as consultative services working directly with the schools.

The ROE #9 assists educators, parents and other patrons on a daily basis as they call for information and/or with questions or problems related to education. During FY 2016, the ROE #9 responded to 6,973 phone calls and walk-ins with questions concerning bus service, grade problems, special education needs and requirements, residency concerns, and home school issues. The ROE #9 also offers guidance to parents, as well as serves as a liaison between parents and the schools.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION #9  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2016**

**Proprietary Fund Highlights**

The ROE #9 provided trainings and workshops to 16 public school districts and 24 non-public schools in the region. As part of its mission, the ROE #9 continued to provide workshop and training services to school districts even during economically challenging times. Many workshops and services were offered free-of-charge and below cost recovery in order to meet organizational objectives.

**Budgetary Highlights**

The ROE #9 annually adopts budgets for several funds. However, the annual budgets are not required to be legally adopted. All grant budgets are prepared by the ROE #9 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. A schedule showing the comparison of the ROE #9's actual financial activity to the budget is included in the supplementary information section of this report.

**Capital Assets**

Capital assets of the ROE #9 include office equipment, computers, servers, audiovisual equipment, and office furniture. The ROE #9 maintains an inventory of capital assets that have been accumulated over time. In FY 2016, total additions amounted to \$30,517 and depreciation expense for FY 2016 was \$37,105. For the detailed capital assets activities, see Note 8 of the Notes to the Financial Statements.

**Economic Factors and Next Year's Budget**

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

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

The ROE #9 has tried to maintain the programs that have been previously offered to the school districts. In the future, these services may have to be reduced if the ROE #9 does not receive sufficient funding or if funding is not received in a timely manner. ROE #9's goal is to provide the very best services to its schools and clients as possible.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION #9  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2016**

**Contacting the ROE #9's Financial Management**

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

## BASIC FINANCIAL STATEMENTS

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
STATEMENT OF NET POSITION  
JUNE 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 3,021,537	\$ 148,354	\$ 3,169,891
Due (to) from other funds	(169,847)	169,847	-
Due from other governments:			
Local	122,586	13,599	136,185
State	253,405	-	253,405
Federal	66,234	-	66,234
Total Current Assets	<u>3,293,915</u>	<u>331,800</u>	<u>3,625,715</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	<u>82,871</u>	<u>4,232</u>	<u>87,103</u>
<b>TOTAL ASSETS</b>	<u>3,376,786</u>	<u>336,032</u>	<u>3,712,818</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	<u>636,418</u>	<u>-</u>	<u>636,418</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable and accrued expenses	172,048	5,687	177,735
Lease payable	1,790	-	1,790
Unearned revenue	833,617	-	833,617
Total Current Liabilities	<u>1,007,455</u>	<u>5,687</u>	<u>1,013,142</u>
Noncurrent Liabilities:			
Lease payable	4,279	-	4,279
Compensated absences	17,977	-	17,977
Net OPEB obligation	19,295	-	19,295
Net pension liability	424,734	-	424,734
Total Noncurrent Liabilities	<u>466,285</u>	<u>-</u>	<u>466,285</u>
<b>TOTAL LIABILITIES</b>	<u>1,473,740</u>	<u>5,687</u>	<u>1,479,427</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	<u>727,504</u>	<u>-</u>	<u>727,504</u>
<b>NET POSITION</b>			
Net investment in capital assets	76,802	4,232	81,034
Restricted - other	785,387	-	785,387
Unrestricted	949,771	326,113	1,275,884
<b>TOTAL NET POSITION</b>	<u>\$ 1,811,960</u>	<u>\$ 330,345</u>	<u>\$ 2,142,305</u>

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



CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:						
Governmental Activities:						
Instructional Services						
Salaries and benefits	\$ 2,148,978	\$ -	\$ 616,366	\$ (1,532,612)	\$ -	\$ (1,532,612)
Purchased services	876,364	-	337,859	(538,505)	-	(538,505)
Supplies and materials	172,398	-	93,116	(79,282)	-	(79,282)
Other objects	29,083	-	1,842	(27,241)	-	(27,241)
Depreciation expense	32,284	-	-	(32,284)	-	(32,284)
Capital outlay	-	-	30,517	30,517	-	30,517
Payments to other governments	191,814	-	181,748	(10,066)	-	(10,066)
Pension expense	377,600	-	-	(377,600)	-	(377,600)
Administrative:						
On-behalf payments - State	989,821	-	-	(989,821)	-	(989,821)
Total Governmental Activities	<u>4,818,342</u>	<u>-</u>	<u>1,261,448</u>	<u>(3,556,894)</u>	<u>-</u>	<u>(3,556,894)</u>
Business-Type Activities:						
Charges for services	113,777	105,006	-	-	(8,771)	(8,771)
Pension (income)	(114,630)	-	-	-	114,630	114,630
Total Business-Type Activities	<u>(853)</u>	<u>105,006</u>	<u>-</u>	<u>-</u>	<u>105,859</u>	<u>105,859</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 4,817,489</u>	<u>\$ 105,006</u>	<u>\$ 1,261,448</u>	<u>(3,556,894)</u>	<u>105,859</u>	<u>(3,451,035)</u>
GENERAL REVENUES:						
Local sources				1,676,217	-	1,676,217
State sources				295,297	-	295,297
Federal sources				461,057	-	461,057
On-behalf payments				989,821	-	989,821
Investment earnings, net				2,234	299	2,533
Loss on disposal of capital assets				(547)	-	(547)
				<u>3,424,079</u>	<u>299</u>	<u>3,424,378</u>
CHANGE IN NET POSITION				(132,815)	106,158	(26,657)
NET POSITION - BEGINNING				<u>1,944,775</u>	<u>224,187</u>	<u>2,168,962</u>
NET POSITION - ENDING				<u>\$ 1,811,960</u>	<u>\$ 330,345</u>	<u>\$ 2,142,305</u>

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

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016

	General Fund	Institute	Education Fund	Non-Major Special Revenue Funds	Eliminations	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,434,326	\$ 488,686	\$ 1,003,248	\$ 85,674	\$ -	\$ 3,011,934
Due from other funds	89,599	-	-	-	(89,599)	-
Due from other governments:						
Local	121,323	245	-	286	-	121,854
State	11,338	-	240,714	1,353	-	253,405
Federal	30,347	-	35,887	-	-	66,234
<b>TOTAL ASSETS</b>	<b>\$ 1,686,933</b>	<b>\$ 488,931</b>	<b>\$ 1,279,849</b>	<b>\$ 87,313</b>	<b>\$ (89,599)</b>	<b>\$ 3,453,427</b>
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ 153,197	\$ -	\$ 18,630	\$ 221	\$ -	\$ 172,048
Due to other funds	27,965	-	231,481	-	(89,599)	169,847
Unearned revenue	13,243	-	820,154	220	-	833,617
<b>Total Liabilities</b>	<b>194,405</b>	<b>-</b>	<b>1,070,265</b>	<b>441</b>	<b>(89,599)</b>	<b>1,175,512</b>
<b>DEFERRED INFLOWS OR RESOURCES</b>						
Unavailable revenue	-	-	61,585	-	-	61,585
<b>FUND BALANCES</b>						
Restricted	-	488,931	209,584	86,872	-	785,387
Assigned	441,615	-	-	-	-	441,615
Unassigned	1,050,913	-	(61,585)	-	-	989,328
<b>Total Fund Balances</b>	<b>1,492,528</b>	<b>488,931</b>	<b>147,999</b>	<b>86,872</b>	<b>-</b>	<b>2,216,330</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 1,686,933</b>	<b>\$ 488,931</b>	<b>\$ 1,279,849</b>	<b>\$ 87,313</b>	<b>\$ (89,599)</b>	<b>\$ 3,453,427</b>

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

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
JUNE 30, 2016

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS \$ 2,216,330

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		82,871
Lease payable reflects capital lease payments related to capital assets that the Regional Office of Education #9 will recognize as an expense when paid in the governmental fund financial statements.		(6,069)
The OPEB obligation resulting from annual required contributions in excess of actual contributions are not due and payable in the current period and therefore, are not reported in the funds.		(19,295)
Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are not considered "available" revenues and are deferred in the governmental funds		61,585
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and therefore are not reported in the governmental funds as follows:		
Deferred outflows of resources	\$ 636,418	
Deferred inflows of resources	<u>(727,504)</u>	(91,086)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Compensated absences	\$ (17,977)	
IMRF net pension liability	(214,262)	
TRS net pension liability	<u>(210,472)</u>	(442,711)
The Internal Service Fund is used by management to charge the costs of general accounting services of the Regional Office of Education #9 to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.		
Net Position - Internal Service Fund	\$ 46,291	
Less pension related deferred inflows, outflows, and liability	(34,117)	
Less capital assets of Internal Service Fund included in the total above	<u>(1,839)</u>	<u>10,335</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,811,960

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

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Institute	Education Fund	Non-Major Special Revenue Funds	Eliminations	Total Governmental Funds
<b>REVENUES</b>						
Local sources	\$ 1,351,668	\$ 77,461	\$ 166,816	\$ 6,587	\$ -	\$ 1,602,532
State sources	748,957	-	423,633	1,353	-	1,173,943
Federal sources	111,841	-	696,168	-	-	808,009
State sources- on-behalf payments	269,006	-	-	-	-	269,006
Investment income	2,105	424	168	82	-	2,779
Total Revenues	<u>2,483,577</u>	<u>77,885</u>	<u>1,286,785</u>	<u>8,022</u>	<u>-</u>	<u>3,856,269</u>
<b>EXPENDITURES</b>						
Instructional Services:						
Salaries and benefits	1,536,118	8,214	521,706	8,233	-	2,074,271
Pension expense	32,502	484	24,123	495	-	57,604
Purchased services	354,101	13,412	491,231	5,753	-	864,497
Supplies and materials	75,214	499	93,075	63	-	168,851
Other objects	27,188	-	1,842	-	-	29,030
Payments to other governments	-	-	191,814	-	-	191,814
On-behalf payments	269,006	-	-	-	-	269,006
Capital outlay	13,192	-	17,325	-	-	30,517
Total Expenditures	<u>2,307,321</u>	<u>22,609</u>	<u>1,341,116</u>	<u>14,544</u>	<u>-</u>	<u>3,685,590</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>176,256</u>	<u>55,276</u>	<u>(54,331)</u>	<u>(6,522)</u>	<u>-</u>	<u>170,679</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Repayment of long-term lease payable	(2,832)	-	-	-	-	(2,832)
Interest expense	(549)	-	-	-	-	(549)
Total Other Financing Sources (Uses)	<u>(3,381)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,381)</u>
<b>NET CHANGE IN FUND BALANCES</b>	172,875	55,276	(54,331)	(6,522)	-	167,298
<b>FUND BALANCES - BEGINNING</b>	<u>1,319,653</u>	<u>433,655</u>	<u>202,330</u>	<u>93,394</u>	<u>-</u>	<u>2,049,032</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,492,528</u>	<u>\$ 488,931</u>	<u>\$ 147,999</u>	<u>\$ 86,872</u>	<u>\$ -</u>	<u>\$ 2,216,330</u>

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

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
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, 2016

NET CHANGE IN FUND BALANCES — GOVERNMENTAL FUNDS \$ 167,298

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

The issuance of long-term debt (e.g. leases) provided current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Repayment of capital lease payable 2,832

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	\$ 30,517	
Depreciation expense	<u>(32,284)</u>	(1,767)

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. (547)

Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.

Current year unavailable revenue	\$ 61,585	
Prior year unavailable revenue	<u>(25,735)</u>	35,850

Certain expenses in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds

Current year decrease in compensated absences	\$ 1,099	
Current year increase in the net OPEB liability	<u>(11,225)</u>	(10,126)

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Cost of benefits earned, net (252,537)

The Internal Service Fund is used by management to charge the costs of general accounting services of Regional Office of Education #9 to individual funds. The net expense of the internal service fund is reported with governmental activities - excluding the related depreciation expense of \$1,152, which is included above. (73,818)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (132,815)

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

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016

	Business-Type Activities - Enterprise Fund			Governmental Activities - Internal Service Fund
	Local Workshops	Nonmajor Enterprise Fund	Total	
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 136,852	\$ 11,502	\$ 148,354	\$ 9,603
Due from other funds	169,847	-	169,847	-
Due from other governments:				
Local	13,599	-	13,599	732
Total Current Assets	<u>320,298</u>	<u>11,502</u>	<u>331,800</u>	<u>10,335</u>
Noncurrent Assets				
Capital assets, being depreciated, net	4,232	-	4,232	1,839
Total Noncurrent Assets	<u>4,232</u>	<u>-</u>	<u>4,232</u>	<u>1,839</u>
<b>TOTAL ASSETS</b>	<u>324,530</u>	<u>11,502</u>	<u>336,032</u>	<u>12,174</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	-	-	-	52,232
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable and accrued expenses	5,687	-	5,687	-
Total Current Liabilities	<u>5,687</u>	<u>-</u>	<u>5,687</u>	<u>-</u>
Noncurrent liabilities				
Net pension liability	-	-	-	18,115
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,115</u>
<b>TOTAL LIABILITIES</b>	<u>5,687</u>	<u>-</u>	<u>5,687</u>	<u>18,115</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	-	-	-	-
<b>NET POSITION</b>				
Net investment in capital assets	4,232	-	4,232	1,839
Unrestricted	314,611	11,502	326,113	44,452
<b>TOTAL NET POSITION</b>	<u>\$ 318,843</u>	<u>\$ 11,502</u>	<u>\$ 330,345</u>	<u>\$ 46,291</u>

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

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	Business-Type Activities - Enterprise Fund		Total	Governmental Activities- Internal Service Fund
	Local Workshops	Nonmajor Enterprise Fund		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 92,846	\$ 12,160	\$ 105,006	\$ 73,685
Total Operating Revenues	<u>92,846</u>	<u>12,160</u>	<u>105,006</u>	<u>73,685</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	9,495	-	9,495	64,581
Pension expense (income)	(114,630)	-	(114,630)	67,459
Purchased services	77,108	15,989	93,097	11,867
Supplies and materials	2,864	-	2,864	3,547
Other objects	560	-	560	53
Depreciation	4,821	-	4,821	1,152
Payments to other governments	2,940	-	2,940	-
Total Operating Expenses	<u>(16,842)</u>	<u>15,989</u>	<u>(853)</u>	<u>148,659</u>
<b>OPERATING INCOME (LOSS)</b>	<u>109,688</u>	<u>(3,829)</u>	<u>105,859</u>	<u>(74,974)</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>				
Interest income	288	11	299	4
Total Nonoperating Revenue	<u>288</u>	<u>11</u>	<u>299</u>	<u>4</u>
<b>CHANGE IN NET POSITION</b>	109,976	(3,818)	106,158	(74,970)
<b>TOTAL NET POSITION - BEGINNING</b>	<u>208,867</u>	<u>15,320</u>	<u>224,187</u>	<u>121,261</u>
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ 318,843</u>	<u>\$ 11,502</u>	<u>\$ 330,345</u>	<u>\$ 46,291</u>

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

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	Business-Type Activities - Enterprise Fund			Governmental Activities - Internal Service Fund
	Local Workshops	Nonmajor Enterprise Fund	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers	\$ 92,816	\$ 12,160	\$ 104,976	\$ 72,953
Payments to suppliers and providers of goods and services	(83,472)	(15,989)	(99,461)	(15,467)
Payments to employees	(4,703)	-	(4,703)	(68,839)
Net Cash Provided by (Used for) Operating Activities	<u>4,641</u>	<u>(3,829)</u>	<u>812</u>	<u>(11,353)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Cash loan payments to other funds	(78,566)	-	(78,566)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(78,566)</u>	<u>-</u>	<u>(78,566)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest earned	288	11	299	4
Net Cash Provided by Investing Activities	<u>288</u>	<u>11</u>	<u>299</u>	<u>4</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(73,637)	(3,818)	(77,455)	(11,349)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>210,489</u>	<u>15,320</u>	<u>225,809</u>	<u>20,952</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 136,852</u>	<u>\$ 11,502</u>	<u>\$ 148,354</u>	<u>\$ 9,603</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 109,688	\$ (3,829)	\$ 105,859	\$ (74,974)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	4,821	-	4,821	1,152
Effects of changes in assets and liabilities:				
Due from other governments	(30)	-	(30)	(732)
Accounts payable and accrued expenses	5,059	-	5,059	-
Effects of changes in deferred inflows, outflows, and net pension liability/asset	(114,897)	-	(114,897)	63,201
Net Cash Provided by (Used for) Operating Activities	<u>\$ 4,641</u>	<u>\$ (3,829)</u>	<u>\$ 812</u>	<u>\$ (11,353)</u>

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



CHAMPAIGN/FORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #9  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUND  
 JUNE 30, 2016

	Agency Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 156,665
Due from other governments	206,013
<b>TOTAL ASSETS</b>	<b>\$ 362,678</b>
 <b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 362,516
Due to other governments	162
<b>TOTAL LIABILITIES</b>	<b>\$ 362,678</b>

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

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In 2016, the Regional Office of Education #9 implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*; and GASB Statement No. 76, *The Hierarchy of Generally Accepted Principles for State and Local Governments – supersedes GASB Statement No. 55*. The Regional Office of Education #9 implemented these standards during the current year. The implementation of GASB Statement No. 72 establishes guidance for determining a fair value measurement for financial reporting purposes and applying fair value to certain investments and disclosures. The implementation of GASB Statement No. 73 establishes required enhancements to financial statement disclosures by establishing a single framework for the presentation of information about pensions. The implementation of GASB Statement No. 76 prioritizes the guidance state and local governments follow when preparing financial statements in accordance with *Generally Accepted Accounting Principles*.

A. DATE OF MANAGEMENT’S REVIEW

Management has evaluated subsequent events through January 31, 2017, the date when the financial statements were available to be issued.

B. 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; to evaluate the schools in the region; to examine evidence of indebtedness; to file and keep the returns of elections required to be returned to the Regional Superintendent’s office; and to file and keep the reports and statements returned by school treasurers and trustees.

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

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FINANCIAL REPORTING ENTITY (Concluded)

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

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the region, or seeing 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, 2016, 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).

C. SCOPE OF THE REPORTING ENTITY

The Regional Office of Education #9's reporting entity includes all related organizations for which it exercises oversight responsibility.

The Regional Office of Education #9 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the region, 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 that would exercise such oversight as to result in the Regional Office of Education #9 being considered a component unit of the entity.

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position 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 Position 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 focus 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 Position. 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.

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.

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 Position 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 Position. All interfund transactions between governmental 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.

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities. In the Statement of Activities, activities between governmental funds have been eliminated; however, transactions between governmental and business-type activities have not been eliminated.

The purpose of interfund borrowing and permanent transfers is to cover temporary or permanent short falls in cash flow within grant programs and funds.

E. PROPRIETARY FUND FINANCIAL STATEMENTS

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and nonmajor funds aggregated.

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 Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. 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 nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

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.

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

The governmental funds financial statements focus on the measurement of spending, or “financial flow,” and the determination of changes in financial position rather than upon net income determination. This means that generally only current assets and current liabilities are included on their balance sheets. The 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 a 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.

Under the terms of grant agreements, Regional Office of Education #9 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is Regional Office of Education #9’s policy to first apply restricted funds to such programs, and then unrestricted funds. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned funds if any.

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 fund 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 (including deferred outflows) and liabilities (including deferred inflows) is reported as fund balance.

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

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 (including deferred outflows), liabilities (including deferred inflows), 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 (including deferred outflows), liabilities (including deferred inflows), 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 that benefit all school districts in the Region except those required to be accounted for and reported in other funds. General Funds include the following:

General Operations - Accounts for monies received for, and payment of, expenditures for the general administration of the Regional Office of Education #9 operations.

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

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

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

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

General Fund (Concluded)

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

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

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

Education Fund – This fund is used to account for and report the proceeds of specific revenue sources that are restricted by grant agreements or contracts to expenditures for specified purposes supporting education enhancement programs as follows:

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

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



CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Education Fund (Continued)

Illinois Math and Science Partnership (IMSP - MAP) - These funds support the Math Area Partnership for Area IV in Illinois. Fifty-three teachers from two districts participate in professional development in order to build each individual's mathematics knowledge and skill level. The desired outcome is that student achievement will increase as a result of teachers having increased confidence in their own ability which improves their ability to teach and differentiate.

Juvenile Detention Center - Accounts for monies received from the Urbana School District #116 to provide an educational program for the students serving time at the Juvenile Detention Center.

Math (ROE #51) - This program provides professional development to participants in the area of curriculum writing and current standards for mathematics and science. The participants utilize knowledge and skills from the professional development sessions to then write a model curriculum for grades K-12 in both mathematics and science. The curriculum development consists of onsite meetings (trainings, collaborative development, peer review, editing) as well as individual off-site work for continued development of curriculum units. Due to the nature of this statewide initiative, the budget includes funds for travel, materials, consultant services, and editors.

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

Math & Science Resources - The use of these funds for State resource development is determined by the Illinois State Board of Education. Objectives for this program include unit assessment and resource development to fully align educational agencies to the new Illinois learning standards. It funds collaborative team meetings and editing services and all costs associated with such meetings.

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Education Fund (Concluded)

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

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

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

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

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

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

UW-STEM - This grant provides support for the Freedom School as well as the after school enrichment program. Students are from Champaign-Urbana School District that are at-risk students in their community, schools, or home.

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Concluded)

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

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

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

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

PROPRIETARY FUNDS

Proprietary Funds – Proprietary funds account for revenues and expenses related to services provided to organizations inside the Region on a cost-reimbursement basis. The Regional Office of Education #9 reports the following proprietary fund:

Local Workshops - Accounts for monies received from registration fees for trainings and workshops conducted by the Regional Office of Education #9 for the school district administrators and professionals. This fund also includes LTC Workshop which was previously reported in the prior year under the Area IV Learning Technology Hub.

Nonmajor Enterprise Fund - Nonmajor enterprise fund consists of:

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

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

Internal Service Fund - Accounts for the general accounting services and other expenses provided to other operating areas and programs of the Regional Office of Education #9 on a cost-reimbursement basis.

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Concluded)

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. The Regional Office of Education #9 reports the following agency funds:

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

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

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

H. GOVERNMENTAL FUND BALANCES

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

Nonspendable Fund Balance – The portion of a governmental fund's net position that is not available to be spent, either short term or long term, due to either their form or legal restrictions. The Regional Office of Education #9 has no nonspendable fund balances.

Restricted Fund Balance – The portion of a governmental fund's net position that is subject to external enforceable legal restrictions. The following fund balances are restricted by Illinois Statute: Institute, General Education Development and Bus Driver Training. The following Education Funds are restricted by grantor or donor restrictions: Juvenile Detention Center and McKinney-Vento Homeless Children & Youth Program.

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. GOVERNMENTAL FUND BALANCES (Concluded)

Committed Fund Balance – The portion of a governmental fund’s net position with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Champaign/Ford Counties Regional Office of Education has no committed fund balances.

Assigned Fund Balance – The portion of a governmental fund’s net position for which an intended use of resources has been denoted. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following General Fund accounts have assigned fund balances: IL Learning Technology Purchase Program, School Family Liaison Local, and Summer Freedom School.

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The fund balances of the following General Fund accounts are comprised of unassigned fund balances: General Operations and Regional Education Alternative for Developing Youth. The following Education Fund account is comprised of an unassigned fund balance: Schoolworks Operations.

I. NET POSITION

Equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

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

J. CASH AND CASH EQUIVALENTS

The Champaign/Ford Counties Regional Office of Education #9’s cash and cash equivalents are considered to be demand deposits and short-term investments. All interest income is recognized as revenue in the appropriate fund’s Statement of Revenues, Expenditures, and Changes in Fund Balances.

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$500 or more and estimated useful lives of greater than three 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 3-20 years.

M. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer’s reporting period.

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources are reported in the governmental fund financial statements as unavailable revenue and represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of grant receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

CHAMPAIGN/FORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #9  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. COMPENSATED ABSENCES

Non-certified and certified employees who work 12 calendar months earn up to 20 vacation days for a full year of service. The accumulated total of vacation days may never exceed 30 days. In the event that a program terminates, no vacation days will be honored past the ending date of the program. Certified employees who work less than 12 calendar months per year do not earn vacation days. Any accruals as of June 30th are reported as a liability for compensated absences in the basic financial statements. During the fiscal year, the amount in this account decreased by \$1,099. At June 30, 2016, the balance in this account was \$17,977.

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Compensated absences	\$ 19,076	\$ -	\$ (1,099)	\$ 17,977

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.

O. 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. Certain programs within the General Fund and Special Revenue Funds do not have separate budgets. Comparisons of budgeted and actual results are presented as supplementary information. Budgetary comparison schedules have been provided in supplementary schedules for the following funds: Regional Education Alternative for Developing Youth, Area IV Learning Technology Hub, IMSP – MAP (15-4936-MA), IMSP – MAP (16-4936-MA), McKinney-Vento Homeless Children & Youth Program, Schoolworks Operations, Title II Teacher Quality – Leadership, and Truant’s Alternative & Optional Education Program.

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 2 – CASH

A. DEPOSITS

At June 30, 2016, the carrying amounts of the Regional Office of Education #9's government-wide fund and agency fund deposits were \$3,169,891 and \$156,665, respectively, and the bank balances were \$3,332,132 and \$185,595, respectively. Of the total bank balances as of June 30, 2016, \$393,159 was secured by federal depository insurance and \$3,124,568 was collateralized by securities pledged by the Regional Office of Education #9's financial institution on behalf of the Regional Office.

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits with financial institutions is the risk that, in the event of bank failure, the Regional Office of Education #9's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the Regional Office of Education #9's investment policy requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of the Regional Office of Education #9.

B. INVESTMENTS

The Regional Office of Education #9's investment policy requires that funds should be invested solely in investments authorized by 30 ILCS 235/2 and 6 and 105 ILCS 5/8-7. As of June 30, 2016, the Regional Office of Education #9 had no investments in the Illinois Funds Money Market Fund.

CREDIT RISK

At June 30, 2016, 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.

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.



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NOTE 2 – CASH (Concluded)

B. INVESTMENTS (Concluded)

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 Fund 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.

NOTE 3 – DEFINED BENEFIT PENSION PLAN

**IMRF Plan Description**

The Regional Office of Education #9's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #9's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the following "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**Benefits Provided**

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

**Employees Covered by Benefit Terms**

As of December 31, 2015, the following employees were covered by the benefit terms:

	<b>IMRF</b>
Retirees and Beneficiaries currently receiving benefits	52
Inactive Plan Members entitled to but not yet receiving benefits	165
Active Plan Members	20
<b>Total</b>	<b>237</b>

**Contributions**

As set by statute, the Regional Office of Education #9’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education #9’s annual contribution rate for calendar year 2015 was 10.74%. For the calendar year ended 2015, the Regional Office of Education #9 contributed \$71,028 to the plan. The Regional Office of Education #9 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability**

The Regional Office of Education #9’s net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 3.5%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2015:

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NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	7.39%
International Equity	17%	7.59%
Fixed Income	27%	3.00%
Real Estate	8%	6.00%
Alternative Investments	9%	2.75-8.15%
Cash Equivalents	1%	2.25%
Total	100%	

**Single Discount Rate**

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.50%.

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NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

**Changes in the Net Pension Liability**

	<b>Total Pension Liability (A)</b>	<b>Plan Fiduciary Net Position (B)</b>	<b>Net Pension Liability (Asset) (A) - (B)</b>
<b>Balances at December 31, 2014</b>	\$ 6,252,128	\$ 6,855,606	\$ (603,478)
<b>Adjustment for beginning balance</b>	(65,630)	(71,965)	6,335
<b>Changes for the year:</b>			
Service Cost	71,178	-	71,178
Interest on the Total Pension Liability	458,710	-	458,710
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	287,667	-	287,667
Changes of Assumptions	-	-	-
Contributions - Employer	-	71,028	(71,028)
Contributions - Employees	-	31,633	(31,633)
Net Investment Income	-	(112,316)	112,316
Benefit Payments, including Refunds of Employee Contributions	(221,811)	(221,811)	-
Other (Net Transfer)	-	15,805	(15,805)
<b>Net Changes</b>	<b>530,114</b>	<b>(287,626)</b>	<b>817,740</b>
<b>Balances at December 31, 2015</b>	<b>\$ 6,782,242</b>	<b>\$ 6,567,980</b>	<b>\$ 214,262</b>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	<b>1% Lower 6.50%</b>	<b>Current Discount 7.50%</b>	<b>1% Higher 8.50%</b>
<b>Net Pension Liability</b>	\$ 1,154,723	\$ 214,262	\$ (527,810)

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NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ending June 30, 2016, the Regional Office of Education #9 recognized pension expense of \$410,722. At June 30, 2016, the Regional Office of Education #9 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Amounts Related to Pensions</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 2,622	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	<u>601,220</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>603,842</u>	<u>-</u>
Pension Contributions made subsequent to the Measurement Date	<u>13,920</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 617,762</u></u>	<u><u>\$ -</u></u>

\$13,920 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

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NOTE 3 – DEFINED BENEFIT PENSION PLAN (Concluded)

<b>Year Ending December 31</b>	<b>Net Deferred Outflows of Resources</b>
2016	\$ 162,623
2017	160,001
2018	160,001
2019	121,217
2020	-
Thereafter	-
Total	\$ 603,842

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. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. 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 TRS Board of Trustees is responsible for the System’s administration.

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

**Benefits provided**

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

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NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

Essentially all Tier I retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member’s first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member’s first anniversary in retirement, whichever is later.

**Contributions**

The State of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education #9.

**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, 2016, State of Illinois contributions recognized by the Regional Office of Education #9 were based on the State’s proportionate share of the collective net pension liability associated with the Regional Office of Education #9, and the Regional Office of Education #9 recognized revenue and expenditures of \$720,815 in pension contributions from the State of Illinois.

**2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2016, were \$6,634, and are deferred because they were paid after the June 30, 2015, measurement date.



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NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

**Federal and special trust fund contributions.** When TRS members are paid from federal and special 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 has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the State contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2016, the employer pension contribution was 36.06 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2016, salaries totaling \$13,494 were paid from federal and special trust funds that required employer contributions of \$4,866. These contributions are deferred because they were paid after the June 30, 2015, measurement date.

**Employer retirement cost contributions.** Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education #9 is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member’s age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2016, the Regional Office of Education #9 paid no employer ERO contributions.

The Regional Office of Education #9 is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree’s final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2016, the Regional Office of Education #9 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent and no payments for sick leave in excess of the normal allotment.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2016, the Regional Office of Education #9 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State’s support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the employer were as follow:

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NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

Employers proportionate share of the net pension liability	\$ 210,472
State’s proportionate share of the net pension liability associated with the employer	<u>8,797,883</u>
<b>Total</b>	<b><u><u>\$ 9,008,355</u></u></b>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, and rolled forward to June 30, 2015. The Regional Office of Education #9’s proportion of the net pension liability was based on the employer’s share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2015, the Regional Office of Education #9’s proportion was .0003212823 percent, which was a decrease of .0010747398 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Regional Office of Education #9 recognized pension expense of \$720,815 and revenue of \$720,815 for support provided by the State. For the year ended June 30, 2016, the Regional Office of Education #9 recognized pension income of \$148,019. At June 30, 2016, the Regional Office of Education #9 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 78	\$ 231
Net difference between projected and actual earnings on pension plan investments	4,168	7,370
Change of assumptions	2,910	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	719,903
Employer contributions subsequent to the measurement date	11,500	-
<b>Total</b>	<b><u><u>\$ 18,656</u></u></b>	<b><u><u>\$ 727,504</u></u></b>

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NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

\$11,500 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2017	\$ (202,374)
2018	(202,374)
2019	(202,374)
2020	(113,225)
	\$ (720,347)

**Actuarial assumptions**

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<b>Inflation</b>	3.00 percent
<b>Salary Increase</b>	varies by amount of service credit
<b>Investment rate of return</b>	7.50 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

The actuarial assumptions for the years ended June 30, 2015 and 2014 were different. The actuarial assumptions used in the June 30, 2015 valuation were based on the 2015 actuarial experience analysis. The investment return assumption remained at 7.5 percent, salary increase assumptions were lowered, retirement rates were increased, mortality updates were made and other assumptions were revised. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered from their 2013 levels.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

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NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. large cap	18 %	7.53 %
Global equity excluding U.S.	18	7.88
Aggregate bonds	16	1.57
U.S. TIPS	2	2.82
NCREIF	11	5.11
Opportunistic real estate	4	9.09
ARS	8	2.57
Risk parity	8	4.87
Diversified inflation strategy	1	3.26
Private equity	14	12.33
<b>Total</b>	<u>100 %</u>	

**Discount Rate**

At June 30, 2015, the discount rate used to measure the total pension liability was a blended rate of 7.47 percent, which was a change from the June 30, 2014 rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS’s fiduciary net position at June 30, 2015 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I’s liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2014, the discount rate used to measure the total pension liability was 7.50 percent. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS’s fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

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NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Concluded)

**Sensitivity of the Regional Office of Education #9’s proportionate share of the net pension liability to changes in the discount rate**

The following presents the Regional Office of Education #9’s proportionate share of the net pension liability calculated using the discount rate of 7.47 percent, as well as what the employer’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.47 percent) or 1 percentage point higher (8.47 percent) than the current rate.

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
Employer's proportionate share of the net pension liability	\$ 260,085	\$ 210,472	\$ 169,778

**TRS fiduciary net position**

Detailed information about the TRS’s fiduciary net position as of June 30, 2015, is available in the separately issued TRS *Comprehensive Annual Financial Report*.

NOTE 5 – TEACHER HEALTH INSURANCE SECURITY

The Regional Office of Education #9 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers’ Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the State-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor’s approval. The plan is administered by Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the State to make a contribution to the THIS Fund.

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

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NOTE 5 – TEACHER HEALTH INSURANCE SECURITY (Concluded)

**On-behalf contributions to the THIS Fund.** The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #9. State contributions are intended to match contributions to the THIS Fund from active members which were 1.07 percent of pay during the year ended June 30, 2016. State of Illinois contributions were \$16,011, and the Regional Office of Education #9 recognized revenue and expenditures of this amount during the year. State contributions intended to match active member contributions during the years ended June 30, 2015 and 2014 were 1.02 and 0.97 percent of pay, respectively. State contributions on behalf of Regional Office of Education #9 employees were \$16,324 and \$16,400, respectively.

**Employer contributions to the THIS Fund.** The Regional Office of Education #9 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.80 percent during the year ended June 30, 2016, and 0.76 and 0.72 percent during the years ended June 30, 2015 and 2014, respectively. For the year ended June 30, 2016, the Regional Office of Education #9 paid \$11,971 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2015 and 2014, the Regional Office paid \$12,163 and \$25,460 to the THIS fund, respectively, which was 100 percent of the required contribution.

**Further information on the THIS Fund.** The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor general: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under “Central Management Services.” Prior reports are available under “Healthcare and Family Services.”

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE

The Regional Office of Education #9 provides a single-employer defined-benefit postemployment healthcare plan to retirees who participate in the IMRF retirement plan. This plan extends the same health benefits to annuitants as to active employees in the IMRF plan. The Governmental Accounting Standards Board (GASB) issued Statement Nos. 43 and 45 that established generally accepted accounting principles for the annual financial statements for postemployment benefit plans other than pension plans. The required information is as follows:

**Eligibility Provisions**

*Full-Time Employees – IMRF*

Tier I IMRF Full-Time ROE employees age 55 with at least 8 years of service are covered.

Tier II IMRF Full-Time ROE employees age 62 with at least 10 years of service are covered.

*Full-Time Employees- TRS*

TRS employees are not eligible to stay on ROE insurance coverage upon Retirement.

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE (Continued)

**Annual OPEB Cost and Net OPEB Obligation**

	<u>June 30, 2015</u>
Annual required contribution	\$ 5,537
Interest on net OPEB obligation	1,113
Adjustment to annual required contribution	<u>(927)</u>
Annual OPEB cost	5,723
Adjustment to net OPEB obligation at the beginning of the year	19,743
Estimated employer contributions (payments)	<u>(14,241)</u>
Increase (decrease) in net OPEB obligation	11,225
Net OPEB obligation beginning of year	<u>8,070</u>
Net OPEB obligation end of year	<u><u>\$ 19,295</u></u>
Annual OPEB Cost	\$ 5,723
Percentage of annual OPEB cost contributed	249%
Net OPEB obligation at end of the year	\$ 19,295

**Funded Status**

	<u>June 30, 2015</u>
Actuarial accrued liability (AAL)	\$ 60,796
Actuarial value of assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 60,796</u></u>
Funded ratio (assets as a percentage of AAL)	0%
Annual covered payroll	684,920
UAAL as a percentage of covered payroll	8.9%

CHAMPAIGN/FORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #9  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2016

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE (Continued)

**Summary Participant Counts and Statistics**

	<b>Fiscal Year 2016</b>
Census Date	6/30/2016
Participants	
Actives fully eligible to retire	2
Actives not yet fully eligible to retire	13
Retirees and dependents	2
	17
Average ages	
Actives fully eligible to retire	58.4
Actives not yet fully eligible to retire	38.4
Retires and dependents	63.2
Average service	
Actives fully eligible to retire	21.7
Actives not yet fully eligible to retire	6.5

**Methods and Assumptions**

Valuation Date	07/01/2015
Investment Rate of Return	
Expected Return on Plan Assets	Not Applicable
Expected Return on Employer's Assets	4.00%
Rate of Compensation Increase	4.00%
Inflation Rate	2.50%



CHAMPAIGN/FORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #9  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2016

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE (Continued)

**Assumed Health Care Trend Rates**

Initial Health Care Cost Trend Rate*		
Medical POS Plan		33.36%
Second Year Health Care Cost Trend Rate		
Medical POS Plan		7.67%
Ultimate Health Care Cost Trend Rate		
Medical POS Plan		5.00%
Fiscal Year the Ultimate Rate is reached		
Medical POS Plan		2025

\*Initial Health Care Cost Trend Rate is based on known information for the Medical POS Plan.

**Additional Information**

Actuarial Cost Method		Entry Age Normal
Amortization Method		Last Percent of Pay
Amortization Period (Years)		30
Method Used to Determine Actuarial Value of Assets		Not Applicable

**Methods**

<b>Measurement date</b>	June 30, 2016
<b>Data collection date</b>	June 30, 2016
<b>Participant data</b>	Employee and retiree data was supplied by the plan sponsor as of the census date. Data on persons receiving benefits was supplied by the plan sponsor.
<b>Fiscal Year</b>	July 1 to June 30
<b>Cost method</b>	Entry age normal

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE (Concluded)

<b>Valuation method</b>	Alternative measurement method
<b>Asset valuation method</b>	Not applicable
<b>Benefits not included</b>	Dental and Vision
<b>Nature of calculations</b>	The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed immaterial, and, therefore, are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that significant items in the context of the liabilities or costs are treated appropriately, and not excluded or included inappropriately.

Actual future experience will differ from the assumptions used in the calculations. As these differences arise, the expense for accounting purposes will be adjusted in future valuations to reflect such actual experience.

A range of results different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision which is not inherent in the calculations.

NOTE 7 – LEASES

A. CAPITAL LEASES

The Regional Office of Education #9 has entered into a lease agreements as lessee for financing the acquisition of office copiers amounting to \$26,573. These lease agreements qualify as a capital lease for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date in the capital assets account.

The future minimum capital lease obligations and the net present value of these lease payments as of June 30, 2016, are as follows:

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 7 – LEASES (Concluded)

A. CAPITAL LEASES (Concluded)

2017		\$	2,184
2018			2,184
2019			2,184
2020			364
2021 and thereafter			<u>-</u>
Total minimum lease payment			6,916
Less: amount representing interest:			<u>(847)</u>
Present value of minimum lease payments		\$	<u>6,069</u>
Current Portion		\$	<u>1,790</u>

B. OPERATING LEASES

The Regional Office of Education #9 leases classroom and office space from Champaign-Urbana Mass Transit District for \$12,200 per month. The lease runs from November 1, 2009 to October 31, 2019. Rent increased by 1.5% on November 1, 2012, and will increase on November 1 of each year thereafter.

Rent expense for the year ended June 30, 2016, was \$154,618. Future minimum rentals are as follows for the years ending June 30:

2017		\$	156,937
2018			159,292
2019			161,681
2020			54,160
2021 and thereafter			<u>-</u>
		\$	<u>532,070</u>

NOTE 8 – 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 Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases of capital assets by business-type activities are capitalized when purchased. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2016:

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 8 – CAPITAL ASSETS (Concluded)

	<u>Balance</u> <u>7/1/2015</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>6/30/2016</u>
Governmental Activities				
Capital assets being depreciated:				
Equipment and office furniture	\$ 515,981	\$ 30,517	\$ (69,068)	\$ 477,430
Less: Accumulated Depreciation	<u>(430,796)</u>	<u>(32,284)</u>	<u>68,521</u>	<u>(394,559)</u>
Governmental Activities				
Investment in Capital Assets, Net	<u>\$ 85,185</u>	<u>\$ (1,767)</u>	<u>\$ (547)</u>	<u>\$ 82,871</u>
Business-Type Activities				
Capital assets being depreciated:				
Equipment and office furniture	\$ 112,431	\$ -	\$ (26,105)	\$ 86,326
Less: Accumulated Depreciation	<u>(103,377)</u>	<u>(4,821)</u>	<u>26,104</u>	<u>(82,094)</u>
Business-Type Activities				
Investment in Capital Assets, Net	<u>\$ 9,054</u>	<u>\$ (4,821)</u>	<u>\$ (1)</u>	<u>\$ 4,232</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, 2016, of \$32,284 and \$4,821 was charged to governmental activities instructional services function and business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation.

As of June 30, 2016, the capital assets balance of equipment recorded as capital lease totaled \$26,573. Total accumulated depreciation under the capital lease totaled \$20,824 as of June 30, 2016.

NOTE 9 – 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.

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 10 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2016, consist of the following individual due to/from other funds in the Governmental Fund Balance Sheet. The balances between governmental funds were eliminated in the government-wide Statement of Net Position.

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 89,599	\$ 27,965
Education Fund	-	231,481
Proprietary Fund	169,847	-
Totals	<u>\$ 259,446</u>	<u>\$ 259,446</u>

NOTE 11 – ON-BEHALF PAYMENTS

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

Regional Superintendent Salary	\$ 112,008
Assistant Regional Superintendent Salary	96,612
Regional Superintendent Benefits (Includes State-paid insurance)	30,734
Assistant Regional Superintendent Benefits (Includes State-paid insurance)	13,641
Teachers' Health Insurance Security Contribution	16,011
Total	<u>\$ 269,006</u>

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent were calculated based on data provided by the Illinois State Board of Education. These amounts have been recorded in the accompanying governmental fund financial statements as State revenue and expenditures.

Regional Office of Education #9 also recorded \$720,815 in revenue and expenses as on-behalf payments from ISBE for the Regional Office's share of the State's Teachers' Retirement System (TRS) pension expense in the Statement of Activities. In addition, the Regional Office of Education #9 has not included any on-behalf payments related to the State's TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois On-Behalf Payments	\$ 269,006
ROE #9's share of TRS pension expense	720,815
Total	<u>\$ 989,821</u>

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 12 – DUE TO/FROM OTHER GOVERNMENTS

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

Due from Other Governments:

General Fund	
Local Governments	\$ 121,323
Illinois State Board of Education	11,338
Regional Planning Commission - WIA	30,347
Institute Fund	
Local Governments	245
Nonmajor Special Revenue Funds	
Local Governments	286
Illinois State Board of Education	1,353
Education Fund	
Local Governments	72,545
Illinois State Board of Education	204,056
Proprietary Fund	
Local Governments	13,599
Internal Service Fund	
Local Governments	732
Agency Fund	
Local Governments	206,013
Total	<u>\$ 661,837</u>

Due to Other Governments:

Agency Fund	
Local Governments	\$ 162
Total	<u>\$ 162</u>

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 13 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure of certain information concerning individual funds which are presented only in combination on the financial statements. Funds having deficit fund balances/net position and funds which overexpend appropriations during the year are required to be disclosed. The following fund had a fund deficit as of June 30, 2016:

Education Fund	
Schoolworks Operations	<u><u>\$ 61,585</u></u>

REQUIRED SUPPLEMENTARY INFORMATION  
(Other than Management's Discussion and Analysis)



CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY & RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
LAST TWO CALENDAR YEARS

Calendar Year Ended December 31,	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>		
Service Cost	\$ 71,178	\$ 181,159
Interest on the Total Pension Liability	458,710	473,165
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	287,666	(705,009)
Changes of Assumptions	-	180,935
Benefit Payments, including Refunds of Employee Contributions	(221,811)	(187,792)
<b>Net Change in Total Pension Liability</b>	<u>595,743</u>	<u>(57,542)</u>
 <b>Total Pension Liability - Adjustment</b>	 (65,630)	 -
 <b>Total Pension Liability - Beginning</b>	 <u>6,252,128</u>	 <u>6,309,670</u>
 <b>Total Pension Liability - Ending (A)</b>	 <u>\$ 6,782,241</u>	 <u>\$ 6,252,128</u>
 <b>Plan Fiduciary Net Position</b>		
Contributions - Employer	\$ 71,028	\$ 137,789
Contributions - Employees	31,633	56,341
Net Investment Income	(112,316)	287,693
Benefit Payments, including Refunds of Employee Contributions	(221,811)	(187,792)
Other (Net Transfer)	15,805	(3,799)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>(215,661)</u>	<u>290,232</u>
 <b>Plan Fiduciary Net Position - Adjustment</b>	 (71,965)	 -
 <b>Plan Fiduciary Net Position - Beginning</b>	 <u>6,855,606</u>	 <u>6,565,374</u>
 <b>Plan Fiduciary Net Position - Ending (B)</b>	 <u>\$ 6,567,980</u>	 <u>\$ 6,855,606</u>
 <b>Net Pension Liability - Ending (A) - (B)</b>	 <u>\$ 214,261</u>	 <u>\$ (603,478)</u>
 <b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	 96.84%	 109.65%
 <b>Covered Valuation Payroll</b>	 \$ 661,333	 \$ 1,183,755
 <b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	 32.40%	 -50.98%

**Notes to Schedule:**

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
LAST TWO CALENDAR YEARS

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2014	\$ 130,450	\$ 137,789	\$ (7,339)	\$ 1,183,755	11.64%
2015	71,027	71,028	(1)	661,333	10.74%

**Notes to Schedule:**

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 Contribution Rate\**

**Valuation Date:**

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine 2015 Contribution Rates:**

<i>Actuarial Cost Method:</i>	Aggregate entry age = normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	28-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	4%
<i>Price Inflation:</i>	3%, approximate; no explicit price inflation assumption is used in this valuation.
<i>Salary Increases:</i>	4.40% to 16%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
<i>Mortality:</i>	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

***Other Information:***

*Notes:* There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2013, actuarial valuation; note two-year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
FOR THE YEAR ENDED JUNE 30, 2016 †

	FY15*	FY14*
Employer's proportion of the net pension liability	0.0003212823%	0.0013960221%
Employer's proportionate share of the net pension liability	\$ 210,472	\$ 697,576
State's proportionate share of the net pension liability associated with the employer	8,797,883	17,911,792
<b>Total</b>	<b>\$ 9,008,355</b>	<b>\$ 18,609,368</b>
Employer's covered-employee payroll	\$ 1,021,488	\$ 1,327,657
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	20.6%	52.5%
Plan fiduciary net position as a percentage of the total pension liability	41.5%	43.0%

*\*The amounts presented were determined as of the prior fiscal-year end.*

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
FOR THE YEAR ENDED JUNE 30, 2016 †

	FY15	FY14
Statutorily-required contribution	\$ 11,500	\$ 10,887
Contributions in relation to the statutorily-required contribution	11,500	10,887
Contribution deficiency (excess)	\$ -	\$ -
Employer's covered-employee payroll	\$ 1,414,233	\$ 1,203,166
Contributions as a percentage of covered-employee payroll	0.81%	0.90%

† The information in both schedules will accumulate until a full 10-year trend is presented as required by Statement No. 68.

**Notes to This Required Supplementary Information**

*Changes of assumptions*

Amounts reported in 2015 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases that vary by service credit. In 2014, assumptions used were an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent, and real return of 4.5 percent, and salary increases of 5.75 percent.

CHAMPAIGN/FORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #9  
 OTHER POST EMPLOYMENT BENEFITS  
 SCHEDULE OF FUNDING PROGRESS  
 JUNE 30, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
06/30/2015	\$ -	\$ 60,796	\$ 60,796	\$ 684,920	8.9%

OTHER SUPPLEMENTARY INFORMATION

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
JUNE 30, 2016

	General Operations	IL Learning Technology Purchase Program	Novice Teacher Support	Regional Education Alternative for Developing Youth	School Family Liaison Local	Summer Freedom School	TOTALS
<b>ASSETS</b>							
Cash and cash equivalents	\$ 100,791	\$ 348,779	\$ -	\$ 969,848	\$ 257	\$ 14,651	\$ 1,434,326
Due from other funds	-	-	-	89,599	-	-	89,599
Due from other governments							
Local	13,835	77,728	-	24,560	-	5,200	121,323
State	-	-	-	11,338	-	-	11,338
Federal	-	-	-	30,347	-	-	30,347
<b>TOTAL ASSETS</b>	<b>\$ 114,626</b>	<b>\$ 426,507</b>	<b>\$ -</b>	<b>\$ 1,125,692</b>	<b>\$ 257</b>	<b>\$ 19,851</b>	<b>\$ 1,686,933</b>
<b>LIABILITIES</b>							
Accounts payable and accrued expenses	\$ 1,199	\$ -	\$ -	\$ 147,962	\$ -	\$ 4,036	\$ 153,197
Due to other funds	-	1	-	27,964	-	-	27,965
Unearned revenue	-	963	-	12,280	-	-	13,243
Total Liabilities	1,199	964	-	188,206	-	4,036	194,405
<b>FUND BALANCES</b>							
Assigned	-	425,543	-	-	257	15,815	441,615
Unassigned	113,427	-	-	937,486	-	-	1,050,913
Total Fund Balances	113,427	425,543	-	937,486	257	15,815	1,492,528
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 114,626</b>	<b>\$ 426,507</b>	<b>\$ -</b>	<b>\$ 1,125,692</b>	<b>\$ 257</b>	<b>\$ 19,851</b>	<b>\$ 1,686,933</b>

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2016

	General Operations	IL Learning Technology Purchase Program	Novice Teacher Support	Regional Education Alternative for Developing Youth	School Family Liaison Local	Summer Freedom School	TOTALS
<b>REVENUES</b>							
Local sources	\$ 249,446	\$ 179,265	\$ -	\$ 906,405	\$ -	\$ 16,552	\$ 1,351,668
State sources	-	-	-	748,957	-	-	748,957
Federal sources	-	-	-	110,244	1,597	-	111,841
State sources - on behalf payments	269,006	-	-	-	-	-	269,006
Investment income	898	312	1	887	-	7	2,105
Total Revenues	<u>519,350</u>	<u>179,577</u>	<u>1</u>	<u>1,766,493</u>	<u>1,597</u>	<u>16,559</u>	<u>2,483,577</u>
<b>EXPENDITURES</b>							
Salaries and benefits	179,837	70,281	345	1,281,736	-	3,919	1,536,118
Pension expense	2,890	1,084	-	28,459	-	69	32,502
Purchased services	35,050	48,527	4	266,292	292	3,936	354,101
Supplies and materials	10,553	6,972	335	56,153	1,201	-	75,214
Other objects	20,000	535	534	6,119	-	-	27,188
On-behalf payments	269,006	-	-	-	-	-	269,006
Capital outlay	3,092	-	-	10,100	-	-	13,192
Total Expenditures	<u>520,428</u>	<u>127,399</u>	<u>1,218</u>	<u>1,648,859</u>	<u>1,493</u>	<u>7,924</u>	<u>2,307,321</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,078)</u>	<u>52,178</u>	<u>(1,217)</u>	<u>117,634</u>	<u>104</u>	<u>8,635</u>	<u>176,256</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Repayment of long-term lease payable	(1,152)	-	-	(1,680)	-	-	(2,832)
Interest expense	(45)	-	-	(504)	-	-	(549)
Total Other Financing Sources (Uses)	<u>(1,197)</u>	<u>-</u>	<u>-</u>	<u>(2,184)</u>	<u>-</u>	<u>-</u>	<u>(3,381)</u>
NET CHANGE IN FUND BALANCES	<u>(2,275)</u>	<u>52,178</u>	<u>(1,217)</u>	<u>115,450</u>	<u>104</u>	<u>8,635</u>	<u>172,875</u>
FUND BALANCE - BEGINNING	<u>115,702</u>	<u>373,365</u>	<u>1,217</u>	<u>822,036</u>	<u>153</u>	<u>7,180</u>	<u>1,319,653</u>
FUND BALANCE - ENDING	<u>\$ 113,427</u>	<u>\$ 425,543</u>	<u>\$ -</u>	<u>\$ 937,486</u>	<u>\$ 257</u>	<u>\$ 15,815</u>	<u>\$ 1,492,528</u>

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND ACCOUNTS  
REGIONAL EDUCATION ALTERNATIVE FOR DEVELOPING YOUTH  
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ -	\$ -	\$ 906,405
State	134,827	134,827	748,957
Federal	-	-	110,244
Interest	-	-	887
Total Revenue	<u>134,827</u>	<u>134,827</u>	<u>1,766,493</u>
EXPENDITURES			
Salaries and benefits	33,815	33,815	1,281,736
Pension expense	-	-	28,459
Purchased services	99,115	99,115	266,292
Supplies and materials	1,897	1,897	56,153
Other objects	-	-	6,119
Capital outlay	-	-	10,100
Total Expenditures	<u>134,827</u>	<u>134,827</u>	<u>1,648,859</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>117,634</u>
OTHER FINANCING SOURCES (USES)			
Repayment of long-term lease payable	-	-	(1,680)
Interest expense	-	-	(504)
NET CHANGE IN FUND BALANCE	-	-	115,450
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>822,036</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 937,486</u>



CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2016

	Area IV Learning Technology Hub	Foundational Services	IMSP - MAP	Juvenile Detention Center	Math (ROE #51)
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 180,549	\$ 4,112
Due from other governments:					
State	56,871	-	-	41,202	-
Federal	-	22,212	3,044	-	-
<b>TOTAL ASSETS</b>	<u>\$ 56,871</u>	<u>\$ 22,212</u>	<u>\$ 3,044</u>	<u>\$ 221,751</u>	<u>\$ 4,112</u>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ -	\$ -	\$ 1,757	\$ 14,712	\$ -
Due to other funds	56,871	22,212	1,287	-	-
Unearned revenue	-	-	-	-	4,112
<b>Total Liabilities</b>	<u>56,871</u>	<u>22,212</u>	<u>3,044</u>	<u>14,712</u>	<u>4,112</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	-	-	-
<b>FUND BALANCES</b>					
Restricted	-	-	-	207,039	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,039</u>	<u>-</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 56,871</u>	<u>\$ 22,212</u>	<u>\$ 3,044</u>	<u>\$ 221,751</u>	<u>\$ 4,112</u>

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2016

	Math Curriculum Models Project	Math & Science Resources	McKinney-Vento Homeless Children & Youth Program	RtI Network	Race to the Top
<b>ASSETS</b>					
Cash and cash equivalents	\$ 302,393	\$ 458,805	\$ 2,545	\$ -	\$ 54,844
Due from other governments:					
State	-	-	-	-	-
Federal	-	-	50	9,081	-
<b>TOTAL ASSETS</b>	<b><u>\$ 302,393</u></b>	<b><u>\$ 458,805</u></b>	<b><u>\$ 2,595</u></b>	<b><u>\$ 9,081</u></b>	<b><u>\$ 54,844</u></b>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 1,935	\$ -
Due to other funds	-	-	50	7,146	-
Unearned revenue	302,393	458,805	-	-	54,844
<b>Total Liabilities</b>	<b><u>302,393</u></b>	<b><u>458,805</u></b>	<b><u>50</u></b>	<b><u>9,081</u></b>	<b><u>54,844</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	-	-	-
<b>FUND BALANCES</b>					
Restricted	-	-	2,545	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,545</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b><u>\$ 302,393</u></b>	<b><u>\$ 458,805</u></b>	<b><u>\$ 2,595</u></b>	<b><u>\$ 9,081</u></b>	<b><u>\$ 54,844</u></b>

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2016

	Schoolworks Operations	Title II Teacher Quality - Leadership	Truant's Alternative & Optional Education Program	UW - STEM	TOTAL
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 1,003,248
Due from other governments:					
State	131,913	-	10,728	-	240,714
Federal	-	1,500	-	-	35,887
<b>TOTAL ASSETS</b>	<b>\$ 131,913</b>	<b>\$ 1,500</b>	<b>\$ 10,728</b>	<b>\$ -</b>	<b>\$ 1,279,849</b>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 226	\$ -	\$ -	\$ -	\$ 18,630
Due to other funds	131,687	1,500	10,728	-	231,481
Unearned revenue	-	-	-	-	820,154
<b>Total Liabilities</b>	<b>131,913</b>	<b>1,500</b>	<b>10,728</b>	<b>-</b>	<b>1,070,265</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	61,585	-	-	-	61,585
<b>FUND BALANCES</b>					
Restricted	-	-	-	-	209,584
Unassigned	(61,585)	-	-	-	(61,585)
<b>Total Fund Balances</b>	<b>(61,585)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>147,999</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 131,913</b>	<b>\$ 1,500</b>	<b>\$ 10,728</b>	<b>\$ -</b>	<b>\$ 1,279,849</b>

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2016

	Area IV Learning Technology Hub	Foundational Services	IMSP - MAP	Juvenile Detention Center	Math (ROE #51)
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	99,871	-	-	189,066	-
Federal sources	-	79,340	292,340	-	-
Investment income	-	-	-	166	-
Total Revenues	<u>99,871</u>	<u>79,340</u>	<u>292,340</u>	<u>189,232</u>	<u>-</u>
EXPENDITURES					
Salaries and benefits	80,552	8,038	21,484	166,000	-
Pension expense	8,680	1,001	1,288	3,954	-
Purchased services	10,233	42,280	58,547	19,846	-
Supplies and materials	406	2,076	30,708	7,244	-
Other objects	-	-	-	1,273	-
Payments to other governments	-	210	180,313	-	-
Capital outlay	-	-	-	9,291	-
Total Expenditures	<u>99,871</u>	<u>53,605</u>	<u>292,340</u>	<u>207,608</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	25,735	-	(18,376)	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>(25,735)</u>	<u>-</u>	<u>225,415</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207,039</u>	<u>\$ -</u>

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2016

	Math Curriculum Models Project	Math & Science Resources	McKinney-Vento Homeless Children & Youth Program	Rtl Network	Race to the Top
REVENUES					
Local sources	\$ 141,816	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	-	36,207	28,948	51,822	204,109
Investment income	-	-	2	-	-
Total Revenues	<u>141,816</u>	<u>36,207</u>	<u>28,950</u>	<u>51,822</u>	<u>204,109</u>
EXPENDITURES					
Salaries and benefits	5,589	12,477	22,694	42,709	7,240
Pension expense	1,367	3,082	1,480	1,271	490
Purchased services	124,584	4,355	4,498	3,870	166,795
Supplies and materials	420	16,293	383	1,487	28,149
Other objects	-	-	-	-	-
Payments to other governments	9,856	-	-	-	1,435
Capital outlay	-	-	-	2,485	-
Total Expenditures	<u>141,816</u>	<u>36,207</u>	<u>29,055</u>	<u>51,822</u>	<u>204,109</u>
NET CHANGE IN FUND BALANCES	-	-	(105)	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>2,650</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,545</u>	<u>\$ -</u>	<u>\$ -</u>

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2016

REVENUES	Schoolworks Operations	Title II Teacher Quality - Leadership	Truant's Alternative & Optional Education Program	UW - STEM	TOTAL
Local sources	\$ -	\$ -	\$ -	\$ 25,000	\$ 166,816
State sources	70,328	-	64,368	-	423,633
Federal sources	-	3,402	-	-	696,168
Investment income	-	-	-	-	168
<b>Total Revenues</b>	<b>70,328</b>	<b>3,402</b>	<b>64,368</b>	<b>25,000</b>	<b>1,286,785</b>
<b>EXPENDITURES</b>					
Salaries and benefits	86,205	-	56,854	11,864	521,706
Pension expense	782	-	186	542	24,123
Purchased services	33,685	3,402	7,328	11,808	491,231
Supplies and materials	5,123	-	-	786	93,075
Other objects	569	-	-	-	1,842
Payments to other governments	-	-	-	-	191,814
Capital outlay	5,549	-	-	-	17,325
<b>Total Expenditures</b>	<b>131,913</b>	<b>3,402</b>	<b>64,368</b>	<b>25,000</b>	<b>1,341,116</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(61,585)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(54,331)</b>
<b>FUND BALANCES - BEGINNING</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>202,330</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ (61,585)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 147,999</b>

CHAMPAIGN/FORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #9  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 AREA IV LEARNING TECHNOLOGY HUB  
 FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUE</b>			
State	\$ 171,972	\$ 171,972	\$ 99,871
Total Revenue	<u>171,972</u>	<u>171,972</u>	<u>99,871</u>
<b>EXPENDITURES</b>			
Salaries and benefits	157,507	157,507	80,552
Pension expense	-	-	8,680
Purchased services	14,198	14,198	10,233
Supplies and materials	267	267	406
Total Expenditures	<u>171,972</u>	<u>171,972</u>	<u>99,871</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>			
	-	-	-
<b>FUND BALANCE - BEGINNING</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>			
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
IMSP - MAP (15-4936-00)  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
Federal	\$ 250,000	\$ 250,000	\$ 240,022
Total Revenue	<u>250,000</u>	<u>250,000</u>	<u>240,022</u>
EXPENDITURES			
Salaries and benefits	38,115	9,315	6,622
Pension expense	-	-	397
Purchased services	53,050	51,494	46,135
Supplies and materials	29,710	28,500	26,178
Payments to governments	129,125	160,691	160,690
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>240,022</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Revenues and expenditures are less than budgeted amounts because the grant ran from May 1, 2015, through September 30, 2015; only part of the grant was received and expended in the current fiscal year.



CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
IMSP - MAP (16-4936-00)  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
Federal	\$ 250,000	\$ 250,000	\$ 52,318
Total Revenue	<u>250,000</u>	<u>250,000</u>	<u>52,318</u>
EXPENDITURES			
Salaries and benefits	27,845	22,060	14,862
Pension expense	-	-	891
Purchased services	57,383	63,168	12,412
Supplies and materials	6,172	6,172	4,530
Payments to governments	158,600	158,600	19,623
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>52,318</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Revenues and expenditures are less than budgeted amounts because the grant ran from October 1, 2015, through August 31, 2016; only part of the grant was received and expended in the current fiscal year.

CHAMPAIGN/FORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #9  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 MCKINNEY-VENTO HOMELESS CHILDREN & YOUTH PROGRAM  
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
<b>REVENUE</b>			
Federal	\$ 28,948	\$ 28,948	\$ 28,948
Investment income	-	-	2
Total Revenue	<u>28,948</u>	<u>28,948</u>	<u>28,950</u>
<b>EXPENDITURES</b>			
Salaries and benefits	23,368	23,368	22,694
Pension expense	-	-	1,480
Purchased services	4,768	4,768	4,498
Supplies and materials	812	812	383
Total Expenditures	<u>28,948</u>	<u>28,948</u>	<u>29,055</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	<u>-</u>	<u>-</u>	<u>(105)</u>
<b>NET CHANGE IN FUND BALANCE</b>			
	-	-	(105)
<b>FUND BALANCE - BEGINNING</b>			
	<u>-</u>	<u>-</u>	<u>2,650</u>
<b>FUND BALANCE - ENDING</b>			
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,545</u></u>

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
SCHOOLWORKS OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
<b>REVENUE</b>			
State	\$ 89,657	\$ 89,746	\$ 70,328
Total Revenue	<u>89,657</u>	<u>89,746</u>	<u>70,328</u>
<b>EXPENDITURES</b>			
Salaries and benefits	54,617	49,137	86,205
Pension expense	-	-	782
Purchased services	28,331	24,303	33,685
Supplies and materials	4,000	2,791	5,123
Other objects	709	324	569
Capital outlay	2,000	13,191	5,549
Total Expenditures	<u>89,657</u>	<u>89,746</u>	<u>131,913</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	<u>-</u>	<u>-</u>	<u>(61,585)</u>
<b>NET CHANGE IN FUND BALANCE</b>			
	-	-	(61,585)
<b>FUND BALANCE - BEGINNING</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (61,585)</u>

CHAMPAIGN/FORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #9  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 TITLE II TEACHER QUALITY - LEADERSHIP  
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
Federal	\$ 6,043	\$ 6,043	\$ 3,402
Total Revenue	<u>6,043</u>	<u>6,043</u>	<u>3,402</u>
EXPENDITURES			
Purchased services	<u>6,043</u>	<u>6,043</u>	<u>3,402</u>
Total Expenditures	<u>6,043</u>	<u>6,043</u>	<u>3,402</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHAMPAIGN/FORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #9  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 TRUANT'S ALTERNATIVE & OPTIONAL EDUCATION PROGRAM  
 FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 64,368	\$ 64,368	\$ 64,368
Total Revenue	<u>64,368</u>	<u>64,368</u>	<u>64,368</u>
EXPENDITURES			
Salaries and benefits	54,465	59,058	56,854
Pension expense	-	-	186
Purchased services	7,703	5,010	7,328
Supplies and materials	2,200	300	-
Total Expenditures	<u>64,368</u>	<u>64,368</u>	<u>64,368</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2016

	General Education Development	Bus Driver Training	TOTALS
<b>ASSETS</b>			
Cash and cash equivalents	\$ 59,277	\$ 26,397	\$ 85,674
Due from other governments			
Local	66	220	286
State	-	1,353	1,353
<b>TOTAL ASSETS</b>	<b>\$ 59,343</b>	<b>\$ 27,970</b>	<b>\$ 87,313</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ -	\$ 221	\$ 221
Unearned revenue	-	220	220
<b>Total Liabilities</b>	<b>-</b>	<b>441</b>	<b>441</b>
<b>FUND BALANCES</b>			
Restricted	59,343	27,529	86,872
<b>Total Fund Balances</b>	<b>59,343</b>	<b>27,529</b>	<b>86,872</b>
<b>TOTAL FUND BALANCES</b>	<b>\$ 59,343</b>	<b>\$ 27,970</b>	<b>\$ 87,313</b>

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	General Education Development	Bus Driver Training	TOTALS
REVENUES			
Local sources	\$ 3,609	\$ 2,978	\$ 6,587
State sources	-	1,353	1,353
Investment income	57	25	82
Total Revenues	<u>3,666</u>	<u>4,356</u>	<u>8,022</u>
EXPENDITURES			
Salaries and benefits	7,255	978	8,233
Pension expense	467	28	495
Purchased services	4,045	1,708	5,753
Supplies and materials	-	63	63
Total Expenditures	<u>11,767</u>	<u>2,777</u>	<u>14,544</u>
NET CHANGE IN FUND BALANCES	(8,101)	1,579	(6,522)
FUND BALANCES - BEGINNING	<u>67,444</u>	<u>25,950</u>	<u>93,394</u>
FUND BALANCES - ENDING	<u>\$ 59,343</u>	<u>\$ 27,529</u>	<u>\$ 86,872</u>

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS  
JUNE 30, 2016

	County School Facility Sales Tax	Payroll Clearing	Regional Board Of Trustees	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 156,503	\$ 162	\$ 156,665
Due from other governments	-	206,013	-	206,013
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 362,516</b>	<b>\$ 162</b>	<b>\$ 362,678</b>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ -	\$ 362,516	\$ -	\$ 362,516
Due to other governments	-	-	162	162
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ 362,516</b>	<b>\$ 162</b>	<b>\$ 362,678</b>



CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
<u>COUNTY SCHOOL FACILITY SALES TAX</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 18,446,540	\$ 18,446,540	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 18,446,540</u>	<u>\$ 18,446,540</u>	<u>\$ -</u>
LIABILITIES				
Due to other governments	\$ -	\$ 18,446,540	\$ 18,446,540	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 18,446,540</u>	<u>\$ 18,446,540</u>	<u>\$ -</u>
<u>PAYROLL CLEARING</u>				
ASSETS				
Cash and cash equivalents	\$ 159,863	\$ 2,791,002	\$ 2,794,362	\$ 156,503
Due from other governments	202,625	3,388	-	206,013
Total Assets	<u>\$ 362,488</u>	<u>\$ 2,794,390</u>	<u>\$ 2,794,362</u>	<u>\$ 362,516</u>
LIABILITIES				
Accounts payable and accrued expense	\$ 362,488	\$ 2,794,390	\$ 2,794,362	\$ 362,516
Total Liabilities	<u>\$ 362,488</u>	<u>\$ 2,794,390</u>	<u>\$ 2,794,362</u>	<u>\$ 362,516</u>

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
<u>REGIONAL BOARD OF TRUSTEES</u>				
ASSETS				
Cash and cash equivalents	\$ 162	\$ 1,268	\$ 1,268	\$ 162
Total Assets	<u>\$ 162</u>	<u>\$ 1,268</u>	<u>\$ 1,268</u>	<u>\$ 162</u>
LIABILITIES				
Due to other governments	\$ 162	\$ 1,268	\$ 1,268	\$ 162
Total Liabilities	<u>\$ 162</u>	<u>\$ 1,268</u>	<u>\$ 1,268</u>	<u>\$ 162</u>
<u>TOTAL ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 160,025	\$ 21,238,810	\$ 21,242,170	\$ 156,665
Due from other governments	202,625	3,388	-	206,013
Total Assets	<u>\$ 362,650</u>	<u>\$ 21,242,198</u>	<u>\$ 21,242,170</u>	<u>\$ 362,678</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 362,488	\$ 2,794,390	\$ 2,794,362	\$ 362,516
Due to other governments	162	18,447,808	18,447,808	162
Total Liabilities	<u>\$ 362,650</u>	<u>\$ 21,242,198</u>	<u>\$ 21,242,170</u>	<u>\$ 362,678</u>

CHAMPAIGN/FORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #9  
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS  
AND OTHER ENTITIES  
FOR THE YEAR ENDED JUNE 30, 2016

District	Champaign County Schools Facility Sales Tax
Champaign County School District	\$ 18,446,540