

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

FOR THE YEAR ENDED JUNE 30, 2018

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
JUNE 30, 2018

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CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
JUNE 30, 2018

OFFICIALS

Regional Superintendent
(Current and during the audit period)

Dr. Jane E. Quinlan

Assistant Regional Superintendent
(Current and during the audit period)

Ms. Donna Kaufman

Office is located at:

3358 Big Pine Trail,
Champaign, IL 61822

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
JUNE 30, 2018

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, 2018

FINANCIAL REPORT SUMMARY (Concluded)

EXIT CONFERENCE

An informal exit conference was held on September 27, 2018. There were no audit findings to discuss with Agency personnel. Attending were Jane Quinlan, Regional Superintendent; Donna Kaufman, Assistant Regional Superintendent; Julie Duran, Bookkeeper; Amy Page, Payroll Specialist; Tami Knight, Partner, Kemper CPA Group LLP and Nick Helton, 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, 2018

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, 2018, 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, 2018, 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.

Emphasis of Matter

As disclosed in Note 1 in the notes to the financial statements, the Regional Office of Education #9 adopted GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents 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 supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents is 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, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Champaign/Ford Counties Regional Office of Education #9's 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.

SIGNED ORIGINAL ON FILE

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
January 31, 2019



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, 2018, 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, 2019.

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.

SIGNED ORIGINAL ON FILE

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
January 31, 2019

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2018

SUMMARY OF AUDITORS' RESULTS

Financial Statements in Accordance with GAAP

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, 2018**

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, 2018. We encourage readers to consider this information in conjunction with the ROE #9's financial statements, which follow.

2018 Financial Highlights

- Within the Governmental Funds, the General Fund revenues increased by \$29,365 (1%) from \$2,398,298 in FY 2017 to \$2,427,663 in FY 2018. This is mainly due to an increase in the revenues for the Regional Education Alternative for Developing Youth program. General Fund expenditures decreased by \$60,905 (2%) from \$2,465,413 in FY 2017 to \$2,404,508 in FY 2018, due to a decrease in purchased services that were paid from the ILTPP.
- Within the Governmental Funds, the Special Revenue Funds revenues increased by \$300,039 (21%) from \$1,446,148 in FY 2017 to \$1,746,187 in FY 2018. This is attributable mainly to overall increases in both Federal and State source revenues in the Education Funds. Special Revenue Funds expenditures increased by \$332,923 (22%) from \$1,539,288 in FY 2017 to \$1,872,211 in FY 2018. The increase in spending during FY2018 directly relates to the increase in total revenues received.
- Proprietary Funds revenues decreased by \$45,326 (42%) from \$108,144 in FY 2017 to \$62,818 in FY 2018, due to a decrease in local workshop revenues. The Proprietary Funds expenditures decreased by \$22,799 (23%) from 98,749 in FY 2017 to \$75,950 in FY 2018, due to State grant funding covering cost of trainings.
- 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, 2018**

- *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.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION #9
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

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 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, 2018**

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 2018 was \$1,139,633. The analysis that follows provides a summary of the ROE #9's net position at June 30, 2018 and June 30, 2017, for the governmental and business-type activities.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current assets	\$ 2,567,062	\$ 3,461,971	\$ 327,210	\$ 338,203	\$ 2,894,272	\$ 3,800,174
Capital assets, net	131,426	105,993	1,986	3,651	133,412	109,644
Net pension asset	517,240	-	-	-	517,240	-
Total assets	3,215,728	3,567,964	329,196	341,854	3,544,924	3,909,818
Deferred outflows of resources	491,688	548,387	-	-	491,688	548,387
Current liabilities	200,139	1,122,315	1,702	1,520	201,841	1,123,835
Noncurrent liabilities	1,689,456	577,131	-	-	1,689,456	577,131
Total liabilities	1,889,595	1,699,446	1,702	1,520	1,891,297	1,700,966
Deferred inflows of resources	1,005,682	563,667	-	-	1,005,682	563,667
Net position:						
Investment in capital assets	129,053	101,714	1,986	3,651	131,039	105,365
Restricted—other	1,373,070	804,864	-	-	1,373,070	804,864
Unrestricted	(689,984)	946,660	325,508	336,683	(364,476)	1,283,343
Total net position	\$ 812,139	\$ 1,853,238	\$ 327,494	\$ 340,334	\$ 1,139,633	\$ 2,193,572

The ROE #9's net position decreased by \$1,053,939 (48%) from FY 2017. Net position invested in capital assets of \$131,039, representing 12% 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 \$1,373,070 (121%) 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 unrestricted portion of the ROE #9's net position of \$(364,476) (-32%) may be used to meet the ROE #9's obligations to other entities, employees and creditors. The negative balance in unrestricted net position is mainly due to a change in OPEB liabilities in FY2018.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION #9
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

CHANGES IN NET POSITION

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues:						
Program revenues:						
Operating grants and contributions	\$ 1,350,048	\$ 1,269,343	\$ -	\$ -	\$ 1,350,048	\$ 1,269,343
Charges for services	-	-	62,818	108,144	62,818	108,144
General revenues:						
Local sources	1,520,268	1,784,570	-	-	1,520,268	1,784,570
State sources	688,706	356,136	-	-	688,706	356,136
Federal sources	562,038	445,443	-	-	562,038	445,443
On-behalf payments	1,262,794	1,333,152	-	-	1,262,794	1,333,152
Loss on disposal of assets	(21)	(3,727)	-	-	(21)	(3,727)
Net interest income	2,990	2,795	291	594	3,281	3,389
Total revenues	<u>5,386,823</u>	<u>5,187,712</u>	<u>63,109</u>	<u>108,738</u>	<u>5,449,932</u>	<u>5,296,450</u>
Expenses:						
Programs expenses:						
Salaries and benefits	2,293,345	2,270,506	20,075	13,754	2,313,420	2,284,260
Purchased services	878,431	809,278	43,635	78,039	922,066	887,317
Supplies and materials	175,059	151,817	4,442	1,983	179,501	153,800
Other objects	100,655	72,117	-	-	100,655	72,117
Payments to other governments	464,672	355,198	5,425	508	470,097	355,706
Depreciation	48,629	45,343	1,666	3,689	50,295	49,032
Pension expense (income)	(252,136)	109,023	707	776	(251,429)	109,799
OPEB expense	103,586	-	-	-	103,586	-
Administrative expenses:						
On-behalf payments	1,262,794	1,333,152	-	-	1,262,794	1,333,152
Total expenses	<u>5,075,035</u>	<u>5,146,434</u>	<u>75,950</u>	<u>98,749</u>	<u>5,150,985</u>	<u>5,245,183</u>
Changes in net position	311,788	41,278	(12,841)	9,989	298,947	51,267
Net position - beginning (restated in FY2018)	<u>500,351</u>	<u>1,811,960</u>	<u>340,335</u>	<u>330,345</u>	<u>840,686</u>	<u>2,142,305</u>
Net position, ending	<u>\$ 812,139</u>	<u>\$ 1,853,238</u>	<u>\$ 327,494</u>	<u>\$ 340,334</u>	<u>\$ 1,139,633</u>	<u>\$ 2,193,572</u>

During FY 2018, the governmental funds had an excess of revenues over expenditures of \$311,788. The excess in revenues resulted primarily from increases in both State sources and federal revenues received and recognized in the current year.

Total governmental revenues of \$5.45 million consisted primarily of State and federal grants totaling \$2.6 million, and local revenues from tuition, fees and flow-through money totaling \$1.52 million. Governmental revenues posted a net increase of \$199,111 (4%) from previous year, primarily due to the increase of State and federal grants.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION #9
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

Total governmental expenses posted a net decrease of \$71,399 (1%) compared to previous year. The decrease was mainly due to the increase in pension income and 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 2018, at least 6,483 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 148 administrators have received direct professional development in FY 2018. 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 172 students. The McKinney Education-Homeless Children Program served 583 students and their families. In FY 2018, the ROE #9 served 1,208 teachers through the Licensure Program that assists teachers in completing licensure requirements and obtaining a license. The ROE #9 also provided 16 bus driver trainings throughout the year issuing 67 initial bus driver certificates and 300 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 258 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 2018, the ROE #9 responded to 13,104 phone calls, walk-ins and emails 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, 2018**

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 2018, total additions amounted to \$74,083 and depreciation expense for FY 2018 was \$50,295. 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, 2018**

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, 3358 Big Pine Trail, Champaign, IL 61822.

BASIC FINANCIAL STATEMENTS

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 1,871,846	\$ 206,961	\$ 2,078,807
Prepaid expenses	-	5,300	5,300
Due (to) from other funds	(96,896)	96,896	-
Due from other governments:			
Local	69,340	18,053	87,393
State	435,418	-	435,418
Federal	287,354	-	287,354
Total Current Assets	<u>2,567,062</u>	<u>327,210</u>	<u>2,894,272</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	131,426	1,986	133,412
Net pension asset	517,240	-	517,240
Total Noncurrent Assets	<u>648,666</u>	<u>1,986</u>	<u>650,652</u>
TOTAL ASSETS	<u>3,215,728</u>	<u>329,196</u>	<u>3,544,924</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	450,118	-	450,118
Deferred outflows related to OPEB	41,570	-	41,570
Total deferred outflows of resources	<u>491,688</u>	<u>-</u>	<u>491,688</u>
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued expenses	185,094	1,702	186,796
Due to other governments:			
State	13,015	-	13,015
Lease payable	2,030	-	2,030
Total Current Liabilities	<u>200,139</u>	<u>1,702</u>	<u>201,841</u>
Noncurrent Liabilities:			
Lease payable	343	-	343
Compensated absences	19,628	-	19,628
Net pension liability	315,252	-	315,252
Net OPEB obligation	1,354,233	-	1,354,233
Total Noncurrent Liabilities	<u>1,689,456</u>	<u>-</u>	<u>1,689,456</u>
TOTAL LIABILITIES	<u>1,889,595</u>	<u>1,702</u>	<u>1,891,297</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	855,904	-	855,904
Deferred inflows related to OPEB	149,778	-	149,778
Total deferred inflows of resources	<u>1,005,682</u>	<u>-</u>	<u>1,005,682</u>
NET POSITION			
Net investment in capital assets	129,053	1,986	131,039
Restricted - other	1,373,070	-	1,373,070
Unrestricted	(689,984)	325,508	(364,476)
TOTAL NET POSITION	<u>\$ 812,139</u>	<u>\$ 327,494</u>	<u>\$ 1,139,633</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, 2018

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary Government:						
Governmental Activities:						
Instructional Services						
Salaries and benefits	\$ 2,293,345	\$ -	\$ 690,084	\$ (1,603,261)	\$ -	\$ (1,603,261)
Purchased services	878,431	-	365,181	(513,250)	-	(513,250)
Supplies and materials	175,059	-	62,132	(112,927)	-	(112,927)
Other objects	100,655	-	8,224	(92,431)	-	(92,431)
Depreciation expense	48,629	-	-	(48,629)	-	(48,629)
Capital outlay	-	-	73,502	73,502	-	73,502
Pension income	(252,136)	-	-	252,136	-	252,136
OPEB expense	103,586	-	-	(103,586)	-	(103,586)
Intergovernmental:						
Payments to other governments	464,672	-	150,925	(313,747)	-	(313,747)
Administrative:						
On-behalf payments - State	1,262,794	-	-	(1,262,794)	-	(1,262,794)
Total Governmental Activities	<u>5,075,035</u>	<u>-</u>	<u>1,350,048</u>	<u>(3,724,987)</u>	<u>-</u>	<u>(3,724,987)</u>
Business-Type Activities:						
Charges for services	75,243	62,818	-	-	(12,425)	(12,425)
Pension expense	707	-	-	-	(707)	(707)
Total Business-Type Activities	<u>75,950</u>	<u>62,818</u>	<u>-</u>	<u>-</u>	<u>(13,132)</u>	<u>(13,132)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 5,150,985</u>	<u>\$ 62,818</u>	<u>\$ 1,350,048</u>	<u>(3,724,987)</u>	<u>(13,132)</u>	<u>(3,738,119)</u>
GENERAL REVENUES:						
Local sources				1,520,268	-	1,520,268
State sources				688,706	-	688,706
Federal sources				562,038	-	562,038
On-behalf payments				1,262,794	-	1,262,794
Investment earnings, net				2,990	291	3,281
Loss on disposal of capital assets				(21)	-	(21)
Total General Revenues				<u>4,036,775</u>	<u>291</u>	<u>4,037,066</u>
CHANGE IN NET POSITION				311,788	(12,841)	298,947
NET POSITION - BEGINNING (Restated, See Note 14)				<u>500,351</u>	<u>340,335</u>	<u>840,686</u>
NET POSITION - ENDING				<u>\$ 812,139</u>	<u>\$ 327,494</u>	<u>\$ 1,139,633</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, 2018

	General Fund	Institute	Education Fund	Non-Major Special Revenue Funds	Eliminations	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 1,114,690	\$ 563,562	\$ 102,440	\$ 79,953	\$ -	\$ 1,860,645
Due from other funds	446,351	-	-	-	(446,351)	-
Due from other governments:						
Local	66,814	-	-	1,746	-	68,560
State	28,108	-	407,310	-	-	435,418
Federal	41,673	-	245,681	-	-	287,354
TOTAL ASSETS	<u>\$ 1,697,636</u>	<u>\$ 563,562</u>	<u>\$ 755,431</u>	<u>\$ 81,699</u>	<u>\$ (446,351)</u>	<u>\$ 2,651,977</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ 143,801	\$ -	\$ 40,533	\$ 760	\$ -	\$ 185,094
Due to other funds	52,693	-	490,554	-	(446,351)	96,896
Due to other governments:						
State	-	-	13,015	-	-	13,015
Total Liabilities	<u>196,494</u>	<u>-</u>	<u>544,102</u>	<u>760</u>	<u>(446,351)</u>	<u>295,005</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	56,942	-	351,122	70	-	408,134
FUND BALANCES						
Restricted	-	563,562	179,212	80,869	-	823,643
Assigned	360,043	-	-	-	-	360,043
Unassigned	1,084,157	-	(319,005)	-	-	765,152
Total Fund Balances	<u>1,444,200</u>	<u>563,562</u>	<u>(139,793)</u>	<u>80,869</u>	<u>-</u>	<u>1,948,838</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 1,697,636</u>	<u>\$ 563,562</u>	<u>\$ 755,431</u>	<u>\$ 81,699</u>	<u>\$ (446,351)</u>	<u>\$ 2,651,977</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 BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2018

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS \$ 1,948,838

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.	131,426
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.	(2,373)
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.	408,134
Noncurrent assets related to pension benefits are collected but not payable in the current period and therefore, are not reported in the funds. IMRF net pension asset	517,240
Pension and OPEB 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	\$ 491,688
Deferred inflows of resources	(1,005,682)
	(513,994)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Compensated absences	\$ (19,628)
TRS net pension liability	(315,252)
Net OPEB Liability	(1,354,233)
	(1,689,113)
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	\$ 36,044
Less pension related deferred inflows, outflows, and liability	(23,104)
Less capital assets of Internal Service Fund included in the total above	(959)
	11,981
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 812,139

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 BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Institute	Education Fund	Non-Major Special Revenue Funds	Eliminations	Total Governmental Funds
REVENUES						
Local sources	\$ 1,291,218	\$ 97,017	\$ -	\$ 15,780	\$ -	\$ 1,404,015
State sources	830,917	-	928,322	1,321	-	1,760,560
Federal sources	38,778	-	703,121	-	-	741,899
State sources- on-behalf payments	265,262	-	-	-	-	265,262
Investment income	1,488	460	93	73	-	2,114
Total Revenues	<u>2,427,663</u>	<u>97,477</u>	<u>1,631,536</u>	<u>17,174</u>	<u>-</u>	<u>4,173,850</u>
EXPENDITURES						
Instructional Services:						
Salaries and benefits	1,518,534	10,073	692,527	10,235	-	2,231,369
Pension expense	61,918	841	26,714	833	-	90,306
OPEB expense	13,329	-	-	-	-	13,329
Purchased services	348,867	39,248	470,371	7,887	-	866,373
Supplies and materials	89,150	911	81,220	20	-	171,301
Other objects	83,668	-	16,937	-	-	100,605
On-behalf payments	265,262	-	-	-	-	265,262
Intergovernmental:						
Payments to other governments	-	-	464,672	-	-	464,672
Capital outlay	23,780	-	49,722	-	-	73,502
Total Expenditures	<u>2,404,508</u>	<u>51,073</u>	<u>1,802,163</u>	<u>18,975</u>	<u>-</u>	<u>4,276,719</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>23,155</u>	<u>46,404</u>	<u>(170,627)</u>	<u>(1,801)</u>	<u>-</u>	<u>(102,869)</u>
OTHER FINANCING SOURCES (USES):						
Repayment of long-term lease payable	(1,906)	-	-	-	-	(1,906)
Interest expense	(278)	-	-	-	-	(278)
Total Other Financing Sources (Uses)	<u>(2,184)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,184)</u>
NET CHANGE IN FUND BALANCES	20,971	46,404	(170,627)	(1,801)	-	(105,053)
FUND BALANCES - BEGINNING	<u>1,423,229</u>	<u>517,158</u>	<u>30,834</u>	<u>82,670</u>	<u>-</u>	<u>2,053,891</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ 1,444,200</u>	<u>\$ 563,562</u>	<u>\$ (139,793)</u>	<u>\$ 80,869</u>	<u>\$ -</u>	<u>\$ 1,948,838</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, 2018

NET CHANGE IN FUND BALANCES — GOVERNMENTAL FUNDS \$ (105,053)

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	1,906
------------------------------------	-------

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	\$ 73,502	
Depreciation expense	<u>(48,629)</u>	24,873

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.

(21)

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	\$ 408,134	
Prior year unavailable revenue	<u>(277,018)</u>	131,116

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 increase in compensated absences		(1,484)
Pension income		340,617
OPEB expense		(90,257)

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 revenue of the internal service fund is reported with governmental activities - excluding the related depreciation expense of \$624, which is included above.

10,091

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 311,788

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, 2018

	Business-Type Activities - Enterprise Fund		Total	Governmental Activities - Internal Service Fund
	Local Workshops	Nonmajor Enterprise Fund		
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 199,143	\$ 7,818	\$ 206,961	\$ 11,201
Prepaid expenses	5,300	-	5,300	-
Due from other funds	96,896	-	96,896	-
Due from other governments:				
Local	18,053	-	18,053	780
Total Current Assets	319,392	7,818	327,210	11,981
Noncurrent Assets				
Capital assets, being depreciated, net	1,986	-	1,986	959
Net pension asset	-	-	-	37,742
Total Noncurrent Assets	1,986	-	1,986	38,701
TOTAL ASSETS	321,378	7,818	329,196	50,682
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	-	-	-	24,837
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	1,702	-	1,702	-
TOTAL LIABILITIES	1,702	-	1,702	-
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	-	-	-	39,475
NET POSITION				
Net investment in capital assets	1,986	-	1,986	959
Unrestricted	317,690	7,818	325,508	35,085
TOTAL NET POSITION	\$ 319,676	\$ 7,818	\$ 327,494	\$ 36,044

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, 2018

	Business-Type Activities - Enterprise Fund		Total	Governmental Activities- Internal Service Fund
	Local Workshops	Nonmajor Enterprise Fund		
OPERATING REVENUES				
Charges for services	\$ 54,466	\$ 8,352	\$ 62,818	\$ 83,470
Total Operating Revenues	<u>54,466</u>	<u>8,352</u>	<u>62,818</u>	<u>83,470</u>
OPERATING EXPENSES				
Salaries and benefits	20,075	-	20,075	60,492
Pension expense (income)	707	-	707	(1,825)
Purchased services	38,365	5,270	43,635	12,058
Supplies and materials	4,442	-	4,442	3,758
Other objects	-	-	-	50
Depreciation	1,666	-	1,666	624
Payments to other governments	5,425	-	5,425	-
Total Operating Expenses	<u>70,680</u>	<u>5,270</u>	<u>75,950</u>	<u>75,157</u>
OPERATING INCOME (LOSS)	<u>(16,214)</u>	<u>3,082</u>	<u>(13,132)</u>	<u>8,313</u>
NONOPERATING REVENUE (EXPENSE)				
Interest income	289	2	291	1,154
Total Nonoperating Revenue	<u>289</u>	<u>2</u>	<u>291</u>	<u>1,154</u>
CHANGE IN NET POSITION	(15,925)	3,084	(12,841)	9,467
TOTAL NET POSITION - BEGINNING	<u>335,601</u>	<u>4,734</u>	<u>340,335</u>	<u>26,577</u>
TOTAL NET POSITION - ENDING	<u>\$ 319,676</u>	<u>\$ 7,818</u>	<u>\$ 327,494</u>	<u>\$ 36,044</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, 2018

	Business-Type Activities - Enterprise Fund		Totals	Governmental Activities - Internal Service Fund
	Local Workshops	Nonmajor Enterprise Fund		
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 58,552	\$ 8,352	\$ 66,904	\$ 83,454
Payments to suppliers and providers of goods and services	(53,532)	(5,270)	(58,802)	(15,866)
Payments to employees	(20,600)	-	(20,600)	(66,850)
Net Cash Provided by (Used for) Operating Activities	<u>(15,580)</u>	<u>3,082</u>	<u>(12,498)</u>	<u>738</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash loan payments to other funds	99,538	-	99,538	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>99,538</u>	<u>-</u>	<u>99,538</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	-	-	-	(582)
Net Cash Used for Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(582)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest earned	289	2	291	1,154
Net Cash Provided by Investing Activities	<u>289</u>	<u>2</u>	<u>291</u>	<u>1,154</u>
Net Increase (Decrease) in Cash and Cash Equivalents	84,247	3,084	87,331	1,310
CASH AND CASH EQUIVALENTS, BEGINNING	<u>114,896</u>	<u>4,734</u>	<u>119,630</u>	<u>9,891</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 199,143</u>	<u>\$ 7,818</u>	<u>\$ 206,961</u>	<u>\$ 11,201</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (16,214)	\$ 3,082	\$ (13,132)	\$ 8,313
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	1,666	-	1,666	624
Effects of changes in assets and liabilities:				
Prepaid expenses	(5,300)	-	(5,300)	-
Due from other governments	4,086	-	4,086	(16)
Accounts payable and accrued expenses	182	-	182	-
Effects of changes in deferred inflows, outflows, and net pension liability/asset	-	-	-	(8,183)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (15,580)</u>	<u>\$ 3,082</u>	<u>\$ (12,498)</u>	<u>\$ 738</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, 2018

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 112,034
Due from other governments	250,627
TOTAL ASSETS	\$ 362,661
 LIABILITIES	
Accounts payable and accrued expenses	\$ 362,499
Due to other governments	162
TOTAL LIABILITIES	\$ 362,661

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, 2018

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 2018, the Champaign/Ford Counties Regional Office of Education #9 implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*; GASB Statement No. 81, *Irrevocable Split-Interest Agreements*; GASB Statement No. 85, Omnibus 2017; and GASB Statement No. 86, *Certain Debt Extinguishment Issues*. The implementation of GASB Statement No. 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, expenditures and identifies the note disclosure and RSI reporting requirements for other postemployment benefits (OPEB) other than pensions. The implementation of GASB Statement No. 81, GASB Statement No. 85, and GASB Statement No. 86 had no significant impact on the financial statements of the Champaign/Ford Counties Regional Office of Education #9.

A. DATE OF MANAGEMENT’S REVIEW

Management has evaluated subsequent events through January 31, 2019, 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.

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.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FINANCIAL REPORTING ENTITY (Concluded)

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the 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, 2018, 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.

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.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

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.

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.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

General Fund (Concluded)

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.

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.

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.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Education Fund (Continued)

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.

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 and Science Resources 7B - This program accounts for monies received for and in payment of expenditures for a Math and Science Area Partnership to help teachers improve their content and assessment knowledge related to math and science.

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.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Education Fund (Concluded)

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.

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 (TAOEP) - This program accounts for grant monies received for and in payment of expenditures for optional education opportunities to school dropouts, potential dropouts, and truants of the Region.

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.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Concluded)

Nonmajor Special Revenue Funds (Concluded)

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.

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:

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Concluded)

FIDUCIARY FUNDS (Concluded)

Agency Funds (Concluded)

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.

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.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. GOVERNMENTAL FUND BALANCES (Concluded)

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 accounts are comprised of an unassigned fund balance deficits: Area IV Learning Technology Hub and Foundational Services.

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.

K. 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.

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. 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 or OPEB 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 and OPEB.

M. COMPENSATED ABSENCES

Non-certified and certified employees who work 12 calendar months earn up to 20 vacation days for a full year of service. The accumulated total of vacation days may never exceed 30 days. In the event that a program terminates, no vacation days will be honored past the ending date of the program. Certified employees who work less than 12 calendar months per year do not earn vacation days. Any accruals as of June 30th are reported as a liability for compensated absences in the basic financial statements. During the fiscal year, the amount in this account increased by \$1,484. At June 30, 2018, the balance in this account was \$19,628.

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Compensated absences	\$ 18,144	\$ 1,484	\$ -	\$ 19,628

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

For purposes of measuring the Regional Office of Education #9's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Regional Office of Education #9's OPEB Plan and additions to/deductions from the Regional Office of Education #9's fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education #9's Plan. For this purpose, the Regional Office of Education #9's Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

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 (17-4936-MA), Math & Science Resources – 7B, McKinney-Vento Homeless Children & Youth Program, Schoolworks Operations (17-3730) & (18-3730), Title II Teacher Quality – Leadership, and TAOEP.

NOTE 2 – CASH

A. DEPOSITS

At June 30, 2018, the carrying amounts of the Regional Office of Education #9's government-wide fund and agency fund deposits were \$2,078,807 and \$112,034, respectively, and the bank balances were \$2,417,963 and \$125,685, respectively. Of the total bank balances as of June 30, 2018, \$357,947 was secured by federal depository insurance, \$2,185,599 was collateralized by pledged securities, and \$102 was invested in the Illinois Funds Money Market Fund.

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.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 – CASH (Concluded)

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, 2018, the Regional Office of Education #9 had no investments in the Illinois Funds Money Market Fund.

CREDIT RISK

At June 30, 2018, 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.

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

The Regional Office of Education #9 contributes to the Illinois Municipal Retirement Fund (IMRF) for both Regional Office of Education #9 and Facilitating Coordination in Agricultural Education (FCAE) employees reported under Regional Office of Education #9's IMRF employer number. IMRF is an agent multiple-employer public employee retirement system; however, the Regional Office of Education #9's participation in IMRF is equivalent to a cost sharing multiple-employer pension plan since only one actuarial valuation is performed for both the Regional Office of Education #9 and FCAE combined.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

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 a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the following "Benefits Provided" section of this note. 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.

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.

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.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

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 2017 was 11.50%. For the fiscal year ended June 30, 2018, the Regional Office of Education #9 contributed \$80,596 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

At June 30, 2018, the Regional Office of Education #9 reported an asset of \$517,240 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Regional Office of Education #9's proportion of the net pension liability was based on the Regional Office of Education #9's actual contribution to the plan for the year ended June 30, 2018, relative to the actual contributions of the Regional Office of Education #9 and the FCAE as a whole. At June 30, 2018, the Regional Office of Education #9's proportion was 87.71% of the total contributions.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- 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 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, 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 2017 valuation according to an experience study from years 2014 to 2016.
- For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates for **Mortality** 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-2017 (base year 2015). 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-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions (Concluded)

- 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, 2017:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	6.85%
International Equity	18%	6.75%
Fixed Income	28%	3.00%
Real Estate	9%	5.75%
Alternative Investments	7%	2.65-7.35%
Cash Equivalents	1%	2.25%
Total	100%	

Discount Rate

At December 31, 2017, the discount rate used to measure the total pension liability was a blended rate of 7.50 percent. The projection of cash flow used to determine the 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.

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

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

	<u>1% Lower 6.50%</u>	<u>Current Discount 7.50%</u>	<u>1% Higher 8.50%</u>
Net Pension Liability/(Asset)	\$ 379,659	\$ (517,240)	\$ (1,236,850)

CHAMPAIGN/FORD COUNTIES
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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, 2018, the Regional Office of Education #9 recognized pension income of \$25,773. At June 30, 2018, the Regional Office of Education #9 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	<u>296,771</u>	<u>540,989</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>296,771</u>	<u>540,989</u>
Pension Contributions made subsequent to the Measurement Date	<u>43,609</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 340,380</u></u>	<u><u>\$ 540,989</u></u>

\$43,609 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, 2018. 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:

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Concluded)

Year Ending December 31	Net Deferred Outflows of Resources
2018	\$ 29,937
2019	(8,844)
2020	(130,063)
2021	(135,248)
2022	-
Thereafter	-
Total	\$ (244,218)

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://trsil.org/financial/cafrs/fy2017>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, 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.

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.

CHAMPAIGN/FORD COUNTIES
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NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

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.

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

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, 2017, was 9.0 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, 2018, 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 \$880,867 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, 2018, were \$7,469, and are deferred because they were paid after the June 30, 2017, measurement date.

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 Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
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JUNE 30, 2018

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

For the year ended June 30, 2018, the employer pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$29,792 were paid from federal and special trust funds that required employer contributions of \$3,009. These contributions are deferred because they were paid after the June 30, 2017 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 program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2018, 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, 2018, 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 annual allotment.

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

At June 30, 2018, 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 follows below:

Employer’s proportionate share of the net pension liability	\$ 315,252
State’s proportionate share of the net pension liability associated with the employer	<u>8,950,520</u>
Total	<u>\$ 9,265,772</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. 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, 2017, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2017, the Regional Office of Education #9’s proportion was .00041264518 percent, which was an increase of .00009762868 percent from its proportion measured as of June 30, 2016.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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

For the year ended June 30, 2018, the Regional Office of Education #9 recognized pension expense of \$880,867 and revenue of \$880,867 for support provided by the State. For the year ended June 30, 2018, the Regional Office of Education #9 recognized pension income of \$232,569. At June 30, 2018, 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	\$ 3,424	\$ 146
Net difference between projected and actual earnings on pension plan investments	216	-
Change of assumptions	21,041	9,058
Changes in proportion and differences between employer contributions and proportionate share of contributions	75,194	305,711
Employer contributions subsequent to the measurement date	10,479	-
Total	\$ 110,354	\$ 314,915

\$10,479 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$ (168,876)
2020	(84,526)
2021	20,920
2022	15,149
2023	2,293
	\$ (215,040)

Actuarial assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increase	varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
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NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

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 same assumptions were used in the June 30, 2016 actuarial valuation.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	14.4 %	6.94 %
U.S. small/mid cap	3.6	8.09
International equities developed	14.4	7.46
Emerging market equities	3.6	10.15
U.S. bonds core	10.7	2.44
International debt developed	5.3	1.7
Real estate	15.0	5.44
Commodities (real return)	11.0	4.28
Hedge funds (absolute return)	8.0	4.16
Private equity	14.0	10.63
Total	<u>100 %</u>	

Discount Rate

At June 30, 2017, the discount rate used to measure the total pension liability was a blended rate of 7.0 percent, which was a change from the June 30, 2016 rate of 6.83 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, 2017 was 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. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
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NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Concluded)

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year because TRS’s fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

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 7.00 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 (6.00 percent) or 1 percentage point higher (7.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	\$ 387,328	\$ 315,252	\$ 256,216

TRS fiduciary net position

Detailed information about the TRS’s fiduciary net position as of June 30, 2017, is available in the separately issued TRS *Comprehensive Annual Financial Report*.

NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND

THIS Plan Description

The Champaign/Ford Counties Regional Office of Education #9 participates in the Teachers’ Health Insurance Security (THIS) fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor’s Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the Teachers’ Retirement System (TRS).

Benefits Provided

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the 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 required all active contributors to TRS who are not employees of the State to make a contribution to the THIS Fund.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

Benefits Provided (Concluded)

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

On-behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #9. For the year ended June 30, 2018, State of Illinois contributions recognized by the Regional Office of Education #9 were based on the State’s proportionate share of the collective net OPEB liability associated with the Regional Office of Education #9, and recognized revenue and expenditures of \$116,665 in OPEB contributions from the State of Illinois.

Employer contributions to the THIS Fund

Champaign/Ford Counties Regional Office of Education #9 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.88 percent during the year ended June 30, 2018, and 0.84 and 0.80 percent during the years ended June 30, 2017 and 2016, respectively. For the year ended June 30, 2018, the Champaign/Ford Counties Regional Office of Education #9 paid \$10,398 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2017 and 2016, the Champaign/Ford Counties Regional Office of Education #9 paid \$12,770 and \$11,971 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.”

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018

NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

Actuarial Assumptions (Concluded)

Inflation	2.75%
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare costs on and after 2020 to account for the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Since the THIS fund is financed on a pay-as-you-go basis, the sponsor has selected a discount rate consistent with the 20-year general obligation bond index described above. The discount rates are 2.85 percent as of June 30, 2016, and 3.56 percent as of June 30, 2017.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

Sensitivity of the employer’s proportionate share of the collective net OPEB liability to changes in the discount rate.

The following presents the Regional Office of Education #9’s proportionate share of the collective net OPEB liability, as well as what the ROE’s proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current discount rate:

	1% Decrease <u>(2.56%)</u>	Current Discount Rate <u>(3.56%)</u>	1% Increase <u>(4.56%)</u>
Employer’s proportionate share of the collective net OPEB liability	\$ 1,502,340	\$ 1,251,896	\$ 1,051,608

Sensitivity of the employer’s proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates.

The following table shows the Regional Office of Education #9’s net OPEB liability as of June 30, 2017, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The key trend rates are 8.00% in 2018 decreasing to an ultimate trend rate of 5.09% in 2025, for non-Medicare coverage, and 9.00% in 2018 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	<u>1% Decrease^a</u>	Healthcare Cost <u>Trend Rates</u>	<u>1% Increase^b</u>
Employer’s proportionate share of the collective net OPEB liability	\$ 1,010,456	\$ 1,251,896	\$ 1,598,586

^a One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate rate of 4.09% in 2025 for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.

^b One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.09% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

CHAMPAIGN/FORD COUNTIES
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 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

At June 30, 2018, the Regional Office of Education #9 reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the Regional Office of Education #9. The amount recognized by the Regional Office of Education #9 as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Regional Office of Education #9 were as follow:

Employer’s proportionate share of the net OPEB liability	\$ 1,251,896
State’s proportionate share of the net OPEB liability associated with the employer	<u>1,644,110</u>
Total	<u>\$ 2,896,006</u>

The collective net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2016, and was rolled forward to the June 30, 2017 measurement date. The Regional Office of Education #9’s proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education #9’s long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education #9, actuarially determined. At June 30, 2017, the Regional Office of Education #9’s proportion was 0.00469 percent, which was an increase of 0.00013 from its proportion measured as of June 30, 2016 (0.00482 percent). The State’s support and total are for disclosure purposes only.

For the year ending June 30, 2018, the Regional Office of Education #9 recognized OPEB expense of \$116,665 and revenue of \$116,665 for support provided by the State. For the year ending June 30, 2018, the Regional Office of Education #9 recognized OPEB expense of \$97,844. At June 30, 2018, the Regional Office of Education #9 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Concluded)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 709
Changes of assumptions	-	149,055
Net difference between projected and actual earnings on OPEB plan investments	-	14
Changes in proportion and differences between employer contributions and proportionate share of contributions	31,172	-
Employer contributions subsequent to the measurement date	10,398	-
Total Deferred Amounts Related to OPEB	<u>\$ 41,570</u>	<u>\$ 149,778</u>

\$10,398 reported as deferred outflows of resources related to OPEB resulting from Champaign/Ford Counties Regional Office of Education #9 contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Champaign/Ford Counties Regional Office of Education #9’s OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2019	\$ (18,220)
2020	(18,220)
2021	(18,220)
2022	(18,220)
2023	(18,217)
Thereafter	<u>(27,508)</u>
Total	<u>\$ (118,605)</u>

THIS Fiduciary Net Position

Detailed information about the THIS Fund fiduciary net position as of June 30, 2017, is available in the separately issued THIS Financial Report.

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE

Plan Description

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 No.'s 74 and 75 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.

Benefits Provided

The Regional Office of Education # 9 provides continued health insurance coverage at the blended employer rate to all eligible Regional Office of Education #9 retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. The Regional Office of Education #9 offers the Medical POS Plan to full-time IMRF employees. Retirees pay the full cost of coverage. Coverage continues until Medicare eligibility is reached. Dependent coverage ends at the same time as that for the retiree. If the retiree attains age 65 (eligible for Medicare) prior to their spouse, the spouse may continue to elect coverage through the ROE until the spouse attains age 65.

Membership

At June 30, 2018 membership consisted of:

Inactive Employees Currently Receiving Benefit Payments	0
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	0
Active Employees	21
TOTAL	<u>21</u>

Funding Policy and Contributions

There is no funding policy that exists for the postretirement plan at this time, as the total OPEB liabilities are currently an unfunded obligation.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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

Funding Policy and Contributions (Concluded)

The employer contributions and benefit payments are related to the increase in active premiums due to the presence of retirees in the determination of blended retiree/active premiums.

The contributions of \$2,931 from Other ROE Resources and Benefit Payments of \$2,931 from Other ROE Resources are contributions made to and benefit payments made from the OPEB Plan that were not directly made to or from the OPEB Trust.

Net OPEB Liability

The total OPEB liability for the current fiscal year has been developed based on the July 1, 2017 actuarial valuation date and adjusted to the June 30, 2018 measurement date based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

Actuarial Assumptions

Discount Rate used for the Total OPEB Liability	3.87%
Long-Term Expected Rate of Return on Plan Assets	N/A. OPEB obligation is unfunded.
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.87%
Salary Increases	The salary increase assumption of 2.25% was based on a review of the IMRF December 31, 2017 Actuarial Valuation and TRS June 30, 2017 Actuarial Valuation.
Annual Blended Premiums	Premiums charged for coverage of retiree and spouse under age 65 are \$6,239 and \$5,423, respectively. This is not applicable to retiree and spouse once they reach age 65.
Healthcare Trend Rates	Initial trend rate is based on the 2018 Segal Health Plan Cost Trend Survey. For fiscal years on and after 2018, trend starts at 7.70% for both non-Medicare costs and post-Medicare costs and gradually decreases to an ultimate trend of 5.00%.
Retiree Contribution Rates	Same as Healthcare Trend Rates.

IMRF Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates. Spouse Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study. These rates are improved generationally using MP-2016 Improvement Rates.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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

Actuarial Assumptions (Concluded)

The retirement rates disclosed in the IMRF December 31, 2017 Actuarial Valuation were used to estimate the single retirement ages pursuant to the Alternative Measurement Method for GASB 74/75.

For any active participant who will not meet the service requirement necessary to retire at the single retirement ages, it is assumed they have prior service with a different employer and therefore will be eligible to retire. In the current valuation, there are no participants impacted by this assumption.

The mortality rates were used to estimate the single age at death per participant pursuant to the Alternative Measurement Method for GASB 74/75.

The probability of working to the assumed retirement age was determined based on the underlying termination rates pursuant to the Alternative Measurement Method for GASB 74/75.

Changes in the Net OPEB Liability

	Total OPEB Liability (A)	OPEB Plan Net Position (B)	Net OPEB Liability (Asset) (A) - (B)
Balances at July 1, 2017	\$ 99,526	\$ -	\$ 99,526
Changes for the period:			
Service Cost	1,947	-	1,947
Interest	3,795	-	3,795
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes in Assumptions	-	-	-
Plan Changes	-	-	-
Contributions - Employer	-	2,931	(2,931)
Contributions - Employee	-	-	-
Contributions - Other	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(2,931)	(2,931)	-
Administrative Expense	-	-	-
Net Changes	2,811	-	2,811
Balance at June 30, 2018	\$ 102,337	\$ -	\$ 102,337

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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

Discount Rate

The discount rate used in the determination of the total OPEB liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate. If the employer does not have a trust dedicated exclusively to the payment of OPEB benefits, as is the case with the Champaign/Ford Counties Regional Office of Education #9, then only the municipal bond rate is used in determining the total OPEB liability.

If the postretirement plan is funded, cash flow projections are used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net OPEB liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net OPEB liability associated with those payments.

Projected benefit payments are determined during the valuation process based on the assumptions. The expected contributions are based on the funding policy of the plan.

Municipal Bond Rate

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate is the June 28, 2018 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

The indexes represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indexes would yield if the bond was sold at par value. The indexes are simple averages of the average estimated yield of the bonds.

Sensitivity of the Discount Rate

The following presents the Regional Office of Education #9's total OPEB liability calculated using a discount rate of 3.87%, as well as what the ROE's total OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point higher (4.87%) or 1-percentage-point lower (2.87%) than the current discount rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Employer's proportionate share of the collective net OPEB liability	\$ 113,904	\$ 102,337	\$ 92,703

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018

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

Sensitivity of the Healthcare Trend Rates

The following presents the Regional Office of Education #9’s total OPEB liability, calculated using the healthcare cost trend rates as well as what the ROE’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 7.70% in 2018 decreasing to an ultimate trend rate of 5.00% in 2027 for both non-Medicare coverage and post-Medicare coverage.

	<u>1% Decrease (Varies)</u>	<u>Healthcare Cost Trend Rates (Varies)</u>	<u>1% Increase (Varies)</u>
Employer’s Net OPEB Liability	\$ 90,939	\$ 102,337	\$ 115,947

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ending June 30, 2018, the Regional Office of Education #9 recognized OPEB expense of \$5,742. At June 30, 2018 the Regional Office of Education #9 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	-	-
Total Deferred Amounts Related to OPEB	<u>\$ -</u>	<u>\$ -</u>

Contributions subsequent to the measurement date may be recognized as a reduction to the net OPEB liability. The amount is not known as of the date of this report. Subsequent to the measurement date, the following amounts will be recognized in OPEB expense in the upcoming years:

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018

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

Year Ending June 30,	Net Deferred Outflows of Resources
2019	\$ -
2020	-
2021	-
2022	-
2023	-
Thereafter	-
Total	\$ -

NOTE 7 – LEASES

A. CAPITAL LEASES

The Regional Office of Education #9 has entered into a lease agreement as lessee for financing the acquisition of office copiers amounting to \$9,077. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has 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 obligation and the net present value of this lease payment as of June 30, 2018, is as follows:

2019	\$ 2,184
2020	364
2021 and thereafter	-
Total minimum lease payment	2,548
Less: amount representing interest:	(175)
Present value of minimum lease payments	\$ 2,373
Current Portion	\$ 2,030

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.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7 – LEASES (Concluded)

B. OPERATING LEASES (Concluded)

The Regional Office of Education #9 leases office space from TAG Along Associates, LP for \$3,500 per month. The lease runs from March 1, 2017 to February 28, 2027. Rent is increased by 1.65% on March 1, 2019, and will increase on March 1 of each year thereafter.

Rent expense for the year ended June 30, 2018, was \$201,292. Future minimum rentals are as follows for the years ending June 30:

2019	\$	203,913
2020		97,092
2021		43,636
2022		44,400
2023 and thereafter		220,800
		<u>\$ 609,841</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, 2018:

	Balance <u>7/1/2017</u>	Additions	Disposals	Balance <u>6/30/2018</u>
Governmental Activities				
Capital assets being depreciated:				
Equipment and office furniture	\$ 421,291	\$ 74,083	\$ (65,355)	\$ 430,019
Less: Accumulated Depreciation	<u>(315,298)</u>	<u>(48,629)</u>	<u>65,334</u>	<u>(298,593)</u>
Governmental Activities				
Investment in Capital Assets, Net	<u>\$ 105,993</u>	<u>\$ 25,454</u>	<u>\$ (21)</u>	<u>\$ 131,426</u>
Business-Type Activities				
Capital assets being depreciated:				
Equipment and office furniture	\$ 55,962	\$ -	\$ (44,304)	\$ 11,658
Less: Accumulated Depreciation	<u>(52,311)</u>	<u>(1,665)</u>	<u>44,304</u>	<u>(9,672)</u>
Business-Type Activities				
Investment in Capital Assets, Net	<u>\$ 3,651</u>	<u>\$ (1,665)</u>	<u>\$ -</u>	<u>\$ 1,986</u>

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8 – CAPITAL ASSETS (Concluded)

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, 2018, of \$48,629 and \$1,665 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, 2018, the capital assets balance of equipment recorded as capital lease totaled \$9,077. Total accumulated depreciation under the capital lease totaled \$6,958 as of June 30, 2018.

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.

NOTE 10 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2018, 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	\$ 446,351	\$ 52,693
Education Fund	-	490,554
Proprietary Fund	96,896	-
Totals	<u>\$ 543,247</u>	<u>\$ 543,247</u>

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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	\$ 115,176
Assistant Regional Superintendent Salary	103,656
Regional Superintendent Benefits (Includes State-paid insurance)	27,223
Assistant Regional Superintendent Benefits (Includes State-paid insurance)	<u>19,207</u>
Total	<u>\$ 265,262</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 \$880,867 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	\$ 265,262
ROE #9’s share of TRS pension expense	880,867
THIS On-Behalf Payments	<u>116,665</u>
Total	<u>\$ 1,262,794</u>

NOTE 12 – 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, 2018:

Education Fund	
Area IV Learning Technology Hub	\$ 279,332
Foundational Services	<u>39,673</u>
	<u>\$ 319,005</u>

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #9’s General 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	\$ 66,814
Regional Planning Commission - WIA	41,673
Illinois State Board of Education	28,108
Nonmajor Special Revenue Funds	
Local Governments	1,746
Education Fund	
Illinois State Board of Education	652,991
Proprietary Fund	
Local Governments	18,053
Internal Service Fund	
Local Governments	780
Agency Fund	
Local Governments	250,627
Total	\$ 1,060,792

Due to Other Governments:

Education Fund	
Illinois State Board of Education	\$ 13,015
Agency Fund	
Local Governments	162
Total	\$ 13,177

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 14 – RESTATEMENT

The Regional Office of Education #9 implemented GASB Statement Nos. 74 and 75 and consequently recognized deferred outflows of resources, deferred inflows of resources, and net OPEB liability in the current year. The net opening balance of deferred outflows of resources and net OPEB liability in the government activities was \$1,352,887. Because these OPEB-related opening balances reflect OPEB expenses not previously recognized, the opening net position of the government activities on the government-wide Statement of Activities has been restated as follows:

Governmental Activities Net Position:

Net position – July 1, 2017	\$ 1,853,238
Deferred outflows and net OPEB liability	<u>(1,352,887)</u>
Net position, restated – July 1, 2017	<u>\$ 500,351</u>

NOTE 15 – CHANGES IN LONG-TERM LIABILITIES

Changes in the Net Pension Liability

At June 30, 2018, the Regional Office of Education #9's net pension liability was \$315,252, which was a decrease of \$222,067 from its net pension liability of \$537,319 measured as of June 30, 2017.

Changes in the Net OPEB Liability

At June 30, 2018, the Regional Office of Education #9's net OPEB liability was \$1,354,233, which was an increase of \$1,334,938 from its net OPEB liability of \$19,295 measured as of June 30, 2017.

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 FOUR CALENDAR YEARS
UNAUDITED

Calendar Year Ended December 31,	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
ROE #9's proportion of the net pension liability	87.71%	87.40%	87.71%	87.55%
ROE #9's proportionate share of the net pension liability/(asset)	\$ 517,240	\$ 288,646	\$ 214,262	\$ (603,478)
FCAE's proportionate share of the net pension liability/(asset) associated with ROE #9	72,476	41,630	30,024	(85,817)
Total	<u>\$ 589,716</u>	<u>\$ 330,276</u>	<u>\$ 244,286</u>	<u>\$ (689,295)</u>
Employer's covered payroll	\$ 658,603	\$ 640,525	\$ 661,333	\$ 1,183,755
Employer's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	78.54%	45.06%	32.40%	-50.98%
Plan fiduciary net position as a percentage of the total pension liability	107.03%	95.94%	96.84%	109.65%

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 FOUR CALENDAR YEARS
UNAUDITED

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2014	\$ 130,450	\$ 137,789	\$ (7,339)	\$ 1,183,755	11.64%
2015	71,027	71,028	(1)	661,333	10.74%
2016	28,247	28,247	-	640,525	4.41%
2017	75,739	75,739	-	658,603	11.50%

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2017 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 2017 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>	26-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.5%
<i>Price Inflation:</i>	2.75%, approximate; no explicit price inflation assumption is used in this valuation.
<i>Salary Increases:</i>	3.75% to 14.50%, 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 2014 valuation pursuant to an experience study of the period 2011 to 2013.
<i>Mortality:</i>	RP-2014 Blue Collar Health Annuitant Mortality Table, adjusted to match current IMRF experience. For disabled lives, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (based year 2012). 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 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2015, actuarial valuation; note two-year lag between valuation and rate setting.

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, 2018 †
UNAUDITED

	FY17*	FY16*	FY15*	FY14*
Employer's proportion of the net pension liability	0.0004126452%	0.0003150165%	0.0003212823%	0.0013960221%
Employer's proportionate share of the net pension liability	\$ 315,252	\$ 248,674	\$ 210,472	\$ 697,576
State's proportionate share of the net pension liability associated with the employer	8,950,520	10,697,887	8,797,883	17,911,792
Total	\$ 9,265,772	\$ 10,946,561	\$ 9,008,355	\$ 18,609,368
Employer's covered payroll	\$ 1,460,477	\$ 1,414,233	\$ 1,368,779	\$ 2,978,097
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	21.6%	17.6%	15.4%	23.4%
Plan fiduciary net position as a percentage of the total pension liability	39.3%	36.4%	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, 2017 †
(UNAUDITED)

	FY18	FY17	FY16	FY15	FY14
Statutorily-required contribution	\$ 10,479	\$ 19,257	\$ 11,500	\$ 11,500	\$ 10,887
Contributions in relation to the statutorily-required contribution	10,479	19,257	11,500	11,500	10,887
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 1,287,896	\$ 1,460,477	\$ 1,414,233	\$ 1,368,779	\$ 2,978,097
Contributions as a percentage of covered payroll	0.81%	1.32%	0.81%	0.84%	0.37%

† 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

For the 2017 and 2016 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. However, salary increases were assumed to vary by age.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
SHARE OF THE COLLECTIVE NET OPEB LIABILITY
TEACHER HEALTH INSURANCE SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2018

	2017	2016
Employer's proportion of the collective net OPEB liability (asset)	.006609%	.006425%
Employer's proportionate share of the collective net OPEB liability (asset)	\$ 1,574,731	\$ 1,756,139
Employer's covered payroll	\$ 1,460,477	\$ 1,414,233
Employer's proportionate share of the collective net OPEB liability (asset) as a percentage of its covered payroll	107.82%	124.18%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.17%	-0.22%

**The amounts presented for each fiscal year were determined as of the prior fiscal year end.*

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

SCHEDULE OF THE EMPLOYER'S CONTRIBUTIONS
TEACHER'S HEALTH INSURANCE SECURITY FUND
JUNE 30, 2018

	2018	2017	2016
Statutorily required contribution	\$ 10,398	\$ 12,770	\$ 11,971
Contributions in relation to the statutorily required contribution	10,398	12,770	11,971
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 1,287,896	\$ 1,460,477	\$ 1,414,233
Contributions as a percentage of covered payroll	0.81%	0.87%	0.85%

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

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 NOTES TO SCHEDULE OF CONTRIBUTIONS
 TEACHER'S HEALTH INSURANCE SECURITY FUND
 JUNE 30, 2018
 UNAUDITED

Notes to Schedule:

Valuation Date June 30, 2016
Measurement Date June 30, 2017
Sponsor's Fiscal year End June 30, 2018

Methods and Assumptions Used to Determine Actuarial Liability and Contributions:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you-go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2017, contribution rates are 1.12% of pay for active members, 0.84% of pay for employers, and 1.12% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market Value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation	2.75%
Salary Increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016 actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.
Healthcare Cost Trend Rates	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trends start at 8.00% and 9.00% for non-Medicare cost and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare cost on and after 2020 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
SCHEDULE OF CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFITS
JUNE 30, 2018
UNAUDITED

		2018
Actuarially Determined Contribution	\$	N/A
Contributions in Relation to the Actuarially Determined Contribution		-
Contribution Deficiency (excess)	\$	N/A
Covered Payroll	\$	820,058
Contributions as a Percentage of Covered Payroll		0.00%

Notes to Schedule:

There is no ADC or employer contribution in relation to the ADC, as there is no trust that exists for funding the OPEB liabilities. However, the ROE did make contributions from other ROE resources in the current year in the amount of \$2,931.

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

OTHER SUPPLEMENTARY INFORMATION

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
JUNE 30, 2018

	General Operations	IL Learning Technology Purchase Program	Regional Education Alternative for Developing Youth	School Family Liaison Local	Summer Freedom School	TOTALS
ASSETS						
Cash and cash equivalents	\$ 117,545	\$ 37,747	\$ 957,245	\$ 336	\$ 1,817	\$ 1,114,690
Due from other funds	-	273,459	172,892	-	-	446,351
Due from other governments						
Local	1,800	47,164	17,850	-	-	66,814
State	-	-	28,108	-	-	28,108
Federal	-	-	41,673	-	-	41,673
TOTAL ASSETS	\$ 119,345	\$ 358,370	\$ 1,217,768	\$ 336	\$ 1,817	\$ 1,697,636
LIABILITIES						
Accounts payable and accrued expenses	\$ 621	\$ -	\$ 143,180	\$ -	\$ -	\$ 143,801
Due to other funds	-	-	52,693	-	-	52,693
Total Liabilities	621	-	195,873	-	-	196,494
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	480	56,462	-	-	56,942
FUND BALANCE						
Assigned	-	357,890	-	336	1,817	360,043
Unassigned	118,724	-	965,433	-	-	1,084,157
Total Fund Balances	118,724	357,890	965,433	336	1,817	1,444,200
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 119,345	\$ 358,370	\$ 1,217,768	\$ 336	\$ 1,817	\$ 1,697,636

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, 2018

	General Operations	IL Learning Technology Purchase Program	Regional Education Alternative for Developing Youth	School Family Liaison Local	Summer Freedom School	TOTALS
REVENUES						
Local sources	\$ 305,375	\$ 124,358	\$ 861,485	\$ -	\$ -	\$ 1,291,218
State sources	-	-	830,917	-	-	830,917
Federal sources	-	-	38,778	-	-	38,778
State sources - on behalf payments	265,262	-	-	-	-	265,262
Investment income	143	307	1,036	-	2	1,488
Total Revenues	<u>570,780</u>	<u>124,665</u>	<u>1,732,216</u>	<u>-</u>	<u>2</u>	<u>2,427,663</u>
EXPENDITURES						
Salaries and benefits	139,568	105,331	1,273,635	-	-	1,518,534
Pension expense	13,620	10,654	37,644	-	-	61,918
OPEB expense	-	-	13,329	-	-	13,329
Purchased services	35,591	35,846	277,430	-	-	348,867
Supplies and materials	16,018	1,480	71,652	-	-	89,150
Other objects	75,037	1,000	7,631	-	-	83,668
On-behalf payments	265,262	-	-	-	-	265,262
Capital outlay	17,599	-	6,181	-	-	23,780
Total Expenditures	<u>562,695</u>	<u>154,311</u>	<u>1,687,502</u>	<u>-</u>	<u>-</u>	<u>2,404,508</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>8,085</u>	<u>(29,646)</u>	<u>44,714</u>	<u>-</u>	<u>2</u>	<u>23,155</u>
OTHER FINANCING SOURCES (USES)						
Repayment of long-term lease payable	-	-	(1,906)	-	-	(1,906)
Interest expense	-	-	(278)	-	-	(278)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(2,184)</u>	<u>-</u>	<u>-</u>	<u>(2,184)</u>
NET CHANGE IN FUND BALANCE	8,085	(29,646)	42,530	-	2	20,971
FUND BALANCE - BEGINNING	<u>110,639</u>	<u>387,536</u>	<u>922,903</u>	<u>336</u>	<u>1,815</u>	<u>1,423,229</u>
FUND BALANCE - ENDING	<u>\$ 118,724</u>	<u>\$ 357,890</u>	<u>\$ 965,433</u>	<u>\$ 336</u>	<u>\$ 1,817</u>	<u>\$ 1,444,200</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, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ -	\$ -	\$ 861,485
State	138,936	138,936	830,917
Federal	-	-	38,778
Interest	-	-	1,036
Total Revenue	<u>138,936</u>	<u>138,936</u>	<u>1,732,216</u>
EXPENDITURES			
Salaries and benefits	37,402	37,402	1,273,635
Pension expense	-	-	37,644
OBEB Expense	-	-	13,329
Purchased services	99,460	99,460	277,430
Supplies and materials	1,244	1,244	71,652
Other objects	830	830	7,631
Capital outlay	-	-	6,181
Total Expenditures	<u>138,936</u>	<u>138,936</u>	<u>1,687,502</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>44,714</u>
OTHER FINANCING SOURCES (USES)			
Repayment of long-term lease payable	-	-	(1,906)
Interest expense	-	-	(278)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(2,184)</u>
NET CHANGE IN FUND BALANCE			
	-	-	42,530
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>922,903</u>
FUND BALANCE - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 965,433</u>

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2018

	Area IV Learning Technology Hub	Foundational Services	IMSP - MAP (17-4936 MA)	Juvenile Detention Center	Math & Science Resources - 7B	McKinney-Vento Homeless Children & Youth Program
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 74,165	\$ -	\$ 2,550
Due from other governments:						
State	279,333	-	-	119,217	-	-
Federal	-	87,135	-	-	122,892	4,735
TOTAL ASSETS	\$ 279,333	\$ 87,135	\$ -	\$ 193,382	\$ 122,892	\$ 7,285
LIABILITIES						
Accounts payable and accrued expenses	\$ 5,871	\$ -	\$ -	\$ 16,720	\$ 6,422	\$ 1,007
Due to other funds	273,461	87,135	-	-	116,470	3,728
Due to other governments:						
State	-	-	-	-	-	-
Total Liabilities	279,332	87,135	-	16,720	122,892	4,735
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	279,333	39,673	-	-	-	-
FUND BALANCE (DEFICIT)						
Restricted	-	-	-	176,662	-	2,550
Unassigned	(279,332)	(39,673)	-	-	-	-
Total Fund Balance (Deficit)	(279,332)	(39,673)	-	176,662	-	2,550
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (DEFICIT)	\$ 279,333	\$ 87,135	\$ -	\$ 193,382	\$ 122,892	\$ 7,285

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2018

	RtI Network	Schoolworks Operations	Title II Teacher Quality - Leadership	TAOEP	TOTAL
ASSETS					
Cash and cash equivalents	\$ -	\$ 23,356	\$ -	\$ 2,369	\$ 102,440
Due from other governments:					
State	-	8,760	-	-	407,310
Federal	9,692	-	1,177	20,050	245,681
TOTAL ASSETS	\$ 9,692	\$ 32,116	\$ 1,177	\$ 22,419	\$ 755,431
LIABILITIES					
Accounts payable and accrued expenses	\$ 1,109	\$ -	\$ -	\$ 9,404	\$ 40,533
Due to other funds	8,583	-	1,177	-	490,554
Due to other governments:					
State	-	-	-	13,015	13,015
Total Liabilities	9,692	-	1,177	22,419	544,102
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	32,116	-	-	351,122
FUND BALANCE (DEFICIT)					
Restricted	-	-	-	-	179,212
Unassigned	-	-	-	-	(319,005)
Total Fund Balance (Deficit)	-	-	-	-	(139,793)
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (DEFICIT)	\$ 9,692	\$ 32,116	\$ 1,177	\$ 22,419	\$ 755,431

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, 2018

	Area IV Learning Technology Hub	Foundational Services	IMSP - MAP (17-4936 MA)	Juvenile Detention Center	Math & Science Resources - 7B	McKinney-Vento Homeless Children & Youth Program
REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	437,102	-	-	208,661	-	-
Federal sources	-	124,103	183,192	-	296,760	37,238
Investment income	-	-	-	91	-	2
Total Revenues	<u>437,102</u>	<u>124,103</u>	<u>183,192</u>	<u>208,752</u>	<u>296,760</u>	<u>37,240</u>
EXPENDITURES						
Salaries and benefits	172,344	45,816	6,951	177,604	40,130	29,213
Pension expense	445	4,852	263	4,548	753	1,890
Purchased services	199,048	75,437	36,529	28,420	69,192	5,353
Supplies and materials	35,636	5,289	1,460	3,172	16,913	781
Other objects	8,713	-	-	2,194	-	-
Intergovernmental:						
Payments to other governments	135,929	12,936	137,989	-	169,772	-
Capital outlay	27,217	-	-	987	-	-
Total Expenditures	<u>579,332</u>	<u>144,330</u>	<u>183,192</u>	<u>216,925</u>	<u>296,760</u>	<u>37,237</u>
NET CHANGE IN FUND BALANCE	(142,230)	(20,227)	-	(8,173)	-	3
FUND BALANCE (DEFICIT) - BEGINNING	<u>(137,102)</u>	<u>(19,446)</u>	<u>-</u>	<u>184,835</u>	<u>-</u>	<u>2,547</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (279,332)</u>	<u>\$ (39,673)</u>	<u>\$ -</u>	<u>\$ 176,662</u>	<u>\$ -</u>	<u>\$ 2,550</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, 2018

REVENUES	RtI Network	Schoolworks Operations	Title II Teacher Quality - Leadership	TAOEP	TOTAL
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	205,342	-	77,217	928,322
Federal sources	58,085	-	3,743	-	703,121
Investment income	-	-	-	-	93
Total Revenues	58,085	205,342	3,743	77,217	1,631,536
EXPENDITURES					
Salaries and benefits	47,881	111,800	-	60,788	692,527
Pension expense	1,119	6,640	-	6,204	26,714
Purchased services	7,123	38,493	3,743	7,033	470,371
Supplies and materials	1,962	12,815	-	3,192	81,220
Other objects	-	6,030	-	-	16,937
Intergovernmental:					
Payments to other governments	-	8,046	-	-	464,672
Capital outlay	-	21,518	-	-	49,722
Total Expenditures	58,085	205,342	3,743	77,217	1,802,163
NET CHANGE IN FUND BALANCE	-	-	-	-	(170,627)
FUND BALANCE (DEFICIT) - BEGINNING	-	-	-	-	30,834
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ -	\$ -	\$ -	\$ (139,793)

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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
State	\$ 1,400,000	\$ 1,400,000	\$ 437,102
Total Revenue	<u>1,400,000</u>	<u>1,400,000</u>	<u>437,102</u>
EXPENDITURES			
Salaries and benefits	532,105	532,105	172,344
Pension expense	-	-	445
Purchased services	465,145	465,145	199,048
Supplies and materials	50,350	50,350	35,636
Other objects	13,650	13,650	8,713
Payments to other governments	302,700	302,700	135,929
Capital outlay	36,050	36,050	27,217
Total Expenditures	<u>1,400,000</u>	<u>1,400,000</u>	<u>579,332</u>
NET CHANGE IN FUND BALANCE	-	-	(142,230)
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(137,102)</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (279,332)</u>

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
IMSP - MAP (17-4936-MA)
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 250,000	\$ 250,000	\$ 183,192
Total Revenue	<u>250,000</u>	<u>250,000</u>	<u>183,192</u>
EXPENDITURES			
Salaries and benefits	22,478	22,478	6,951
Pension expense	-	-	263
Purchased services	54,969	54,969	36,529
Supplies and materials	6,653	6,653	1,460
Intergovernmental:			
Payments to other governments	<u>165,900</u>	<u>165,900</u>	<u>137,989</u>
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>183,192</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 October 1, 2016, through August 31, 2017; 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
MATH & SCIENCE RESOURCES - 7B
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
Federal	\$ 250,000	\$ 250,000	\$ 296,760
Total Revenue	<u>250,000</u>	<u>250,000</u>	<u>296,760</u>
EXPENDITURES			
Salaries and benefits	24,933	24,933	40,130
Pension expense	-	-	753
Purchased services	72,944	72,944	69,192
Supplies and materials	14,172	14,172	16,913
Intergovernmental:			
Payments to other governments	<u>137,951</u>	<u>137,951</u>	<u>169,772</u>
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>296,760</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
 MCKINNEY-VENTO HOMELESS CHILDREN & YOUTH PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
Federal	\$ 49,583	\$ 49,583	\$ 37,238
Investment income	-	-	2
Total Revenue	<u>49,583</u>	<u>49,583</u>	<u>37,240</u>
EXPENDITURES			
Salaries and benefits	37,160	37,160	29,213
Pension expense	-	-	1,890
Purchased services	7,568	7,568	5,353
Supplies and materials	4,855	4,855	781
Total Expenditures	<u>49,583</u>	<u>49,583</u>	<u>37,237</u>
NET CHANGE IN FUND BALANCE	-	-	3
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>2,547</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,550</u></u>

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
SCHOOLWORKS OPERATIONS (17-3730)
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
State	\$ 126,839	\$ 126,839	\$ 85,219
Total Revenue	<u>126,839</u>	<u>126,839</u>	<u>85,219</u>
EXPENDITURES			
Salaries and benefits	86,585	73,912	56,316
Purchased services	33,504	37,782	14,782
Supplies and materials	3,250	1,964	2,508
Other objects	500	500	3,440
Intergovernmental:			
Payments to other governments	1,000	1,800	6,847
Capital outlay	2,000	10,881	1,326
Total Expenditures	<u>126,839</u>	<u>126,839</u>	<u>85,219</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 July 1, 2016, through August 31, 2017; 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
SCHOOLWORKS OPERATIONS (18-3730)
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
State	\$ 127,309	\$ 136,095	\$ 120,123
Total Revenue	<u>127,309</u>	<u>136,095</u>	<u>120,123</u>
EXPENDITURES			
Salaries and benefits	80,170	70,833	55,484
Pension expense	-	-	6,640
Purchased services	37,550	31,929	23,711
Supplies and materials	2,000	11,475	10,307
Other objects	2,000	2,000	2,590
Intergovernmental:			
Payments to other governments	3,089	3,089	1,199
Capital outlay	2,500	16,769	20,192
Total Expenditures	<u>127,309</u>	<u>136,095</u>	<u>120,123</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
 TITLE II TEACHER QUALITY - LEADERSHIP
 FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 3,743	\$ 3,743	\$ 3,743
Total Revenue	<u>3,743</u>	<u>3,743</u>	<u>3,743</u>
EXPENDITURES			
Purchased services	<u>3,743</u>	<u>3,743</u>	<u>3,743</u>
Total Expenditures	<u>3,743</u>	<u>3,743</u>	<u>3,743</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>

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 TAOEP
 FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 90,232	\$ 90,232	\$ 77,217
Total Revenue	<u>90,232</u>	<u>90,232</u>	<u>77,217</u>
EXPENDITURES			
Salaries and benefits	79,393	79,393	60,788
Pension expense	-	-	6,204
Purchased services	8,552	8,552	7,033
Supplies and materials	2,287	2,287	3,192
Total Expenditures	<u>90,232</u>	<u>90,232</u>	<u>77,217</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, 2018

	General Education Development	Bus Driver Training	TOTALS
ASSETS			
Cash and cash equivalents	\$ 57,131	\$ 22,822	\$ 79,953
Due from other governments			
Local	1,306	440	1,746
TOTAL ASSETS	\$ 58,437	\$ 23,262	\$ 81,699
LIABILITIES			
Accounts payable and accrued expenses	\$ -	\$ 760	\$ 760
Total Liabilities	-	760	760
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	70	70
FUND BALANCE			
Restricted	58,437	22,432	80,869
Total Fund Balances	58,437	22,432	80,869
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 58,437	\$ 23,262	\$ 81,699

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, 2018

	General Education Development	Bus Driver Training	TOTALS
REVENUES			
Local sources	\$ 12,220	\$ 3,560	\$ 15,780
State sources	-	1,321	1,321
Investment income	51	22	73
Total Revenues	<u>12,271</u>	<u>4,903</u>	<u>17,174</u>
EXPENDITURES			
Salaries and benefits	3,356	6,879	10,235
Pension expense	354	479	833
Purchased services	7,081	806	7,887
Supplies and materials	20	-	20
Total Expenditures	<u>10,811</u>	<u>8,164</u>	<u>18,975</u>
NET CHANGE IN FUND BALANCE	1,460	(3,261)	(1,801)
FUND BALANCE - BEGINNING	<u>56,977</u>	<u>25,693</u>	<u>82,670</u>
FUND BALANCE - ENDING	<u>\$ 58,437</u>	<u>\$ 22,432</u>	<u>\$ 80,869</u>

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2018

	<u>County School Facility Sales Tax</u>	<u>Payroll Clearing</u>	<u>Regional Board Of Trustees</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ 111,872	\$ 162	\$ 112,034
Due from other governments	-	250,627	-	250,627
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 362,499</u>	<u>\$ 162</u>	<u>\$ 362,661</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ -	\$ 362,499	\$ -	\$ 362,499
Due to other governments	-	-	162	162
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 362,499</u>	<u>\$ 162</u>	<u>\$ 362,661</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, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
<u>COUNTY SCHOOL FACILITY SALES TAX</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ -	\$ 18,980,571	\$ 18,980,571	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 18,980,571</u>	<u>\$ 18,980,571</u>	<u>\$ -</u>
<u>LIABILITIES</u>				
Due to other governments	\$ -	\$ 18,980,571	\$ 18,980,571	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 18,980,571</u>	<u>\$ 18,980,571</u>	<u>\$ -</u>
<u>PAYROLL CLEARING</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 103,583	\$ 3,122,972	\$ 3,114,683	\$ 111,872
Due from other governments	258,915	250,627	258,915	250,627
Total Assets	<u>\$ 362,498</u>	<u>\$ 3,373,599</u>	<u>\$ 3,373,598</u>	<u>\$ 362,499</u>
<u>LIABILITIES</u>				
Accounts payable and accrued expense	\$ 362,498	\$ 3,373,599	\$ 3,373,598	\$ 362,499
Total Liabilities	<u>\$ 362,498</u>	<u>\$ 3,373,599</u>	<u>\$ 3,373,598</u>	<u>\$ 362,499</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, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
<u>REGIONAL BOARD OF TRUSTEES</u>				
ASSETS				
Cash and cash equivalents	\$ 162	\$ 4,500	\$ 4,500	\$ 162
Total Assets	<u>\$ 162</u>	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ 162</u>
LIABILITIES				
Due to other governments	\$ 162	\$ 4,500	\$ 4,500	\$ 162
Total Liabilities	<u>\$ 162</u>	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ 162</u>
<u>TOTAL ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 103,745	\$ 22,108,043	\$ 22,099,754	\$ 112,034
Due from other governments	258,915	250,627	258,915	250,627
Total Assets	<u>\$ 362,660</u>	<u>\$ 22,358,670</u>	<u>\$ 22,358,669</u>	<u>\$ 362,661</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 362,498	\$ 3,373,599	\$ 3,373,598	\$ 362,499
Due to other governments	162	18,985,071	18,985,071	162
Total Liabilities	<u>\$ 362,660</u>	<u>\$ 22,358,670</u>	<u>\$ 22,358,669</u>	<u>\$ 362,661</u>