

**STATE OF ILLINOIS
MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**FINANCIAL AUDIT
For the year ended June 30, 2018**

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



**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

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**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

OFFICIALS

Regional Superintendent (Current and during the audit period).....Mr. Matthew Snyder

Assistant Regional Superintendent (Current and during the audit period).....Ms. Jill Reedy

Office is located at:

1690 Huston Drive
Decatur, IL 62526

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

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 non-standard language.

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	1	-
Repeated audit findings	-	-
Prior recommendations implemented or not repeated	-	1

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>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
2018-001	10-11	Controls over Financial Statement Preparation	Material Weakness

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

There were no findings for the year ended June 30, 2017.

EXIT CONFERENCE

The Macon and Piatt Counties Regional Office of Education No. 39 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2018. Throughout the audit, numerous meetings were held between the auditors and Regional Office to discuss matters contained in this audit report. Response to the recommendation was provided by the Regional Office of Education on January 14, 2019.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Macon and Piatt Counties Regional Office of Education No. 39 was performed by West & Company, LLC.

Based on their audit, the auditors expressed an unmodified opinion on the Regional Office of Education No. 39's basic financial statements.



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P.O. Box 945
Mattoon, Illinois 61938

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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 Macon and Piatt Counties Regional Office of Education No. 39, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Macon and Piatt Counties Regional Office of Education No. 39'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 from 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 Macon and Piatt Counties Regional Office of Education No. 39, 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 discussed in Note 1, paragraph E in the notes to the financial statements for the year ended June 30, 2018, the Macon and Piatt Counties Regional Office of Education No. 39 adopted new accounting guidance Governmental Accounting Standards Board (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.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Macon and Piatt Counties Regional Office of Education No. 39's basic financial statements. The combining schedules of accounts, budgetary comparison schedules, and combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules of accounts, budgetary comparison schedules, and combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of accounts, budgetary comparison schedules, and combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2019 on our consideration of the Macon and Piatt Counties Regional Office of Education No. 39'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 Macon and Piatt Counties Regional Office of Education No. 39'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 Macon and Piatt Counties Regional Office of Education No. 39's internal control over financial reporting and compliance.

ORIGINAL SIGNATURE ON FILE

Mattoon, Illinois

April 17, 2019



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Mattoon, Illinois 61938

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**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**

INDEPENDENT AUDITORS' REPORT

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 the Macon and Piatt Counties Regional Office of Education No. 39, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Macon and Piatt Counties Regional Office of Education No. 39's basic financial statements, and have issued our report thereon dated April 17, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Macon and Piatt Counties Regional Office of Education No. 39's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Macon and Piatt Counties Regional Office of Education No. 39's internal control. Accordingly, we do not express an opinion on the effectiveness of the Macon and Piatt Counties Regional Office of Education No. 39'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as finding 2018-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Macon and Piatt Counties Regional Office of Education No. 39's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Regional Office of Education No. 39's Response to Finding

Macon and Piatt Counties Regional Office of Education No. 39's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. Macon and Piatt Counties Regional Office of Education No. 39's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Macon and Piatt Counties Regional Office of Education No. 39's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Macon and Piatt Counties Regional Office of Education No. 39's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ORIGINAL SIGNATURE ON FILE

Mattoon, Illinois
April 17, 2019

SCHEDULE OF FINDINGS AND RESPONSES

MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39

SCHEDULE OF FINDINGS AND RESPONSES
SECTION I – SUMMARY OF AUDITORS' RESULTS
For the year ended June 30, 2018

Section I - Summary of Auditors' Results

Financial Statements in accordance with GAAP

Type of auditors' report issued UNMODIFIED

Internal Control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39

SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2018

FINDING NO. 2018-001 - Controls over Financial Statement Preparation

Criteria/Specific Requirement:

The Regional Office of Education No. 39 (ROE) is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The ROE's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments* (Statement), requires governments to present government-wide and fund financial statements as well as a summary reconciliation of the (a) total governmental fund balances to the net position of governmental activities in the Statement of Net Position, and (b) total change in governmental fund balances to the change in the net position of governmental activities in the Statement of Activities. In addition, the Statement requires information about the government's major and nonmajor funds in the aggregate to be provided in the fund financial statements.

Condition:

The ROE does not have sufficient internal controls over the financial reporting process. The ROE maintains its accounting records on the cash basis of accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the ROE maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of GAAP basis financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. During review of the ROE's accounting records, auditors noted the ROE did not have adequate controls over the maintenance of complete records of revenue and unearned revenue.

Effect:

The ROE's management or its employees, in the normal course of performing their assigned functions, may not prevent or detect financial statement misstatements and disclosure errors and omissions in a timely manner.

Cause:

According to Regional Office of Education No. 39 officials, personnel overlooked recording the necessary journal entries for revenue and unearned revenue when adjusting the trial balance to the modified accrual basis of accounting at year-end.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the year ended June 30, 2018**

FINDING NO. 2018-001 - Controls over Financial Statement Preparation (Concluded)

Auditors' Recommendations:

As part of internal control over the preparation of financial statements, the ROE should implement comprehensive preparation procedures to ensure that the financial statements are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of the applicable GAAP, GASB pronouncements, and knowledge of the ROE's activities and operations.

Management's Response:

Management understands the error and does not anticipate the issue being repeated in the future. The Regional Office of Education No. 39 will hire an outside firm to help remedy the cause of the finding.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**CORRECTIVE ACTION PLAN FOR CURRENT AUDIT FINDINGS
For the year ended June 30, 2018**

Corrective Action Plan

FINDING NO. 2018-001 - Controls over Financial Statement Preparation

Condition:

The ROE does not have sufficient internal controls over the financial reporting process. The ROE maintains its accounting records on the cash basis of accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the ROE maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of GAAP basis financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the ROE's accounting records, noted the following:

- The ROE did not have adequate controls over the maintenance of complete records of revenue and unearned revenue.

Plan:

The ROE will implement preparation procedures that ensure the financial statements are complete and accurate. These procedures will be performed by a properly trained individual possessing a thorough understanding of the applicable GAAP, GASB pronouncements, and knowledge of the ROE's activities and operations.

Anticipated Date of Completion:

These corrective actions will begin for the fiscal year ended June 30, 2019's audit.

Name of Contact Person:

Mr. Matthew Snyder, Regional Superintendent

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
For the year ended June 30, 2018**

No findings were noted for the year ended June 30, 2017.

BASIC FINANCIAL STATEMENTS

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**STATEMENT OF NET POSITION
June 30, 2018**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,350,137	\$ 45,209	\$ 2,395,346
Accounts receivable	61,606	-	61,606
Due from other governments	672,176	775	672,951
Total current assets	<u>3,083,919</u>	<u>45,984</u>	<u>3,129,903</u>
Noncurrent assets:			
Capital assets, net	33,651	-	33,651
Net pension asset	58,969	-	58,969
Total noncurrent assets	<u>92,620</u>	<u>-</u>	<u>92,620</u>
Total assets	<u>3,176,539</u>	<u>45,984</u>	<u>3,222,523</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	991,444	-	991,444
Deferred outflows related to OPEB	130,603	-	130,603
Total deferred outflows of resources	<u>1,122,047</u>	<u>-</u>	<u>1,122,047</u>
LIABILITIES			
Current liabilities:			
Accounts payable	63,678	-	63,678
Accrued payroll and benefits	85,742	-	85,742
Due to other governments	21,304	-	21,304
Unearned revenue	48,741	-	48,741
Current portion of capital lease liability	2,368	-	2,368
Total current liabilities	<u>221,833</u>	<u>-</u>	<u>221,833</u>
Noncurrent liabilities:			
Capital lease liability, net of current portion	404	-	404
Net pension liability	1,254,445	-	1,254,445
Net OPEB liability	1,504,606	-	1,504,606
Total noncurrent liabilities	<u>2,759,455</u>	<u>-</u>	<u>2,759,455</u>
Total liabilities	<u>2,981,288</u>	<u>-</u>	<u>2,981,288</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	865,751	-	865,751
Deferred inflows related to OPEB	147,629	-	147,629
Total deferred inflows of resources	<u>1,013,380</u>	<u>-</u>	<u>1,013,380</u>
NET POSITION			
Net investment in capital assets	30,879	-	30,879
Restricted for educational purposes	397,551	-	397,551
Unrestricted	(124,512)	45,984	(78,528)
Total net position	<u>\$ 303,918</u>	<u>\$ 45,984</u>	<u>\$ 349,902</u>

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

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**STATEMENT OF ACTIVITIES
For the year ended June 30, 2018**

FUNCTIONS/PROGRAMS	Program Revenues		Net (Expenses) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instructional services:						
Salaries and benefits	\$ 2,245,234	\$ -	\$ 1,938,768	\$ (306,466)	\$ -	\$ (306,466)
Purchased services	1,341,750	-	1,127,537	(214,213)	-	(214,213)
Supplies and materials	90,556	-	71,417	(19,139)	-	(19,139)
Capital outlay	-	-	24,052	24,052	-	24,052
Other objects	65,676	-	834	(64,842)	-	(64,842)
Depreciation	10,990	-	-	(10,990)	-	(10,990)
OPEB expense	128,299	-	-	(128,299)	-	(128,299)
Intergovernmental:						
Payments to other governments	1,767	-	-	(1,767)	-	(1,767)
Administrative:						
On-behalf payments	1,197,386	-	-	(1,197,386)	-	(1,197,386)
Total governmental activities	<u>5,081,658</u>	<u>-</u>	<u>3,162,608</u>	<u>(1,919,050)</u>	<u>-</u>	<u>(1,919,050)</u>
Business-Type Activities:						
Workshop fees	5,100	12,950	-	-	7,850	7,850
Total primary government	<u>\$ 5,086,758</u>	<u>\$ 12,950</u>	<u>\$ 3,162,608</u>	<u>(1,919,050)</u>	<u>7,850</u>	<u>(1,911,200)</u>
General revenues:						
Local sources				889,012	-	889,012
On-behalf payments				1,197,386	-	1,197,386
Interest				13,782	-	13,782
Pension benefit				34,135	-	34,135
Total general revenues				<u>2,134,315</u>	<u>-</u>	<u>2,134,315</u>
Change in net position				215,265	7,850	223,115
Net position - beginning of year, restated (see note 17)				<u>88,653</u>	<u>38,134</u>	<u>126,787</u>
Net position - end of year				<u>\$ 303,918</u>	<u>\$ 45,984</u>	<u>\$ 349,902</u>

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

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018**

	General Fund	Education Fund	Other Nonmajor Funds
ASSETS			
Cash and cash equivalents	\$ 2,218,898	\$ 7,566	\$ 123,673
Accounts receivable	61,606	-	-
Due from other funds	289,769	-	-
Due from other governments	40,871	630,135	1,170
Total assets	<u>\$ 2,611,144</u>	<u>\$ 637,701</u>	<u>\$ 124,843</u>
LIABILITIES			
Accounts payable	\$ 13,571	\$ 50,107	\$ -
Accrued payroll and benefits	56,493	29,249	-
Due to other funds	-	289,769	-
Due to other governments	14,714	6,420	170
Unearned revenue	494	48,247	-
Total liabilities	<u>85,272</u>	<u>423,792</u>	<u>170</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	435,927	-
FUND BALANCES (DEFICIT)			
Restricted	-	394	124,673
Assigned	45,811	-	-
Unassigned	2,480,061	(222,412)	-
Total fund balances (deficit)	<u>2,525,872</u>	<u>(222,018)</u>	<u>124,673</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 2,611,144</u>	<u>\$ 637,701</u>	<u>\$ 124,843</u>

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

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018**

	Eliminations	Total Governmental Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 2,350,137
Accounts receivable	-	61,606
Due from other funds	(289,769)	-
Due from other governments	-	672,176
Total assets	\$ (289,769)	\$ 3,083,919
LIABILITIES		
Accounts payable	\$ -	\$ 63,678
Accrued payroll and benefits	-	85,742
Due to other funds	(289,769)	-
Due to other governments	-	21,304
Unearned revenue	-	48,741
Total liabilities	(289,769)	219,465
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	-	435,927
FUND BALANCES (DEFICIT)		
Restricted	-	125,067
Assigned	-	45,811
Unassigned	-	2,257,649
Total fund balances (deficit)	-	2,428,527
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ (289,769)	\$ 3,083,919

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

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2018**

Total fund balances - governmental funds	\$	2,428,527
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		33,651
<p>Some revenues will not be collected for several months after the Regional Office's fiscal year ends; they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.</p>		435,927
<p>Noncurrent assets related to pension benefits are collected but not payable in the current period and therefore, are not reported in the governmental funds.</p>		
Net pension asset		58,969
<p>Pension & 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</p>		
Deferred outflows of resources	\$ 1,122,047	
Deferred inflows of resources	<u>(1,013,380)</u>	108,667
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Capital lease payable	\$ (2,772)	
Net pension liability	(1,254,445)	
Net OPEB liability	<u>(1,504,606)</u>	<u>(2,761,823)</u>
Net position of governmental activities	\$	<u><u>303,918</u></u>

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

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2018**

	General Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
Revenues:				
Local sources	\$ 831,792	\$ -	\$ 58,294	\$ 890,086
State sources	964,282	2,072,367	1,436	3,038,085
Federal sources	-	73,436	-	73,436
On-behalf payments	285,336	-	-	285,336
Interest	13,782	-	-	13,782
Total revenues	2,095,192	2,145,803	59,730	4,300,725
Expenditures:				
Instructional services:				
Salaries and benefits	1,184,187	1,023,667	37,380	2,245,234
Purchased services	381,567	946,601	13,582	1,341,750
Supplies and materials	29,571	60,881	104	90,556
Other objects	11,530	54,146	-	65,676
Pension expense	70,672	60,812	3,632	135,116
OPEB expense	15,938	2,482	-	18,420
On-behalf payments	285,336	-	-	285,336
Intergovernmental:				
Payments to other governments	1,767	-	-	1,767
Capital outlay	6,795	17,257	-	24,052
Debt service:				
Repayment of long term lease payable	2,276	-	-	2,276
Total expenditures	1,989,639	2,165,846	54,698	4,210,183
Net change in fund balances	105,553	(20,043)	5,032	90,542
Fund balances (deficits), beginning of year	2,420,319	(201,975)	119,641	2,337,985
Fund balances (deficits) , end of year	<u>\$ 2,525,872</u>	<u>\$ (222,018)</u>	<u>\$ 124,673</u>	<u>\$ 2,428,527</u>

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

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**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 changes in fund balances - governmental funds \$ 90,542

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

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

Current year unavailable revenue	\$ 435,927	
Prior year unavailable revenue	(384,840)	51,087

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	\$ 24,052	
Depreciation expense	(10,990)	13,062

The issuance of long-term debt (e.g. capital lease) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt. 2,276

The statement of activities only reports the loss on the disposal of assets, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold. (1,074)

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.

Pension benefit	169,251	
OPEB expense	(109,879)	59,372

Change in net position of governmental activities \$ 215,265

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

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2018**

	<u>Business-Type Activities Workshop Reimbursement</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 45,209
Due from other governments	<u>775</u>
Total assets	<u>45,984</u>
LIABILITIES	\$ -
NET POSITION	
Unrestricted	<u>45,984</u>
Total net position	<u><u>\$ 45,984</u></u>

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

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
For the year ended June 30, 2018**

	<u>Business-Type Activities</u>
	<u>Workshop Reimbursement</u>
Operating revenue:	
Charges for services	\$ 12,950
Operating expenses:	
Salaries and benefits	347
Purchased services	3,817
Supplies and materials	936
Total operating expenses	5,100
Operating income	7,850
Net position, beginning of year	38,134
Net position, end of year	\$ 45,984

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

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the year ended June 30, 2018**

	Business-Type Activities
	Workshop Reimbursement
Cash flows from operating activities:	
Receipts from customers	\$ 14,050
Payments to suppliers and providers of goods and services	(5,286)
Payments to employees	(996)
Net cash provided by operating activities	7,768
Net increase in cash and cash equivalents	7,768
Cash and cash equivalents, beginning of year	37,441
Cash and cash equivalents, end of year	\$ 45,209
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 7,850
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in due from other governments	1,100
Decrease in accounts payable	(533)
Decrease in accrued payroll and benefits	(649)
Net cash provided by operating activities	\$ 7,768

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

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2018**

	<u>Agency Funds</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 310,074
Due from other governments	<u>4,806,135</u>
Total assets	<u>5,116,209</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	592,806
Deferred outflows related to OPEB	<u>114,618</u>
Total deferred outflows of resources	<u>707,424</u>
Total assets and deferred outflows of resources	<u><u>\$ 5,823,633</u></u>
 LIABILITIES	
Current liabilities:	
Accounts payable	\$ 63,883
Due to other governments	<u>3,086,839</u>
Total current liabilities	<u>3,150,722</u>
Noncurrent liabilities:	
Net pension liability	1,100,904
Net OPEB liability	<u>1,082,908</u>
Total noncurrent liabilities	<u>2,183,812</u>
Total liabilities	<u>5,334,534</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	359,540
Deferred inflows related to OPEB	<u>129,559</u>
Total deferred inflows of resources	<u>489,099</u>
Total liabilities and deferred inflows of resources	<u><u>\$ 5,823,633</u></u>

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

NOTES TO FINANCIAL STATEMENTS

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education No. 39's accounting policies conform to generally accepted accounting principles, which are appropriate to local governmental units of this type.

A. Reporting Entity

The Regional Office of Education No. 39 was created by Illinois Public Act 76-735, as amended, effective August 8, 1995. The region encompasses Macon and Piatt Counties.

The Regional Superintendent of Schools is the chief administrative officer of the region and is elected to the position for a four-year term. The Regional Superintendent is responsible for the supervision and control of the school districts.

The Regional Superintendent's responsibilities for administering the school educational service region programs include, but are not limited to, providing directions to teachers and school officials on science, art and teaching methods; implementing the State Board of Education's Policy Programs; encouraging camaraderie among teachers through the teachers' institute; making public notice of unfilled teaching positions within the region; and ensuring of the safety, health and welfare of the students in the region by periodically inspecting the school buildings and ensuring that the bus drivers have valid driving licenses and are properly trained to operate the school buses. 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 Office of Education No. 39 derives its oversight power and authority over the school districts from the School Code and is responsible for its own fiscal and budgetary matters. The Regional Office of Education No. 39 exercises no oversight responsibility on financial interdependency, selection of governing authority, designation of management or the ability to significantly influence the operations of any other outside agencies. Control or dependency is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing order. Therefore, no other agency has been included as a component unit in the Regional Office of Education No. 39's financial statements. In addition, the Regional Office of Education No. 39 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education No. 39 being considered a component unit of the entity.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from the business-type activities, which rely to a significant extent on fees and charges for support.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements (Continued)

The Statement of Net Position includes all of the Regional Office of Education No. 39's assets, including capital assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Certain eliminations have been made as prescribed by governmental accounting standards 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 the 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. All internal balances in the Statement of Net Position have been eliminated.

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues from exchange transactions are recognized when they are earned, and expenses are recognized 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 provider have been met.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Regional Office of Education No. 39 considers revenues to be available if they are collectible within 60 days after year-end. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable, with the exception of expenditures for prepaid expenses and other long-term obligations, which are recognized as liabilities when due, as well as expenditures related to compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Revenues susceptible to accrual are recognized in the current fiscal period. Those revenues include local sources, State sources, federal sources, and interest. Unearned revenues arise when potential revenue does not meet both the measurable and available criteria or when resources are received prior to the government having legal claim to them. The revenues are subsequently recognized when both recognition criteria are met or when the government has legal claim to the resources. Revenues received after the Regional Office's availability period is reported as deferred inflows of resources in the fund statements and are reported as current revenue in the Statement of Activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Regional Office of Education No. 39's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

It is the Regional Office of Education No. 39's policy to first apply restricted resources when an expenditure or expense is incurred for which both restricted and unrestricted resources are available. For unrestricted fund balances, committed fund balances are used first, then assigned fund balances, then unassigned, if any.

1. Governmental Funds

The Regional Office of Education No. 39 reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Regional Office of Education No. 39 and is used to account for all financial resources except those required to be accounted for and reported in another fund. This fund is available to pay general and administrative expenditures of the Regional Office of Education No. 39. Included in this fund are:

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

1. Governmental Funds (Continued)

General Fund (Continued)

General - This fund accounts for interest earned on Distributive Fund monies.

Business Office - This fund accounts for various business office expenditures, such as insurance, utilities, rent, and business personnel, and reimbursements from Macon and Piatt Counties to help cover these costs. It also accounts for pop machine revenues and expenditures as well as interest on the pooled cash account.

Water Street Pop Fund - This program accounts for revenue and expenses from the pop machine at the Water Street facility.

Adult Education - The program accounts for General State Aid proceeds used for adult education.

Junior Achievement - This program accounts for sales of candy, etc.

ADA State Aid - This program accounts for General State Aid for the Futures Unlimited School.

Futures Pop Fund - This program accounts for revenue and expenses from the Futures Unlimited pop machine.

St. Mary's Hospital School - This program accounts for charges to local school districts for educational services provided to students being treated by St. Mary's Adolescent Mental Health Services.

Student Council - This program accounts for the sales of candy, bake sales, etc. for class trips.

Recycling and Energy - This program accounts for proceeds from Caterpillar, Inc., for recycling and energy education curriculum for all students (K-12) in Macon and Piatt Counties.

Teachers' Exchange - This program accounts for revenue generated by fees from classes from Eastern Illinois University graduate classes.

General State Aid - This program accounts for General State Aid received from the Illinois State Board of Education based on the average daily attendance at the Regional Safe School.

Baby Talk - This program accounts for monies for outreach and family literacy programs, STEPS Early Intervention, and resources for professionals, including professional training, certification seminars, and an extensive program curriculum.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

1. Governmental Funds (Continued)

General Fund (Continued)

Futures Foundation - This program accounts for Futures Unlimited contributions from the Community Foundation of Decatur/Macon County and various other donors.

Spelling Bee - This fund accounts for activities related to the Macon County spelling bee winner and other award expenses.

School Improvement - This fund accounts for activities related to an agreement between the Regional Office and East St. Louis and Danville school districts. The Regional Office provides services to the school districts through the parameters set by the School Improvement Grant - Section 1003(g).

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. Included among these funds are:

Education Fund - This special revenue 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:

Truants Alternative/Optional Education - This program accounts for the proceeds of a grant from the Illinois State Board of Education to provide educational opportunities for drop-outs and truants.

ROE/ISC Operations - These funds are provided by the Illinois State Board of Education, through a budget application process, to the Regional Office to provide professional development to district schools and teachers in Macon and Piatt County school districts.

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

Title II Teacher Quality Leadership - This program accounts for the use of purchasing the evaluation training for teachers and evaluator training for principals through Growth Through Learning Illinois.

Ounce of Prevention - Training and Technical - This program accounts for the proceeds of a grant from the Illinois State Board of Education to train people in Prevention Initiative program through the Baby Talk Model.

Regional Safe Schools - This program accounts for the proceeds of a grant from the Illinois State Board of Education to remove violent and unproductive youths from a public school setting and place them in a program where they can receive individualized attention.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

1. Governmental Funds (Continued)

Special Revenue Funds (Continued)

Education Fund (Continued)

Early Childhood Block Grant - This program accounts for the proceeds of a grant awarded by the Illinois State Board of Education for the systematic identification and recruitment of teen moms and dads and the delivery of culturally appropriate education in order to engage them in their child's learning.

Not on Tobacco - This program accounts for a grant awarded to Futures Unlimited for students to learn the hazards of tobacco products.

Title I - School Improvement and Accountability - This program accounts for grant proceeds to meet Illinois State Board of Education requirements for continuous improvement planning, new Illinois learning standards, and training presentations.

Early Childhood Block Grant - Continuing Three to Five - This program accounts for the proceeds of a grant from the Illinois State Board of Education for early childhood and family education programs and services that help young children enter school ready to learn.

Homeless Children Youth Program - This program accounts for the proceeds of a grant from the Illinois State Board of Education for identification, referral, and enrollment of homeless and displaced youth in Macon County schools.

Regional Safe School Cooperative Education Program - The program assists suspended or expelled students in completing their education by participating in career-related classrooms and structured cooperative work experiences provided by the private sector.

Nonmajor Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are legally restricted or committed for specific purposes other than debt service or capital projects. Included among these funds are:

Institute – This fund accounts for the stewardship of the assets held for the benefit of the Regional Office of Education No. 39's teachers. Fees are collected from registration of teachers' licenses. Monies are expended to conduct teachers' institutes, conferences, and workshops. All funds generated remain restricted until expended only on the aforementioned activities.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

1. Governmental Funds (Continued)

Nonmajor Special Revenue Funds (Continued)

General Education Development (GED) - This program accounts for monies received from students who participate in the high school equivalency programs. These proceeds are used to pay the administrative expenses incurred to administer the GED program.

Bus Permit - Experienced bus drivers must take a two-hour refresher course annually, while all new drivers must take an eight-hour course in bus driver safety and first aid prescribed by the Illinois State Board of Education and administered by the Regional Office. These monies are used to pay the administrative expenses incurred to ensure compliance with 105 ILCS 5/3-14.23 (school bus driver permits).

2. Proprietary Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes.

The Regional Office of Education No. 39 reports the following nonmajor proprietary fund:

Workshop Reimbursement - This program provides workshops for professional development presented by Regional Office of Education No. 39 employees.

3. Fiduciary Funds

Fiduciary funds are used to account for assets held by the Regional Office of Education No. 39 in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Agency Funds - Agency funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations.

Heartland Region Fund - This fund accounts for the assets held for the benefit of Heartland Region, an intergovernmental agreement between school districts that provides quality and efficient delivery of orientation and skill level vocational programs accessible to all residents in member districts.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

3. Fiduciary Funds (Continued)

Agency Funds (Continued)

Regional Board of Trustees - This fund accounts for monies received from individuals filing petitions requesting change of boundary hearings with the Regional Board of School Trustees. Monies are expended to cover hearing expenses.

School Occupation Facility Tax - This fund accounts for assets held by the Regional Office of Education No. 39 to be distributed to local school districts. Monies are received from the State Comptroller for the School Facility Occupation Tax and are forwarded directly to the school districts.

Decatur Community Partnership – Substance Abuse grant and contributions are used with other agencies, organizations and people who work collaboratively to promote a drug free community. In addition, the Decatur Community Partnership strives to improve the health of the Decatur and Macon County Community.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance

1. Deposits and Investments

The Regional Office of Education No. 39 considers cash on hand, checking accounts, savings accounts, and investments held with an original maturity date of 90 days or less to be cash and cash equivalents. State regulations require that Regional Office of Education No. 39 deposit funds under its control into accounts insured by the federal governments, accounts secured by substantial collateral, or pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

Statutes authorize the Regional Office of Education No. 39 to make deposits or invest in obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund.

2. Interfund Transactions

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” in the fund financial statements. Balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

3. Capital Assets

Capital assets are reported in the applicable columns in the government-wide financial statements. Capital assets, such as equipment, are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Leasehold improvements	3
Equipment and furniture	4

In the fund financial statements, capital assets used in governmental operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

4. 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 and OPEB expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net position/fund balance 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 on the governmental funds Balance Sheet consist of grant receivables not collected within sixty days after the year end. Deferred inflows of resources in the Statement of Net Position consist of unrecognized items that have not yet reduced pension and OPEB expense.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

5. Post-employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the Regional Office of Education No. 39'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 No. 39's OPEB Plan, and additions to/deductions from the Regional Office of Education No. 39's fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education No. 39's Plan. For this purpose, the Regional Office of Education No. 39's Plan recognizes the benefit payments when due and payable in accordance with the benefit terms. The Regional Office of Education No. 39's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense for the ROE's single-employer defined benefit OPEB plan have been actuarially determined using the Alternative Measurement Method.

6. Compensated Absences

After one year of employment, noncertified and certified employees who have a 261-day contract can earn up to 20 vacation days per year, prorated based on the number of days worked. Employees with less than full-year contracts do not earn vacation days. The Regional Office currently employs six individuals eligible to carry forward a maximum of five days of unused vacation time to the next year with director's approval, but the previous year's unused vacation time is forfeited if unused by the end of the next year. Unused vacation time is paid on termination of employment. Management has determined that the current year accrual for vacation time is immaterial to the financial statements; therefore, this amount has not been accrued.

Employees who have at least a 182-day contract receive two personal days per year. Unused personal days are allowed to accrue as sick leave. Employees earn up to 15 sick days per year, depending on the length of their annual contract, and the unused portion accumulates indefinitely. Employee sick leave is recorded when paid. Upon retirement, unused sick leave may be used as service credits toward the employee's retirement fund. Upon termination, employees do not receive any accumulated sick leave pay, and therefore no liability is accrued.

7. Equity Classifications

Government-wide and Proprietary Fund Statements

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.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

7. Equity Classifications (Continued)

Government-wide and Proprietary Fund Statements (Continued)

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.

Governmental Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in a governmental fund. The following types of fund balances may be presented on the Governmental Funds Balance Sheet, the General Fund and Education Fund Combining Schedules of Accounts, and the Nonmajor Special Revenue Funds Combining Balance Sheet:

Nonspendable Fund Balance - The portion of a governmental fund's fund balance that is not available to be spent, either short term or long term, in either form or through legal restrictions. There are no funds presenting a nonspendable fund balance.

Restricted Fund Balance - The portion of a governmental fund's fund balance that is subject to external enforceable legal restrictions. Not on Tobacco's fund balance is restricted by grant agreements or contracts. The following funds are restricted by Illinois Statute: Institute, General Education Development, and Bus Permit.

Committed Fund Balance - The portion of a governmental fund's fund balance with self-imposed constraints or limitations that have been placed at the highest level of decision-making. There are no accounts presenting a committed fund balance.

Assigned Fund Balance - The portion of a governmental fund's fund balance to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following accounts comprise assigned fund balance: Junior Achievement, Student Council, and Futures Foundation.

Unassigned Fund Balance - Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following accounts comprise unassigned fund balance: General, Business Office, Water Street Pop Fund, ADA State Aid, St. Mary's Hospital School, Teachers' Exchange, General State Aid, School Improvement, Truants Alternative/Optional Education, Ounce of Prevention - Training and Technical, Early Childhood Block Grant – Continuing Three to Five, and Regional Safe School Cooperative Education Program.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. New Accounting Pronouncements

In 2018, the Regional Office of Education No. 39 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, expenses, and expenditures and identifies the note disclosure and RSI reporting requirements. 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 Regional Office of Education No. 39.

2. BUDGETS AND BUDGETARY ACCOUNTING

The Regional Office of Education No. 39 was not legally required to adopt annual budgets for all funds under its control, and some annual budgets prepared were not based upon the same operating period. Therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

Budgets relating to programs funded by grants from the Illinois State Board of Education are prepared and submitted to the granting agency as part of the grant awards process. The granting agency must also approve amendments to these budgets. Grant project budgets are based on the award period. Budgetary Comparison Schedules have been presented for the following grants: Truants Alternative/Optional Education, ROE/ISC Operations, Title II Teacher Quality, Title II Teacher Quality Leadership, Ounce of Prevention - Training and Technical, Regional Safe Schools, Early Childhood Block Grant, Title I - School Improvement and Accountability, Early Childhood Block Grant - Continuing Three to Five, Homeless Children Youth Program, and Regional Safe School Cooperative Education Program.

3. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The Regional Office of Education No. 39's Teachers' Retirement System of the State of Illinois net pension liability and other postemployment benefits liability are estimates based upon actuary reports. Management has allocated a portion of the net pension liability to the Heartland Region Fund, an agency fund, in order to reasonably associate the liabilities with the employees of each of the entities.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

4. DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 2018, the carrying amount of the Regional Office of Education No. 39's governmental activities, business-type activities, and fiduciary fund's deposits were \$2,304,379, \$45,209, and \$310,074, respectively. The bank balances totaled \$2,845,383 all of which was secured by federal depository insurance or collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education No. 39's name, and were, therefore, not exposed to custodial credit risk.

B. Investments

At June 30, 2018, the carrying amount of the Regional Office of Education No. 39's deposits in the Illinois Funds Money Market Fund for the governmental activities was \$45,758. The bank balance invested in the Illinois Funds Money Market Fund was \$45,758. This fund enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. These deposits are included in cash and cash equivalents in the Regional Office of Education No. 39's governmental activities.

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 provisions of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

Interest Rate Risk

The Illinois Funds Money Market Fund, created by the Illinois General Assembly, enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. The investment policy of the Illinois Funds Money Market 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.

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.

5. RISK MANAGEMENT - CLAIMS AND JUDGMENTS

The Regional Office of Education No. 39 is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation; and natural disasters. The Regional Office of Education No. 39 is covered by commercial insurance to cover these risks of loss. No settlements have exceeded insurance coverage in the current or three previous years.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

6. CONTINGENCIES

The Regional Office of Education No. 39 has received funding from Federal and State grants in the current and prior years, which are subject to audits by granting agencies. The Regional Office of Education No. 39 believes any adjustments that may arise will be insignificant to the Regional Office of Education No. 39's operations.

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>June 30, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2018</u>
Governmental activities:				
Capital assets being depreciated:				
Leasehold improvements	\$ 45,000	\$ -	\$ -	\$ 45,000
Equipment and furniture	<u>507,525</u>	<u>24,052</u>	<u>2,643</u>	<u>528,934</u>
Total assets	<u>552,525</u>	<u>24,052</u>	<u>2,643</u>	<u>573,934</u>
Less accumulated depreciation for:				
Leasehold improvements	(45,000)	-	-	(45,000)
Equipment and furniture	<u>(485,862)</u>	<u>(10,990)</u>	<u>(1,569)</u>	<u>(495,283)</u>
Total accumulated depreciation	<u>(530,862)</u>	<u>(10,990)</u>	<u>(1,569)</u>	<u>(540,283)</u>
Governmental activities capital assets, net	<u>\$ 21,663</u>	<u>\$ 13,062</u>	<u>\$ 1,074</u>	<u>\$ 33,651</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 5,555	\$ -	\$ -	\$ 5,555
Less accumulated depreciation for:				
Equipment	<u>(5,555)</u>	<u>-</u>	<u>-</u>	<u>(5,555)</u>
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense was charged to functions/programs of the Regional Office of Education No. 39 as follows:

Governmental activities:	
Instructional services	<u>\$ 10,990</u>

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS

A. Teachers' Retirement System of the State of Illinois

Plan Description

The Regional Office of Education No. 39 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 <https://www.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 1 members have TRS or reciprocal system service prior to January 1, 2011. Tier 1 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 2 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 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different from Tier 1.

Essentially all Tier 1 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 2 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 has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

A. Teachers' Retirement System of the State of Illinois (Continued)

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 No. 39.

On behalf contributions to TRS - The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 39. For the year ended June 30, 2018, State of Illinois contributions recognized by the Regional Office of Education No. 39 were based on the State's proportionate share of the collective net pension liability associated with the Regional Office of Education No. 39, and the Regional Office of Education No. 39 recognized revenue and expenditures of \$797,060 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 \$5,399, 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 No. 39, there is a statutory requirement for the Regional Office of Education No. 39 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.

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, no salaries were paid from federal and special trust funds that required employer contributions.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

A. Teachers' Retirement System of the State of Illinois (Continued)

Contributions (Continued)

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 No. 39 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 No. 39 made no payments to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

The Regional Office of Education No. 39 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 No. 39 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent or for sick leave days granted 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 No. 39 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's proportionate share of the net pension liability	\$ 1,254,445
State's proportionate share of the net pension liability associated with the employer	8,098,949
Total	\$ 9,353,394

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 No. 39'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 No. 39's proportion was 0.0030829930 percent, which was an increase of 0.0016416495 percent from its proportion measured as of June 30, 2016.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

A. Teachers' Retirement System of the State of Illinois (Continued)

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

For the year ended June 30, 2018, the Regional Office of Education No. 39 recognized pension expense of \$797,060 and revenue of \$797,060 for support provided by the State. For the year ended June 30, 2017, the Regional Office of Education No. 39 recognized a pension benefit of \$141,143. At June 30, 2018, the Regional Office of Education No. 39 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 13,625	\$ 579
Net difference between projected and actual earnings on pension plan investments	861	-
Change in assumptions	83,726	36,047
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>571,873</u>	<u>373,058</u>
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	670,085	409,684
Employer Contributions Made Subsequent to the Measurement Date	<u>5,399</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 675,484</u></u>	<u><u>\$ 409,684</u></u>

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

A. Teachers' Retirement System of the State of Illinois (Continued)

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

\$5,399 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 in these reporting years:

Year Ending June 30,	Net Deferred Outflows of of Resources
2019	\$ (132,508)
2020	97,130
2021	166,359
2022	113,899
2023	15,521
Total	\$ 260,401

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%
Salary increases	varies by amount of service credit
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully generational basis using projection table MP-2014. The same assumptions were used in the June 30, 2016 actuarial valuation.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

A. Teachers' Retirement System of the State of Illinois (Continued)

Actuarial assumptions (Continued)

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.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	14.4%	6.94%
U.S. equities small/mid cap	3.6%	8.09%
International equities developed	14.4%	7.46%
Emerging market equities	3.6%	10.15%
U.S bond core	10.7%	2.44%
International debt developed	5.3%	1.70%
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>	

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

A. Teachers' Retirement System of the State of Illinois (Continued)

Discount Rate

At June 30, 2017, the discount rate used to measure the total pension liability was 7.00 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 to 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.

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 No. 39's proportionate share of the net pension liability to changes in the discount rate

The following presents the Regional Office of Education No. 39's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Regional Office of Education No. 39'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 (8.00 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	\$ 1,541,267	\$ 1,254,445	\$ 1,019,540

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*.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund

IMRF Plan Description

The Regional Office of Education No. 39'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 No. 39'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 "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

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.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund (Continued)

Employees Covered by Benefit Terms

As of December 31, 2017, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	36
Inactive plan members entitled to but not yet receiving benefits	47
Active plan members	30
Total	113

Contributions

As set by statute, the Regional Office of Education No. 39'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 No. 39's annual contribution rate for calendar year 2017 was 12.49%. For the fiscal year 2018 the Regional Office of Education No. 39 contributed \$129,717 to the plan. The Regional Office of Education No. 39 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The Regional Office of Education No. 39's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

- 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 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.
- 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>
Equities	37%	6.85%
International equities	18%	6.75%
Fixed income	28%	3.00%
Real estate	9%	5.75%
Alternatives	7%	
Private equity		7.35%
Hedge funds		5.05%
Commodities		2.65%
Cash equivalents	1%	2.25%
Total	<u>100%</u>	

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund (Continued)

Single Discount Rate

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
	<u>(A)</u>	<u>(B)</u>	<u>(A) - (B)</u>
Balances at December 31, 2016	\$ 5,246,842	\$ 4,704,271	\$ 542,571
Changes for the year:			
Service Cost	132,618	-	132,618
Interest on the total pension liability	390,829	-	390,829
Differences between expected and actual experience of the total pension liability	(28,340)	-	(28,340)
Changes in assumptions	(145,312)	-	(145,312)
Contributions - employer	-	141,334	(141,334)
Contributions - employees	-	68,204	(68,204)
Net investment income	-	745,836	(745,836)
Benefit payments, including refunds of employee contributions	(213,776)	(213,776)	-
Other (net transfer)	-	(4,039)	4,039
Net changes	<u>136,019</u>	<u>737,559</u>	<u>(601,540)</u>
Balances at December 31, 2017	<u>\$ 5,382,861</u>	<u>\$ 5,441,830</u>	<u>\$ (58,969)</u>

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund (Continued)

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

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

	1% Lower (6.5%)	Current Discount Rate (7.5%)	1% Higher (8.5%)
Net Pension Liability (Asset)	\$ 603,547	\$ (58,969)	\$ (596,053)

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

For the year ended June 30, 2018, the Regional Office of Education No. 39 recognized a pension expense of \$107,008. At June 30, 2018, the Regional Office of Education No. 39 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
<u>Deferred Amounts Related to Pensions</u>		
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience Assumption changes	\$ -	\$ 36,832
Assumption changes	-	99,142
Net difference between projected and actual earnings on pension plan investments	248,195	320,093
Total Deferred Amount to be Recognized in Pension Expense in Future Periods	248,195	456,067
Pension Contributions Made Subsequent to the Measurement Date		
	67,765	-
Total Deferred Amounts Related to Pensions	\$ 315,960	\$ 456,067

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

\$67,765 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 in future periods as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Inflows of Resources</u>
2018	\$ 30,147
2019	36,904
2020	60,797
2021	<u>80,024</u>
Total	<u>\$ 207,872</u>

C. Social Security

Employees not qualifying for coverage under the Illinois Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "nonparticipating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS

A. Teacher Health Insurance Security Fund

Plan Description

The Regional Office of Education No. 39 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 benefits 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.

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 No. 39. For the year ended June 30, 2018, State of Illinois contributions recognized by the Regional Office of Education No. 39 were based on the State's proportionate share of the collective net OPEB liability associated with the Regional Office of Education No. 39, and recognized revenue and expenditures of \$114,990 in OPEB contributions from the State of Illinois.

Employer Contributions to the THIS Fund

The Regional Office of Education No. 39 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 Regional Office of Education No. 39 paid \$8,192 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2017 and 2016, the Regional Office of Education No. 39 paid \$9,189 and \$7,893 to the THIS Fund, respectively, which was 100 percent of the required contribution.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (Continued)

A. Teacher Health Insurance Security Fund (Continued)

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.

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).

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (Continued)

A. Teacher Health Insurance Security Fund (Continued)

Single Discount Rate (Continued)

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.

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 No. 39'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 (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
Employer's proportionate share of the collective net OPEB liability	\$ 1,480,692	\$ 1,233,935	\$ 1,036,455

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 No. 39'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.

	1% Decrease*	Healthcare Cost Trend Rates	1% Increase**
Employer's proportionate share of the collective net OPEB liability	\$ 995,896	\$ 1,233,935	\$ 1,575,552

* 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.

** 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.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (Continued)

A. Teacher Health Insurance Security Fund (Continued)

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

At June 30, 2018, the Regional Office of Education No. 39 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 No. 39. The amount recognized by the Regional Office of Education No. 39 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 No. 39 were as follows:

Employer's proportionate share of the net OPEB liability	\$	1,233,935
State's proportionate share of the net OPEB liability associated with the employer		1,620,500
Total	\$	2,854,435

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 No. 39's proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education No. 39's long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education No. 39, actuarially determined. At June 30, 2017, the Regional Office of Education No. 39's proportion was 0.004755 percent, which was an increase of 0.000519 from its proportion measured as of June 30, 2016 (0.004236 percent). The State's support and total are for disclosure purposes only.

For the year ending June 30, 2018, the Regional Office of Education No. 39 recognized OPEB expense of \$114,990 and revenue of \$114,990 for support provided by the State. For the year ending June 30, 2018, the Regional Office of Education No. 39 recognized OPEB expense of \$110,523. At June 30, 2018, the Regional Office of Education No. 39 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 698
Changes of assumptions	-	146,918
Net difference between projected and actual earnings on earnings on OPEB plan investments	-	13
Changes in proportion and differences between employer contributions and proportionate share of contributions	122,411	-
Employer contributions subsequent to the measurement date	8,192	-
Total Deferred Amounts Related to OPEB	\$ 130,603	\$ 147,629

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (Continued)

A. Teacher Health Insurance Security Fund (Continued)

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

\$8,192 reported as deferred outflows of resources related to OPEB resulting from Regional Office of Education No. 39 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 Regional Office of Education No. 39's OPEB expense as follows:

Year Ending June 30,	Net Deferred Inflows of Resources
2019	\$ 3,874
2020	3,874
2021	3,874
2022	3,874
2023	3,874
2024	3,874
2025	1,974
Total	<u>\$ 25,218</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.

B. Health Insurance

Plan Description

The Regional Office of Education No. 39 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:

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (Continued)

B. Health Insurance (Continued)

Plan Description (Continued)

Eligibility Provisions

Full-Time Employees – IMRF

Tier I IMRF Full-Time employees:

- Age 55 with at least 8 years of service (reduced pension)
- Age 55 with at least 30 years of service (reduced pension)
- Age 55 with at least 35 years of service (full pension)
- Age 60 with at least 8 years of service (full pension)

Tier II IMRF Full-Time employees:

- Age 62 with at least 10 years of service (reduced pension)
- Age 62 with at least 30 years of service (reduced pension)
- Age 62 with at least 35 years of service (full pension)
- Age 67 with at least 10 years of service (full pension)

Full-Time Employees – TRS

Tier I TRS Full-Time employees

- Age 55 with at least 20 years of service (reduced pension)
- Age 55 with at least 35 years of service (full pension)
- Age 60 with at least 10 years of service (full pension)
- Age 62 with at least 5 years of service (full pension)

Tier II TRS Full-Time employees:

- Age 62 with at least 10 years of service (reduced pension)
- Age 67 with at least 10 years of service (full pension)

Benefits Provided

The Regional Office of Education No. 39 provides continued health insurance coverage at the blended employer rate to all eligible Regional Office of Education No. 39 retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. The Regional Office of Education No. 39 offers the Blue Cross Blue Shield PPO Plan to full-time IMRF and TRS employees. Retirees pay the full cost of coverage and may continue to be covered under the Regional Office of Education No. 39's plan past Medicare eligibility. Eligible spouse or dependent coverage may continue should the retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs. The spouse or dependent is responsible for the full cost of the coverage and may continue to be covered under the Regional Office of Education No. 39's plan past Medicare eligibility.

The Regional Office of Education No. 39 provides dental, vision, and life insurance coverage to all eligible employees in accordance with Illinois Compiled Statutes. Retirees may continue dental or vision coverage into retirement. The retiree is responsible for the full premium cost of coverage for the dental and vision plans. Life insurance is not available to retirees.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (Continued)

B. Health Insurance (Continued)

Membership

At June 30, 2018 membership consisted of:

Inactive employees currently receiving benefit payments	1
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	43
Total	44

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.

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 \$10,228 from other Regional Office of Education No. 39 resources and benefit payments of \$10,228 from other Regional Office of Education No. 39 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. Bonds	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 premium	Premiums charged for coverage of retirees and spouse are \$8,548 and \$14,106.
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 7.11% for both non-Medicare costs and post-Medicare costs and gradually decreases to an ultimate trend of 5.00%. The spousal trend is -3.07% in 2018 increasing to an ultimate trend of 5.00% for both non-Medicare costs and post-Medicare costs.
Retiree contributions rates	Same as Healthcare Trend Rates.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (Continued)

B. Health Insurance (Continued)

Actuarial Assumptions (Continued)

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.

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 three 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 Net OPEB Liability

	Total OPEB Liability (A)	OPEB Plan Net Position (B)	Net OPEB Liability (Asset) (A) - (B)
	<u> </u>	<u> </u>	<u> </u>
Balances at July 1, 2017	\$ 263,123	\$ -	\$ 263,123
Changes for the year:			
Service Cost	7,791	-	7,791
Interest	9,985	-	9,985
Actuarial changes	-	-	-
Plan changes	-	-	-
Contributions - employer	-	10,228	(10,228)
Contributions - employees	-	-	-
Contributions - other	-	-	-
Net investment income	-	-	-
Benefit payments from trust	(10,228)	(10,228)	-
Administrative expense	-	-	-
Net changes	<u>7,548</u>	<u>-</u>	<u>7,548</u>
Balances at June 30, 2018	<u>\$ 270,671</u>	<u>\$ -</u>	<u>\$ 270,671</u>

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (Continued)

B. 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 Macon and Piatt Counties Regional Office of Education No. 39, 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 No. 39'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-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	\$ 294,167	\$ 270,671	\$ 250,327

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (Continued)

B. Health Insurance (Continued)

Sensitivity of the Healthcare Trend Rates

The following presents the Regional Office of Education No. 39's total OPEB liability, calculated using the healthcare cost trend rates as well as what the Regional Office of Education No. 39'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 7.11% in 2018 decreasing to an ultimate trend rate of 5.00% for both non-Medicare coverage and post-Medicare coverage. The spousal trend rates are -3.07% in 2018 increasing to an ultimate trend rate of 5.00% for both non-Medicare coverage and post-Medicare coverage.

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Employer's Net OPEB Liability	\$ 245,181	\$ 270,671	\$ 300,081

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 No. 39 recognized OPEB expense of \$17,776. At June 30, 2018 the Regional Office of Education No. 39 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	\$ -	\$ -
Change in assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total Deferred Amounts to be Recognized in OPEB Expense in Future Periods	-	-
Employer Contributions Made Subsequent to the Measurement Date	-	-
Total Deferred Amounts Related to OPEB	<u>\$ -</u>	<u>\$ -</u>

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (Continued)

B. Health Insurance (Continued)

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:

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

10. LONG-TERM LIABILITIES (ASSETS)

Capital Lease

During the fiscal year ended June 30, 2015, the Regional Office of Education No. 39 entered into a lease agreement to finance the acquisition of a copier. This lease agreement qualified as a capital lease for accounting purposes. The gross amount of assets recorded under the capital lease is \$11,023 and the accumulated depreciation as of June 30, 2018 was \$10,334. The lease includes an end of term purchase option of \$1.

The future minimum lease obligations and the net present value of these payments as of June 30, 2018 was as follows:

Year Ending June 30,	Principal	Interest	Total
2019	2,368	68	2,436
2020	404	2	406
Total payments	\$ 2,772	\$ 70	\$ 2,842

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

10. LONG-TERM LIABILITIES (ASSETS) (Continued)

Long-term Liability (Asset) Activity

The following is a summary of the changes in the Regional Office of Education No. 39's long-term liabilities (assets):

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018	Amounts Due within One Year
Net pension liability - TRS	\$ 697,874	\$ 556,571	\$ -	\$ 1,254,445	\$ -
Net pension liability (asset) - IMRF	542,571	-	601,540	(58,969)	-
Net OPEB liability - THIS*	1,157,819	76,116	-	1,233,935	-
Net OPEB liability - Health Insurance*	263,123	7,548	-	270,671	-
Capital lease payable	5,048	-	2,276	2,772	2,368
Total long-term liabilities	<u>\$ 2,666,435</u>	<u>\$ 640,235</u>	<u>\$ 603,816</u>	<u>\$ 2,702,854</u>	<u>\$ 2,368</u>

* Restated beginning balance

Payments on the net pension and OPEB liabilities are made by the governmental funds.

11. BOND

The Illinois School Code (105 ILCS 5/3-2) directs the Regional Office of Education No. 39 to execute a bond of not less than \$100,000 on the Regional Superintendent. The Regional Office of Education No. 39 has secured and maintained such a bond with coverage of \$100,000 on the Regional Superintendent.

12. INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2018, interfund receivables and payables were as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 289,769	\$ -
Education Fund	-	289,769
Totals	<u>\$ 289,769</u>	<u>\$ 289,769</u>

All of the interfund balances due to the General Fund from the Education Fund consisted of loans between individual funds. The loans were used to cover cash shortages in these individual funds.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

13. DUE TO/DUE FROM OTHER GOVERNMENTS

The Regional Office of Education No. 39's General Fund, Education Fund, Nonmajor Special Revenue Funds, Enterprise Funds, and Agency Funds had funds due from/to various other governmental units, which consisted of the following at June 30, 2018:

Due from Other Governments:

General Fund:	
Local Governments	\$ 40,871
	40,871
Education Fund:	
Illinois State Board of Education	273,984
Ounce of Prevention Fund	335,000
Regional Office of Education No. 11	4,224
Regional Office of Education No. 32	16,927
	630,135
Nonmajor Special Revenue Funds:	
Local Governments	1,170
	1,170
Workshop Reimbursement Fund:	
Local Governments	775
	\$ 672,951
Agency Funds:	
Illinois State Board of Education	\$ 136,489
Illinois Comptroller	2,703,960
Local Governments	199
Receivable related to pension activity	867,638
Receivable related to OPEB activity	1,097,849
	\$ 4,806,135

Due to Other Governments:

General Fund:	
Local Governments	\$ 4,289
Eastern Illinois University	10,425
	14,714
Education Fund:	
Illinois State Board of Education	6,420
	6,420
Nonmajor Special Revenue Funds:	
Local Governments	170
	\$ 21,304
Agency Funds:	
Local Governments	\$ 3,086,839
	\$ 3,086,839

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

14. ON-BEHALF PAYMENTS

The Regional Office of Education No. 39 received on-behalf payments for employee salaries and benefits from the State of Illinois for the following items:

State of Illinois:	
Regional Superintendent - salary	\$ 115,176
Regional Superintendent - benefits (includes State paid insurance)	33,601
Assistant Regional Superintendent - salary	103,656
Assistant Regional Superintendent - benefits (includes State paid insurance)	32,903
	\$ 285,336

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education. The on-behalf payments are reflected as revenues and expenditures of the General Fund.

The Regional Office of Education No. 39 also recorded \$797,060 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. The Regional Office of Education No. 39 recorded \$114,990 in revenue and expenses as on-behalf payments from the State for the Regional Office's share of the State's Teachers' Health Insurance Security (THIS) OPEB expense in the Statement of Activities. In addition, the Regional Office of Education No. 39 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	\$ 285,336
Regional Office's share of TRS pension expense	797,060
Regional Office's share of THIS OPEB expense	114,990
Total	\$ 1,197,386

15. OPERATING LEASES

The Regional Office of Education No. 39 leased the first floor of the Tech Academy Building located at 300 East Eldorado Street, Decatur, Illinois. The monthly rental payments were \$4,167. The lease also called for the Regional Office to pay all utilities and liability insurance. The Regional Office was committed through June 30, 2019 under this lease agreement.

The Regional Office of Education No. 39 is committed through September 30, 2018 under a lease agreement for the copier located at the administrative office. The lease calls for monthly rental payments of \$221.

The Regional Office of Education No. 39 is committed through September 30, 2018 under a lease agreement for the building located at 1690 Huston Drive, Decatur, Illinois. The lease calls for monthly rental payments of \$4,200.

The Regional Office of Education No. 39 is committed through April 30, 2022 under a lease agreement for the copier located at the administrative office. The lease calls for monthly rental payments of \$188.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

NOTES TO FINANCIAL STATEMENTS

15. OPERATING LEASES (Continued)

The counties served by the Regional Office of Education No. 39 are required by statute to provide the Regional Superintendents of Schools with office space. Therefore, Macon and Piatt Counties share a portion of the facility costs associated with the office space and reimburse the Regional Office of Education No. 39 for the rent, building maintenance and utilities expense incurred as a result of the lease for this office space.

Total lease expense for the year ended June 30, 2018 was \$105,309. The following is a schedule of future minimum lease payments required under the above operating leases:

Year Ending June 30,	
2019	65,519
2020	2,256
2021	2,256
2022	1,880
	<u>\$ 71,911</u>

16. DEFICIT FUND BALANCE

The following individual funds had negative fund balances as of June 30, 2018:

Truants Alternative/Optional Education	\$ 16,672
Ounce of Prevention - Training and Technical	\$ 196,292
Early Childhood Block Grant - Continuing Three to Five	\$ 5,466
Regional Safe Schools Cooperative Education Program	\$ 3,982

The Regional Office of Education No. 39 intends to reduce these deficits by collecting revenues that did not meet the criteria of "available."

17. PRIOR PERIOD ADJUSTMENT

The Regional Office of Education No. 39 implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in the current year. The Regional Office of Education No. 39 has restated net position of the governmental activities as of June 30, 2017 to present deferred outflows of resources, other postemployment benefits liability, and deferred inflows of resources.

	<u>Governmental Activities</u>
Net position at June 30, 2017	\$ 1,500,406
Recognition of other postemployment benefits liability	(1,420,942)
Recognition of deferred outflows of resources	9,189
Net position, restated at June 30, 2017	<u>\$ 88,653</u>

REQUIRED SUPPLEMENTARY INFORMATION

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS
(UNAUDITED)**

For the years ended June 30, 2018, 2017, 2016, and 2015

(Amounts presented are for the calendar years ended December 31, 2017, 2016, 2015 and 2014)

Total Pension Liability	2017	2016	2015	2014
Service cost	\$ 132,618	\$ 113,496	\$ 112,435	\$ 126,812
Interest on the total pension liability	390,829	374,591	343,318	313,188
Differences between expected and actual experience of the total pension liability	(28,340)	(72,459)	145,770	(41,927)
Changes of assumptions	(145,312)	-	-	166,432
Benefit payments, including refunds of employee contributions	(213,776)	(203,593)	(166,549)	(149,424)
Net change in total pension liability	136,019	212,035	434,974	415,081
Total pension liability - beginning	5,246,842	5,034,807	4,599,833	4,184,752
Total pension liability - ending (A)	5,382,861	5,246,842	5,034,807	4,599,833
Plan Fiduciary Net Position				
Contributions - employer	141,334	133,490	113,014	117,065
Contributions - employees	68,204	65,002	61,047	61,488
Net investment income	745,836	194,384	(17,686)	199,279
Benefit payments, including refunds of employee contributions	(213,776)	(203,592)	(166,549)	(149,424)
Other (net transfer)	(4,039)	(3,440)	2,489	(2,632)
Net change in plan fiduciary net position	737,559	185,844	(7,685)	225,776
Plan fiduciary net position - beginning	4,704,271	4,518,427	4,526,112	4,300,336
Plan fiduciary net position - ending (B)	5,441,830	4,704,271	4,518,427	4,526,112
Net pension liability (asset) - ending (A) - (B)	\$ (58,969)	\$ 542,571	\$ 516,380	\$ 73,721
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.10%	89.66%	89.74%	98.40%
Covered Valuation Payroll	\$ 1,131,576	\$ 1,153,762	\$ 1,039,682	\$ 1,040,578
Net Pension Liability (asset) as a Percentage of Covered Valuation Payroll	(5.21%)	47.03%	49.67%	7.08%

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.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**ILLINOIS MUNICIPAL RETIREMENT FUND -
SCHEDULES OF EMPLOYER CONTRIBUTIONS
(UNAUDITED)**

For the years ended June 30, 2018, 2017, 2016, and 2015

(Amounts presented are for the calendar years ended December 31, 2017, 2016, 2015 and 2014)

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2017	\$ 141,334	\$ 141,334	-	\$ 1,131,576	12.49%
2016	133,490	133,490	-	1,153,762	11.57%
2015	113,013	113,014	(1)	1,039,682	10.87%
2014	110,614	117,065	(6,451)	1,040,578	11.25%

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2017 Contribution Rate

Valuation Date:

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.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**ILLINOIS MUNICIPAL RETIREMENT FUND -
SCHEDULES OF EMPLOYER CONTRIBUTIONS
(UNAUDITED)**

For the years ended June 30, 2018, 2017, 2016, and 2015

(Amounts presented are for the calendar years ended December 31, 2017, 2016, 2015 and 2014)

Methods and Assumptions Used to Determine 2017 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	26-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.5%
Price Inflation:	2.75%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	3.75% to 14.50%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	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.
Mortality:	For non-disabled retirees, 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 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, and 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 Disabled Retirees Mortality Table applying the same adjustment 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:

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.

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.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**TEACHERS' RETIREMENT SYSTEM
OF THE STATE OF ILLINOIS -
SCHEDULES OF EMPLOYERS' PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
(UNAUDITED)**

**For the years ended June 30, 2018, 2017, 2016 and 2015
(Amounts presented are for the years ended June 30 2017, 2016, 2015 and 2014)**

	2017*	2016*	2015*	2014*
Employer's proportion of the net pension liability	0.0030829930%	0.0014413435%	0.0010552849%	0.0018134081%
Employer's proportionate share of the net pension liability	\$ 1,254,445	\$ 697,874	\$ 639,772	\$ 740,498
State's proportionate share of the net pension liability associated with the employer	<u>8,098,949</u>	<u>9,019,113</u>	<u>11,074,789</u>	<u>12,732,768</u>
Total	<u>\$ 9,353,394</u>	<u>\$ 9,716,987</u>	<u>\$ 11,714,561</u>	<u>\$ 13,473,266</u>
Employer's covered payroll	\$ 1,259,756	\$ 1,780,774	\$ 1,676,185	\$ 2,092,479
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	100%	39%	38%	35%
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.

Notes to Schedule:

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.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**TEACHERS' RETIREMENT SYSTEM
OF THE STATE OF ILLINOIS -
SCHEDULES OF EMPLOYERS CONTRIBUTIONS
(UNAUDITED)**

For the years ended June 30, 2018, 2017, 2016, 2015, and 2014

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily-required contribution	5,399	122,413	\$ 51,654	\$ 33,460	\$ 58,543
Contributions in relation to the statutorily-required contribution	<u>5,399</u>	<u>122,413</u>	<u>51,654</u>	<u>33,460</u>	<u>58,543</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 930,867	\$ 1,259,756	\$ 1,780,774	\$ 1,676,185	\$ 2,092,479
Contributions as a percentage of covered payroll	0.6%	9.7%	2.9%	2.0%	2.8%

*The information on both TRS schedules will accumulate until a full 10 year trend is presented as required by GASB Statement No. 68.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**TEACHER'S HEALTH INSURANCE SECURITY FUND -
SCHEDULES OF THE EMPLOYER CONTRIBUTIONS
(UNAUDITED)**

For the years ended June 30, 2018, 2017, and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily-required contribution	\$ 8,192	\$ 9,189	\$ 7,893
Contributions in relation to the statutorily-required contribution	<u>8,192</u>	<u>9,189</u>	<u>7,893</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 930,867	\$ 1,259,756	\$ 986,558
Contributions as a percentage of covered payroll	0.88%	0.73%	0.80%

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.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**TEACHER'S HEALTH INSURANCE SECURITY FUND -
SCHEDULES OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE COLLECTIVE NET OPEB LIABILITY**

(UNAUDITED)

For the years ended June 30, 2018 and 2017

(Amounts presented are for the years ended June 30, 2017 and 2016)

	2017*	2016*
Employer's proportion of the collective net OPEB liability	0.004755%	0.004236%
Employer's proportionate share of the collective net OPEB liability	\$ 1,233,935	\$ 1,157,819
Employer's covered payroll	\$ 1,259,756	\$ 986,558
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	97.95%	117.36%
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, information is presented for those years for which information is available.

Notes to Required Supplementary Information

Changes of Benefit Term

In the June 30, 2018 actuarial valuation, there are no changes of benefit terms from the prior period.

Changes of Assumptions

Because this is the implementation year for GASB 75, the beginning Total OPEB Liability is based on the same assumptions, data, and plan provisions as the ending Total OPEB Liability. For the purpose of developing changes in OPEB Liability for GASB 75 reporting, there have been no changes in assumptions from the prior period.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE -
SCHEDULE OF EMPLOYER CONTRIBUTIONS
(UNAUDITED)**

For the year ended June 30, 2018

	<u>2018</u>
Actuarially determined contribution	N/A
Contributions in relation to the actuarially determined contribution	<u>-</u>
Contribution deficiency (excess)	<u>N/A</u>
Employer's covered payroll	\$ 1,622,353
Contributions as a percentage of covered payroll	0.0%

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 Regional Office of Education No. 39 did make contributions from other Regional Office of Education No. 39 resources in the current year in the amount of \$10,228.

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.

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE -
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY & RELATED RATIOS
(UNAUDITED)**

For the year ended June 30, 2018

Total OPEB Liability	2018
Service cost	\$ 7,791
Interest	9,985
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments	<u>(10,228)</u>
Net change in total OPEB liability	7,548
Total OPEB liability - beginning	<u>263,123</u>
Total OPEB liability - ending (A)	<u>270,671</u>
OPEB Plan Net Position	
Contributions - employer	10,228
Contributions - employees	-
Contributions - other	-
Net investment income	-
Benefit payments	(10,228)
Administrative expense	<u>-</u>
Net change in OPEB plan net position	-
OPEB plan net position - beginning	<u>-</u>
OPEB plan net position - ending (B)	<u>-</u>
Employer Net OPEB liability - ending (A) - (B)	<u><u>\$ 270,671</u></u>
OPEB Plan Net Position as a Percentage of the Total OPEB Liability	
	0.00%
Covered Payroll	\$ 1,622,353
Employer Net OPEB Liability as a Percentage of Covered Payroll	16.68%

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.

SUPPLEMENTARY INFORMATION

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2018**

	General	Business Office	Water Street Pop Fund	Adult Education
ASSETS				
Cash and cash equivalents	\$ 11,440	\$ 685,939	\$ 324	\$ -
Accounts receivable	-	216	8	-
Due from other funds	-	-	-	-
Due from other governments	-	19,626	-	-
	<u>11,440</u>	<u>685,939</u>	<u>324</u>	<u>-</u>
Total assets	<u>\$ 11,440</u>	<u>\$ 705,781</u>	<u>\$ 332</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ -	\$ 12,812	\$ -	\$ -
Accrued payroll and benefits	-	246	-	-
Due to other funds	-	-	-	-
Due to other governments	-	4,088	-	-
Unearned revenue	-	-	-	-
	<u>-</u>	<u>17,146</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>17,146</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Assigned	-	-	-	-
Unassigned	11,440	688,635	332	-
	<u>11,440</u>	<u>688,635</u>	<u>332</u>	<u>-</u>
Total fund balances	<u>11,440</u>	<u>688,635</u>	<u>332</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 11,440</u>	<u>\$ 705,781</u>	<u>\$ 332</u>	<u>\$ -</u>

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
GENERAL FUND
June 30, 2018**

	Junior Achievement	ADA State Aid	Futures Pop Fund	St. Mary's Hospital School
ASSETS				
Cash and cash equivalents	\$ 3,483	\$ 1,091,827	\$ -	\$ 174,737
Accounts receivable	-	-	-	-
Due from other funds	-	298,516	-	-
Due from other governments	-	-	-	5,985
	<u>3,483</u>	<u>1,390,343</u>	<u>-</u>	<u>180,722</u>
Total assets	<u>\$ 3,483</u>	<u>\$ 1,390,343</u>	<u>\$ -</u>	<u>\$ 180,722</u>
LIABILITIES				
Accounts payable	\$ -	\$ 617	\$ -	\$ -
Accrued payroll and benefits	-	39,138	-	71
Due to other funds	-	-	-	-
Due to other governments	-	201	-	-
Unearned revenue	-	-	-	-
	<u>-</u>	<u>39,956</u>	<u>-</u>	<u>71</u>
Total liabilities	<u>-</u>	<u>39,956</u>	<u>-</u>	<u>71</u>
FUND BALANCES				
Assigned	3,483	-	-	-
Unassigned	-	1,350,387	-	180,651
	<u>3,483</u>	<u>1,350,387</u>	<u>-</u>	<u>180,651</u>
Total fund balances	<u>3,483</u>	<u>1,350,387</u>	<u>-</u>	<u>180,651</u>
Total liabilities and fund balances	<u>\$ 3,483</u>	<u>\$ 1,390,343</u>	<u>\$ -</u>	<u>\$ 180,722</u>

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
GENERAL FUND
June 30, 2018**

	Student Council	Recycling and Energy	Teachers' Exchange
ASSETS			
Cash and cash equivalents	\$ 119	\$ 494	\$ 3,240
Accounts receivable	-	-	10,605
Due from other funds	-	-	-
Due from other governments	-	-	-
	<u>119</u>	<u>494</u>	<u>13,845</u>
Total assets	<u>\$ 119</u>	<u>\$ 494</u>	<u>\$ 13,845</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	10,425
Unearned revenue	-	494	-
	<u>-</u>	<u>494</u>	<u>10,425</u>
Total liabilities	<u>-</u>	<u>494</u>	<u>10,425</u>
FUND BALANCES			
Assigned	119	-	-
Unassigned	-	-	3,420
	<u>119</u>	<u>-</u>	<u>3,420</u>
Total fund balances	<u>119</u>	<u>-</u>	<u>3,420</u>
Total liabilities and fund balances	<u>\$ 119</u>	<u>\$ 494</u>	<u>\$ 13,845</u>

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
GENERAL FUND
June 30, 2018**

	General State Aid	Baby Talk	Futures Foundation
ASSETS			
Cash and cash equivalents	\$ 246,202	\$ -	\$ 1,075
Accounts receivable	-	9,643	41,134
Due from other funds	-	-	-
Due from other governments	15,260	-	-
	<u>15,260</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 261,462</u>	<u>\$ 9,643</u>	<u>\$ 42,209</u>
LIABILITIES			
Accounts payable	\$ 142	\$ -	\$ -
Accrued payroll and benefits	16,142	896	-
Due to other funds	-	8,747	-
Due to other governments	-	-	-
Unearned revenue	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>16,284</u>	<u>9,643</u>	<u>-</u>
FUND BALANCES			
Assigned	-	-	42,209
Unassigned	245,178	-	-
	<u>245,178</u>	<u>-</u>	<u>42,209</u>
Total fund balances	<u>245,178</u>	<u>-</u>	<u>42,209</u>
Total liabilities and fund balances	<u>\$ 261,462</u>	<u>\$ 9,643</u>	<u>\$ 42,209</u>

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF ACCOUNTS (Concluded)
GENERAL FUND
June 30, 2018**

	Spelling Bee	School Improvement	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 18	\$ -	\$ 2,218,898
Accounts receivable	-	-	-	61,606
Due from other funds	-	-	(8,747)	289,769
Due from other governments	-	-	-	40,871
Total assets	\$ -	\$ 18	\$ (8,747)	\$ 2,611,144
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 13,571
Accrued payroll and benefits	-	-	-	56,493
Due to other funds	-	-	(8,747)	-
Due to other governments	-	-	-	14,714
Unearned revenue	-	-	-	494
Total liabilities	-	-	(8,747)	85,272
FUND BALANCES				
Assigned	-	-	-	45,811
Unassigned	-	18	-	2,480,061
Total fund balances	-	18	-	2,525,872
Total liabilities and fund balances	\$ -	\$ 18	\$ (8,747)	\$ 2,611,144

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the year ended June 30, 2018**

	General	Business Office	Water Street Pop Fund	Adult Education
Revenues:				
Local sources	\$ -	\$ 200,592	\$ 858	\$ -
State sources	-	-	-	-
On-behalf payments	285,336	-	-	-
Interest	926	9,906	-	-
Total revenues	<u>286,262</u>	<u>210,498</u>	<u>858</u>	<u>-</u>
Expenditures:				
Instructional services:				
Salaries and benefits	-	149,020	-	-
Purchased services	-	81,279	-	-
Supplies and materials	-	14,744	721	-
Other objects	-	9,906	-	-
Pension expense	-	41,170	-	-
OPEB expense	-	-	-	-
On-behalf payments	285,336	-	-	-
Intergovernmental:				
Payments to other governments	-	-	-	-
Capital outlay	-	6,795	-	-
Debt service:				
Repayment of long term lease payable	-	-	-	-
Total expenditures	<u>285,336</u>	<u>302,914</u>	<u>721</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>926</u>	<u>(92,416)</u>	<u>137</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(134,254)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(134,254)</u>
Net change in fund balance	926	(92,416)	137	(134,254)
Fund balances (deficits), beginning of year	<u>10,514</u>	<u>781,051</u>	<u>195</u>	<u>134,254</u>
Fund balances, end of year	<u>\$ 11,440</u>	<u>\$ 688,635</u>	<u>\$ 332</u>	<u>\$ -</u>

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
GENERAL FUND ACCOUNTS
For the year ended June 30, 2018**

	Junior Achievement	ADA State Aid	Futures Pop Fund	St. Mary's Hospital School
Revenues:				
Local sources	\$ -	\$ 4,015	\$ 3,226	\$ 60,346
State sources	-	695,921	-	-
On-behalf payments	-	-	-	-
Interest	-	-	-	-
Total revenues	-	699,936	3,226	60,346
Expenditures:				
Instructional services:				
Salaries and benefits	-	515,623	-	68,463
Purchased services	-	108,247	-	5,148
Supplies and materials	-	4,432	3,718	12
Other objects	-	-	-	-
Pension expense	-	7,407	-	370
OPEB expense	-	13,748	-	461
On-behalf payments	-	-	-	-
Intergovernmental:				
Payments to other governments	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Repayment of long term lease payable	-	-	-	-
Total expenditures	-	649,457	3,718	74,454
Excess (deficiency) of revenues over (under) expenditures	-	50,479	(492)	(14,108)
Other financing sources (uses):				
Transfers in	-	-	-	7,017
Transfers out	-	(7,017)	-	-
Total other financing sources (uses)	-	(7,017)	-	7,017
Net change in fund balance	-	43,462	(492)	(7,091)
Fund balances (deficits), beginning of year	3,483	1,306,925	492	187,742
Fund balances, end of year	\$ 3,483	\$ 1,350,387	\$ -	\$ 180,651

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
GENERAL FUND ACCOUNTS
For the year ended June 30, 2018**

	Student Council	Recycling and Energy	Teachers' Exchange
Revenues:			
Local sources	\$ -	\$ -	\$ 124,841
State sources	-	-	-
On-behalf payments	-	-	-
Interest	-	-	-
Total revenues	-	-	124,841
Expenditures:			
Instructional services:			
Salaries and benefits	-	-	-
Purchased services	-	-	124,841
Supplies and materials	-	-	-
Other objects	-	-	-
Pension expense	-	-	-
OPEB expense	-	-	-
On-behalf payments	-	-	-
Intergovernmental:			
Payments to other governments	-	-	-
Capital outlay	-	-	-
Debt service:			
Repayment of long term lease payable	-	-	-
Total expenditures	-	-	124,841
Excess (deficiency) of revenues over (under) expenditures	-	-	-
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	-	-	-
Fund balances (deficits), beginning of year	119	-	3,420
Fund balances, end of year	\$ 119	\$ -	\$ 3,420

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
GENERAL FUND ACCOUNTS
For the year ended June 30, 2018**

	General State Aid	Baby Talk	Futures Foundation
Revenues:			
Local sources	\$ 158,235	\$ 119,740	\$ -
State sources	268,361	-	-
On-behalf payments	-	-	-
Interest	-	-	2,950
Total revenues	<u>426,596</u>	<u>119,740</u>	<u>2,950</u>
Expenditures:			
Instructional services:			
Salaries and benefits	345,525	103,379	-
Purchased services	53,819	7,837	-
Supplies and materials	5,564	-	-
Other objects	900	-	-
Pension expense	13,458	8,267	-
OPEB expense	1,472	257	-
On-behalf payments	-	-	-
Intergovernmental:			
Payments to other governments	1,767	-	-
Capital outlay	-	-	-
Debt service:			
Repayment of long term lease payable	2,276	-	-
Total expenditures	<u>424,781</u>	<u>119,740</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,815</u>	<u>-</u>	<u>2,950</u>
Other financing sources (uses):			
Transfers in	134,254	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>134,254</u>	<u>-</u>	<u>-</u>
Net change in fund balance	136,069	-	2,950
Fund balances (deficits), beginning of year	<u>109,109</u>	<u>-</u>	<u>39,259</u>
Fund balances, end of year	<u>\$ 245,178</u>	<u>\$ -</u>	<u>\$ 42,209</u>

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Concluded)
GENERAL FUND ACCOUNTS
For the year ended June 30, 2018**

	Spelling Bee	School Improvement	Total
Revenues:			
Local sources	\$ 1,500	\$ 158,439	\$ 831,792
State sources	-	-	964,282
On-behalf payments	-	-	285,336
Interest	-	-	13,782
	<u>1,500</u>	<u>158,439</u>	<u>2,095,192</u>
Total revenues			
Expenditures:			
Instructional services:			
Salaries and benefits	-	2,177	1,184,187
Purchased services	396	-	381,567
Supplies and materials	380	-	29,571
Other objects	724	-	11,530
Pension expense	-	-	70,672
OPEB expense	-	-	15,938
On-behalf payments	-	-	285,336
Intergovernmental:			
Payments to other governments	-	-	1,767
Capital outlay	-	-	6,795
Debt service:			
Repayment of long term lease payable	-	-	2,276
	<u>1,500</u>	<u>2,177</u>	<u>1,989,639</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>156,262</u>	<u>105,553</u>
Other financing sources (uses):			
Transfers in	-	-	141,271
Transfers out	-	-	(141,271)
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)			
Net change in fund balance	-	156,262	105,553
Fund balances (deficits), beginning of year	<u>-</u>	<u>(156,244)</u>	<u>2,420,319</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 18</u>	<u>\$ 2,525,872</u>

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2018**

	Truants Alternative/ Optional Education	ROE/ISC Operations	Title II Teacher Quality	Title II Teacher Quality Leadership
ASSETS				
Cash and cash equivalents	\$ -	\$ 6,880	\$ -	\$ -
Due from other governments	33,354	-	125	-
Total assets	\$ 33,354	\$ 6,880	\$ 125	\$ -
LIABILITIES				
Accounts payable	\$ -	\$ 578	\$ -	\$ -
Accrued payroll and benefits	11,272	6,302	-	-
Due to other funds	22,082	-	125	-
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	33,354	6,880	125	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	16,672	-	-	-
FUND BALANCES (DEFICITS)				
Restricted	-	-	-	-
Unassigned	(16,672)	-	-	-
Total fund balances (deficits)	(16,672)	-	-	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 33,354	\$ 6,880	\$ 125	\$ -

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2018**

	Ounce of Prevention - Training and Technical	Regional Safe Schools	Early Childhood Block Grant
ASSETS			
Cash and cash equivalents	\$ -	\$ 292	\$ -
Due from other governments	335,000	8,078	213,539
Total assets	\$ 335,000	\$ 8,370	\$ 213,539
LIABILITIES			
Accounts payable	\$ 21,763	\$ -	\$ 27,766
Accrued payroll and benefits	150	8,370	2,901
Due to other funds	206,046	-	28,151
Due to other governments	-	-	-
Unearned revenue	-	-	48,247
Total liabilities	227,959	8,370	107,065
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	303,333	-	106,474
FUND BALANCES (DEFICITS)			
Restricted	-	-	-
Unassigned	(196,292)	-	-
Total fund balances (deficits)	(196,292)	-	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 335,000	\$ 8,370	\$ 213,539

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)
EDUCATION FUND
June 30, 2018**

	Not on Tobacco	Title I - School Improvement and Accountability	Early Childhood Block Grant- Continuing Three to Five
ASSETS			
Cash and cash equivalents	\$ 394	\$ -	\$ -
Due from other governments	-	16,927	10,932
Total assets	\$ 394	\$ 16,927	\$ 10,932
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	30	111
Due to other funds	-	16,897	10,821
Due to other governments	-	-	-
Unearned revenue	-	-	-
Total liabilities	-	16,927	10,932
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	5,466
FUND BALANCES (DEFICITS)			
Restricted	394	-	-
Unassigned	-	-	(5,466)
Total fund balances (deficits)	394	-	(5,466)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 394	\$ 16,927	\$ 10,932

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF ACCOUNTS (Concluded)
EDUCATION FUND
June 30, 2018**

	Homeless Children Youth Program	Regional Safe School Cooperative Education Program	Total
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ 7,566
Due from other governments	4,224	7,956	630,135
Total assets	\$ 4,224	\$ 7,956	\$ 637,701
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 50,107
Accrued payroll and benefits	-	113	29,249
Due to other funds	4,224	1,423	289,769
Due to other governments	-	6,420	6,420
Unearned revenue	-	-	48,247
Total liabilities	4,224	7,956	423,792
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	3,982	435,927
FUND BALANCES (DEFICITS)			
Restricted	-	-	394
Unassigned	-	(3,982)	(222,412)
Total fund balances (deficits)	-	(3,982)	(222,018)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 4,224	\$ 7,956	\$ 637,701

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2018**

	Truants Alternative/ Optional Education	ROE/ISC Operations	Title II Teacher Quality	Title II Teacher Quality Leadership
Revenues:				
State sources	\$ 283,584	\$ 122,187	\$ -	\$ -
Federal sources	-	-	829	1,500
Total revenues	283,584	122,187	829	1,500
Expenditures:				
Instructional services:				
Salaries and benefits	173,716	45,071	-	-
Purchased services	14,607	68,204	829	1,500
Supplies and materials	177	7,360	-	-
Other objects	-	-	-	-
Pension expense	11,357	1,552	-	-
OPEB expense	317	-	-	-
Capital outlay	-	-	-	-
Total expenditures	200,174	122,187	829	1,500
Net change in fund balance	83,410	-	-	-
Fund balances (deficits), beginning of year	(100,082)	-	-	-
Fund balances (deficits), end of year	\$ (16,672)	\$ -	\$ -	\$ -

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2018**

	Ounce of Prevention - Training and Technical	Regional Safe Schools	Early Childhood Block Grant
Revenues:			
State sources	\$ 215,833	\$ 123,174	\$ 1,199,529
Federal sources	-	-	-
Total revenues	215,833	123,174	1,199,529
Expenditures:			
Instructional services:			
Salaries and benefits	135,252	75,536	488,288
Purchased services	200,712	655	607,131
Supplies and materials	16,500	-	29,894
Other objects	13,220	-	38,925
Pension expense	12,884	371	32,149
OPEB expense	10	564	1,290
Capital outlay	15,405	-	1,852
Total expenditures	393,983	77,126	1,199,529
Net change in fund balance	(178,150)	46,048	-
Fund balances (deficits), beginning of year	(18,142)	(46,048)	-
Fund balances (deficits), end of year	\$ (196,292)	\$ -	\$ -

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2018**

	Not on Tobacco	Title I - School Improvement and Accountability	Early Childhood Block Grant- Continuing Three to Five
Revenues:			
State sources	\$ -	\$ -	\$ 60,110
Federal sources	-	54,067	-
Total revenues	-	54,067	60,110
Expenditures:			
Instructional services:			
Salaries and benefits	-	17,655	47,712
Purchased services	-	35,773	10,469
Supplies and materials	-	62	4,638
Other objects	-	-	2,001
Pension expense	-	577	455
OPEB expense	-	-	301
Capital outlay	-	-	-
Total expenditures	-	54,067	65,576
Net change in fund balance	-	-	(5,466)
Fund balances (deficits), beginning of year	394	-	-
Fund balances (deficits), end of year	\$ 394	\$ -	\$ (5,466)

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Concluded)
EDUCATION FUND ACCOUNTS
For the year ended June 30, 2018**

	Homeless Children Youth Program	Regional Safe School Cooperative Education Program	Total
Revenues:			
State sources	\$ -	\$ 67,950	\$ 2,072,367
Federal sources	17,040	-	73,436
Total revenues	17,040	67,950	2,145,803
Expenditures:			
Instructional services:			
Salaries and benefits	15,468	24,969	1,023,667
Purchased services	105	6,616	946,601
Supplies and materials	-	2,250	60,881
Other objects	-	-	54,146
Pension expense	1,467	-	60,812
OPEB expense	-	-	2,482
Capital outlay	-	-	17,257
Total expenditures	17,040	33,835	2,165,846
Net change in fund balance	-	34,115	(20,043)
Fund balances (deficits), beginning of year	-	(38,097)	(201,975)
Fund balances (deficits), end of year	\$ -	\$ (3,982)	\$ (222,018)

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION, FY17
For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 200,174	\$ 200,174	\$ 100,082
Expenditures:			
Salaries and benefits	182,148	182,148	-
Purchased services	17,849	17,849	-
Supplies and materials	177	177	-
Total expenditures	200,174	200,174	-
Net change in fund balance	\$ -	\$ -	100,082
Fund balance (deficit), beginning of year			(100,082)
Fund balance, July 1, 2017			\$ -

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION, FY18
For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 200,174	\$ 200,174	\$ 183,502
Expenditures:			
Salaries and benefits	184,832	184,832	173,716
Purchased services	15,165	15,165	14,607
Supplies and materials	177	177	177
Pension expense	-	-	11,357
OPEB expense	-	-	317
Total expenditures	200,174	200,174	200,174
Net change in fund balance	\$ -	\$ -	(16,672)
Fund balance, July 1, 2017			-
Fund balance (deficit), end of year			\$ (16,672)

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ROE/ISC OPERATIONS
For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 112,673	\$ 122,187	\$ 122,187
Expenditures:			
Salaries and benefits	58,614	47,531	45,071
Purchased services	42,019	67,716	68,204
Supplies and materials	7,040	6,940	7,360
Capital outlay	3,000	-	-
Payments to other governments	2,000	-	-
Pension expense	-	-	1,552
Total expenditures	112,673	122,187	122,187
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE II TEACHER QUALITY
For the year ended June 30, 2018**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
Federal sources	\$ 3,097	\$ 3,097	\$ 829
Expenditures:			
Purchased services	2,800	2,800	829
Supplies and materials	297	297	-
Total expenditures	3,097	3,097	829
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE II TEACHER QUALITY LEADERSHIP
For the year ended June 30, 2018**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
Federal sources	\$ 1,628	\$ 1,628	\$ 1,500
Expenditures:			
Purchased services	1,628	1,628	1,500
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
OUNCE OF PREVENTION - TRAINING AND TECHNICAL, FY17
For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 190,000	\$ 200,000	\$ 41,666
Expenditures:			
Salaries and benefits	135,713	131,866	-
Purchased services	40,822	52,003	23,524
Supplies and materials	11,965	16,131	-
Capital outlay	1,500	-	-
Total expenditures	190,000	200,000	23,524
Net change in fund balance	\$ -	\$ -	18,142
Fund balance (deficit), beginning of year			(18,142)
Fund balance, July 1, 2017			\$ -

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
OUNCE OF PREVENTION - TRAINING AND TECHNICAL, FY18
For the year ended June 30, 2018**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
State sources	\$ 190,000	\$ 477,500	\$ 174,167
Expenditures:			
Salaries and benefits	89,349	148,161	135,252
Purchased services	85,146	249,920	177,188
Supplies and materials	15,005	42,904	16,500
Capital outlay	500	23,295	15,405
Other objects	-	13,220	13,220
Pension expense	-	-	12,884
OPEB expense	-	-	10
Total expenditures	190,000	477,500	370,459
Net change in fund balance	\$ -	\$ -	(196,292)
Fund balance, July 1, 2017			-
Fund balance (deficit), end of year			\$ (196,292)

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS, FY17
For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 76,796	\$ 76,796	\$ 46,048
Expenditures:			
Salaries and benefits	74,792	74,792	-
Purchased services	2,004	2,004	-
Total expenditures	76,796	76,796	-
Net change in fund balance	\$ -	\$ -	46,048
Fund balance (deficits), beginning of year			(46,048)
Fund balance, July 1, 2017			\$ -

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS, FY18
For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 77,126	\$ 77,126	\$ 77,126
Expenditures:			
Salaries and benefits	77,126	77,126	75,536
Purchased services	-	-	655
Pension expense	-	-	371
OPEB expense	-	-	564
Total expenditures	77,126	77,126	77,126
Net change in fund balance	\$ -	\$ -	-
Fund balance, July 1, 2017			-
Fund balance, end of year			\$ -

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
EARLY CHILDHOOD BLOCK GRANT, FY17
For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 953,485	\$ 1,277,685	\$ 76,565
Expenditures:			
Salaries and benefits	673,443	713,195	-
Purchased services	261,041	533,745	76,565
Supplies and materials	18,501	27,892	-
Capital outlay	500	2,853	-
Total expenditures	953,485	1,277,685	76,565
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, July 1, 2017			\$ -

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
EARLY CHILDHOOD BLOCK GRANT, FY18
For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 1,277,685	\$ 1,277,685	\$ 1,122,964
Expenditures:			
Salaries and benefits	707,262	521,727	488,288
Purchased services	550,623	642,953	530,566
Supplies and materials	18,400	71,029	29,894
Capital outlay	1,400	3,051	1,852
Other objects	-	38,925	38,925
Pension expense	-	-	32,149
OPEB expense	-	-	1,290
Total expenditures	<u>1,277,685</u>	<u>1,277,685</u>	<u>1,122,964</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, July 1, 2017			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE I - SCHOOL IMPROVEMENT AND ACCOUNTABILITY
For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 68,250	\$ 68,250	\$ 54,067
Expenditures:			
Salaries and benefits	35,383	26,706	17,655
Purchased services	31,161	40,303	35,773
Supplies and materials	1,706	1,241	62
Pension expense	-	-	577
Total expenditures	68,250	68,250	54,067
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
EARLY CHILDHOOD BLOCK GRANT - CONTINUING THREE TO FIVE
For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 65,576	\$ 65,576	\$ 60,110
Expenditures:			
Salaries and benefits	50,155	48,482	47,712
Purchased services	11,210	10,309	10,469
Supplies and materials	4,211	4,784	4,638
Other objects	-	2,001	2,001
Pension expense	-	-	455
OPEB expense	-	-	301
Total expenditures	<u>65,576</u>	<u>65,576</u>	<u>65,576</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(5,466)
Fund balance, beginning of year			<u>-</u>
Fund balance (deficit), end of year			<u>\$ (5,466)</u>

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
HOMELESS CHILDREN YOUTH PROGRAM
For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 16,173	\$ 17,040	\$ 17,040
Expenditures:			
Salaries and benefits	16,072	16,935	15,468
Purchased services	101	105	105
Pension expense	-	-	1,467
Total expenditures	16,173	17,040	17,040
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOL COOPERATIVE EDUCATION PROGRAM, FY17
For the year ended June 30, 2018**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
State sources	\$ 38,604	\$ 38,604	\$ 38,604
Expenditures:			
Salaries and benefits	23,789	23,789	-
Purchased services	7,682	7,682	-
Supplies and materials	7,133	7,133	507
Total expenditures	38,604	38,604	507
Net change in fund balance	\$ -	\$ -	38,097
Fund balance (deficit), beginning of year			(38,097)
Fund balance, July 1, 2017			\$ -

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOL COOPERATIVE EDUCATION PROGRAM, FY18
For the year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 39,748	\$ 39,748	\$ 29,346
Expenditures:			
Salaries and benefits	24,969	24,969	24,969
Purchased services	8,550	8,550	6,616
Supplies and materials	6,229	6,229	1,743
Total expenditures	39,748	39,748	33,328
Net change in fund balance	\$ -	\$ -	(3,982)
Fund balance, July 1, 2017			-
Fund balance (deficit), end of year			\$ (3,982)

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2018**

	Institute	General Education Development	Bus Permit	Total
ASSETS				
Cash and cash equivalents	\$ 108,260	\$ 2,537	\$ 12,876	\$ 123,673
Due from other governments	-	-	1,170	1,170
Total assets	\$ 108,260	\$ 2,537	\$ 14,046	\$ 124,843
LIABILITIES				
Due to other governments	\$ -	\$ -	\$ 170	\$ 170
FUND BALANCE				
Restricted	108,260	2,537	13,876	124,673
Total fund balance	108,260	2,537	13,876	124,673
Total liabilities and fund balances	\$ 108,260	\$ 2,537	\$ 14,046	\$ 124,843

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the year ended June 30, 2018**

	Institute	General Education Development	Bus Permit	Total
Revenues:				
Local sources	\$ 49,816	\$ 3,882	\$ 4,596	\$ 58,294
State sources	-	-	1,436	1,436
Total revenues	49,816	3,882	6,032	59,730
Expenditures:				
Instructional services:				
Salaries and benefits	26,681	3,266	7,433	37,380
Purchased services	10,805	1,216	1,561	13,582
Supplies and materials	-	104	-	104
Pension expense	2,606	314	712	3,632
Total expenditures	40,092	4,900	9,706	54,698
Net change in fund balances	9,724	(1,018)	(3,674)	5,032
Fund balances, beginning of the year	98,536	3,555	17,550	119,641
Fund balances, end of the year	<u>\$ 108,260</u>	<u>\$ 2,537</u>	<u>\$ 13,876</u>	<u>\$ 124,673</u>

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2018**

	Heartland Region Fund	Regional Board of Trustees	School Occupation Facility Tax	Decatur Community Partnership	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 287,721	\$ 1,350	\$ -	\$ 21,003	\$ 310,074
Due from other governments	2,102,176	-	2,675,052	28,907	4,806,135
Total current assets	<u>2,389,897</u>	<u>1,350</u>	<u>2,675,052</u>	<u>49,910</u>	<u>5,116,209</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	592,806	-	-	-	592,806
Deferred outflows related to OPEB	114,618	-	-	-	114,618
Total deferred outflows of resources	<u>707,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>707,424</u>
Total assets and deferred outflows	<u>\$ 3,097,321</u>	<u>\$ 1,350</u>	<u>\$ 2,675,052</u>	<u>\$ 49,910</u>	<u>\$ 5,823,633</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 63,883	\$ -	\$ -	\$ -	\$ 63,883
Due to other governments	360,527	1,350	2,675,052	49,910	3,086,839
Total current liabilities	<u>424,410</u>	<u>1,350</u>	<u>2,675,052</u>	<u>49,910</u>	<u>3,150,722</u>
Noncurrent liabilities:					
Net pension liability	1,100,904	-	-	-	1,100,904
Net OPEB liability	1,082,908	-	-	-	1,082,908
Total noncurrent liabilities	<u>2,183,812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,183,812</u>
Total liabilities	<u>2,608,222</u>	<u>1,350</u>	<u>2,675,052</u>	<u>49,910</u>	<u>5,334,534</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	359,540	-	-	-	359,540
Deferred inflows related to OPEB	129,559	-	-	-	129,559
Total deferred inflows of resources	<u>489,099</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>489,099</u>
Total liabilities and deferred inflows	<u>\$ 3,097,321</u>	<u>\$ 1,350</u>	<u>\$ 2,675,052</u>	<u>\$ 49,910</u>	<u>\$ 5,823,633</u>

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the year ended June 30, 2018**

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<u>HEARTLAND REGION FUND</u>				
ASSETS				
Current assets:				
Cash and cash equivalents	\$ -	\$ 2,216,189	\$ 1,928,468	\$ 287,721
Due from other governments	2,446,486	2,102,176	2,446,486	2,102,176
Total current assets	<u>2,446,486</u>	<u>4,318,365</u>	<u>4,374,954</u>	<u>2,389,897</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	137,239	455,567	-	592,806
Deferred outflows related to OPEB	8,064	114,618	8,064	114,618
Total deferred outflows of resources	<u>145,303</u>	<u>570,185</u>	<u>8,064</u>	<u>707,424</u>
Total assets and deferred outflows	<u>\$ 2,591,789</u>	<u>\$ 4,888,550</u>	<u>\$ 4,383,018</u>	<u>\$ 3,097,321</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 72,176	\$ 63,883	\$ 72,176	\$ 63,883
Due to other governments	578,216	2,951,162	3,168,851	360,527
Total current liabilities	<u>650,392</u>	<u>3,015,045</u>	<u>3,241,027</u>	<u>424,410</u>
Noncurrent liabilities:				
Net pension liability	439,866	661,038	-	1,100,904
Net OPEB liability	1,016,106	1,082,908	1,016,106	1,082,908
Total noncurrent liabilities	<u>1,455,972</u>	<u>1,743,946</u>	<u>1,016,106</u>	<u>2,183,812</u>
Total liabilities	<u>2,106,364</u>	<u>4,758,991</u>	<u>4,257,133</u>	<u>2,608,222</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	485,425	-	125,885	359,540
Deferred inflows related to OPEB	-	129,559	-	129,559
Total deferred inflows of resources	<u>485,425</u>	<u>129,559</u>	<u>125,885</u>	<u>489,099</u>
Total liabilities and deferred inflows	<u>\$ 2,591,789</u>	<u>\$ 4,888,550</u>	<u>\$ 4,383,018</u>	<u>\$ 3,097,321</u>

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
For the year ended June 30, 2018**

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<u>REGIONAL BOARD OF TRUSTEES</u>				
ASSETS				
Cash and cash equivalents	\$ 1,346	\$ 4	\$ -	\$ 1,350
LIABILITIES				
Due to other governments	\$ 1,346	\$ 4	\$ -	\$ 1,350
<u>SCHOOL OCCUPATION FACILITY TAX</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 7,493,920	\$ 7,493,920	\$ -
Due from other governments	2,579,567	2,675,052	2,579,567	2,675,052
Total assets	\$ 2,579,567	\$ 10,168,972	\$ 10,073,487	\$ 2,675,052
LIABILITIES				
Due to other governments	\$ 2,579,567	\$ 10,168,972	\$ 10,073,487	\$ 2,675,052
<u>DECATUR COMMUNITY PARTNERSHIP</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 166,243	\$ 145,240	\$ 21,003
Due from other governments	-	28,907	-	\$ 28,907
Total assets	\$ -	\$ 195,150	\$ 145,240	\$ 49,910
LIABILITIES				
Due to other governments	\$ -	\$ 195,150	\$ 145,240	\$ 49,910

**MACON AND PIATT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Concluded)
AGENCY FUNDS
For the year ended June 30, 2018**

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,346	\$ 9,876,356	\$ 9,567,628	\$ 310,074
Due from other governments	5,026,053	4,806,135	5,026,053	4,806,135
Total assets	<u>5,027,399</u>	<u>14,682,491</u>	<u>14,593,681</u>	<u>5,116,209</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	137,239	455,567	-	592,806
Deferred outflows related to OPEB	8,064	114,618	8,064	114,618
Total deferred outflows of resources	<u>145,303</u>	<u>570,185</u>	<u>8,064</u>	<u>707,424</u>
Total assets and deferred outflows	<u>\$ 5,172,702</u>	<u>\$ 15,252,676</u>	<u>\$ 14,601,745</u>	<u>\$ 5,823,633</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 72,176	\$ 63,883	\$ 72,176	\$ 63,883
Due to other governments	3,159,129	13,315,288	13,387,578	3,086,839
Total current liabilities	<u>3,231,305</u>	<u>13,379,171</u>	<u>13,459,754</u>	<u>3,150,722</u>
Noncurrent liabilities:				
Net pension liability	439,866	661,038	-	1,100,904
Net OPEB liability	1,016,106	1,082,908	1,016,106	1,082,908
Total noncurrent liabilities	<u>1,455,972</u>	<u>1,743,946</u>	<u>1,016,106</u>	<u>2,183,812</u>
Total liabilities	<u>4,687,277</u>	<u>15,123,117</u>	<u>14,475,860</u>	<u>5,334,534</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	485,425	-	125,885	359,540
Deferred inflows related to OPEB	-	129,559	-	129,559
Total deferred inflows of resources	<u>485,425</u>	<u>129,559</u>	<u>125,885</u>	<u>489,099</u>
Total liabilities and deferred inflows	<u>\$ 5,172,702</u>	<u>\$ 15,252,676</u>	<u>\$ 14,601,745</u>	<u>\$ 5,823,633</u>