

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

FOR THE YEAR ENDED JUNE 30, 2017

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
JUNE 30, 2017

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CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
JUNE 30, 2017

OFFICIALS

Regional Superintendent
(Current and during the audit period)

Dr. Jane E. Quinlan

Assistant Regional Superintendent
(Current and during the audit period)

Ms. Donna Kaufman

Office is located at:

3358 Big Pine Trail,
Champaign, IL 61822

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
JUNE 30, 2017

FINANCIAL REPORT SUMMARY

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

AUDITORS' REPORTS

The auditors' reports do not contain scope limitations, disclaimers, or other significant nonstandard language.

SUMMARY OF AUDIT FINDINGS

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

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

SUMMARY OF FINDINGS AND RESPONSES

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

None

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

None

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
JUNE 30, 2017

FINANCIAL REPORT SUMMARY (Concluded)

EXIT CONFERENCE

An informal exit conference was held on October 5, 2017. There were no audit findings to discuss with Agency personnel. Attending were Jane Quinlan, Regional Superintendent; Donna Kaufman, Assistant Regional Superintendent; Julie Duran, Bookkeeper; Amy Page, Payroll Specialist; and Matt Price, CPA, Kemper CPA Group LLP. The Regional Office did not request a formal exit conference at this time.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
JUNE 30, 2017

FINANCIAL STATEMENT REPORT SUMMARY

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

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



INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Champaign/Ford Counties Regional Office of Education #9, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Champaign/Ford Counties Regional Office of Education #9's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Champaign/Ford Counties Regional Office of Education #9, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Illinois Municipal Retirement Fund Schedule of Changes in the Net Pension Liability, & Related Ratios, Illinois Municipal Retirement Fund Schedule of Employer Contributions, Teachers' Retirement System of the State of Illinois Schedule of the Employer's Proportionate Share of the Net Pension Liability, Teachers' Retirement System of the State of Illinois Schedule of Employer Contributions, and Other Postemployment Benefits – Health Insurance Plan for Retired Employees Schedule of Funding Progress on pages 11a through 11h and 59 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Schedule of Disbursements to School District Treasurers and Other Entities – Distributive Fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2018, on our consideration of the Champaign/Ford Counties Regional Office of Education #9's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Champaign/Ford Counties Regional Office of Education #9's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Champaign/Ford Counties Regional Office of Education #9's internal control over financial reporting and compliance.

original signature on file

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
March 22, 2018



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Champaign/Ford Counties Regional Office of Education #9, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Champaign/Ford Counties Regional Office of Education #9's basic financial statements and have issued our report thereon dated March 22, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Champaign/Ford Counties Regional Office of Education #9's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

original signature on file

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
March 22, 2018

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2017

SUMMARY OF AUDITORS' RESULTS

Financial Statements in Accordance with GAAP

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION #9
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2017**

The Champaign/Ford Counties Regional Office of Education #9 (ROE #9) provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2017. We encourage readers to consider this information in conjunction with the ROE #9's financial statements, which follow.

2017 Financial Highlights

- Within the Governmental Funds, the General Fund revenues decreased by \$85,279 (3%) from \$2,483,577 in FY 2016 to \$2,398,298 in FY 2017. This is mainly due to a decrease in the revenues for the Regional Education Alternative for Developing Youth program. General Fund expenditures increased by \$158,092 (7%) from \$2,307,321 in FY 2016 to \$2,465,413 in FY 2017, due to an increase in salaries and benefits, and purchased services that were paid from the ILTPP and Summer Freedom School programs.
- Within the Governmental Funds, the Special Revenue Funds revenues increased by \$73,456 (5%) from \$1,372,692 in FY 2016 to \$1,446,148 in FY 2017. This is attributable mainly to overall increases in both federal and State source revenues in the Education Funds. Special Revenue Funds expenditures increased by \$161,019 (12%) from \$1,378,269 in FY 2016 to \$1,539,288 in FY 2017. The increase in spending during FY2017 directly relates to the increase in total revenues received.
- Proprietary Funds revenues increased by \$3,138 (3%) from \$105,006 in FY 2016 to \$108,144 in FY 2017, due to an increase in local workshop revenues. The Proprietary Funds expenditures increased by \$99,602 (11,677%) from \$(853) in FY 2016 to \$98,749 in FY 2017, due to the recognition of pension expense related to IMRF and TRS net pension obligations.
- The ROE #9 has long-term liabilities related to other post-employment retirement benefit obligations, capital lease obligations, obligations for compensated absences, and IMRF and TRS net pension liabilities.

Using This Report

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

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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION #9
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2017**

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

The Statement of Net Position and the Statement of Activities

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

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

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

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

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

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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION #9
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2017**

Fund Financial Statements

The fund financial statements provide detailed information about the ROE #9's funds. Funds are accounting devices that allow the tracking of specific sources of funding and spending of particular programs. Some funds are required by State law. The ROE #9 establishes other funds to control and manage money for particular purposes.

The ROE #9 has three kinds of funds:

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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION #9
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2017**

Government-wide Financial Analysis

As noted earlier, Net Position may serve, when examined over time, as one indicator of the financial position of the ROE #9. The total net position at the end of FY 2017 was \$2,193,572. The analysis that follows provides a summary of the ROE #9's net position at June 30, 2017 and June 30, 2016, for the governmental and business-type activities.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current assets	\$ 3,461,971	\$ 3,293,915	\$ 338,203	\$ 331,800	\$ 3,800,174	\$ 3,625,715
Capital assets, net	105,993	82,871	3,651	4,232	109,644	87,103
Net pension asset	-	-	-	-	-	-
Total assets	3,567,964	3,376,786	341,854	336,032	3,909,818	3,712,818
Deferred outflows of resources	548,387	636,418	-	-	548,387	636,418
Current liabilities	1,122,315	1,007,455	1,520	5,687	1,123,835	1,013,142
Noncurrent liabilities	577,131	466,285	-	-	577,131	466,285
Total liabilities	1,699,446	1,473,740	1,520	5,687	1,700,966	1,479,427
Deferred inflows of resources	563,667	727,504	-	-	563,667	727,504
Net position:						
Investment in capital assets	101,714	76,802	3,651	4,232	105,365	81,034
Restricted—other	804,864	785,387	-	-	804,864	785,387
Unrestricted	946,660	949,771	336,683	326,113	1,283,343	1,275,884
Total net position	\$ 1,853,238	\$ 1,811,960	\$ 340,334	\$ 330,345	\$ 2,193,572	\$ 2,142,305

The ROE #9's net position increased by \$51,267 (2%) from FY 2016. Net position invested in capital assets of \$105,365, representing 5% of total net position, reflects the ROE #9's investment in equipment and office furniture, net of obligations under capital leases. An additional portion of the ROE #9's net position of \$804,864 (37%) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for teacher professional development. The largest portion of the ROE #9's net position of \$1,283,343 (58%) reflects the unrestricted net position that may be used to meet the ROE #9's obligations to other entities, employees and creditors.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION #9
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2017**

CHANGES IN NET POSITION

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues:						
Program revenues:						
Operating grants and contributions	\$ 1,269,343	\$ 1,261,448	\$ -	\$ -	\$ 1,269,343	\$ 1,261,448
Charges for services	-	-	108,144	105,006	108,144	105,006
General revenues:						
Local sources	1,784,570	1,676,217	-	-	1,784,570	1,676,217
State sources	356,136	295,297	-	-	356,136	295,297
Federal sources	445,443	461,057	-	-	445,443	461,057
On-behalf payments	1,333,152	989,821	-	-	1,333,152	989,821
Loss on disposal of assets	(3,727)	(547)	-	-	(3,727)	(547)
Net interest income	2,795	2,234	594	299	3,389	2,533
Total revenues	<u>5,187,712</u>	<u>4,685,527</u>	<u>108,738</u>	<u>105,305</u>	<u>5,296,450</u>	<u>4,790,832</u>
Expenses:						
Programs expenses:						
Salaries and benefits	2,270,506	2,148,978	13,754	9,495	2,284,260	2,158,473
Purchased services	809,278	876,364	78,039	93,097	887,317	969,461
Supplies and materials	151,817	172,398	1,983	2,864	153,800	175,262
Other objects	72,117	29,083	-	560	72,117	29,643
Payments to other governments	355,198	191,814	508	2,940	355,706	194,754
Depreciation	45,343	32,284	3,689	4,821	49,032	37,105
Pension expense (income)	109,023	377,600	776	(114,630)	109,799	262,970
Administrative expenses:						
On-behalf payments	1,333,152	989,821	-	-	1,333,152	989,821
Total expenses	<u>5,146,434</u>	<u>4,818,342</u>	<u>98,749</u>	<u>(853)</u>	<u>5,245,183</u>	<u>4,817,489</u>
Changes in net position	41,278	(132,815)	9,989	106,158	51,267	(26,657)
Net position - beginning	1,811,960	1,944,775	330,345	224,187	2,142,305	2,168,962
Net position, ending	<u>\$ 1,853,238</u>	<u>\$ 1,811,960</u>	<u>\$ 340,334</u>	<u>\$ 330,345</u>	<u>\$ 2,193,572</u>	<u>\$ 2,142,305</u>

During FY 2017, the governmental funds had an excess of revenues over expenditures of \$41,278. The excess in revenues resulted primarily from increases in both State on-behalf payments and federal revenues received and recognized in the current year.

Total governmental revenues of \$5.19 million consisted primarily of State and federal grants totaling \$2.07 million, and local revenues from tuition, fees and flow-through money totaling \$1.79 million. Governmental revenues posted a net increase of \$502,185 (10%) from previous year, primarily due to the increase in on-behalf payments.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION #9
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2017**

Total governmental expenses posted a net increase of \$328,092 (7%) compared to previous year. The increase was mainly due to the increase in on-behalf payments.

Financial Analysis of the ROE #9 Funds

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

Governmental Fund Highlights

The ROE #9 continues to offer technical assistance and professional development activities to teachers in all areas of curriculum. In FY 2017, at least 6,202 teachers and school personnel have received direct professional development to improve their basic knowledge and/or their teaching pedagogy. The ROE #9 is responsible for professional development activities to maintain licensure by school administrators through the Administrator Academy. At least 132 administrators have received direct professional development in FY 2017. The ROE #9 also operates a middle school and high school through the Regional Safe School Program for students who have experienced serious difficulties in the public schools. This school served 181 students. The McKinney Education-Homeless Children Program served 755 students and families. In FY 2017, the ROE #9 served 1,074 teachers through the Licensure Program that assists teachers in completing licensure requirements and obtaining a license. The ROE #9 also provided 18 bus driver trainings throughout the year issuing 50 initial bus driver certificates and 298 refresher bus driver certificates. There are a variety of other regulatory programs that are statute based including the annual inspection of school buildings for health and safety and regular compliance monitoring of districts. A General Education Development (GED) program is offered through the ROE #9's cooperative effort with Parkland College which includes testing to meet high school equivalency. The ROE #9 administered 190 GED tests.* In addition, the ROE #9 has a variety of smaller programs that would be classified as consultative services working directly with the schools. *NOTE: GED testing was closed February 15, 2017 to July 15, 2017, due to ROE #9 moving locations.

The ROE #9 assists educators, parents and other patrons on a daily basis as they call for information and/or with questions or problems related to education. During FY 2017, the ROE #9 responded to 6,934 phone calls and walk-ins with questions concerning bus service, grade problems, special education needs and requirements, residency concerns, and home school issues. The ROE #9 also offers guidance to parents, as well as serves as a liaison between parents and the schools.

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION #9
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2017**

Proprietary Fund Highlights

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

Budgetary Highlights

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

Capital Assets

Capital assets of the ROE #9 include office equipment, computers, servers, audiovisual equipment, and office furniture. The ROE #9 maintains an inventory of capital assets that have been accumulated over time. In FY 2017, total additions amounted to \$75,356 and depreciation expense for FY 2017 was \$49,032. For the detailed capital assets activities, see Note 8 of the Notes to the Financial Statements.

Economic Factors and Next Year's Budget

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

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

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

**CHAMPAIGN/FORD COUNTIES REGIONAL OFFICE OF EDUCATION #9
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2017**

Contacting the ROE #9's Financial Management

This report is designed to provide the Regional Office's citizens, taxpayers, customers, and creditors with a general overview of the Regional Office's finances and to demonstrate the ROE #9's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Regional Superintendent's office at the Champaign/Ford Counties Regional Office of Education #9, 3358 Big Pine Trail, Champaign, IL 61822.

BASIC FINANCIAL STATEMENTS

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 3,066,795	\$ 119,630	\$ 3,186,425
Due (to) from other funds	(196,434)	196,434	-
Due from other governments:			
Local	69,216	22,139	91,355
State	362,215	-	362,215
Federal	160,179	-	160,179
Total Current Assets	<u>3,461,971</u>	<u>338,203</u>	<u>3,800,174</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	<u>105,993</u>	<u>3,651</u>	<u>109,644</u>
TOTAL ASSETS	<u>3,567,964</u>	<u>341,854</u>	<u>3,909,818</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>548,387</u>	<u>-</u>	<u>548,387</u>
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued expenses	211,305	1,520	212,825
Due to other governments:			
Federal	909,084	-	909,084
Lease payable	1,906	-	1,906
Unearned revenue	20	-	20
Total Current Liabilities	<u>1,122,315</u>	<u>1,520</u>	<u>1,123,835</u>
Noncurrent Liabilities:			
Lease payable	2,373	-	2,373
Compensated absences	18,144	-	18,144
Net OPEB obligation	19,295	-	19,295
Net pension liability	537,319	-	537,319
Total Noncurrent Liabilities	<u>577,131</u>	<u>-</u>	<u>577,131</u>
TOTAL LIABILITIES	<u>1,699,446</u>	<u>1,520</u>	<u>1,700,966</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>563,667</u>	<u>-</u>	<u>563,667</u>
NET POSITION			
Net investment in capital assets	101,714	3,651	105,365
Restricted - other	804,864	-	804,864
Unrestricted	946,660	336,683	1,283,343
TOTAL NET POSITION	<u>\$ 1,853,238</u>	<u>\$ 340,334</u>	<u>\$ 2,193,572</u>

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:						
Governmental Activities:						
Instructional Services						
Salaries and benefits	\$ 2,270,506	\$ -	\$ 660,279	\$ (1,610,227)	\$ -	\$ (1,610,227)
Purchased services	809,278	-	281,922	(527,356)	-	(527,356)
Supplies and materials	151,817	-	64,621	(87,196)	-	(87,196)
Other objects	72,117	-	1,965	(70,152)	-	(70,152)
Depreciation expense	45,343	-	-	(45,343)	-	(45,343)
Capital outlay	-	-	72,192	72,192	-	72,192
Payments to other governments	355,198	-	188,364	(166,834)	-	(166,834)
Pension expense	109,023	-	-	(109,023)	-	(109,023)
Administrative:						
On-behalf payments - State	1,333,152	-	-	(1,333,152)	-	(1,333,152)
Total Governmental Activities	5,146,434	-	1,269,343	(3,877,091)	-	(3,877,091)
Business-Type Activities:						
Charges for services	97,973	108,144	-	-	10,171	10,171
Pension expense	776	-	-	-	(776)	(776)
Total Business-Type Activities	98,749	108,144	-	-	9,395	9,395
TOTAL PRIMARY GOVERNMENT	\$ 5,245,183	\$ 108,144	\$ 1,269,343	(3,877,091)	9,395	(3,867,696)
GENERAL REVENUES:						
				1,784,570	-	1,784,570
				356,136	-	356,136
				445,443	-	445,443
				1,333,152	-	1,333,152
				2,795	594	3,389
				(3,727)	-	(3,727)
				Total General Revenues	594	3,918,963
				41,278	9,989	51,267
				1,811,960	330,345	2,142,305
				\$ 1,853,238	\$ 340,334	\$ 2,193,572

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Institute	Education Fund	Non-Major Special Revenue Funds	Eliminations	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 1,397,710	\$ 517,158	\$ 1,059,146	\$ 82,890	\$ -	\$ 3,056,904
Due from other funds	206,982	-	-	-	(206,982)	-
Due from other governments:						
Local	68,424	-	-	30	-	68,454
State	118,930	-	243,285	-	-	362,215
Federal	16,416	-	143,763	-	-	160,179
TOTAL ASSETS	<u>\$ 1,808,462</u>	<u>\$ 517,158</u>	<u>\$ 1,446,194</u>	<u>\$ 82,920</u>	<u>\$ (206,982)</u>	<u>\$ 3,647,752</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ 153,636	\$ -	\$ 57,439	\$ 230	\$ -	\$ 211,305
Due to other funds	128,781	-	274,635	-	(206,982)	196,434
Due to other governments:						
Federal	-	-	909,084	-	-	909,084
Unearned revenue	-	-	-	20	-	20
Total Liabilities	<u>282,417</u>	<u>-</u>	<u>1,241,158</u>	<u>250</u>	<u>(206,982)</u>	<u>1,316,843</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	102,816	-	174,202	-	-	277,018
FUND BALANCES						
Restricted	-	517,158	187,382	82,670	-	787,210
Assigned	389,687	-	-	-	-	389,687
Unassigned	1,033,542	-	(156,548)	-	-	876,994
Total Fund Balances	<u>1,423,229</u>	<u>517,158</u>	<u>30,834</u>	<u>82,670</u>	<u>-</u>	<u>2,053,891</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 1,808,462</u>	<u>\$ 517,158</u>	<u>\$ 1,446,194</u>	<u>\$ 82,920</u>	<u>\$ (206,982)</u>	<u>\$ 3,647,752</u>

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2017

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS \$ 2,053,891

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		105,993
Lease payable reflects capital lease payments related to capital assets that the Regional Office of Education #9 will recognize as an expense when paid in the governmental fund financial statements.		(4,279)
The OPEB obligation resulting from annual required contributions in excess of actual contributions are not due and payable in the current period and therefore, are not reported in the funds.		(19,295)
Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are not considered "available" revenues and are deferred in the governmental funds.		277,018
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and therefore are not reported in the governmental funds as follows:		
Deferred outflows of resources	\$ 548,387	
Deferred inflows of resources	(563,667)	(15,280)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Compensated absences	\$ (18,144)	
IMRF net pension liability	(288,645)	
TRS net pension liability	(248,674)	(555,463)
The Internal Service Fund is used by management to charge the costs of general accounting services of the Regional Office of Education #9 to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.		
Net Position - Internal Service Fund	\$ 26,577	
Less pension related deferred inflows, outflows, and liability	(14,922)	
Less capital assets of Internal Service Fund included in the total above	(1,002)	10,653

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,853,238

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Institute	Education Fund	Non-Major Special Revenue Funds	Eliminations	Total Governmental Funds
REVENUES						
Local sources	\$ 1,437,402	\$ 65,003	\$ 191,222	\$ 10,048	\$ -	\$ 1,703,675
State sources	642,959	-	494,211	1,317	-	1,138,487
Federal sources	33,318	-	683,684	-	-	717,002
State sources- on-behalf payments	282,503	-	-	-	-	282,503
Investment income	2,116	471	113	79	-	2,779
Total Revenues	<u>2,398,298</u>	<u>65,474</u>	<u>1,369,230</u>	<u>11,444</u>	<u>-</u>	<u>3,844,446</u>
EXPENDITURES						
Instructional Services:						
Salaries and benefits	1,597,984	10,079	594,651	7,856	-	2,210,570
Pension expense	42,205	546	25,307	425	-	68,483
Purchased services	376,822	25,014	390,990	5,386	-	798,212
Supplies and materials	66,531	1,378	77,768	573	-	146,250
Other objects	67,692	230	1,965	1,406	-	71,293
Payments to other governments	-	-	355,198	-	-	355,198
On-behalf payments	282,503	-	-	-	-	282,503
Capital outlay	31,676	-	40,516	-	-	72,192
Total Expenditures	<u>2,465,413</u>	<u>37,247</u>	<u>1,486,395</u>	<u>15,646</u>	<u>-</u>	<u>4,004,701</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(67,115)</u>	<u>28,227</u>	<u>(117,165)</u>	<u>(4,202)</u>	<u>-</u>	<u>(160,255)</u>
OTHER FINANCING SOURCES (USES):						
Repayment of long-term lease payable	(1,790)	-	-	-	-	(1,790)
Proceeds of long-term lease payable	-	-	-	-	-	-
Interest expense	(394)	-	-	-	-	(394)
Total Other Financing Sources (Uses)	<u>(2,184)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,184)</u>
NET CHANGE IN FUND BALANCES	<u>(69,299)</u>	<u>28,227</u>	<u>(117,165)</u>	<u>(4,202)</u>	<u>-</u>	<u>(162,439)</u>
FUND BALANCES - BEGINNING	<u>1,492,528</u>	<u>488,931</u>	<u>147,999</u>	<u>86,872</u>	<u>-</u>	<u>2,216,330</u>
FUND BALANCES - ENDING	<u>\$ 1,423,229</u>	<u>\$ 517,158</u>	<u>\$ 30,834</u>	<u>\$ 82,670</u>	<u>\$ -</u>	<u>\$ 2,053,891</u>

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

NET CHANGE IN FUND BALANCES — GOVERNMENTAL FUNDS \$ (162,439)

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

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

Repayment of capital lease payable 1,790

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	\$ 72,192	
Depreciation expense	<u>(45,343)</u>	26,849

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

(3,727)

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

Current year unavailable revenue	\$ 277,018	
Prior year unavailable revenue	<u>(61,585)</u>	215,433

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

Current year increase in compensated absences (167)

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

Cost of benefits earned, net (17,585)

The Internal Service Fund is used by management to charge the costs of general accounting services of Regional Office of Education #9 to individual funds. The net expense of the internal service fund is reported with governmental activities - excluding the related depreciation expense of \$838, which is included above.

(18,876)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 41,278

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Business-Type Activities - Enterprise Fund			Governmental Activities - Internal Service Fund
	Local Workshops	Nonmajor Enterprise Fund	Total	
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 114,896	\$ 4,734	\$ 119,630	\$ 9,891
Due from other funds	196,434	-	196,434	-
Due from other governments:				
Local	22,139	-	22,139	762
Total Current Assets	<u>333,469</u>	<u>4,734</u>	<u>338,203</u>	<u>10,653</u>
Noncurrent Assets				
Capital assets, being depreciated, net	3,651	-	3,651	1,002
Total Noncurrent Assets	<u>3,651</u>	<u>-</u>	<u>3,651</u>	<u>1,002</u>
TOTAL ASSETS	<u>337,120</u>	<u>4,734</u>	<u>341,854</u>	<u>11,655</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	-	-	-	35,405
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	1,520	-	1,520	-
Total Current Liabilities	<u>1,520</u>	<u>-</u>	<u>1,520</u>	<u>-</u>
Noncurrent liabilities				
Net pension liability	-	-	-	20,483
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,483</u>
TOTAL LIABILITIES	<u>1,520</u>	<u>-</u>	<u>1,520</u>	<u>20,483</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	-	-	-	-
NET POSITION				
Net investment in capital assets	3,651	-	3,651	1,002
Unrestricted	<u>331,949</u>	<u>4,734</u>	<u>336,683</u>	<u>25,575</u>
TOTAL NET POSITION	<u>\$ 335,600</u>	<u>\$ 4,734</u>	<u>\$ 340,334</u>	<u>\$ 26,577</u>

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Business-Type Activities - Enterprise Fund		Total	Governmental Activities- Internal Service Fund
	Local Workshops	Nonmajor Enterprise Fund		
OPERATING REVENUES				
Charges for services	\$ 99,686	\$ 8,458	\$ 108,144	\$ 80,895
Total Operating Revenues	<u>99,686</u>	<u>8,458</u>	<u>108,144</u>	<u>80,895</u>
OPERATING EXPENSES				
Salaries and benefits	13,754	-	13,754	59,769
Pension expense (income)	776	-	776	22,955
Purchased services	62,807	15,232	78,039	11,066
Supplies and materials	1,983	-	1,983	5,567
Other objects	-	-	-	824
Depreciation	3,689	-	3,689	838
Payments to other governments	508	-	508	-
Total Operating Expenses	<u>83,517</u>	<u>15,232</u>	<u>98,749</u>	<u>101,019</u>
OPERATING INCOME (LOSS)	<u>16,169</u>	<u>(6,774)</u>	<u>9,395</u>	<u>(20,124)</u>
NONOPERATING REVENUE (EXPENSE)				
Interest income	588	6	594	410
Total Nonoperating Revenue	<u>588</u>	<u>6</u>	<u>594</u>	<u>410</u>
CHANGE IN NET POSITION	16,757	(6,768)	9,989	(19,714)
TOTAL NET POSITION - BEGINNING	<u>318,843</u>	<u>11,502</u>	<u>330,345</u>	<u>46,291</u>
TOTAL NET POSITION - ENDING	<u>\$ 335,600</u>	<u>\$ 4,734</u>	<u>\$ 340,334</u>	<u>\$ 26,577</u>

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Business-Type Activities - Enterprise Fund			Governmental Activities - Internal Service Fund
	Local Workshops	Nonmajor Enterprise Fund	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 91,146	\$ 8,458	\$ 99,604	\$ 80,864
Payments to suppliers and providers of goods and services	(65,298)	(15,232)	(80,530)	(17,457)
Payments to employees	(18,697)	-	(18,697)	(63,529)
Net Cash Provided by (Used for) Operating Activities	<u>7,151</u>	<u>(6,774)</u>	<u>377</u>	<u>(122)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash loan payments to other funds	(26,587)	-	(26,587)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(26,587)</u>	<u>-</u>	<u>(26,587)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	(3,108)	-	(3,108)	-
Net Cash Used for Capital and Related Financing Activities	<u>(3,108)</u>	<u>-</u>	<u>(3,108)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest earned	588	6	594	410
Net Cash Provided by Investing Activities	<u>588</u>	<u>6</u>	<u>594</u>	<u>410</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(21,956)	(6,768)	(28,724)	288
CASH AND CASH EQUIVALENTS, BEGINNING	<u>136,852</u>	<u>11,502</u>	<u>148,354</u>	<u>9,603</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 114,896</u>	<u>\$ 4,734</u>	<u>\$ 119,630</u>	<u>\$ 9,891</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 16,169	\$ (6,774)	\$ 9,395	\$ (20,124)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	3,689	-	3,689	838
Effects of changes in assets and liabilities:				
Due from other governments	(8,540)	-	(8,540)	(31)
Accounts payable and accrued expenses	(4,167)	-	(4,167)	-
Effects of changes in deferred inflows, outflows, and net pension liability/asset	-	-	-	19,195
Net Cash Provided by (Used for) Operating Activities	<u>\$ 7,151</u>	<u>\$ (6,774)</u>	<u>\$ 377</u>	<u>\$ (122)</u>

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

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUND
 JUNE 30, 2017

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 103,745
Due from other governments	258,915
TOTAL ASSETS	\$ 362,660
 LIABILITIES	
Accounts payable and accrued expenses	\$ 362,498
Due to other governments	162
TOTAL LIABILITIES	\$ 362,660

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In 2017, the Regional Office of Education #9 implemented Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; GASB Statement No. 77, *Tax Abatement Disclosures*; GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Pension Plans*; GASB Statement No. 80, *Blending Requirements for Certain Component Units*; and GASB Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The Regional Office of Education #9 implemented these standards during the current year. The implementation of GASB Statement No. 74 establishes standards for the financial reports of defined benefit OPEB plans administered through trusts that meet specified criteria. The implementation of GASB Statement No. 77 requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. The implementation of GASB Statement No. 78 amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local government employers through cost-sharing multiple-employer defined pension plan and establishes requirements for recognition and measurement of pension expense, expenditures, liabilities, note disclosures, and required supplementary information for pensions. The implementation of GASB Statement No. 80 provides clarity on how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The implementation of GASB Statement No. 82 clarifies the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in the Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee or plan member contribution requirements.

A. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through March 22, 2018, the date when the financial statements were available to be issued.

B. FINANCIAL REPORTING ENTITY

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FINANCIAL REPORTING ENTITY (Concluded)

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

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

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

For the period ended June 30, 2017, the Regional Office of Education #9 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #9. Such activities are reported as a single special revenue fund (Education Fund).

C. SCOPE OF THE REPORTING ENTITY

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

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. SCOPE OF THE REPORTING ENTITY (Concluded)

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

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as payables, receivables, and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and on the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements.

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

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

E. PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

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

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

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

G. FUND ACCOUNTING

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

GOVERNMENTAL FUNDS

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

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

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

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

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

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

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

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

General Fund (Concluded)

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

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

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

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

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Education Fund (Continued)

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

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

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

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

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

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Education Fund (Continued)

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

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

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

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

Teen Reach – Accounts for grant monies received for, and payment of, expenditures for a program that expands the range of choices and opportunities that enable, empowers and encourages youth to achieve positive growth and development, improves expectations, and capacities for future success, and avoids and/or reduces risk-taking behavior.

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Concluded)

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

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

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

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

PROPRIETARY FUNDS

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

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

Nonmajor Enterprise Fund - Nonmajor enterprise fund consists of:

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

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

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Concluded)

FIDUCIARY FUNDS

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

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

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

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

H. GOVERNMENTAL FUND BALANCES

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

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

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. GOVERNMENTAL FUND BALANCES (Concluded)

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

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

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The fund balances of the following General Fund accounts are comprised of unassigned fund balances: General Operations and Regional Education Alternative for Developing Youth. The following Education Fund accounts are comprised of an unassigned fund balance deficits: Area IV Learning Technology Hub and Foundational Services.

I. NET POSITION

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

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

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

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

J. CASH AND CASH EQUIVALENTS

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$500 or more and estimated useful lives of greater than three years are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over 3-20 years.

L. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

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

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

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

M. COMPENSATED ABSENCES

Non-certified and certified employees who work 12 calendar months earn up to 20 vacation days for a full year of service. The accumulated total of vacation days may never exceed 30 days. In the event that a program terminates, no vacation days will be honored past the ending date of the program. Certified employees who work less than 12 calendar months per year do not earn vacation days. Any accruals as of June 30th are reported as a liability for compensated absences in the basic financial statements. During the fiscal year, the amount in this account increased by \$167. At June 30, 2017, the balance in this account was \$18,144.

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. COMPENSATED ABSENCES (Concluded)

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Compensated absences	\$ 17,977	\$ 167	\$ -	\$ 18,144

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

N. BUDGET INFORMATION

The Regional Office of Education #9 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Funds. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted nor are they required to be. Certain programs within the General Fund and Special Revenue Funds do not have separate budgets. Comparisons of budgeted and actual results are presented as supplementary information. Budgetary comparison schedules have been provided in supplementary schedules for the following funds: Regional Education Alternative for Developing Youth, Area IV Learning Technology Hub, IMSP – MAP (16-4936-MA), IMSP – MAP (17-4936-MA), Math & Science Resources – 7B, McKinney-Vento Homeless Children & Youth Program, Schoolworks Operations (16-3730), Schoolworks Operations (17-3730), Teen Reach, and Title II Teacher Quality – Leadership.

NOTE 2 – CASH

A. DEPOSITS

At June 30, 2017, the carrying amounts of the Regional Office of Education #9’s government-wide fund and agency fund deposits were \$3,186,425 and \$103,745, respectively, and the bank balances were \$3,413,601 and \$111,142, respectively. Of the total bank balances as of June 30, 2017, \$360,900 was secured by federal depository insurance and \$3,163,843 was collateralized by securities pledged by the Regional Office of Education #9’s financial institution on behalf of the Regional Office.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 – CASH (Concluded)

A. DEPOSITS (Concluded)

CUSTODIAL CREDIT RISK

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

B. INVESTMENTS

The Regional Office of Education #9's investment policy requires that funds should be invested solely in investments authorized by 30 ILCS 235/2 and 6 and 105 ILCS 5/8-7. As of June 30, 2017, the Regional Office of Education #9 had no investments in the Illinois Funds Money Market Fund.

CREDIT RISK

At June 30, 2017, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

CONCENTRATION OF CREDIT RISK

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

INTEREST RATE RISK

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 – DEFINED BENEFIT PENSION PLAN

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

IMRF Plan Description

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

Benefits Provided

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

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

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

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

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

Contributions

As set by statute, the Regional Office of Education #9's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education #9's annual contribution rate for calendar year 2016 was 4.41%. For the fiscal year ended June 30, 2017, the Regional Office of Education #9 contributed \$49,226 to the plan. The Regional Office of Education #9 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

At June 30, 2017, the Regional Office of Education #9 reported a liability of \$288,646 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Regional Office of Education #9's proportion of the net pension liability was based on the Regional Office of Education #9's actual contribution to the plan for the year ended June 30, 2017, relative to the actual contributions of the Regional Office of Education #9 and the FCAE as a whole. At June 30, 2017, the Regional Office of Education #9's proportion was 87.40% of the total contributions.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

- 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 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2016:

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65-7.35%
Cash Equivalents	1%	2.25%
Total	100%	

Discount Rate

At December 31, 2016, the discount rate used to measure the total pension liability was a blended rate of 7.50 percent. The projection of cash flow used to determine the discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

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

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

	<u>1% Lower 6.50%</u>	<u>Current Discount 7.50%</u>	<u>1% Higher 8.50%</u>
Net Pension Liability/(Asset)	\$ 1,286,344	\$ 288,646	\$ (477,090)

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ending June 30, 2017, the Regional Office of Education #9 recognized pension expense of \$246,231. At June 30, 2017, the Regional Office of Education #9 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>	<hr/>	<hr/>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	<hr/> 460,298	<hr/> -
Total Deferred Amounts to be recognized in pension expense in future periods	<hr/> 460,298	<hr/> -
Pension Contributions made subsequent to the Measurement Date	<hr/> 38,610	<hr/> -
Total Deferred Amounts Related to Pensions	<hr/> <hr/> \$ 498,908	<hr/> <hr/> \$ -

\$38,610 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2018. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2017

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Concluded)

Year Ending December 31	Net Deferred Outflows of Resources
2017	\$ 164,600
2018	164,600
2019	125,957
2020	5,141
2021	-
Thereafter	-
Total	\$ 460,298

NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The Regional Office of Education #9 participates in the Teachers’ Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor’s approval. The TRS Board of Trustees is responsible for the System’s administration.

TRS issues a publicly available financial report that can be obtained at <http://trsil.org/financial/cafrs/fy2016>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits provided

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

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

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

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016, was 9.4 percent of creditable earnings. On July 1, 2016, the rate dropped to 9.0 percent of pay due to the expiration of the Early Retirement Option (ERO). The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education #9.

On-behalf contributions. The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #9. For the year ended June 30, 2017, State of Illinois contributions recognized by the Regional Office of Education #9 were based on the State’s proportionate share of the collective net pension liability associated with the Regional Office of Education #9, and the Regional Office of Education #9 recognized revenue and expenditures of \$1,050,649 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, 2017, were \$6,695, and are deferred because they were paid after the June 30, 2016, measurement date.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #9, there is a statutory requirement for the Regional Office of Education #9 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the State contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2017, the employer pension contribution was 38.54 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$32,595 were paid from federal and special trust funds that required employer contributions of \$12,562. These contributions are deferred because they were paid after the June 30, 2016 measurement date.

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education #9 is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member’s age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the Regional Office of Education #9 paid no employer ERO contributions.

The Regional Office of Education #9 is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree’s final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2017, the Regional Office of Education #9 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent and no payments for sick leave in excess of the normal annual allotment.

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

At June 30, 2017, the Regional Office of Education #9 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State’s support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the employer were as follows:

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

Employer’s proportionate share of the net pension liability	\$ 248,674
State’s proportionate share of the net pension liability associated with the employer	<u>10,697,887</u>
Total	<u><u>\$10,946,561</u></u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward to June 30, 2016. The Regional Office of Education #9’s proportion of the net pension liability was based on the employer’s share of contributions to TRS for the measurement year ended June 30, 2016, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2016, the Regional Office of Education #9’s proportion was .0003150165 percent, which was a decrease of .0000062658 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Regional Office of Education #9 recognized pension expense of \$1,050,649 and revenue of \$1,050,649 for support provided by the State. For the year ended June 30, 2017, the Regional Office of Education #9 recognized pension income of \$137,208. At June 30, 2017, the Regional Office of Education #9 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,840	\$ 168
Net difference between projected and actual earnings on pension plan investments	7,025	-
Change of assumptions	21,356	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	563,499
Employer contributions subsequent to the measurement date	19,257	-
Total	<u><u>\$ 49,478</u></u>	<u><u>\$ 563,667</u></u>

\$19,257 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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 REGIONAL OFFICE OF EDUCATION #9
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2017

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

Year ended June 30:

2018	\$	(210,709)
2019		(210,709)
2020		(120,097)
2021		3,932
2022		<u>365</u>
	\$	<u>(537,218)</u>

Actuarial assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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.

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.5 percent to 7.0 percent. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

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:

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

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

Discount Rate

At June 30, 2016, the discount rate used to measure the total pension liability was a blended rate of 6.83 percent, which was a change from the June 30, 2015 rate of 7.47 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, 2016 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I’s liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2015, the discount rate used to measure the total pension liability was 7.47 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year as well because TRS’s fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2017

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

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

The following presents the Regional Office of Education #9’s proportionate share of the net pension liability calculated using the discount rate of 6.83 percent, as well as what the employer’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.83 percent) or 1 percentage point higher (7.83 percent) than the current rate.

	1% Decrease (5.83%)	Current Discount Rate (6.83%)	1% Increase (7.83%)
Employer's proportionate share of the net pension liability	\$ 304,123	\$ 248,674	\$ 203,365

TRS fiduciary net position

Detailed information about the TRS’s fiduciary net position as of June 30, 2016, is available in the separately issued TRS *Comprehensive Annual Financial Report*.

NOTE 5 – TEACHER HEALTH INSURANCE SECURITY

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

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

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5 – TEACHER HEALTH INSURANCE SECURITY (Concluded)

On-behalf contributions to the THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #9. State contributions are intended to match contributions to the THIS Fund from active members which were 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$17,026, and the Regional Office of Education #9 recognized revenue and expenditures of this amount during the year. State contributions intended to match active member contributions during the years ended June 30, 2016 and 2015 were 1.07 and 1.02 percent of pay, respectively. State contributions on behalf of Regional Office of Education #9 employees were \$16,011 and \$16,324, respectively.

Employer contributions to the THIS Fund. The Regional Office of Education #9 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.84 percent during the year ended June 30, 2017, and 0.80 and 0.76 percent during the years ended June 30, 2016 and 2015, respectively. For the year ended June 30, 2017, the Regional Office of Education #9 paid \$12,770 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2016 and 2015, the Regional Office paid \$11,971 and \$12,163 to the THIS fund, respectively, which was 100 percent of the required contribution.

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

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE

The Regional Office of Education #9 provides a single-employer defined-benefit postemployment healthcare plan to retirees who participate in the IMRF retirement plan. This plan extends the same health benefits to annuitants as to active employees in the IMRF plan. The Governmental Accounting Standards Board (GASB) issued Statement No.’s. 43 and 45 that established generally accepted accounting principles for the annual financial statements for postemployment benefit plans other than pension plans. The required information is as follows:

Eligibility Provisions

Full-Time Employees – IMRF

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

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

Full-Time Employees- TRS

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE (Continued)

Annual OPEB Cost and Net OPEB Obligation

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

Funded Status

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

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE (Continued)

Summary Participant Counts and Statistics

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

Methods and Assumptions

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

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2017

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

Assumed Health Care Trend Rates

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

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

Additional Information

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

Methods

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

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

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

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

NOTE 7 – LEASES

A. CAPITAL LEASES

The Regional Office of Education #9 has entered into a lease agreement as lessee for financing the acquisition of office copiers amounting to \$9,077. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date in the capital assets account.

The future minimum capital lease obligation and the net present value of this lease payment as of June 30, 2017, is as follows:

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7 – LEASES (Concluded)

A. CAPITAL LEASES (Concluded)

2018		\$	2,184
2019			2,184
2020			364
2021 and thereafter			-
Total minimum lease payment			4,732
Less: amount representing interest:			(453)
Present value of minimum lease payments		\$	4,279
Current Portion		\$	1,906

B. OPERATING LEASES

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

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

Rent expense for the year ended June 30, 2017, was \$170,937. Future minimum rentals are as follows for the years ending June 30:

2018		\$	201,292
2019			203,913
2020			97,092
2021			43,636
2022 and thereafter			265,200
		\$	811,133

NOTE 8 – CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education #9 has reported capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases of capital assets by business-type activities are capitalized when purchased. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2017:

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 8 – CAPITAL ASSETS (Concluded)

	<u>Balance</u> <u>7/1/2016</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>6/30/2017</u>
Governmental Activities				
Capital assets being depreciated:				
Equipment and office furniture	\$ 477,430	\$ 72,192	\$ (128,331)	\$ 421,291
Less: Accumulated Depreciation	<u>(394,559)</u>	<u>(45,343)</u>	<u>124,604</u>	<u>(315,298)</u>
Governmental Activities				
Investment in Capital Assets, Net	<u>\$ 82,871</u>	<u>\$ 26,849</u>	<u>\$ (3,727)</u>	<u>\$ 105,993</u>
Business-Type Activities				
Capital assets being depreciated:				
Equipment and office furniture	\$ 86,326	\$ 3,164	\$ (33,528)	\$ 55,962
Less: Accumulated Depreciation	<u>(82,094)</u>	<u>(3,689)</u>	<u>33,472</u>	<u>(52,311)</u>
Business-Type Activities				
Investment in Capital Assets, Net	<u>\$ 4,232</u>	<u>\$ (525)</u>	<u>\$ (56)</u>	<u>\$ 3,651</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2017, of \$45,343 and \$3,689 was charged to governmental activities instructional services function and business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation.

As of June 30, 2017, the capital assets balance of equipment recorded as capital lease totaled \$9,077. Total accumulated depreciation under the capital lease totaled \$5,143 as of June 30, 2017.

NOTE 9 – RISK MANAGEMENT

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2017, consist of the following individual due to/from other funds in the Governmental Fund Balance Sheet. The balances between governmental funds were eliminated in the government-wide Statement of Net Position.

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 206,982	\$ 128,781
Education Fund	-	274,635
Proprietary Fund	196,434	-
Totals	<u>\$ 403,416</u>	<u>\$ 403,416</u>

NOTE 11 – ON-BEHALF PAYMENTS

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

Regional Superintendent Salary	\$ 112,800
Assistant Regional Superintendent Salary	101,520
Regional Superintendent Benefits (Includes State-paid insurance)	29,614
Assistant Regional Superintendent Benefits (Includes State-paid insurance)	21,543
Teachers' Health Insurance Security Contribution	<u>17,026</u>
Total	<u>\$ 282,503</u>

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

Regional Office of Education #9 also recorded \$1,050,649 in revenue and expenses as on-behalf payments from ISBE for the Regional Office's share of the State's Teachers' Retirement System (TRS) pension expense in the Statement of Activities. In addition, the Regional Office of Education #9 has not included any on-behalf payments related to the State's TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois On-Behalf Payments	\$ 282,503
ROE #9's share of TRS pension expense	<u>1,050,649</u>
Total	<u>\$ 1,333,152</u>

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 – DUE TO/FROM OTHER GOVERNMENTS

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

Due from Other Governments:

General Fund	
Local Governments	\$ 68,424
Illinois State Board of Education	135,346
Nonmajor Special Revenue Funds	
Local Governments	30
Education Fund	
Illinois State Board of Education	387,048
Proprietary Fund	
Local Governments	22,139
Internal Service Fund	
Local Governments	762
Agency Fund	
Local Governments	258,915
Total	\$ 872,664

Due to Other Governments:

Education Fund	
Illinois State Board of Education	\$ 909,084
Agency Fund	
Local Governments	162
Total	\$ 909,246

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure of certain information concerning individual funds which are presented only in combination on the financial statements. Funds having deficit fund balances/net position and funds which overexpend appropriations during the year are required to be disclosed. The following fund had a fund deficit as of June 30, 2017:

Education Fund	
Area IV Learning Technology Hub	\$ 137,102
Foundational Services	19,446
	<u>\$ 156,548</u>

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

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

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

Notes to Schedule:

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

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

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

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2016 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine 2016 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age = normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	27-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.5%
<i>Price Inflation:</i>	2.75%, approximate; no explicit price inflation assumption is used in this valuation.
<i>Salary Increases:</i>	3.75% to 14.50%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.
<i>Mortality:</i>	RP-2014 Blue Collar Health Annuitant Mortality Table, adjusted to match current IMRF experience. For disabled lives, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (based year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2014, actuarial valuation; note two-year lag between valuation and rate setting.

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FOR THE YEAR ENDED JUNE 30, 2017 †
(UNAUDITED)

	FY16*	FY15*	FY14*
Employer's proportion of the net pension liability	0.0003150165%	0.0003212823%	0.0013960221%
Employer's proportionate share of the net pension liability	\$ 248,674	\$ 210,472	\$ 697,576
State's proportionate share of the net pension liability associated with the employer	<u>10,697,887</u>	<u>8,797,883</u>	<u>17,911,792</u>
Total	<u>\$ 10,946,561</u>	<u>\$ 9,008,355</u>	<u>\$ 18,609,368</u>
Employer's covered payroll	\$ 1,414,233	\$ 1,368,779	\$ 2,978,097
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	17.6%	15.4%	23.4%
Plan fiduciary net position as a percentage of the total pension liability	36.4%	41.5%	43.0%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FOR THE YEAR ENDED JUNE 30, 2017 †
(UNAUDITED)

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

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

Notes to This Required Supplementary Information

Changes of assumptions

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

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

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

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 OTHER POST EMPLOYMENT BENEFITS
 SCHEDULE OF FUNDING PROGRESS
 JUNE 30, 2017

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

OTHER SUPPLEMENTARY INFORMATION

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
JUNE 30, 2017

	<u>General Operations</u>	<u>IL Learning Technology Purchase Program</u>	<u>Regional Education Alternative for Developing Youth</u>	<u>School Family Liaison Local</u>	<u>Summer Freedom School</u>	<u>TOTALS</u>
ASSETS						
Cash and cash equivalents	\$ 106,001	\$ 290,093	\$ 999,465	\$ 336	\$ 1,815	\$ 1,397,710
Due from other funds	-	65,000	141,982	-	-	206,982
Due from other governments						
Local	4,923	32,598	30,903	-	-	68,424
State	-	-	118,930	-	-	118,930
Federal	-	-	16,416	-	-	16,416
TOTAL ASSETS	<u>\$ 110,924</u>	<u>\$ 387,691</u>	<u>\$ 1,307,696</u>	<u>\$ 336</u>	<u>\$ 1,815</u>	<u>\$ 1,808,462</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ 285	\$ -	\$ 153,351	\$ -	\$ -	\$ 153,636
Due to other funds	-	-	128,781	-	-	128,781
Total Liabilities	<u>285</u>	<u>-</u>	<u>282,132</u>	<u>-</u>	<u>-</u>	<u>282,417</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	155	102,661	-	-	102,816
FUND BALANCE						
Assigned	-	387,536	-	336	1,815	389,687
Unassigned	110,639	-	922,903	-	-	1,033,542
Total Fund Balances	<u>110,639</u>	<u>387,536</u>	<u>922,903</u>	<u>336</u>	<u>1,815</u>	<u>1,423,229</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	<u>\$ 110,924</u>	<u>\$ 387,691</u>	<u>\$ 1,307,696</u>	<u>\$ 336</u>	<u>\$ 1,815</u>	<u>\$ 1,808,462</u>

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

	General Operations	IL Learning Technology Purchase Program	Regional Education Alternative for Developing Youth	School Family Liaison Local	Summer Freedom School	TOTALS
REVENUES						
Local sources	\$ 283,224	\$ 141,466	\$ 969,180	\$ 79	\$ 43,453	\$ 1,437,402
State sources	-	-	642,959	-	-	642,959
Federal sources	-	-	33,318	-	-	33,318
State sources - on behalf payments	282,503	-	-	-	-	282,503
Investment income	804	343	969	-	-	2,116
Total Revenues	<u>566,531</u>	<u>141,809</u>	<u>1,646,426</u>	<u>79</u>	<u>43,453</u>	<u>2,398,298</u>
EXPENDITURES						
Salaries and benefits	150,602	97,141	1,299,472	-	50,769	1,597,984
Pension expense	9,055	6,598	25,309	-	1,243	42,205
Purchased services	49,295	61,775	260,311	-	5,441	376,822
Supplies and materials	6,125	1,846	58,560	-	-	66,531
Other objects	64,369	2,623	700	-	-	67,692
On-behalf payments	282,503	-	-	-	-	282,503
Capital outlay	7,370	9,833	14,473	-	-	31,676
Total Expenditures	<u>569,319</u>	<u>179,816</u>	<u>1,658,825</u>	<u>-</u>	<u>57,453</u>	<u>2,465,413</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,788)</u>	<u>(38,007)</u>	<u>(12,399)</u>	<u>79</u>	<u>(14,000)</u>	<u>(67,115)</u>
OTHER FINANCING SOURCES (USES)						
Repayment of long-term lease payable	-	-	(1,790)	-	-	(1,790)
Interest expense	-	-	(394)	-	-	(394)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(2,184)</u>	<u>-</u>	<u>-</u>	<u>(2,184)</u>
NET CHANGE IN FUND BALANCE	(2,788)	(38,007)	(14,583)	79	(14,000)	(69,299)
FUND BALANCE - BEGINNING	<u>113,427</u>	<u>425,543</u>	<u>937,486</u>	<u>257</u>	<u>15,815</u>	<u>1,492,528</u>
FUND BALANCE - ENDING	<u>\$ 110,639</u>	<u>\$ 387,536</u>	<u>\$ 922,903</u>	<u>\$ 336</u>	<u>\$ 1,815</u>	<u>\$ 1,423,229</u>

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND ACCOUNTS
REGIONAL EDUCATION ALTERNATIVE FOR DEVELOPING YOUTH
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Local	\$ -	\$ -	\$ 969,180
State	136,464	136,464	642,959
Federal	-	-	33,318
Interest	-	-	969
Total Revenue	<u>136,464</u>	<u>136,464</u>	<u>1,646,426</u>
EXPENDITURES			
Salaries and benefits	34,155	34,155	1,299,472
Pension expense	-	-	25,309
Purchased services	99,061	99,061	260,311
Supplies and materials	3,248	3,248	58,560
Other objects	-	-	700
Capital outlay	-	-	14,473
Total Expenditures	<u>136,464</u>	<u>136,464</u>	<u>1,658,825</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>(12,399)</u>
OTHER FINANCING SOURCES (USES)			
Repayment of long-term lease payable	-	-	(1,790)
Interest expense	-	-	(394)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(2,184)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(14,583)</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>937,486</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 922,903</u>

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

	Area IV Learning Technology Hub	Foundational Services	IMSP - MAP	Juvenile Detention Center	Math (ROE #51)
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 111,274	\$ -
Due from other funds	-	-	-	-	-
Due from other governments:					
State	137,102	-	-	89,930	-
Federal	-	19,446	11,564	-	-
TOTAL ASSETS	<u>\$ 137,102</u>	<u>\$ 19,446</u>	<u>\$ 11,564</u>	<u>\$ 201,204</u>	<u>\$ -</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ -	\$ 1,771	\$ -	\$ 16,369	\$ -
Due to other funds	137,102	17,675	11,564	-	-
Due to other governments:					
Federal	-	-	-	-	-
Total Liabilities	<u>137,102</u>	<u>19,446</u>	<u>11,564</u>	<u>16,369</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>137,102</u>	<u>19,446</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT)					
Restricted	-	-	-	184,835	-
Unassigned	<u>(137,102)</u>	<u>(19,446)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>(137,102)</u>	<u>(19,446)</u>	<u>-</u>	<u>184,835</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (DEFICIT)	<u>\$ 137,102</u>	<u>\$ 19,446</u>	<u>\$ 11,564</u>	<u>\$ 201,204</u>	<u>\$ -</u>

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

	Math Curriculum Models Project	Math & Science Resources	Math & Science Resources - 7B	McKinney-Vento Homeless Children & Youth Program	RtI Network
ASSETS					
Cash and cash equivalents	\$ 345,936	\$ 578,118	\$ -	\$ 2,547	\$ -
Due from other funds	-	-	-	-	-
Due from other governments:					
State	-	-	-	-	-
Federal	-	-	94,611	13,858	4,284
TOTAL ASSETS	<u>\$ 345,936</u>	<u>\$ 578,118</u>	<u>\$ 94,611</u>	<u>\$ 16,405</u>	<u>\$ 4,284</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 23,764	\$ 554	\$ 3,802	\$ 657	\$ -
Due to other funds	-	-	90,809	13,201	4,284
Due to other governments:					
Federal	322,172	577,564	-	-	-
Total Liabilities	<u>345,936</u>	<u>578,118</u>	<u>94,611</u>	<u>13,858</u>	<u>4,284</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
FUND BALANCE (DEFICIT)					
Restricted	-	-	-	2,547	-
Unassigned	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,547</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (DEFICIT)	<u>\$ 345,936</u>	<u>\$ 578,118</u>	<u>\$ 94,611</u>	<u>\$ 16,405</u>	<u>\$ 4,284</u>

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

	Race to the Top	Schoolworks Operations	Teen Reach	Title II Teacher Quality - Leadership	TOTAL
ASSETS					
Cash and cash equivalents	\$ -	\$ 4,046	\$ 17,225	\$ -	\$ 1,059,146
Due from other funds	-	-	-	-	-
Due from other governments:					
State	-	16,253	-	-	243,285
Federal	-	-	-	-	143,763
TOTAL ASSETS	\$ -	\$ 20,299	\$ 17,225	\$ -	\$ 1,446,194
LIABILITIES					
Accounts payable and accrued expenses	\$ -	\$ 2,645	\$ 7,877	\$ -	\$ 57,439
Due to other funds	-	-	-	-	274,635
Due to other governments:					
Federal	-	-	9,348	-	909,084
Total Liabilities	-	2,645	17,225	-	1,241,158
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	17,654	-	-	174,202
FUND BALANCE (DEFICIT)					
Restricted	-	-	-	-	187,382
Unassigned	-	-	-	-	(156,548)
Total Fund Balance	-	-	-	-	30,834
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (DEFICIT)	\$ -	\$ 20,299	\$ 17,225	\$ -	\$ 1,446,194

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

	Area IV Learning Technology Hub	Foundational Services	IMSP - MAP	Juvenile Detention Center	Math (ROE #51)
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	210,458	4,112
Federal sources	-	40,523	244,207	-	-
Investment income	-	-	-	111	-
Total Revenues	-	40,523	244,207	210,569	4,112
EXPENDITURES					
Salaries and benefits	95,238	31,236	17,682	180,267	-
Pension expense	894	1,176	1,164	2,305	-
Purchased services	26,963	20,526	54,263	44,224	4,112
Supplies and materials	4,149	2,906	5,374	2,932	-
Other objects	-	-	-	305	-
Payments to other governments	-	4,125	165,724	-	-
Capital outlay	9,858	-	-	2,740	-
Total Expenditures	137,102	59,969	244,207	232,773	4,112
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(137,102)	(19,446)	-	(22,204)	-
OTHER FINANCING SOURCES (USES):					
Interest expense	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(137,102)	(19,446)	-	(22,204)	-
FUND BALANCE (DEFICIT) - BEGINNING	-	-	-	207,039	-
FUND BALANCE (DEFICIT) - ENDING	\$ (137,102)	\$ (19,446)	\$ -	\$ 184,835	\$ -

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

	Math Curriculum Models Project	Math & Science Resources	Math & Science Resources - 7B	McKinney-Vento Homeless Children & Youth Program	RtI Network
REVENUES					
Local sources	\$ 146,570	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	-	81,242	94,611	30,289	66,537
Investment income	-	-	-	2	-
Total Revenues	<u>146,570</u>	<u>81,242</u>	<u>94,611</u>	<u>30,291</u>	<u>66,537</u>
EXPENDITURES					
Salaries and benefits	28,444	20,324	3,757	25,151	51,921
Pension expense	1,568	2,662	-	2,435	2,260
Purchased services	81,649	6,159	8,538	2,529	5,615
Supplies and materials	197	1,452	7,795	174	2,044
Other objects	-	-	-	-	-
Payments to other governments	34,712	50,645	74,521	-	-
Capital outlay	-	-	-	-	4,697
Total Expenditures	<u>146,570</u>	<u>81,242</u>	<u>94,611</u>	<u>30,289</u>	<u>66,537</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):					
Interest expense	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	2	-
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,545</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,547</u>	<u>\$ -</u>

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

REVENUES	Race to the Top	Schoolworks Operations	Teen Reach	Title II Teacher Quality - Leadership	TOTAL
Local sources	\$ -	\$ -	\$ 44,652	\$ -	\$ 191,222
State sources	-	279,641	-	-	494,211
Federal sources	119,843	-	-	6,432	683,684
Investment income	-	-	-	-	113
Total Revenues	119,843	279,641	44,652	6,432	1,369,230
EXPENDITURES					
Salaries and benefits	3,762	106,072	30,797	-	594,651
Pension expense	153	7,953	2,737	-	25,307
Purchased services	56,152	64,748	9,080	6,432	390,990
Supplies and materials	37,136	11,571	2,038	-	77,768
Other objects	-	1,660	-	-	1,965
Payments to other governments	22,640	2,831	-	-	355,198
Capital outlay	-	23,221	-	-	40,516
Total Expenditures	119,843	218,056	44,652	6,432	1,486,395
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	61,585	-	-	(117,165)
OTHER FINANCING SOURCES (USES):					
Interest expense	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCE	-	61,585	-	-	(117,165)
FUND BALANCE (DEFICIT) - BEGINNING	-	(61,585)	-	-	147,999
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ -	\$ -	\$ -	\$ 30,834

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 AREA IV LEARNING TECHNOLOGY HUB
 FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State	\$ 182,340	\$ 182,340	\$ -
Total Revenue	<u>182,340</u>	<u>182,340</u>	<u>-</u>
EXPENDITURES			
Salaries and benefits	122,340	122,340	95,238
Pension expense	10,000	10,000	894
Purchased services	35,000	35,000	26,963
Supplies and materials	15,000	15,000	4,149
Capital outlay	-	-	9,858
Total Expenditures	<u>182,340</u>	<u>182,340</u>	<u>137,102</u>
 NET CHANGE IN FUND BALANCE	 -	 -	 (137,102)
 FUND BALANCE - BEGINNING	 <u>-</u>	 <u>-</u>	 <u>-</u>
 FUND BALANCE - ENDING	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ (137,102)</u></u>

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
IMSP - MAP (16-4936-MA)
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal	\$ 234,848	\$ 250,000	\$ 182,528
Total Revenue	<u>234,848</u>	<u>250,000</u>	<u>182,528</u>
EXPENDITURES			
Salaries and benefits	20,812	22,060	5,059
Purchased services	51,538	63,168	39,125
Supplies and materials	5,195	6,172	664
Payments to governments	157,303	158,600	137,680
Total Expenditures	<u>234,848</u>	<u>250,000</u>	<u>182,528</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
IMSP - MAP (17-4936-MA)
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
Local			
State			
Federal	\$ 250,000	\$ 250,000	\$ 61,679
Total Revenue	<u>250,000</u>	<u>250,000</u>	<u>61,679</u>
EXPENDITURES			
Salaries and benefits	22,478	22,478	12,623
Pension expense	-	-	1,164
Purchased services	54,969	54,969	15,138
Supplies and materials	6,653	6,653	4,710
Payments to governments	165,900	165,900	28,044
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>61,679</u>
 NET CHANGE IN FUND BALANCE	 -	 -	 -
 FUND BALANCE - BEGINNING	 <u>-</u>	 <u>-</u>	 <u>-</u>
 FUND BALANCE - ENDING	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

Revenues and expenditures are less than budgeted amounts because the grant ran from September 1, 2016, through August 31, 2017; only part of the grant was received and expended in the current fiscal year.

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 MATH & SCIENCE RESOURCES - 7B
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
Federal	\$ 250,000	\$ 250,000	\$ 94,611
Total Revenue	<u>250,000</u>	<u>250,000</u>	<u>94,611</u>
EXPENDITURES			
Salaries and benefits	26,178	26,178	3,757
Purchased services	83,130	83,130	8,538
Supplies and materials	13,560	13,560	7,795
Payments to other governments	127,132	127,132	74,521
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>94,611</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 MCKINNEY-VENTO HOMELESS CHILDREN & YOUTH PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
Federal	\$ 22,208	\$ 35,567	\$ 30,289
Investment income	-	-	2
Total Revenue	<u>22,208</u>	<u>35,567</u>	<u>30,291</u>
EXPENDITURES			
Salaries and benefits	20,155	29,737	25,151
Pension expense	-	-	2,435
Purchased services	1,553	4,169	2,529
Supplies and materials	500	1,661	174
Total Expenditures	<u>22,208</u>	<u>35,567</u>	<u>30,289</u>
 NET CHANGE IN FUND BALANCE	 -	 -	 2
 FUND BALANCE - BEGINNING	 -	 -	 <u>2,545</u>
 FUND BALANCE - ENDING	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 2,547</u>

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
SCHOOLWORKS OPERATIONS (16-3730)
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
State	\$ 89,657	\$ 89,746	\$ 81,003
Total Revenue	<u>89,657</u>	<u>89,746</u>	<u>81,003</u>
EXPENDITURES			
Salaries and benefits	54,617	49,137	-
Pension expense	-	-	-
Purchased services	28,331	24,303	5,786
Supplies and materials	4,000	2,791	-
Other objects	709	324	-
Payments to other governments	-	-	-
Capital outlay	2,000	13,191	13,632
Total Expenditures	<u>89,657</u>	<u>89,746</u>	<u>19,418</u>
NET CHANGE IN FUND BALANCE	-	-	61,585
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>(61,585)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 SCHOOLWORKS OPERATIONS (17-3730)
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
State	\$ 126,839	\$ 126,839	\$ 198,638
Total Revenue	<u>126,839</u>	<u>126,839</u>	<u>198,638</u>
EXPENDITURES			
Salaries and benefits	86,585	73,912	106,072
Pension expense	-	-	7,953
Purchased services	33,504	37,782	58,962
Supplies and materials	3,250	1,964	11,571
Other objects	500	500	1,660
Payments to other governments	1,000	1,800	2,831
Capital outlay	2,000	10,881	9,589
Total Expenditures	<u>126,839</u>	<u>126,839</u>	<u>198,638</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 TEEN REACH
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
Local	\$ 54,000	\$ 54,000	\$ 44,652
Total Revenue	<u>54,000</u>	<u>54,000</u>	<u>44,652</u>
EXPENDITURES			
Salaries and benefits	37,029	41,799	30,797
Pension expense	-	-	2,737
Purchased services	10,870	6,725	9,080
Supplies and materials	6,101	5,476	2,038
Total Expenditures	<u>54,000</u>	<u>54,000</u>	<u>44,652</u>
 NET CHANGE IN FUND BALANCE	 -	 -	 -
 FUND BALANCE - BEGINNING	 <u>-</u>	 <u>-</u>	 <u>-</u>
 FUND BALANCE - ENDING	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNTS
 TITLE II TEACHER QUALITY - LEADERSHIP
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
Federal	\$ 6,647	\$ 6,432	\$ 6,432
Total Revenue	<u>6,647</u>	<u>6,432</u>	<u>6,432</u>
EXPENDITURES			
Purchased services	<u>6,647</u>	<u>6,432</u>	<u>6,432</u>
Total Expenditures	<u>6,647</u>	<u>6,432</u>	<u>6,432</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2017

	<u>General Education Development</u>	<u>Bus Driver Training</u>	<u>TOTALS</u>
ASSETS			
Cash and cash equivalents	\$ 56,977	\$ 25,913	\$ 82,890
Due from other governments			
Local	-	30	30
TOTAL ASSETS	<u>\$ 56,977</u>	<u>\$ 25,943</u>	<u>\$ 82,920</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ -	\$ 230	\$ 230
Unearned revenue	-	20	20
Total Liabilities	<u>-</u>	<u>250</u>	<u>250</u>
FUND BALANCE			
Restricted	<u>56,977</u>	<u>25,693</u>	<u>82,670</u>
Total Fund Balances	<u>56,977</u>	<u>25,693</u>	<u>82,670</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 56,977</u>	<u>\$ 25,943</u>	<u>\$ 82,920</u>

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General Education Development	Bus Driver Training	TOTALS
REVENUES			
Local sources	\$ 7,194	\$ 2,854	\$ 10,048
State sources	-	1,317	1,317
Investment income	53	26	79
Total Revenues	7,247	4,197	11,444
EXPENDITURES			
Salaries and benefits	2,570	5,286	7,856
Pension expense	152	273	425
Purchased services	4,912	474	5,386
Supplies and materials	573	-	573
Other objects	1,406	-	1,406
Total Expenditures	9,613	6,033	15,646
NET CHANGE IN FUND BALANCE	(2,366)	(1,836)	(4,202)
FUND BALANCE - BEGINNING	59,343	27,529	86,872
FUND BALANCE - ENDING	\$ 56,977	\$ 25,693	\$ 82,670

CHAMPAIGN/FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #9
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 JUNE 30, 2017

	<u>County School Facility Sales Tax</u>	<u>Payroll Clearing</u>	<u>Regional Board Of Trustees</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ 103,583	\$ 162	\$ 103,745
Due from other governments	-	258,915	-	258,915
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 362,498</u>	<u>\$ 162</u>	<u>\$ 362,660</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ -	\$ 362,498	\$ -	\$ 362,498
Due to other governments	-	-	162	162
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 362,498</u>	<u>\$ 162</u>	<u>\$ 362,660</u>

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<u>COUNTY SCHOOL FACILITY SALES TAX</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 18,405,654	\$ 18,405,654	\$ -
Total Assets	\$ -	\$ 18,405,654	\$ 18,405,654	\$ -
LIABILITIES				
Due to other governments	\$ -	\$ 18,405,654	\$ 18,405,654	\$ -
Total Liabilities	\$ -	\$ 18,405,654	\$ 18,405,654	\$ -
<u>PAYROLL CLEARING</u>				
ASSETS				
Cash and cash equivalents	\$ 156,503	\$ 2,919,124	\$ 2,972,044	\$ 103,583
Due from other governments	206,013	258,915	206,013	258,915
Total Assets	\$ 362,516	\$ 3,178,039	\$ 3,178,057	\$ 362,498
LIABILITIES				
Accounts payable and accrued expense	\$ 362,516	\$ 3,178,039	\$ 3,178,057	\$ 362,498
Total Liabilities	\$ 362,516	\$ 3,178,039	\$ 3,178,057	\$ 362,498

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<u>REGIONAL BOARD OF TRUSTEES</u>				
ASSETS				
Cash and cash equivalents	\$ 162	\$ -	\$ -	\$ 162
Total Assets	<u>\$ 162</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162</u>
LIABILITIES				
Due to other governments	\$ 162	\$ -	\$ -	\$ 162
Total Liabilities	<u>\$ 162</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162</u>
<u>TOTAL ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 156,665	\$ 21,324,778	\$ 21,377,698	\$ 103,745
Due from other governments	206,013	258,915	206,013	258,915
Total Assets	<u>\$ 362,678</u>	<u>\$ 21,583,693</u>	<u>\$ 21,583,711</u>	<u>\$ 362,660</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 362,516	\$ 3,178,039	\$ 3,178,057	\$ 362,498
Due to other governments	162	18,405,654	18,405,654	162
Total Liabilities	<u>\$ 362,678</u>	<u>\$ 21,583,693</u>	<u>\$ 21,583,711</u>	<u>\$ 362,660</u>

CHAMPAIGN/FORD COUNTIES
REGIONAL OFFICE OF EDUCATION #9
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS
AND OTHER ENTITIES
FOR THE YEAR ENDED JUNE 30, 2017

<u>District</u>	<u>Champaign County Schools Facility Sales Tax</u>
Champaign County School District	\$ 18,405,654