



**STATE OF ILLINOIS
CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9**

**FINANCIAL AUDIT
For the Year Ended June 30, 2020**

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

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9**

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**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9**

OFFICIALS

Regional Superintendent
(current and during the audit period)

Mr. Gary Lewis

Assistant Regional Superintendent
(current and during the audit period)

Ms. Donna Kaufman

Office is located at:

3358 Big Pine Trail,
Champaign, Illinois 61822

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
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.

AUDITOR’S REPORTS

The auditor’s reports do not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF AUDIT FINDINGS

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

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

SUMMARY OF FINDINGS AND RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<i>Finding (Government Auditing Standards)</i>			
2020-001	11	Lack of Adequate Controls over the Review of Internal Controls over External Service Providers	Significant Deficiency
<i>Prior Audit Finding not Repeated (Government Auditing Standards)</i>			
2019-001	14	Controls over Financial Statement Preparation	Material Weakness

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
FINANCIAL REPORT SUMMARY**

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on October 29, 2020. Attending from the Regional Office of Education No. 9 were Gary Lewis, Regional Superintendent; Julie Duran, Bookkeeper; and Amy Page, Payroll Specialist; and from Adelfia LLC were Jennifer Roan and Maria Divina Valera, Partners. Responses to the recommendations were provided by Gary Lewis, Regional Superintendent, on January 5, 2021. The Regional Office did not request a formal exit conference at this time.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of Champaign and Ford Counties Regional Office of Education No. 9 was performed by Adelfia LLC.

Based on their audit, the auditors expressed an unmodified opinion on the Champaign and Ford Counties Regional Office of Education No. 9's basic financial statements.



INDEPENDENT AUDITOR'S 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 and Ford Counties Regional Office of Education No. 9, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Champaign and Ford Counties Regional Office of Education No. 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.

Auditor's Responsibility

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

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

and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Champaign and Ford Counties Regional Office of Education No. 9, as of June 30, 2020, 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 Illinois Municipal Retirement Fund – Schedule of the Employer’s Proportionate Share of the Net Pension Liability and 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 and Schedule of Employer Contributions, Teachers’ Health Insurance Security Fund – Schedule of the Employer’s Proportionate Share of the Collective Net Other Postemployment Benefit Liability and Schedule of Employer Contributions, and Other Postemployment Benefits – Schedule of Changes in the Total OPEB Liability and Related Ratios on pages 73 through 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management’s Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Champaign and Ford Counties Regional Office of Education No. 9's basic financial statements. The combining schedule of accounts, the budgetary comparison schedules, and the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2021 on our consideration of the Champaign and Ford Counties Regional Office of Education No. 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 Champaign and Ford Counties Regional Office of Education No. 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 and Ford Counties Regional Office of Education No. 9's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
February 18, 2021



**INDEPENDENT AUDITOR’S 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 and Ford Counties Regional Office of Education No. 9, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Champaign and Ford Counties Regional Office of Education No. 9’s basic financial statements, and have issued our report thereon dated February 18, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Champaign and Ford Counties Regional Office of Education No. 9’s internal control over financial reporting (internal control) as a basis for designing 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 and Ford Counties Regional Office of Education No. 9’s internal control. Accordingly, we do not express an opinion on the effectiveness of Champaign and Ford Counties Regional Office of Education No. 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2020-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

Regional Office of Education No. 9's Response to Finding

Champaign and Ford Counties Regional Office of Education No. 9's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. Champaign and Ford Counties Regional Office of Education No. 9's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Champaign and Ford Counties Regional Office of Education No. 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 the Champaign and Ford Counties Regional Office of Education No. 9's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
February 18, 2021

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
SCHEDULE OF FINDINGS AND RESPONSES
SECTION I – SUMMARY OF AUDITOR’S RESULTS
For the Year Ended June 30, 2020**

Financial Statements in accordance with GAAP

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes no

Significant deficiency(ies) identified?

yes no

Noncompliance material to financial statements noted?

yes no

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2020**

FINDING 2020-001 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers

CRITERIA/SPECIFIC REQUIREMENT:

The Regional Office of Education No. 9 is responsible for the design, implementation, and maintenance of internal controls related to information systems and operations to ensure resources and data are adequately protected from unauthorized or accidental disclosure, modifications, or destruction. This responsibility is not limited due to the process being outsourced.

Generally accepted information technology guidance endorses the review and assessment of internal controls related to information systems and operations to assure the accurate processing and security of information.

CONDITION:

As part of the audit process, we requested the Regional Office of Education No. 9 to provide a population of the service providers utilized. The Regional Office of Education No. 9 was able to identify service providers that provided various hosting and backup services for the Regional Office of Education No. 9.

During testing, the auditors noted the Regional Office of Education No. 9 had not:

- Developed a formal process for identifying service providers and obtaining the Service Organization Controls (SOC) reports from the service providers on an annual basis.
- Documented its review of each of the SOC reports.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 9's operations.
- Obtained and reviewed SOC reports for subservice organizations or performed alternative procedures to determine the impact on its internal control environment.

EFFECT:

Without having obtained and reviewed a SOC report or another form of independent internal controls review, the Regional Office of Education No. 9 does not have assurance the external service provider's and its subservice organization's internal controls are adequate.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2020**

FINDING 2020-001 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Concluded)

CAUSE:

Regional Office of Education No. 9 Officials indicated that they understand the importance of a formal process to monitor service providers and did not realize the current process did not address all the issues noted.

RECOMMENDATION:

We recommend the Regional Office of Education No. 9 identify all third-party service providers and determine and document if a review of controls is required. If required, the Regional Office of Education No. 9 should:

- Obtain SOC reports or perform independent reviews of internal controls associated with outsourced systems at least annually.
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 9's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Regional Office of Education No. 9, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

MANAGEMENT'S RESPONSE:

We have met with our technology security company and are putting these safeguards in place. We are setting up a tech team that meets 4 times a year, we have a plan for equipment, and we will review all the SOC reports at our next meeting in January.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2020**

CORRECTIVE ACTION PLAN

FINDING 2020-001 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers

CONDITION:

As part of the audit process, we requested the Regional Office of Education No. 9 to provide a population of the service providers utilized. The Regional Office of Education No. 9 was able to identify service providers that provided various hosting and backup services for the Regional Office of Education No. 9.

During testing, the auditors noted the Regional Office of Education No. 9 had not:

- Developed a formal process for identifying service providers and obtaining the Service Organization Controls (SOC) reports from the service providers on an annual basis.
- Documented its review of each of the SOC reports.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 9's operations.
- Obtained and reviewed SOC reports for subservice organizations or performed alternative procedures to determine the impact on its internal control environment.

PLAN:

We will be setting up a tech committee to review all of our SOC with our providers. This group will meet in January 2021 and will continue to meet on a quarterly meeting. If any new vendors are added between meetings, the Regional Superintendent will review the SOC and share their findings with the committee.

ANTICIPATED DATE OF COMPLETION:

January 2021 and moving forward.

CONTACT PERSON:

Mr. Gary Lewis, Regional Superintendent of Schools

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
SUMMARY SCHEDULE OF PRIOR FINDING NOT REPEATED
For the Year Ended June 30, 2020**

2019-001	Controls over Financial Statement Preparation	Not Repeated
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During the current audit, audit testing results indicated the Regional Office implemented corrective action and has secured the services of an accounting firm that has significant experience with Regional Offices of Education to prepare a compilation of their financial statements and notes in accordance with GAAP for fiscal year 2020.

BASIC FINANCIAL STATEMENTS

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
STATEMENT OF NET POSITION
June 30, 2020**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,431,844	\$ 89,272	\$ 2,521,116
Accounts receivable	55,297	2,725	58,022
Due from other governments	531,865	109,776	641,641
Internal balances	(191,511)	191,511	-
Total current assets	<u>2,827,495</u>	<u>393,284</u>	<u>3,220,779</u>
Noncurrent assets:			
Capital assets, net	<u>158,597</u>	<u>1,596</u>	<u>160,193</u>
Total assets	<u>2,986,092</u>	<u>394,880</u>	<u>3,380,972</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB	408,367	-	408,367
Deferred outflows related to pensions	<u>190,006</u>	<u>-</u>	<u>190,006</u>
Total deferred outflows of resources	<u>598,373</u>	<u>-</u>	<u>598,373</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	136,508	18,450	154,958
Lease payable, current	3,543	-	3,543
Unearned revenue	<u>127,453</u>	<u>-</u>	<u>127,453</u>
Total current liabilities	<u>267,504</u>	<u>18,450</u>	<u>285,954</u>
Noncurrent liabilities:			
Lease payable, noncurrent	11,656	-	11,656
Compensated absences	21,935	-	21,935
OPEB liabilities	2,173,476	-	2,173,476
Net pension liability	<u>297,033</u>	<u>-</u>	<u>297,033</u>
Total noncurrent liabilities	<u>2,504,100</u>	<u>-</u>	<u>2,504,100</u>
Total liabilities	<u>2,771,604</u>	<u>18,450</u>	<u>2,790,054</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	270,651	-	270,651
Deferred inflows related to pensions	<u>562,227</u>	<u>-</u>	<u>562,227</u>
Total deferred inflows of resources	<u>832,878</u>	<u>-</u>	<u>832,878</u>
NET POSITION			
Net investment in capital assets	143,398	1,596	144,994
Restricted for educational purposes	863,680	-	863,680
Unrestricted	<u>(1,027,095)</u>	<u>374,834</u>	<u>(652,261)</u>
Total net position	<u>\$ (20,017)</u>	<u>\$ 376,430</u>	<u>\$ 356,413</u>

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

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary Government:						
Governmental activities:						
Instructional services:						
Salaries and benefits	\$ 3,219,666	\$ -	\$ 2,563,982	\$ (655,684)	\$ -	\$ (655,684)
Purchased services	850,016	-	611,302	(238,714)	-	(238,714)
Supplies and materials	173,244	-	134,083	(39,161)	-	(39,161)
Pension expense	205,378	-	91,091	(114,287)	-	(114,287)
OPEB expense	250,866	-	22,214	(228,652)	-	(228,652)
Other objects	103,300	-	18,422	(84,878)	-	(84,878)
Depreciation	75,620	-	-	(75,620)	-	(75,620)
Intergovernmental:						
Payments to other governments	60,156	-	46,914	(13,242)	-	(13,242)
Administrative:						
On-behalf payments - State	1,868,001	-	-	(1,868,001)	-	(1,868,001)
Total governmental activities	<u>6,806,247</u>	<u>-</u>	<u>3,488,008</u>	<u>(3,318,239)</u>	<u>-</u>	<u>(3,318,239)</u>
Business-type activities						
Charges for services	557,105	606,264	-	-	49,159	49,159
Total business-type activities	<u>557,105</u>	<u>606,264</u>	<u>-</u>	<u>-</u>	<u>49,159</u>	<u>49,159</u>
Total primary government	<u>\$ 7,363,352</u>	<u>\$ 606,264</u>	<u>\$ 3,488,008</u>	<u>(3,318,239)</u>	<u>49,159</u>	<u>(3,269,080)</u>
General revenues:						
Local sources				1,596,467	-	1,596,467
Federal sources					-	
On-behalf payments - State				1,868,001	-	1,868,001
Interest				4,212	262	4,474
Total general revenues				<u>3,468,680</u>	<u>262</u>	<u>3,468,942</u>
Change in net position				150,441	49,421	199,862
Net position - beginning of year				(170,458)	327,009	156,551
Net position - end of year				<u>\$ (20,017)</u>	<u>\$ 376,430</u>	<u>\$ 356,413</u>

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

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020**

	General Fund	Education Fund	Institute	Non-Major Special Revenue Funds	Eliminations	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 1,407,368	\$ 357,309	\$ 548,182	\$ 89,219	\$ -	\$ 2,402,078
Accounts receivable	55,077	-	-	220	-	55,297
Due from other funds	324,565	-	-	-	(324,565)	-
Due from other governments	945	529,506	-	520	-	530,971
Total assets	\$ 1,787,955	\$ 886,815	\$ 548,182	\$ 89,959	\$ (324,565)	\$ 2,988,346
LIABILITIES						
Accounts payable and accrued expenses	\$ 118,519	\$ 16,647	\$ -	\$ 888	\$ -	\$ 136,054
Due to other funds	-	516,076	-	-	(324,565)	191,511
Unearned revenue	-	127,453	-	-	-	127,453
Total liabilities	118,519	660,176	-	888	(324,565)	455,018
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	52,475	374,304	-	210	-	426,989
FUND BALANCES (DEFICITS)						
Restricted	-	226,587	548,182	88,861	-	863,630
Assigned	448,476	-	-	-	-	448,476
Unassigned	1,168,485	(374,252)	-	-	-	794,233
Total fund balances (deficits)	1,616,961	(147,665)	548,182	88,861	-	2,106,339
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 1,787,955	\$ 886,815	\$ 548,182	\$ 89,959	\$ (324,565)	\$ 2,988,346

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

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2020**

Total fund balances - governmental funds		\$ 2,106,339
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.		158,597
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.		(15,199)
Some revenues will not be collected for several months after the Regional Office's fiscal year ends; they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.		426,989
Pension & OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds.		
Deferred outflows of resources	\$ 598,373	
Deferred inflows of resources	<u>(832,878)</u>	(234,505)
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Compensated absences	\$ (21,935)	
OPEB liabilities	(2,173,476)	
Net pension liability	<u>(297,033)</u>	(2,492,444)
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	\$ 30,436	
Less capital assets of Internal Service Fund included in the total above	<u>(230)</u>	<u>30,206</u>
Net position of governmental activities		<u>\$ (20,017)</u>

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

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020**

	General Fund	Education Fund	Institute	Non-Major Special Revenue Funds	Total Governmental Funds
Revenues:					
Local sources	\$ 1,339,145	\$ 1,007	\$ 66,872	\$ 13,860	\$ 1,420,884
State sources	688,865	2,061,074	-	1,330	2,751,269
State sources-on-behalf payments	279,584	-	-	-	279,584
Federal sources	28,252	372,493	-	-	400,745
Interest	1,226	144	604	94	2,068
Total revenues	2,337,072	2,434,718	67,476	15,284	4,854,550
Expenditures:					
Instructional services:					
Salaries and benefits	1,582,690	1,545,025	9,473	6,285	3,143,473
Purchased services	191,023	569,026	51,716	6,818	818,583
Supplies and materials	95,469	72,780	119	106	168,474
Pension expense	69,936	59,266	815	422	130,439
OPEB expense	12,864	11,453	-	-	24,317
On-behalf payments	279,584	-	-	-	279,584
Other objects	89,504	13,746	-	-	103,250
Intergovernmental:					
Payments to other governments	-	60,156	-	-	60,156
Capital outlay	41,381	30,436	-	-	71,817
Debt service:					
Repayment of long-term lease payable	3,423	-	-	-	3,423
Total expenditures	2,365,874	2,361,888	62,123	13,631	4,803,516
Net change in fund balances	(28,802)	72,830	5,353	1,653	51,034
Fund balances (deficits), beginning of year	1,645,763	(220,495)	542,829	87,208	2,055,305
Fund balances (deficits), end of year	<u>\$ 1,616,961</u>	<u>\$ (147,665)</u>	<u>\$ 548,182</u>	<u>\$ 88,861</u>	<u>\$ 2,106,339</u>

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

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 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, 2020**

Net change in fund balances \$ 51,034

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

The issuance of long-term debt (e.g. capital 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 long-term lease payable		3,423
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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	\$ 71,817	
Depreciation expense	<u>(75,620)</u>	(3,803)

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

Current year unavailable revenue	\$ 426,989	
Prior year unavailable revenue	<u>(22,254)</u>	404,735

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	\$ (5,429)	
OPEB expense	(226,549)	
Pension expense	<u>(74,939)</u>	(306,917)

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 net expense of the internal service fund is reported with governmental activities excluding the related depreciation expense of \$145, which is included in the items above.

1,969

Change in net position of governmental activities \$ 150,441

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Local Workshops	Nonmajor Enterprise Fund	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 85,953	\$ 3,319	\$ 89,272	\$ 29,766
Accounts receivable	2,725	-	2,725	-
Due from other funds	191,511	-	191,511	-
Due from other governments	107,854	1,922	109,776	894
Total current assets	<u>388,043</u>	<u>5,241</u>	<u>393,284</u>	<u>30,660</u>
Noncurrent assets:				
Capital assets, net	1,596	-	1,596	230
Total assets	<u>389,639</u>	<u>5,241</u>	<u>394,880</u>	<u>30,890</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	18,450	-	18,450	454
Total current liabilities	<u>18,450</u>	<u>-</u>	<u>18,450</u>	<u>454</u>
Total liabilities	<u>18,450</u>	<u>-</u>	<u>18,450</u>	<u>454</u>
NET POSITION				
Net investment in capital assets	1,596	-	1,596	230
Unrestricted	369,593	5,241	374,834	30,206
Total net position	<u>\$ 371,189</u>	<u>\$ 5,241</u>	<u>\$ 376,430</u>	<u>\$ 30,436</u>

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

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2020**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Local Workshops	Nonmajor Enterprise Fund	Total	
Operating revenues:				
Charges for services	\$ 597,348	\$ 8,916	\$ 606,264	\$ 88,220
Operating expenses:				
Salaries and benefits	265,538	-	265,538	70,764
Purchased services	260,888	10,113	271,001	12,811
Supplies and materials	18,824	-	18,824	4,770
Other objects	527	-	527	50
Depreciation	1,215	-	1,215	145
Total operating expenses	546,992	10,113	557,105	88,540
Operating income (loss)	50,356	(1,197)	49,159	(320)
Nonoperating revenue:				
Interest income	260	2	262	2,144
Total nonoperating revenue	260	2	262	2,144
Change in net position	50,616	(1,195)	49,421	1,824
Net position - beginning of year	320,573	6,436	327,009	28,612
Net position - end of year	\$ 371,189	\$ 5,241	\$ 376,430	\$ 30,436

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

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2020**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Local Workshops	Nonmajor Enterprise Fund	Total	
Cash flows from operating activities:				
Receipts from customers	\$ 559,441	\$ 7,219	\$ 566,660	\$ 88,199
Payments to suppliers and providers of goods and services	(277,972)	(10,113)	(288,085)	(17,631)
Payments to employees	(259,754)	-	(259,754)	(70,310)
Net cash provided by (used for) operating activities	<u>21,715</u>	<u>(2,894)</u>	<u>18,821</u>	<u>258</u>
Cash flows for noncapital financing activities:				
Payments for interfund borrowing, net	<u>(164,205)</u>	<u>-</u>	<u>(164,205)</u>	<u>-</u>
Net cash used for noncapital financing activities	<u>(164,205)</u>	<u>-</u>	<u>(164,205)</u>	<u>-</u>
Cash flows from investing activities:				
Interest earned	<u>260</u>	<u>2</u>	<u>262</u>	<u>2,144</u>
Net cash provided by investing activities	<u>260</u>	<u>2</u>	<u>262</u>	<u>2,144</u>
Net increase (decrease) in cash and cash equivalents	(142,230)	(2,892)	(145,122)	2,402
Cash and cash equivalents - beginning of year	<u>228,183</u>	<u>6,211</u>	<u>234,394</u>	<u>27,364</u>
Cash and cash equivalents - end of year	<u>\$ 85,953</u>	<u>\$ 3,319</u>	<u>\$ 89,272</u>	<u>\$ 29,766</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 50,356	\$ (1,197)	\$ 49,159	\$ (320)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	1,215	-	1,215	145
Decrease in prepaid expenses	2,267	-	2,267	-
Increase in accounts receivable	(2,725)	-	(2,725)	-
Increase in due from other governments	(35,182)	(1,697)	(36,879)	(21)
Increase in accounts payable and accrued expenses	5,784	-	5,784	454
Net cash provided by (used for) operating activities	<u>\$ 21,715</u>	<u>\$ (2,894)</u>	<u>\$ 18,821</u>	<u>\$ 258</u>

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

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2020**

	<u>Agency Funds</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 82,637
Due from other governments	<u>280,023</u>
Total assets	<u><u>\$ 362,660</u></u>
LIABILITIES	
Accounts payable and accrued expenses	\$ 362,498
Due to other governments	<u>162</u>
Total liabilities	<u><u>\$ 362,660</u></u>

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

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education No. 9 was created by Illinois Public Act 76-735, as amended, effective August 7, 1995. The Regional Office operates under the School Code (105 ILCS 5/3 and 5/3A). The region encompasses Champaign and Ford counties.

A. DATE OF MANAGEMENT’S REVIEW

Management has evaluated subsequent events through February 18, 2021, the date when the financial statements were available to be issued.

B. FINANCIAL REPORTING ENTITY

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

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education No. 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.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FINANCIAL REPORTING ENTITY (Concluded)

For the period ended June 30, 2020, the Regional Office of Education No. 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 No. 9. Such activities are reported as a single special revenue fund (Education Fund).

C. SCOPE OF THE REPORTING ENTITY

The Regional Office of Education No. 9's reporting entity includes all related organizations for which it exercises oversight responsibility.

The Regional Office of Education No. 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 No. 9 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education No. 9 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education No. 9 is not aware of any entity that would exercise such oversight as to result in the Regional Office of Education No. 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 No. 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 two business-type activities that rely on fees and charges for support.

CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Regional Office of Education No. 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 No. 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 No. 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.

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

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 internal balances on the government-wide financial statements.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

E. PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Regional Office of Education No. 9 considers revenues to be available if they are collectible within 60 days after year-end. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable, with the exception of expenditures for prepaid items and other long-term obligations, which are recognized as liabilities when due, as well as expenditures related to compensated absences and claims and judgements which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Revenues susceptible to accrual are recognized in the current fiscal period. Those revenues include local sources, State sources, federal sources, and interest. Unearned revenues arise when potential revenue does not meet both the measurable and available criteria or when resources are received prior to the government having legal claim to them. The revenues are subsequently recognized when both recognition criteria are met or when the government has legal claim to the resources. Revenues received after the Regional Office of Education No. 9's availability period are reported as deferred inflows of resources - unavailable revenue in the fund financial statements and are reported as current revenue in the Statement of Activities.

Under the terms of grant agreements, Regional Office of Education No. 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 No. 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 No. 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 No. 9 uses governmental, proprietary, and fiduciary funds.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS

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

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

The Regional Office of Education No. 9 reports the following major governmental funds:

General Fund – The General Fund is the operating fund of the Regional Office of Education No. 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 No. 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.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

General Fund (Continued)

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 and National School Lunch Program. In addition, the READY program is funded by the General State Aid.

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.

Juvenile Detention Center - Accounts for monies received from the Urbana School District No. 116 to provide an educational program for the students serving time at the Juvenile Detention Center.

Career and Tech Education (CTE) State Leadership - Accounts for a grant that provides support, conferences (2 per year), and resources throughout the State for all educators. The focus is to address equity in CTE, integration of core academics and CTE content, and outreach to strengthen partnerships and accessibility for students to participate in CTE programs.

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

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Education Fund (Continued)

Other State Programs - This program accounts for grant monies that provide work cooperative education to students who are at risk of dropping out of school by offering the students a work-based experience.

Regional Safe Schools – To work with students in grades 6-12 who have been suspended multiple times or expelled from school, allowing them to continue their education. It accounts for aid provided by the State based on students that attend the Regional Educational Alternative for Developing Youth and Alternative School programs.

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

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

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

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

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Education Fund (Concluded)

Workforce Investment – This program accounts for grant monies received from the Department of Labor to promote youth employment programs for eligible youth, ages 14-24, who face barriers to education, training and employment.

Educating with Evidence en Espanol – Accounts for the proceeds of a grant received from the Library of Congress. The objectives of the grant are to provide 2 weeks of training and support for Two-Way Immersion teachers, grades 6-12, to develop quality assessment in Spanish.

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 No. 9 reports the following proprietary funds:

Local Workshops - Accounts for monies received from registration fees for trainings and workshops conducted by the Regional Office of Education No. 9 for the school district administrators and professionals.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

PROPRIETARY FUNDS (Continued)

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 No. 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 No. 9 on a cost-reimbursement basis.

FIDUCIARY FUNDS

Agency Funds – Agency funds are used to account for assets held by the Regional Office of Education No. 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 No. 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 No. 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.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 No. 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 or donor restrictions: Institute, Juvenile Detention Center, McKinney-Vento Homeless Children & Youth Program, Schoolworks Operations, General Education Development and Bus Driver Training.

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 Regional Office of Education No. 9 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 IL Learning Technology Purchase Program Fund has an assigned fund balance.

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 unassigned fund balance deficits: Area IV Learning Technology Hub and Educating with Evidence en Espanol.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 No. 9’s cash and cash equivalents are considered to be demand deposits and short-term investments. All interest income is recognized as revenue in the appropriate fund’s Statement of Revenues, Expenditures, and Changes in Fund Balances.

K. CAPITAL ASSETS

Capital assets are reported in the applicable columns in the government-wide and proprietary fund financial statements. 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.

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

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

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

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

Deferred inflows of resources in the Statement of Net Position consist of unrecognized items that have not yet reduced pension and OPEB expense.

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.

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

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

For purposes of measuring the Regional Office of Education No. 9’s OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Regional Office of Education No. 9’s OPEB Plan and additions to/deductions from the Regional Office of Education No. 9’s fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education No. 9’s Plan. For this purpose, the Regional Office of Education No. 9’s Plan recognizes benefit payments when due and payable in accordance with the benefit terms. The Regional Office of Education No. 9’s OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense for the ROE’s single-employer defined benefit OPEB plan have been actuarially determined using the Alternative Measurement Method.

O. BUDGET INFORMATION

The Regional Office of Education No. 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: Area IV Learning Technology Hub, CTE State Leadership, McKinney-Vento Homeless Children & Youth Program, Other State Programs, Regional Safe Schools, RTI Network, Schoolworks Operations, Title II Teacher Quality – Leadership, TAOEP, and Educating with Evidence en Espanol.

P. NEW ACCOUNTING PRONOUNCEMENTS

The global pandemic, coronavirus disease (COVID-19), has resulted in significant business disruptions due to mandated temporary work stoppages, limitations on travel, limitations on the size and duration of group meetings, and employee absences. In light of the pandemic, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement postpones the effective dates for certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

P. NEW ACCOUNTING PRONOUNCEMENTS (Concluded)

Due to the Regional Office of Education No. 9's implementation of this Statement, only certain provisions of GASB Statement No. 92, *Omnibus 2020* and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* were required to be implemented for the year ended June 30, 2020. The implemented provisions of these Statements had no significant impact on the financial statements of the Regional Office of Education No. 9. The Regional Office of Education No. 9 decided not to implement any postponed provisions of the GASB Statements prior to their adjusted effective dates.

NOTE 2 – CASH

A. DEPOSITS

At June 30, 2020, the carrying amounts of the Regional Office of Education No. 9's government-wide fund and agency fund deposits were \$2,521,103 and \$82,637, respectively, and the bank balances were \$2,613,769 and \$118,522, respectively. Of the total bank balances as of June 30, 2020, \$369,522 was secured by federal depository insurance and \$2,362,769 was collateralized by pledged securities.

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 No. 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 No. 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 No. 9.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 2 – CASH (Concluded)

B. INVESTMENTS

At June 30, 2020, the carrying amount of the Regional Office of Education No. 9's deposits in the Illinois Funds Money Market Fund for the governmental activities was \$13. The bank balance invested in the Illinois Funds Money Market Fund was \$13. This fund enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. These deposits are included in cash and cash equivalents in the Regional Office of Education No. 9's governmental activities.

CREDIT RISK

At June 30, 2020, 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 AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 3 – DEFINED BENEFIT PENSION PLAN

The Regional Office of Education No. 9 contributes to the Illinois Municipal Retirement Fund (IMRF) for both Regional Office of Education No. 9 and Facilitating Coordination in Agricultural Education (FCAE) employees reported under Regional Office of Education No. 9's IMRF employer number. IMRF is an agent multiple-employer public employee retirement system; however, the Regional Office of Education No. 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 No. 9 and FCAE combined. The Regional Office of Education No. 9's proportion of the net pension liability, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions was based on the Regional Office of Education No. 9's share of contributions to IMRF for the fiscal year ended June 30, 2020, relative to the contributions made under the Regional Office of Education No. 9's IMRF employer number during that period.

IMRF Plan Description

The Regional Office of Education No. 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 No. 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.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

Benefits Provided (Concluded)

Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

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

Contributions

As set by statute, the Regional Office of Education No. 9 Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education No. 9's annual contribution rate for calendar year 2019 was 6.97%. For the fiscal year ended June 30, 2020, the Regional Office of Education No. 9 contributed \$98,607 to the plan. The Regional Office of Education No. 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.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability

At June 30, 2020, the Regional Office of Education No. reported a liability of \$107,257 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019 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 No. 9's proportion of the net pension liability was based on the Regional Office of Education No. 9's actual contributions to the plan for the year ended June 30, 2020, relative to the actual contributions of the Regional Office of Education No. and the FCAE as a whole. At June 30, 2020, the Regional Office of Education No. 9's proportion was 89.85% of the total contributions.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- The **Actuarial Cost Method** used was Entry Age Normal
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.35% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions (Concluded)

- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	37%	5.75%
International equity	18%	6.50%
Fixed income	28%	3.25%
Real estate	9%	5.20%
Alternative investments	7%	3.60-7.60%
Cash equivalents	1%	1.85%
Total	<u>100%</u>	

Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2018	\$ 8,203,664	\$ 7,465,831	\$ 737,833
Changes for the year:			
Service Cost	82,357	-	82,357
Interest on the total pension liability	534,663	-	534,663
Differences between expected and actual experience of the total pension liability	224,918	-	224,918
Contributions - employer	-	65,069	(65,069)
Contributions - employees	-	51,198	(51,198)
Net investment income	-	1,363,388	(1,363,388)
Benefit payments, including refunds of employee contributions	(355,358)	(355,358)	-
Other (net transfer)	-	(7,141)	7,141
Net changes	<u>486,580</u>	<u>1,117,156</u>	<u>(630,576)</u>
Balances at December 31, 2019	<u>\$ 8,690,244</u>	<u>\$ 8,582,987</u>	<u>\$ 107,257</u>

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

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

The following presents the plan’s net pension liability, calculated using a single discount rate of 7.25%, as well as what the plan’s net pension liability would be using a single discount rate that is 1% lower or 1% higher:

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Net Pension Liability	\$ 1,177,124	\$ 107,257	\$ (757,152)

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

For the year ending June 30, 2020, the Regional Office of Education No. 9 recognized pension expense of \$298,673. At June 30, 2020 the Regional Office of Education No. 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
<u>Deferred Amounts Related to Pensions</u>		
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 25,027	\$ -
Net difference between projected and actual earnings on pension plan investments	-	431,709
Total Deferred Amount to be Recognized in Pension Expense in Future Periods	25,027	431,709
Pension Contributions Made Subsequent to the Measurement Date	64,408	-
Total Deferred Amounts Related to Pensions	\$ 89,435	\$ 431,709

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Concluded)

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

\$64,408 reported as deferred outflows of resources related to pensions resulting from Regional Office of Education No. 9 contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2020	(102,220)
2021	(132,555)
2022	5,990
2023	(177,897)
Total	\$ (406,682)

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

Plan Description

The Regional Office of Education No. 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/fy2019>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

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

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 consecutive 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.

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.

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the State of Illinois.

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.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

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

Contributions (Continued)

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, 2019, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education No. 9.

On-behalf contributions. The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 9. For the year ended June 30, 2020, State of Illinois contributions recognized by the Regional Office of Education No. 9 were based on the State’s proportionate share of the collective net pension liability associated with the Regional Office of Education No. 9, and the Regional Office of Education No. 9 recognized revenue and expenditures of \$1,466,432 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, 2020, were \$11,502, and are deferred because they were paid after the June 30, 2019, measurement date.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the Regional Office of Education No. 9, there is a statutory requirement for the Regional Office of Education No. 9 to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018. Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, salaries totaling \$190,712 were paid from federal and special trust funds that required employer contributions of \$20,330. These contributions are deferred because they were paid after the June 30, 2019 measurement date.

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

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education No. 9 is 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, 2020, the Regional Office of Education No. 9 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent, or for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2020, the Regional Office of Education No. 9 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State’s support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the employer follows below:

Employer’s proportionate share of the net pension liability	\$ 189,776
State’s proportionate share of the net pension liability associated with the employer	<u>13,506,156</u>
Total	<u><u>\$ 13,695,932</u></u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. The Regional Office of Education No. 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, 2019, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2019, the Regional Office of Education No. 9’s proportion was .0002339790 percent, which was an increase of .000036663 percent from its proportion measured as of June 30, 2018.

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

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

For the year ended June 30, 2020, the Regional Office of Education No. 9 recognized pension expense of \$1,466,432 and revenue of \$1,466,432 for support provided by the State. For the year ended June 30, 2020, the Regional Office of Education No. 9 recognized a pension benefit of \$93,295. At June 30, 2020, the Regional Office of Education No. 9 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,112	\$ -
Net difference between projected and actual earnings on pension plan investments	301	-
Changes of assumptions	4,252	3,643
Changes in proportion and differences between employer contributions and proportionate share of contributions	61,074	126,875
 Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	 68,739	 130,518
 Employer Contributions Made Subsequent to the Measurement Date	 31,832	 -
 Total Deferred Amounts Related to Pensions	 \$ 100,571	 \$ 130,518

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

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

\$31,832 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (10,522)
2022	(12,473)
2023	(28,508)
2024	(11,930)
2025	1,654
Total	\$ (61,779)

Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

In the June 30, 2019 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2018 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

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

Actuarial Assumptions (Concluded)

The long-term (20-year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	15.00%	6.30%
U.S. equities small/mid cap	2.00%	7.70%
International equities developed	13.60%	7.00%
Emerging market equities	3.40%	9.50%
U.S. bonds core	8.00%	2.20%
U.S. bonds high yield	4.20%	4.00%
International debt developed	2.20%	1.10%
Emerging international debt	2.60%	4.40%
Real estate	16.00%	5.20%
Commodities (real return)	4.00%	1.80%
Hedge funds (absolute return)	14.00%	4.10%
Private equity	15.00%	9.70%
Total	<u>100%</u>	

Discount Rate

At June 30, 2019, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2018 rate. 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.

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

Based on those assumptions, TRS’s fiduciary net position at June 30, 2019 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I’s liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Regional Office of Education No. 9’s proportionate share of the net pension liability to changes in the discount rate

The following presents the Regional Office of Education No. 9’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Regional Office of Education No. 9’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer’s proportionate share of the net pension liability	\$ 231,795	\$ 189,776	\$ 155,229

TRS fiduciary net position

Detailed information about the TRS’s fiduciary net position as of June 30, 2019, is available in the separately issued TRS *Comprehensive Annual Financial Report*.

NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND

THIS Plan Description

The Regional Office of Education No. 9 participates in the Teachers’ Health Insurance Security (THIS) fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System.

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

THIS Plan Description (Concluded)

THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor’s Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the Teachers’ Retirement System (TRS).

Benefits Provided

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

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

On-behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 9. For the year ended June 30, 2020, State of Illinois contributions recognized by the Regional Office of Education No. 9 were based on the State’s proportionate share of the collective net OPEB liability associated with the Regional Office of Education No. 9, and recognized revenue and expenditures of \$121,985 in OPEB contributions from the State of Illinois.

Employer contributions to the THIS Fund

The Regional Office of Education No. 9 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2020, and 0.92 and 0.88 percent during the years ended June 30, 2019 and 2018, respectively. For the year ended June 30, 2020, the Regional Office of Education No. 9 paid \$21,021 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2019 and 2018, the Regional Office of Education No. 9 paid \$15,997 and \$10,398 to the THIS Fund, respectively, which was 100 percent of the required contribution.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
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NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

Further information on the THIS Fund

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

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.50%
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation.
Healthcare cost trend rates	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare costs on and after 2022 to account for the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

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

Single Discount Rate

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

Since the THIS fund is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity’s index’s “20-year Municipal GO AA Index” has been selected. The discount rates are 3.62 percent as of June 30, 2018, and 3.13 percent as of June 30, 2019.

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

The following presents the Regional Office of Education No. 9’s proportionate share of the collective net OPEB liability, as well as what the Regional Office of Education No. 9’s proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current discount rate:

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
Employer's proportionate share of the collective net OPEB liability	\$ 2,473,496	\$ 2,057,199	\$ 1,728,408

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

The following table shows the Regional Office of Education No. 9’s collective net OPEB liability as of June 30, 2019, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The key trend rates are 8.00% in 2020 decreasing to an ultimate trend rate of 4.81% in 2027, for non-Medicare coverage, and 9.00% in 2020 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

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

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

	1% Decrease*	Healthcare Cost Trend Rates	1% Increase**
Employer's proportionate share of the collective net OPEB liability	\$ 1,662,046	\$ 2,057,199	\$ 2,590,894

* One percentage point decrease in healthcare trend rates are 7.00% in 2020 decreasing to an ultimate rate of 3.81% in 2027 for non-Medicare coverage, and 8.00% in 2020 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.

** One percentage point increase in healthcare trend rates are 9.00% in 2020 decreasing to an ultimate trend rate of 5.81% in 2027, for non-Medicare coverage, and 10.00% in 2020 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

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

At June 30, 2020, the Regional Office of Education No. 9 reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for State OPEB support provided to the Regional Office of Education No. 9. The amount recognized by the Regional Office of Education No. 9 as its proportionate share of the collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the Regional Office of Education No. 9 were as follow:

Employer's proportionate share of the collective net OPEB liability	\$ 2,057,199
State's proportionate share of the collective net OPEB liability associated with the employer	2,785,649
Total	\$ 4,842,848

**CHAMPAIGN AND FORD COUNTIES
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NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

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

The collective net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2018, and was rolled forward to the June 30, 2019 measurement date. The Regional Office of Education No. 9’s proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education No. 9’s long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education No. 9, actuarially determined. At June 30, 2019, the Regional Office of Education No. 9’s proportion was 0.017497 percent, which was an increase of 0.011535 from its proportion measured as of June 30, 2018 (0.005962 percent). The State’s support and total are for disclosure purposes only.

For the year ending June 30, 2020, the Regional Office of Education No. 9 recognized OPEB expense of \$121,985 and revenue of \$121,985 for support provided by the State. For the year ending June 30, 2020, the Regional Office of Education No. 9 recognized OPEB expense of \$236,603. At June 30, 2020, the Regional Office of Education No. 9 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 34,138
Changes of assumptions	780	235,821
Net difference between projected and actual earnings on OPEB plan investments	-	68
Changes in proportion and differences between employer contributions and proportionate share of contributions	386,567	624
Employer contributions subsequent to the measurement date	21,020	-
Total Deferred Amounts Related to OPEB	\$ 408,367	\$ 270,651

**CHAMPAIGN AND FORD COUNTIES
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NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Concluded)

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

\$21,020 reported as deferred outflows of resources related to OPEB resulting from Regional Office of Education No. 9 contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Regional Office of Education No. 9’s OPEB expense as follows:

Year Ending June 30,	Net Deferred Outflows of Resources
2021	\$ 16,000
2022	16,000
2023	16,000
2024	16,000
2025	16,017
Thereafter	36,679
Total	\$ 116,696

THIS Fiduciary Net Position

Detailed information about the THIS Fund fiduciary net position as of June 30, 2019, is available in the separately issued THIS Financial Report.

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NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE

Plan Description

The Regional Office of Education No. 9 provides a single-employer defined-benefit postemployment healthcare plan to retirees who participate in the IMRF retirement plan. This plan extends the same health benefits to annuitants as to active employees in the IMRF plan. The Governmental Accounting Standards Board (GASB) issued Statement No.'s 74 and 75 that established generally accepted accounting principles for the annual financial statements for postemployment benefit plans other than pension plans. The required information is as follows:

Eligibility Provisions

Full-Time Employees – IMRF

Tier I IMRF Full-Time ROE employees age 55 with at least 8 years of service are covered.
Tier II IMRF Full-Time ROE employees age 62 with at least 10 years of service are covered.

Full-Time Employees – TRS

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

Benefits Provided

The Regional Office of Education No. 9 provides continued health insurance coverage at the blended employer rate to all eligible Regional Office of Education No. 9 retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. The Regional Office of Education No. 9 offers the Medical POS Plan to full-time IMRF employees. Retirees pay the full cost of coverage. Coverage continues until Medicare eligibility is reached. Dependent coverage ends at the same time as that for the retiree. If the retiree attains age 65 (eligible for Medicare) prior to their spouse, the spouse may continue to elect coverage through the Regional Office of Education No. 9 until the spouse attains age 65.

Membership

At June 30, 2020 membership consisted of:

Inactive Employees Currently Receiving Benefit Payments	-
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	20
TOTAL	<u>20</u>

Funding Policy and Contributions

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

**CHAMPAIGN AND FORD COUNTIES
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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE (Continued)

Funding Policy and Contributions (Concluded)

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

The contributions of \$3,296 from Other ROE Resources and Benefit Payments of \$3,296 from Other ROE Resources are contributions made to and benefit payments made from the OPEB Plan that were not directly made to or from the OPEB Trust.

Total OPEB Liability

The total OPEB liability for the current fiscal year has been developed based on the July 1, 2020 actuarial valuation date and adjusted to the June 30, 2020 measurement date based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

Actuarial Assumptions

Discount Rate used for the Total OPEB Liability	2.21%
Long-Term Expected Rate of Return on Plan Assets	N/A. OPEB obligation is unfunded.
High Quality 20 Year Tax-Exempt G.O. Bond Rate	2.21%
Salary Increases	2.50%
Annual Blended Premiums	Premiums charged for coverage of retiree and spouse under age 65 are \$5,988 and \$5,208, respectively. This is not applicable to retiree and spouse once they reach age 65.
Healthcare Trend Rates	Initial trend rate is based on the 2020 Segal Health Plan Cost Trend Survey. For fiscal years on and after 2020, trend starts at 6.800% for both non-Medicare costs and post-Medicare costs and gradually decreases to an ultimate trend of 5.00%.
Retiree Contribution Rates	Same as Healthcare Trend Rates.

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

Actuarial Assumptions (Concluded)

Retirement Rates	Based on Rates from IMRF Experience Study Report dated November 8, 2017; Age 60 for Tier I, Age 62 for Tier II
Termination & Disability Rates	Based on Rates from IMRF Experience Study Report dated November 8, 2017.
Mortality Rates	IMRF RP-2014 with Blue Collar Adjustment and MP-2016 Improvement, weighted per IMRF Experience Study dated November 8, 2017; Age 85 for males, Age 88 for females

All mortality rates are adjusted for retirement status. Spouses use the same mortality tables as retirees.

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

Retirement rates shown above were used to estimate assumed retirement ages. Termination and disability rates were used to estimate probabilities of working to retirement age. Mortality rates shown above were used to estimate assumed ages at death.

All assumptions were made in accordance with the Alternative Measurement Method for GASB Statement 74/75.

Assumption Changes

The assumed rate on High Quality 20-year Tax-Exempt G.O. Bonds was changed from 3.50% to 2.21% for the current year. The underlying index used is the Bond Buyer 20-Bond GO Index. The choice of index is unchanged from the prior year. The rate has been updated to the current Fiscal Year end based on changes in market conditions as reflected in the Index. The change was made to reflect our understanding of the requirements of GASB under Statement 74 and Statement 75.

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

Assumptions Changes (Concluded)

The total payroll increase assumption has been updated to 2.50%. If an employee has waived active medical coverage, it is assumed they will elect coverage in the retiree medical plan at 1/3rd the rate of active employees currently with coverage.

The expected increases in medical costs assumption has been revised to 6.80% for the PPO plan in the first year of the projection grading uniformly over a 10-year period to an ultimate rate of 5.00%. Assumptions follow the guidance in GASB 74/75 for the Alternative Measurement Method where noted.

Since the Regional Office of Education No. 9 does not have a trust dedicated exclusively to the payment of OPEB benefits, the discount rate used in the determination of the Total OPEB Liability was also changed from 3.50% to 2.21%.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances, beginning	\$ 108,989
Changes for the year:	
Service cost	1,256
Interest	3,865
Actuarial experience	(17,893)
Assumptions changes	23,356
Plan changes	-
Contributions - employer	-
Contributions - employee	-
Contributions - other	-
Benefit payments	(3,296)
Administrative expense	-
Net changes	7,288
Balance, ending	\$ 116,277

**CHAMPAIGN AND FORD COUNTIES
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NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS – HEALTH INSURANCE (Continued)

Discount Rate

The discount rate used in the determination of the total OPEB liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate. If the employer does not have a trust dedicated exclusively to the payment of OPEB benefits, as is the case with the Regional Office of Education No. 9, then only the municipal bond rate is used in determining the total OPEB liability.

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

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

Municipal Bond Rate

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate is the June 25, 2020 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

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

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

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

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

Sensitivity of the Discount Rate

The following presents the Regional Office of Education No. 9’s total OPEB liability calculated using a discount rate of 2.21%, as well as what the Regional Office of Education No. 9’s total OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point higher (3.21%) or 1-percentage-point lower (1.21%) than the current discount rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Employer’s Total OPEB Liability	\$ 131,320	\$ 116,277	\$ 103,822

The sensitivity of the Total OPEB Liability to the discount rate is based primarily on two factors:

1. The duration of the plan’s expected benefit payments. Younger plans with benefit payments further in the future will be more sensitive to changes in the discount rate.
2. The funded percentage of the plan (ratio of the Net Position to the Total OPEB Liability). The higher the funded percentage, the higher the sensitivity to the discount rate.

Sensitivity of the Healthcare Trend Rates

The following presents the Regional Office of Education No. 9’s total OPEB liability, calculated using the healthcare cost trend rates as well as what the Regional Office of Education No. 9’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 6.80% in 2020 decreasing to an ultimate trend rate of 5.00% in 2030 for both non-Medicare coverage and post-Medicare coverage.

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Employer’s Total OPEB Liability	\$ 103,546	\$ 116,277	\$ 131,376

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

For the year ending June 30, 2020, the Regional Office of Education No. 9 recognized OPEB expense of \$14,263. At June 30, 2020 the Regional Office of Education No. 9 reported no deferred outflows of resources or deferred inflows of resources related to this health insurance plan.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 7 – LEASES

A. CAPITAL LEASES

The Regional Office of Education No. 9 has entered into a lease agreement as lessee for financing the acquisition of an office copier in the amount of \$20,832. 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, 2020, is as follows:

2021	\$	4,166
2022		4,166
2023		4,166
2024		4,168
Thereafter		-
Total minimum lease payment		16,666
Less: amount representing interest:		(1,467)
Present value of minimum lease payments	\$	15,199
Current Portion	\$	3,543

B. OPERATING LEASES

The Regional Office of Education No. 9 leases classroom and office space from Champaign-Urbana Mass Transit District. The Regional Office of Education No. 9 was committed through October 31, 2019 under this lease agreement which called for monthly lease payments of \$13,540. The Regional Office of Education No. 9 entered into a new lease agreement for this facility for the period November 1, 2019 to October 31, 2021. The new lease agreement calls for monthly lease payments of \$14,210 and \$14,476 for the first and second year, respectively.

The Regional Office of Education No. 9 leases office space from TAG Along Associates, LP for \$3,558 and \$3,617 per month for eight months and four months, respectively. 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.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 7 – LEASES (Concluded)

Rent expense for the year ended June 30, 2020, was \$210,775. Future minimum rentals are as follows for the years ending June 30:

2021	\$ 216,286
2022	102,304
2023	45,332
2024	46,364
2025	47,468
Thereafter	<u>81,636</u>
	<u>\$ 539,390</u>

NOTE 8 – CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education No. 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, 2020:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2020</u>
Governmental activities				
Capital assets being depreciated:				
Equipment and office furniture	\$ 507,290	\$ 71,817	\$ (37,326)	\$ 541,781
Less: Accumulated depreciation	<u>(344,890)</u>	<u>(75,620)</u>	<u>37,326</u>	<u>(383,184)</u>
Investment in capital assets, net	<u>\$ 162,400</u>	<u>\$ (3,803)</u>	<u>\$ -</u>	<u>\$ 158,597</u>
Business-type activities				
Capital assets being depreciated:				
Equipment and office furniture	\$ 13,357	\$ -	\$ (3,817)	\$ 9,540
Less: Accumulated depreciation	<u>(10,546)</u>	<u>(1,215)</u>	<u>3,817</u>	<u>(7,944)</u>
Investment in capital assets, net	<u>\$ 2,811</u>	<u>\$ (1,215)</u>	<u>\$ -</u>	<u>\$ 1,596</u>

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 8 – CAPITAL ASSETS (Concluded)

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2020, of \$75,620 and \$1,215 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.

NOTE 9 – RISK MANAGEMENT

The Regional Office of Education No. 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 No. 9 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

NOTE 10 – INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2020, interfund receivables and payables were as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 324,565	\$ -
Education Fund	-	516,076
Proprietary Fund	191,511	-
Totals	<u>\$ 516,076</u>	<u>\$ 516,076</u>

At June 30, 2020, the interfund balances consisted of loans between funds within the same pooled cash account. The loans were used to cover cash shortages in the Education Fund.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 11 – ON-BEHALF PAYMENTS

The State of Illinois paid the following salaries on behalf of the Regional Office of Education No. 9:

Regional Superintendent - salary	\$ 119,832
Regional Superintendent - benefits (includes State paid insurance)	33,240
Assistant Regional Superintendent - salary	107,844
Assistant Regional Superintendent - benefits (includes State paid insurance)	18,668
	<u>\$ 279,584</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 No. 9 also recorded \$1,466,432 in revenue and expenses as on-behalf payments from ISBE for the Regional Office’s share of the State’s Teachers’ Retirement System (TRS) pension expense in the Statement of Activities. The Regional Office of Education No. 9 recorded \$121,985 in revenue and expenses as on-behalf payments from the State for the Regional Office’s share of the State’s Teachers’ Health Insurance Security (THIS) OPEB expense in the Statement of Activities. In addition, the Regional Office of Education No. 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	\$ 279,584
ROE No. 9’s share of TRS pension expense	1,466,432
ROE No. 9’s share of THIS OPEB expense	121,985
Total	<u>\$ 1,868,001</u>

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 12 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure of certain information concerning individual funds which are presented only in combination on the financial statements. Funds having deficit fund balances/net position and funds which over expend appropriations during the year are required to be disclosed. The following funds had a fund deficit as of June 30, 2020:

Education Fund		
Area IV Learning Technology Hub	\$ 355,255	R
Educating with Evidence en Espanol	\$ 18,997	

The Regional Office of Education No. 9 intends to reduce these deficits by collecting revenues that did not meet the criteria of “available”.

NOTE 13 – DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education No. 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	\$ 945
Education Fund:	
Champaign County Regional Planning Commission	22,314
Illinois State Board of Education	460,020
Illinois State University	18,997
Local Governments	700
Regional Office of Education No. 11	3,342
Regional Office of Education No. 54	24,133
	<u>529,506</u>
Nonmajor Special Revenue Funds:	
Local Governments	<u>520</u>
Proprietary Fund	
Local Governments	<u>109,776</u>
Internal Service Fund	
Local Governments	<u>894</u>

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 13 – DUE TO/FROM OTHER GOVERNMENTS (Continued)

Due from Other Governments: (continued)

Agency Fund	
Local Governments	280,023
Total	\$ 921,664

Due to Other Governments:

Agency Fund	
Local Governments	\$ 162

NOTE 14 – NONCURRENT LIABILITIES

Changes in noncurrent liabilities for the year ended June 30, 2020 are summarized as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Governmental Activities:				
Net pension liability	\$ 891,631	\$ -	\$ 594,598	\$ 297,033
OPEB liabilities	1,679,703	493,773	-	2,173,476
Compensated absences	16,506	5,429	-	21,935
Total noncurrent liabilities	\$2,587,840	\$ 499,202	\$ 594,598	\$2,492,444

Payments on the net pension liability, OPEB liabilities, and compensated absences are made by the governmental funds.

NOTE 15 – IMPACT OF COVID-19 PANDEMIC

The COVID-19 outbreak in the United States and specifically in Illinois has caused disruption of the ROE’s normal financial operations with the ROE’s office being closed to the public and staff working minimally on site. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the ROE’s financial condition, liquidity, and future results of operations. Management is actively monitoring the pandemic situation on its financial condition, liquidity, operations, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the potential impact and duration of the pandemic is unknown as of the date the financial statements were available to be issued. The ROE has taken steps to ensure that it can continue to function efficiently while most of its staff shelter at home to mitigate the effects of the pandemic. This includes the establishment of remote connectivity and teleworking capability for ROE staff.

REQUIRED SUPPLEMENTARY INFORMATION

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
FOR THE YEAR ENDED JUNE 30, 2020 †
(UNAUDITED)**

Calendar Year Ended December 31,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
ROE No. 9's proportion of the net pension liability	89.85%	90.37%	87.71%	87.40%	87.71%	87.55%
ROE No. 9's proportionate share of the net pension liability/(asset)	\$ 107,257	\$ 737,833	\$ 517,240	\$ 288,646	\$ 214,262	\$ (603,478)
Facilitating Coordination in Agricultural Education's proportionate share of the net pension liability/(asset) associated with ROE No. 9	<u>12,116</u>	<u>78,385</u>	<u>72,476</u>	<u>41,630</u>	<u>30,024</u>	<u>(85,817)</u>
Total	<u><u>\$ 119,373</u></u>	<u><u>\$ 816,218</u></u>	<u><u>\$ 589,716</u></u>	<u><u>\$ 330,276</u></u>	<u><u>\$ 244,286</u></u>	<u><u>\$ (689,295)</u></u>
Employer's covered payroll	\$ 933,567	\$ 823,046	\$ 658,603	\$ 640,525	\$ 661,333	\$ 1,183,755
Employer's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	11.49%	89.65%	78.54%	45.06%	32.40%	-50.98%
Plan fiduciary net position as a percentage of the total pension liability	88.74%	91.01%	107.03%	95.94%	96.84%	109.65%

Notes to Schedule:

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

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
FOR THE YEAR ENDED JUNE 30, 2020 †
(UNAUDITED)**

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2015	\$ 77,966	\$ 77,966	\$ -	\$ 694,978	11.22%
2016	50,362	50,362	-	654,945	7.69%
2017	52,974	52,974	-	661,765	8.00%
2018	80,535	80,535	-	692,886	11.62%
2019	82,727	82,727	-	886,043	9.34%
2020	98,607	98,607	-	951,691	10.36%

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 Contribution Rate

The actuarially determined contribution agrees to the actual contribution amount and does not materially differ from the calendar year contribution. A calendar year contribution can be obtained upon request.

Valuation Date:

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

Methods and Assumptions Used to Determine 2019 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	24-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.25%
Salary Increases:	3.35% to 14.25%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

There were no benefit changes during the year.

† 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 AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 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, 2020 †
(UNAUDITED)**

	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>	<u>2014*</u>
Employer's proportion of the net pension liability	0.0002339790%	0.0001973160%	0.0004126452%	0.0003150165%	0.0003212823%	0.0013960221%
Employer's proportionate share of the net pension liability	\$ 189,776	\$ 153,798	\$ 315,252	\$ 248,674	\$ 210,472	\$ 697,576
State's proportionate share of the net pension liability associated with the employer	<u>13,506,156</u>	<u>10,535,782</u>	<u>8,950,520</u>	<u>10,697,887</u>	<u>8,797,883</u>	<u>17,911,792</u>
Total	<u>\$ 13,695,932</u>	<u>\$ 10,689,580</u>	<u>\$ 9,265,772</u>	<u>\$ 10,946,561</u>	<u>\$ 9,008,355</u>	<u>\$ 18,609,368</u>
Employer's covered payroll	\$ 1,660,520	\$ 1,287,896	\$ 1,460,477	\$ 1,414,233	\$ 1,368,779	\$ 2,978,097
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	11.4%	11.9%	21.6%	17.6%	15.4%	23.4%
Plan fiduciary net position as a percentage of the total pension liability	39.6%	40.0%	39.3%	36.4%	41.5%	43.0%

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

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

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FOR THE YEAR ENDED JUNE 30, 2020 †
(UNAUDITED)**

	2020	2019	2018	2017	2016	2015	2014
Statutorily-required contribution	\$ 31,832	\$ 16,985	\$ 10,479	\$ 19,257	\$ 11,500	\$ 11,500	\$ 10,887
Contributions in relation to the statutorily-required contribution	<u>31,832</u>	<u>16,985</u>	<u>10,479</u>	<u>19,257</u>	<u>11,500</u>	<u>11,500</u>	<u>10,887</u>
Contribution deficiency (excess)	<u>\$ -</u>						
Employer's covered payroll	\$ 2,284,870	\$ 1,660,520	\$ 1,287,896	\$ 1,460,477	\$ 1,414,233	\$ 1,368,779	\$ 2,978,097
Contributions as a percentage of covered payroll	1.39%	1.02%	0.81%	1.32%	0.81%	0.84%	0.37%

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

Notes to This Required Supplementary Information

Changes of assumptions

For the 2019, 2018, 2017, and 2016 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit, but the rates of increase in the 2018 measurement year were slightly higher.

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 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 AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY
TEACHERS' HEALTH INSURANCE SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2020 †
(UNAUDITED)**

	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>
Employer's proportion of the collective net OPEB liability	0.017497%	0.005962%	0.006609%	0.006425%
Employer's proportionate share of the collective net OPEB liability	\$ 2,057,199	\$ 1,570,714	\$ 1,574,731	\$ 1,756,139
State's proportionate share of the collective net OPEB liability associated with the employer	<u>2,785,649</u>	<u>2,109,143</u>	<u>1,644,110</u>	<u>2,066,046</u>
Total	<u><u>\$ 4,842,848</u></u>	<u><u>\$ 3,679,857</u></u>	<u><u>\$ 3,218,841</u></u>	<u><u>\$ 3,822,185</u></u>
Employer's covered payroll	\$ 1,660,520	\$ 1,287,896	\$ 1,460,477	\$ 1,414,233
Employer's proportionate share of the collective net OPEB liability as a percentage of covered payroll	123.89%	121.96%	107.82%	124.18%
Plan fiduciary net position as a percentage of the collective total OPEB liability	0.25%	-0.07%	-0.17%	-0.22%

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

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

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' HEALTH INSURANCE SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2020 †
(UNAUDITED)**

Fiscal Year Ended June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contribution as a Percentage of Covered Payroll
2020	\$ 21,021	\$ 21,021	\$ -	\$ 2,284,870	0.92%
2019	15,997	15,997	-	1,660,520	0.96%
2018	10,398	10,398	-	1,287,896	0.81%
2017	12,770	12,770	-	1,460,477	0.87%
2016	11,971	11,971	-	1,414,233	0.85%

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

Change of Benefit Term

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

Changes of Assumptions

	Measurement year	
	2019	2018
Inflation	2.50 percent	2.75 percent
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Healthcare cost trend rates	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare costs on and after 2022 to account for the Excise Tax.	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare costs on and after 2022 to account for the Excise Tax.

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
OTHER POST EMPLOYMENT BENEFITS - HEALTH INSURANCE
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2020 †
(UNAUDITED)**

Total OPEB Liability	2020	2019	2018
Service Cost	\$ 1,256	\$ 2,022	\$ 1,947
Interest Cost	3,865	3,899	3,795
Differences Between Expected and Actual Experience	(17,893)	-	-
Change in Assumptions	23,356	3,882	-
Benefit Payments	(3,296)	(3,151)	(2,931)
Net Change in Total OPEB Liability	7,288	6,652	2,811
Total OPEB Liability - Beginning	108,989	102,337	99,526
Total OPEB Liability - Ending	<u>\$ 116,277</u>	<u>\$ 108,989</u>	<u>\$ 102,337</u>
Covered Payroll	\$ 924,865	\$ 915,314	\$ 820,058
Total OPEB Liability as a Percentage of Covered Payroll	12.57%	11.91%	12.48%

Notes to Schedule:

Changes of Benefit Terms

In the June 30, 2020 actuarial valuation, there have been no changes of benefit terms from the prior period.

† The information in this schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 75.

Assumption Changes

The assumed rate on High Quality 20-year Tax-Exempt G.O. Bonds was changed from 3.50% to 2.21% for the current year. The underlying index used is the Bond Buyer 20-Bond GO Index. The choice of index is unchanged from the prior year. The rate has been updated to the current Fiscal Year end based on changes in market conditions as reflected in the Index. The change was made to reflect our understanding of the requirements of GASB under Statement 74 and Statement 75.

The total payroll increase assumption has been updated to 2.50%. If an employee has waived active medical coverage, it is assumed they will elect coverage in the retiree medical plan at 1/3rd the rate of active employees currently with coverage. The expected increases in medical costs assumption has been revised to 6.80% for the PPO plan in the first year of the projection grading uniformly over a 10-year period to an ultimate rate of 5.00%. Assumptions follow the guidance in GASB 74/75 for the Alternative Measurement Method where noted.

Since the Regional Office of Education #9 does not have a trust dedicated exclusively to the payment of OPEB benefits, the discount rate used in the determination of the Total OPEB Liability was also changed from 3.50% to 2.21%.

SUPPLEMENTAL INFORMATION

SCHEDULE 1

CHAMPAIGN AND FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 9
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 June 30, 2020

	General Operations	IL Learning Technology Purchase Program	Regional Education Alternative for Developing Youth	Totals
ASSETS				
Cash and cash equivalents	\$ 112,437	\$ 148,240	\$ 1,146,691	\$ 1,407,368
Accounts receivable	71	55,006	-	55,077
Due from other funds	-	298,219	26,346	324,565
Due from other governments	900	-	45	945
	<u>113,408</u>	<u>501,465</u>	<u>1,173,082</u>	<u>1,787,955</u>
Total assets	<u>\$ 113,408</u>	<u>\$ 501,465</u>	<u>\$ 1,173,082</u>	<u>\$ 1,787,955</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ -	\$ 565	\$ 117,954	\$ 118,519
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	51	52,424	-	52,475
FUND BALANCES				
Assigned	-	448,476	-	448,476
Unassigned	113,357	-	1,055,128	1,168,485
	<u>113,357</u>	<u>448,476</u>	<u>1,055,128</u>	<u>1,616,961</u>
Total fund balances	<u>113,357</u>	<u>448,476</u>	<u>1,055,128</u>	<u>1,616,961</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 113,408</u>	<u>\$ 501,465</u>	<u>\$ 1,173,082</u>	<u>\$ 1,787,955</u>

SCHEDULE 2

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2020**

	General Operations	IL Learning Technology Purchase Program	Regional Education Alternative for Developing Youth	Total
Revenues:				
Local sources	\$ 319,787	\$ 198,884	\$ 820,474	\$ 1,339,145
State sources	-	-	688,865	688,865
State sources-on-behalf payments	279,584	-	-	279,584
Federal sources	-	-	28,252	28,252
Interest	97	168	961	1,226
Total revenues	599,468	199,052	1,538,552	2,337,072
Expenditures:				
Instructional services:				
Salaries and benefits	163,879	162,170	1,256,641	1,582,690
Purchased services	44,626	37,151	109,246	191,023
Supplies and materials	19,781	1,456	74,232	95,469
Pension expense	14,295	15,456	40,185	69,936
OPEB expense	-	-	12,864	12,864
On-behalf payments	279,584	-	-	279,584
Other objects	75,631	7,453	6,420	89,504
Capital outlay	9,808	1,697	29,876	41,381
Debt service:				
Repayment of long-term lease payable	-	-	3,423	3,423
Total expenditures	607,604	225,383	1,532,887	2,365,874
Net change in fund balances	(8,136)	(26,331)	5,665	(28,802)
Fund balances, beginning of year	121,493	474,807	1,049,463	1,645,763
Fund balances, end of year	\$ 113,357	\$ 448,476	\$ 1,055,128	\$ 1,616,961

SCHEDULE 3

CHAMPAIGN AND FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 9
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 June 30, 2020

	Area IV Learning Technology Hub	Juvenile Detention Center	CTE State Leadership
ASSETS			
Cash and cash equivalents	\$ -	\$ 226,560	\$ 97,813
Due from other governments	448,222	-	-
Total assets	<u>\$ 448,222</u>	<u>\$ 226,560</u>	<u>\$ 97,813</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ -	\$ 5,695	\$ -
Due to other funds	448,220	-	-
Unearned revenue	-	-	97,813
Total liabilities	<u>448,220</u>	<u>5,695</u>	<u>97,813</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	355,257	-	-
FUND BALANCES (DEFICITS)			
Restricted	-	220,865	-
Unassigned	(355,255)	-	-
Total fund balances (deficits)	<u>(355,255)</u>	<u>220,865</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 448,222</u>	<u>\$ 226,560</u>	<u>\$ 97,813</u>

SCHEDULE 3

CHAMPAIGN AND FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 9
 COMBINING SCHEDULE OF ACCOUNTS (Continued)
 EDUCATION FUND
 June 30, 2020

	McKinney - Vento Homeless Children & Youth Program	Other State Programs	Regional Safe Schools
ASSETS			
Cash and cash equivalents	\$ 1,920	\$ 1,376	\$ -
Due from other governments	4,042	3,504	8,294
Total assets	<u>\$ 5,962</u>	<u>\$ 4,880</u>	<u>\$ 8,294</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 867	\$ 4,880	\$ -
Due to other funds	-	-	8,294
Unearned revenue	-	-	-
Total liabilities	<u>867</u>	<u>4,880</u>	<u>8,294</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>50</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Restricted	5,045	-	-
Unassigned	-	-	-
Total fund balances (deficits)	<u>5,045</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 5,962</u>	<u>\$ 4,880</u>	<u>\$ 8,294</u>

SCHEDULE 3

CHAMPAIGN AND FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 9
 COMBINING SCHEDULE OF ACCOUNTS (Continued)
 EDUCATION FUND
 June 30, 2020

	RTI Network	Schoolworks Operations	Title II Teacher Quality - Leadership
ASSETS			
Cash and cash equivalents	\$ -	\$ 29,634	\$ -
Due from other governments	23,456	677	-
Total assets	<u>\$ 23,456</u>	<u>\$ 30,311</u>	<u>\$ -</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 943	\$ -	\$ -
Due to other funds	22,513	-	-
Unearned revenue	-	29,634	-
Total liabilities	<u>23,456</u>	<u>29,634</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
FUND BALANCES (DEFICITS)			
Restricted	-	677	-
Unassigned	-	-	-
Total fund balances (deficits)	<u>-</u>	<u>677</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 23,456</u>	<u>\$ 30,311</u>	<u>\$ -</u>

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
COMBINING SCHEDULE OF ACCOUNTS (Concluded)
EDUCATION FUND
June 30, 2020**

	Truants Alternative Optional Education Program	Workforce Investment	Educating with Evidence en Espanol	Totals
ASSETS				
Cash and cash equivalents	\$ 6	\$ -	\$ -	\$ 357,309
Due from other governments	-	22,314	18,997	529,506
Total assets	\$ 6	\$ 22,314	\$ 18,997	\$ 886,815
LIABILITIES				
Accounts payable and accrued expenses	\$ -	\$ 4,262	\$ -	\$ 16,647
Due to other funds	-	18,052	18,997	516,076
Unearned revenue	6	-	-	127,453
Total liabilities	6	22,314	18,997	660,176
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	18,997	374,304
FUND BALANCES (DEFICITS)				
Restricted	-	-	-	226,587
Unassigned	-	-	(18,997)	(374,252)
Total fund balances (deficits)	-	-	(18,997)	(147,665)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 6	\$ 22,314	\$ 18,997	\$ 886,815

SCHEDULE 4

CHAMPAIGN AND FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 9
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 For the Year Ended June 30, 2020

	Area IV Learning Technology Hub	Juvenile Detention Center	CTE State Leadership
Revenues:			
Local sources	\$ -	\$ 33	\$ -
State sources	1,262,102	206,415	152,187
Federal sources	-	-	-
Interest	-	140	-
Total revenues	<u>1,262,102</u>	<u>206,588</u>	<u>152,187</u>
Expenditures:			
Instructional services:			
Salaries and benefits	857,769	100,242	25,984
Purchased services	267,941	9,208	99,873
Supplies and materials	40,613	2,110	11,542
Pension expense	29,993	2,704	1,955
OPEB expense	5,978	725	92
Other objects	12,757	-	-
Intergovernmental:			
Payments to other governments	37,845	-	12,741
Capital outlay	29,305	-	-
Total expenditures	<u>1,282,201</u>	<u>114,989</u>	<u>152,187</u>
Net change in fund balances	(20,099)	91,599	-
Fund balances (deficits), beginning of year	<u>(335,156)</u>	<u>129,266</u>	<u>-</u>
Fund balances (deficits), end of year	<u>\$ (355,255)</u>	<u>\$ 220,865</u>	<u>\$ -</u>

SCHEDULE 4

CHAMPAIGN AND FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 9
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 EDUCATION FUND ACCOUNTS
 For the Year Ended June 30, 2020

	McKinney - Vento		
	Homeless		
	Children & Youth Program	Other State Programs	Regional Safe Schools
Revenues:			
Local sources	\$ 974	\$ -	\$ -
State sources	-	45,766	107,622
Federal sources	18,719	-	-
Interest	4	-	-
Total revenues	<u>19,697</u>	<u>45,766</u>	<u>107,622</u>
Expenditures:			
Instructional services:			
Salaries and benefits	10,078	38,461	-
Purchased services	7,227	1,443	99,528
Supplies and materials	1,182	1,254	-
Pension expense	873	542	-
OPEB expense	-	359	-
Other objects	-	-	-
Intergovernmental:			
Payments to other governments	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>19,360</u>	<u>42,059</u>	<u>99,528</u>
Net change in fund balances	337	3,707	8,094
Fund balances (deficits), beginning of year	<u>4,708</u>	<u>(3,707)</u>	<u>(8,094)</u>
Fund balances (deficits), end of year	<u>\$ 5,045</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE 4

CHAMPAIGN AND FORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 9
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (Continued)
 EDUCATION FUND ACCOUNTS
 For the Year Ended June 30, 2020

	RTI Network	Schoolworks Operations	Title II Teacher Quality - Leadership
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	-	196,764	-
Federal sources	284,510	-	1,510
Interest	-	-	-
Total revenues	<u>284,510</u>	<u>196,764</u>	<u>1,510</u>
Expenditures:			
Instructional services:			
Salaries and benefits	249,118	138,781	-
Purchased services	23,598	40,476	1,510
Supplies and materials	1,174	6,689	-
Pension expense	7,029	6,559	-
OPEB expense	3,591	692	-
Other objects	-	989	-
Intergovernmental:			
Payments to other governments	-	770	-
Capital outlay	-	1,131	-
Total expenditures	<u>284,510</u>	<u>196,087</u>	<u>1,510</u>
Net change in fund balances	-	677	-
Fund balances (deficits), beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), end of year	<u>\$ -</u>	<u>\$ 677</u>	<u>\$ -</u>

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Concluded)
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2020**

	Truants Alternative Optional Education Program	Workforce Investment	Educating with Evidence en Espanol	Totals
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ 1,007
State sources	90,218	-	-	2,061,074
Federal sources	-	67,754	-	372,493
Interest	-	-	-	144
Total revenues	90,218	67,754	-	2,434,718
Expenditures:				
Instructional services:				
Salaries and benefits	70,335	54,257	-	1,545,025
Purchased services	4,631	3,628	9,963	569,026
Supplies and materials	1,398	6,584	234	72,780
Pension expense	6,326	3,285	-	59,266
OPEB expense	16	-	-	11,453
Other objects	-	-	-	13,746
Intergovernmental:				
Payments to other governments	-	-	8,800	60,156
Capital outlay	-	-	-	30,436
Total expenditures	82,706	67,754	18,997	2,361,888
Net change in fund balances	7,512	-	(18,997)	72,830
Fund balances (deficits), beginning of year	(7,512)	-	-	(220,495)
Fund balances (deficits), end of year	\$ -	\$ -	\$ (18,997)	\$ (147,665)

SCHEDULE 5

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
AREA IV LEARNING TECHNOLOGY HUB
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 1,400,000	\$ 1,400,000	\$ 1,262,102
Expenditures:			
Instructional services:			
Salaries and benefits	874,440	949,400	857,769
Purchased services	438,187	320,000	267,941
Supplies and materials	15,200	40,400	40,613
Pension expense	-	-	29,993
OPEB expense	-	-	5,978
Other objects	9,918	15,000	12,757
Intergovernmental:			
Payments to other governments	52,255	45,200	37,845
Capital outlay	10,000	30,000	29,305
Total expenditures	1,400,000	1,400,000	1,282,201
Net change in fund balances	\$ -	\$ -	(20,099)
Fund balance (deficit), beginning of year			(335,156)
Fund balance (deficit), end of year			\$ (355,255)

SCHEDULE 6

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
CTE STATE LEADERSHIP
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 250,000	\$ 250,000	\$ 152,187
Expenditures:			
Instructional services:			
Salaries and benefits	27,882	27,882	25,984
Purchased services	152,191	152,191	99,873
Supplies and materials	12,000	12,000	11,542
Pension expense	-	-	1,955
OPEB expense	-	-	92
Intergovernmental:			
Payments to other governments	57,927	57,927	12,741
Total expenditures	250,000	250,000	152,187
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

SCHEDULE 7

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
MCKINNEY-VENTO HOMELESS CHILDREN & YOUTH PROGRAM
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Local sources	\$ -	\$ -	\$ 974
Federal sources	40,772	40,772	18,719
Interest	-	-	4
	<u>40,772</u>	<u>40,772</u>	<u>19,697</u>
Total revenues	<u>40,772</u>	<u>40,772</u>	<u>19,697</u>
Expenditures:			
Instructional services:			
Salaries and benefits	24,145	24,145	10,078
Purchased services	13,627	13,627	7,227
Supplies and materials	3,000	3,000	1,182
Pension expense	-	-	873
	<u>40,772</u>	<u>40,772</u>	<u>19,360</u>
Total expenditures	<u>40,772</u>	<u>40,772</u>	<u>19,360</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	337
Fund balance, beginning of year			<u>4,708</u>
Fund balance, end of year			<u>\$ 5,045</u>

SCHEDULE 8

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
OTHER STATE PROGRAMS
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 42,059	\$ 42,059	\$ 45,766
Expenditures:			
Instructional services:			
Salaries and benefits	39,329	39,329	38,461
Purchased services	2,044	2,044	1,443
Supplies and materials	686	686	1,254
Pension expense	-	-	542
OPEB expense	-	-	359
Total expenditures	42,059	42,059	42,059
Net change in fund balances	\$ -	\$ -	3,707
Fund balance (deficit), beginning of year			(3,707)
Fund balance, end of year			\$ -

Note: Actual revenues exceeded budgeted revenues due to the Regional Office of Education No. 9 recognizing revenues from the Fiscal Year 2019 grant that were recorded in the prior year as unavailable revenues.

SCHEDULE 9

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 99,528	\$ 99,528	\$ 107,622
Expenditures:			
Instructional services:			
Purchased services	99,528	99,528	99,528
Total expenditures	99,528	99,528	99,528
Net change in fund balances	\$ -	\$ -	8,094
Fund balance (deficit), beginning of year			(8,094)
Fund balance, end of year			\$ -

Note: Actual revenues exceeded budgeted revenues due to the Regional Office of Education No. 9 recognizing revenues from the Fiscal Year 2019 grant that were recorded in the prior year as unavailable revenues.

SCHEDULE 10

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
RTI NETWORK
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 290,000	\$ 290,000	\$ 284,510
Expenditures:			
Instructional services:			
Salaries and benefits	270,468	270,468	249,118
Purchased services	18,978	18,978	23,598
Supplies and materials	554	554	1,174
Pension expense	-	-	7,029
OPEB expense	-	-	3,591
Total expenditures	290,000	290,000	284,510
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

SCHEDULE 11

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
SCHOOLWORKS OPERATIONS
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 137,479	\$ 137,479	\$ 196,764
Expenditures:			
Instructional services:			
Salaries and benefits	93,849	78,599	138,781
Purchased services	31,445	48,097	40,476
Supplies and materials	7,113	7,827	6,689
Pension expense	-	-	6,559
OPEB expense	-	-	692
Other objects	2,000	900	989
Intergovernmental:			
Payments to other governments	572	482	770
Capital outlay	2,500	1,574	1,131
Total expenditures	137,479	137,479	196,087
Net change in fund balances	\$ -	\$ -	677
Fund balance, beginning of year			-
Fund balance, end of year			\$ 677

Note: Actual revenues and expenditures exceeded budgeted amounts due to the Regional Office of Education No. 9 including revenues received from the Regional Office of Education No. 54 and the related expenses. The Regional Office of Education #9 operates a program in which the Regional Office of Education No. 54 participates. The Regional Office of Education No. 54 provides funding received from the Illinois State Board of Education - ROE/ISC Operations Grant to the Regional Office of Education No. 9.

SCHEDULE 12

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TITLE II TEACHER QUALITY - LEADERSHIP
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 2,660	\$ 2,660	\$ 1,510
Expenditures:			
Instructional services:			
Purchased services	2,660	2,660	1,510
Total expenditures	2,660	2,660	1,510
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

SCHEDULE 13

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
TRUANTS ALTERNATIVE OPTIONAL EDUCATION PROGRAM
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
State sources	\$ 90,232	\$ 90,232	\$ 90,218
Expenditures:			
Instructional services:			
Salaries and benefits	82,306	82,306	70,335
Purchased services	6,685	6,685	4,631
Supplies and materials	1,241	1,241	1,398
Pension expense	-	-	6,326
OPEB expense	-	-	16
Total expenditures	90,232	90,232	82,706
Net change in fund balances	\$ -	\$ -	7,512
Fund balance (deficit), beginning of year			(7,512)
Fund balance, end of year			\$ -

SCHEDULE 14

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
EDUCATING WITH EVIDENCE EN ESPANOL
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Local sources	\$ 20,000	\$ 20,000	\$ -
Expenditures:			
Instructional services:			
Purchased services	11,500	11,500	9,963
Supplies and materials	250	250	234
Intergovernmental:			
Payments to other governments	8,250	8,250	8,800
Total expenditures	20,000	20,000	18,997
Net change in fund balances	\$ -	\$ -	(18,997)
Fund balance, beginning of year			-
Fund balance (deficit), end of year			\$ (18,997)

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2020**

	General Education Development	Bus Driver Training	Totals
ASSETS			
Cash and cash equivalents	\$ 70,236	\$ 18,983	\$ 89,219
Accounts receivable	-	220	220
Due from other governments	-	520	520
Total assets	<u>\$ 70,236</u>	<u>\$ 19,723</u>	<u>\$ 89,959</u>
LIABILITIES			
Accounts payable and accrued expenses	<u>\$ 278</u>	<u>\$ 610</u>	<u>\$ 888</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>-</u>	<u>210</u>	<u>210</u>
FUND BALANCES			
Restricted	<u>69,958</u>	<u>18,903</u>	<u>88,861</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 70,236</u>	<u>\$ 19,723</u>	<u>\$ 89,959</u>

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2020**

	General Education Development	Bus Driver Training	Totals
Revenues:			
Local sources	\$ 11,060	\$ 2,800	\$ 13,860
State sources	-	1,330	1,330
Interest	72	22	94
	<hr/>	<hr/>	<hr/>
Total revenues	11,132	4,152	15,284
	<hr/>	<hr/>	<hr/>
Expenditures:			
Instructional services:			
Salaries and benefits	1,220	5,065	6,285
Purchased services	5,949	869	6,818
Supplies and materials	106	-	106
Pension expense	158	264	422
	<hr/>	<hr/>	<hr/>
Total expenditures	7,433	6,198	13,631
	<hr/>	<hr/>	<hr/>
Net change in fund balances	3,699	(2,046)	1,653
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	66,259	20,949	87,208
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u>\$ 69,958</u>	<u>\$ 18,903</u>	<u>\$ 88,861</u>

**CHAMPAIGN AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2020**

	<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	\$ -	\$ 82,475	\$ 162	\$ 82,637
Due from other governments	-	280,023	-	280,023
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 AND FORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 9
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2020**

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<u>COUNTY SCHOOL FACILITY SALES TAX</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 19,082,247	\$ 19,082,247	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 19,082,247</u>	<u>\$ 19,082,247</u>	<u>\$ -</u>
LIABILITIES				
Due to other governments	\$ -	\$ 19,082,247	\$ 19,082,247	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 19,082,247</u>	<u>\$ 19,082,247</u>	<u>\$ -</u>
<u>PAYROLL CLEARING</u>				
ASSETS				
Cash and cash equivalents	\$ 87,077	\$ 4,400,760	\$ 4,405,362	\$ 82,475
Due from other governments	275,435	280,023	275,435	280,023
Total Assets	<u>\$ 362,512</u>	<u>\$ 4,680,783</u>	<u>\$ 4,680,797</u>	<u>\$ 362,498</u>
LIABILITIES				
Accounts payable and accrued expense	\$ 362,512	\$ 4,680,783	\$ 4,680,797	\$ 362,498
Total Liabilities	<u>\$ 362,512</u>	<u>\$ 4,680,783</u>	<u>\$ 4,680,797</u>	<u>\$ 362,498</u>
<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	\$ 87,239	\$ 23,483,007	\$ 23,487,609	\$ 82,637
Due from other governments	275,435	280,023	275,435	280,023
Total Assets	<u>\$ 362,674</u>	<u>\$ 23,763,030</u>	<u>\$ 23,763,044</u>	<u>\$ 362,660</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 362,512	\$ 4,680,783	\$ 4,680,797	\$ 362,498
Due to other governments	162	19,082,247	19,082,247	162
Total Liabilities	<u>\$ 362,674</u>	<u>\$ 23,763,030</u>	<u>\$ 23,763,044</u>	<u>\$ 362,660</u>