

State of Illinois
DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
FINANCIAL AUDIT
(In Accordance with the Uniform Guidance)
For the Year Ended June 30, 2016

Performed as Special Assistant Auditors
For the Office of the Auditor General

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 JUNE 30, 2016

TABLE OF CONTENTS

	<u>PAGE</u>
Officials.....	1
Compliance Report Summary.....	2-3
Financial Statement Report Summary	4
 FINANCIAL SECTION	
Independent Auditors’ Report.....	5-7
Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	8-9
Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.	10-12
Schedule of Findings and Questioned Costs Section I – Summary of Auditors’ Results.....	13
Summary Schedule of Prior Audit Findings.....	14
Management’s Discussion and Analysis	15a-15f
 BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements	
Balance Sheet – Governmental Funds	18
Reconciliation of the Balance Sheet to the Statement of Net Position – Governmental Funds.....	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities – Governmental Funds	21
Statement of Net Position – Proprietary Fund	22
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund	23
Statement of Cash Flows – Proprietary Fund	24
Statement of Fiduciary Net Position – Fiduciary Funds.....	25

Notes to the Financial Statements	26-61
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REQUIRED SUPPLEMENTARY INFORMATION

Illinois Municipal Retirement Fund – Schedule of Changes in the Net Pension Liability & Related Ratios	62
Illinois Municipal Retirement Fund – Schedule of Employer Contributions	63
Teachers’ Retirement System of the State of Illinois – Schedule of the Employer’s Proportionate Share of the Net Pension Liability	64
Teachers’ Retirement System of the State of Illinois – Schedule of Employer Contributions.....	64
Other Postemployment Benefits – Health Insurance Plan for Retired Employees – Schedule of Funding Progress (Unaudited).....	65

OTHER SUPPLEMENTARY INFORMATION

Combining Schedule of Accounts General Fund	66-67
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – General Fund Accounts.....	68-69
Combining Schedule of Accounts Education Fund.....	70-72
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Education Fund Accounts	73-75
Budgetary Comparison Schedules Education Fund	
Mathematics and Science Partnerships – MA (15-4936-MA)	76
Mathematics and Science Partnerships – MA (16-4936-MA)	77
Mathematics and Science Partnerships – SA (15-4936-SA)	78
Mathematics and Science Partnerships – SA (16-4936-SA)	79
McKinney Homeless Children and Youth.....	80
Regional Safe Schools	81
Regional Safe Schools Cooperative.....	82
ROE/ISC Operations	83
Secretary of State’s Literacy Grant	84
Title I – School Improvement	85
Title II – Teacher Quality – Leadership	86
Truants Alternative/Optional Education.....	87
Combining Balance Sheet – Nonmajor Special Revenue Funds	88
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	89
Combining Statement of Fiduciary Net Position – Agency Funds.....	90
Combining Statement of Changes in Assets and Liabilities – Agency Funds.....	91-92
Schedule of Disbursements to School District Treasurers and Other Entities – Distributive Fund.....	93

FEDERAL COMPLIANCE SECTION

Schedule of Expenditures of Federal Awards.....	94
Notes to the Schedule of Expenditures of Federal Awards	95

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
JUNE 30, 2016

OFFICIALS

Regional Superintendent
(Current and During the Audit Period)

Mr. Mark Jontry

Assistant Regional Superintendent
(Current and During the Audit Period)

Ms. Diane Wolf

Office is located at:

200 W. Front Street, Suite 500 D
Bloomington, IL 61701

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
JUNE 30, 2016

COMPLIANCE REPORT SUMMARY

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

AUDITORS' REPORTS

The auditors' reports on compliance and internal controls do not contain scope limitations, disclaimers, or other significant nonstandard language.

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	0	3
Repeated audit findings	0	1
Prior recommendations implemented or not repeated	3	2

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

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

None

FINDINGS AND QUESTIONED COSTS (*FEDERAL COMPLIANCE*)

None

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

2015-001	14	Controls over Financial Statement Preparation	Material Weakness
2015-002	14	Inadequate Support for Salaries Allocated to Restricted Fund	Noncompliance
2015-003	14	Insufficient Collateralization of Bank Deposits	Noncompliance

PRIOR AUDIT FINDINGS NOT REPEATED (*FEDERAL COMPLIANCE*)

None

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
JUNE 30, 2016

COMPLIANCE REPORT SUMMARY (Concluded)

EXIT CONFERENCE

An informal exit conference was held on October 6, 2016. There were no audit findings to discuss with Agency personnel. Attending were Mr. Mark Jontry, Regional Superintendent; Angie Fox, Business Manager; and Phil Spencer, Kemper CPA Group LLP. The Regional Office did not request a formal exit conference at this time.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
JUNE 30, 2016

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the DeWitt/Livingston/Logan/McLean Counties Regional Office of Education #17 was performed by Kemper CPA Group LLP, Certified Public Accountants and Consultants.

Based on their audit, the auditors expressed an unmodified opinion on the Regional Office of Education #17's basic financial statements.

INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the DeWitt/Livingston/Logan/McLean Counties Regional Office of Education #17, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the DeWitt/Livingston/Logan/McLean Counties Regional Office of Education #17's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the DeWitt/Livingston/Logan/McLean Counties Regional Office of Education #17, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As disclosed in Note 14, the DeWitt/Livingston/Logan/McLean Counties Regional Office of Education #17 consolidated with Logan County, formerly in the Regional Office of Education #38, into its educational service region effective July 1, 2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Illinois Municipal Retirement Fund Schedule of Changes in the Net Pension Liability & Related Ratios, Illinois Municipal Retirement Fund Schedule of Employer Contributions, Teachers' Retirement System of the State of Illinois Schedule of the Employer's Proportionate Share of the Net Pension Liability, Teachers' Retirement System of Illinois Schedule of Employer Contributions, and Other Postemployment Benefits – Health Insurance Plan for Retired Employees Schedule of Funding Progress on pages 15a through 15f and 62 through 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the DeWitt/Livingston/Logan/McLean Counties Regional Office of Education #17's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, the Schedule of Disbursements to School District Treasurers and Other Entities – Distributive Fund, and the Schedule of Expenditures of Federal Awards, as required by the Uniform Guidance are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, the Schedule of Disbursements to School District Treasurers and Other Entities – Distributive Fund, and the Schedule of Expenditures of Federal Awards, as required by the Uniform Guidance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, the Schedule of Disbursements to School District Treasurers and Other Entities – Distributive Fund, and the Schedule of Expenditures of Federal Awards, as required by the Uniform Guidance 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 May 22, 2017 on our consideration of the DeWitt/Livingston/Logan/McLean Counties Regional Office of Education #17’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering DeWitt/Livingston/Logan/McLean Counties Regional Office of Education #17’s internal control over financial reporting and compliance.



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*Certified Public Accountants
and Consultants*

Mattoon, Illinois
May 22, 2017

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of DeWitt/Livingston/Logan/McLean Counties Regional Office of Education #17, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise DeWitt/Livingston/Logan/McLean Counties Regional Office of Education #17's basic financial statements and have issued our report thereon dated May 22, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered DeWitt/Livingston/Logan/McLean Counties Regional Office of Education #17's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of DeWitt/Livingston/Logan/McLean Counties Regional Office of Education #17's internal control. Accordingly, we do not express an opinion on the effectiveness of DeWitt/Livingston/Logan/McLean Counties Regional Office of Education #17's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether DeWitt/Livingston/Logan/McLean Counties Regional Office of Education #17's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of DeWitt/Livingston/Logan/McLean Counties Regional Office of Education #17's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering DeWitt/Livingston/Logan/McLean Counties Regional Office of Education #17's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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*Certified Public Accountants
and Consultants*

Mattoon, Illinois
May 22, 2017



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on Compliance for Each Major Federal Program

We have audited DeWitt/Livingston/Logan/McLean Regional Office of Education #17's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Regional Office of Education #17's major federal programs for the year ended June 30, 2016. The DeWitt/Livingston/Logan/McLean Regional Office of Education #17's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the DeWitt/Livingston/Logan/McLean Regional Office of Education #17's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the DeWitt/Livingston/Logan/McLean Regional Office of Education #17's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the DeWitt/Livingston/Logan/McLean Regional Office of Education #17's compliance.

Opinion on Each Major Federal Program

In our opinion, the DeWitt/Livingston/Logan/McLean Regional Office of Education #17 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of DeWitt/Livingston/Logan/McLean Regional Office of Education #17 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the DeWitt/Livingston/Logan/McLean Regional Office of Education #17's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the DeWitt/Livingston/Logan/McLean Regional Office of Education #17's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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*Certified Public Accountants
and Consultants*

Mattoon, Illinois
May 22, 2017

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 June 30, 2016

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements in accordance with GAAP

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

Federal Awards

Internal control over major federal programs:	
• Material weakness identified?	No
• Significant deficiencies identified?	None reported
Type of auditors’ report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs:	
CFDA Number(s)	Name of Federal Program or Cluster
84.366A	Mathematics and Science Partnerships
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	No

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2016

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
2015-001	Controls over Financial Statement Preparation	Corrected
2015-002	Inadequate Support for Salaries Allocated to Restricted Fund	Corrected
2015-003	Insufficient Collateralization of Bank Deposits	Corrected

MANAGEMENT'S DISCUSSION AND ANALYSIS

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

The DeWitt/Livingston/Logan/McLean Counties Regional Office of Education #17 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2016. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements which follows.

2016 Financial Highlights

- Within the Governmental Funds, the General Fund revenues increased by \$63,162 from \$2,693,307 in FY15 to \$2,756,469 in FY16. General Fund expenditures decreased by \$46,273 from \$2,976,911 in FY15 to \$2,930,638 in FY16. This was the result of an increase to billable personnel services while expenses were supplemented from other funds.
- Within the Governmental Funds, the Education Fund and Nonmajor Special Revenue Funds revenue increased by \$629,463, from \$1,036,682 in FY15 to \$1,666,145 in FY16. The Special Revenue Fund expenditures increased by \$649,874, from \$933,005 in FY15 to \$1,582,879 in FY16. These increases resulted from an increase in grant funding and the addition of grants and their associated expenditures.
- Within the Proprietary Funds, revenues increased by \$20,715 from \$50,771 in FY15 to \$71,486 in FY16. Expenditures decreased \$17,051 from \$62,803 in FY15 to \$45,752 in FY16. This was a result of increased activities while expenses were supplemented from other funds.

Using This Report

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office's financial activities.
- The Government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the Regional Office of Education as a whole and present an overall view of the Regional Office's finances.
- Fund financial statements report the Regional Office's operations in more detail than the Government-wide statements by providing information about the most significant funds.
- Notes to the financial statements provide additional information that is needed for a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements and supplementary information provides detail information about the nonmajor funds.

Reporting the Office as a Whole

The Statement of Net Position and the Statement of Activities

The Government-wide statements report information about the Regional Office as a whole. The Statement of Net Position includes all of the assets and liabilities. All of the current year revenue and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid, using accounting methods similar to those used by private-sector companies.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

The two Government-wide statements report the Regional Office's net position and how it has changed. Net position—the difference between the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources—are one way to measure the Regional Office's financial health or position.

- Over time, increases or decreases in net position can be an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the Regional Office's overall health, additional nonfinancial factors, such as new laws, rules, regulations, and actions by officials at the state level, need to be considered.

The Government-wide financial statements present all of the Regional Office's activities as governmental and business-type activities. Local, State and federal monies finance most of these activities.

Fund Financial Statements

The fund financial statements provide detailed information about the Regional Office's funds. Funds are accounting devices which allows the tracking of specific sources of funding and spending on particular programs. Some funds are required by state law. The Regional Office established other funds to control and manage money for particular purposes.

The Regional Office has three kinds of funds:

1. Governmental funds account for all of the Regional Office's services. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the Regional Office's programs. The Regional Office's Governmental Funds include the General Fund and the Special Revenue funds, which include education and other nonmajor funds.

The governmental funds' required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances.

2. Proprietary funds are funds generated from hosting educational workshops for professional development.

The proprietary funds' required 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.

3. Fiduciary funds are used to account for assets held by the Regional Office in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The fiduciary funds' required financial statements include a Statement of Fiduciary Net Position.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2016

Office-Wide Financial Analysis

As noted earlier, net position may serve when examined over time as one indicator of the financial position of the Regional Office. The net position at the end of FY16 totaled \$1,993,887. The analysis that follows provides a summary of the Regional Office's net position at June 30, 2016 and 2015.

CONDENSED STATEMENT OF NET POSITION
June 30, 2016 and 2015

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current assets	\$ 2,424,695	\$ 2,451,936	\$ 59,193	\$ 32,682	\$ 2,483,888	\$ 2,484,618
Noncurrent, net	415,406	443,928	967	1,762	416,373	445,690
Total assets	<u>2,840,101</u>	<u>2,895,864</u>	<u>60,160</u>	<u>34,444</u>	<u>2,900,261</u>	<u>2,930,308</u>
Deferred outflows of resources	<u>1,367,033</u>	<u>235,479</u>	<u>-</u>	<u>-</u>	<u>1,367,033</u>	<u>235,479</u>
Current liabilities	165,806	169,075	-	253	165,806	169,328
Noncurrent liabilities	<u>1,666,374</u>	<u>444,794</u>	<u>-</u>	<u>-</u>	<u>1,666,374</u>	<u>444,794</u>
Total liabilities	<u>1,832,180</u>	<u>613,869</u>	<u>-</u>	<u>253</u>	<u>1,832,180</u>	<u>614,122</u>
Deferred inflows of resources	<u>441,227</u>	<u>45,801</u>	<u>-</u>	<u>-</u>	<u>441,227</u>	<u>45,801</u>
Net position:						
Invested in capital assets	406,103	443,928	967	1,762	407,070	445,690
Restricted - other	364,149	249,897	-	-	364,149	249,897
Unrestricted	<u>1,163,475</u>	<u>1,777,848</u>	<u>59,193</u>	<u>32,429</u>	<u>1,222,668</u>	<u>1,810,277</u>
Total net position	<u>\$ 1,933,727</u>	<u>\$ 2,471,673</u>	<u>\$ 60,160</u>	<u>\$ 34,191</u>	<u>\$ 1,993,887</u>	<u>\$ 2,505,864</u>

The following analysis shows the changes in net position for the years ended June 30, 2016 and 2015.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

CHANGES IN NET POSITION
For the Years Ended June 30, 2016 and 2015

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 71,486	\$ 50,771	\$ 71,486	\$ 50,771
Operating grants and contributions	991,879	827,067	-	-	991,879	827,067
General revenues:						
Local sources	1,486,515	1,279,432	-	-	1,486,515	1,279,432
State sources	1,654,590	1,339,802	-	-	1,654,590	1,339,802
Administrative:						
On-behalf payments - State	856,194	844,590	-	-	856,194	844,590
Loss on disposal of assets	-	(1,361)	-	-	-	(1,361)
Interest expense	(157)	-	-	-	(157)	-
Investment earnings	75	31	-	-	75	31
Total revenues	<u>4,989,096</u>	<u>4,289,561</u>	<u>71,486</u>	<u>50,771</u>	<u>5,060,582</u>	<u>4,340,332</u>
Expenses:						
Program expenses:						
Instructional services:						
Salaries and benefits	2,651,352	2,376,522	18,510	-	2,669,862	2,376,522
Purchased services	981,885	655,649	17,907	46,819	999,792	702,468
Supplies and materials	129,781	138,596	4,913	13,613	134,694	152,209
Payments to other governments	148,512	88,465	-	-	148,512	88,465
Other objects	82,509	130,741	2,693	1,796	85,202	132,537
Depreciation expense	50,223	68,844	795	575	51,018	69,419
Pension expense	686,296	134,573	934	-	687,230	134,573
Administrative:						
On-behalf payments - State	856,194	844,590	-	-	856,194	844,590
Total expenses	<u>5,586,752</u>	<u>4,437,980</u>	<u>45,752</u>	<u>62,803</u>	<u>5,632,504</u>	<u>4,500,783</u>
Excess (Deficiency) of Revenues over Expenditures	(597,656)	(148,419)	25,734	(12,032)	(571,922)	(160,451)
Other Financing Sources (Uses):						
Operating transfers	(235)	-	235	-	-	-
Change in net position	(597,891)	(148,419)	25,969	(12,032)	(571,922)	(160,451)
Net position, beginning of year, restated	<u>2,531,618</u>	<u>2,620,092</u>	<u>34,191</u>	<u>46,223</u>	<u>2,565,809</u>	<u>2,666,315</u>
Net position, end of year	<u>\$ 1,933,727</u>	<u>\$ 2,471,673</u>	<u>\$ 60,160</u>	<u>\$ 34,191</u>	<u>\$ 1,993,887</u>	<u>\$ 2,505,864</u>

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

Governmental Activities

Revenues for governmental activities were \$4,989,096 and expenses were \$5,586,752. The Regional Office experienced a change in net position of \$597,891. This was a result of an increase in pension expense in FY16. As described in Note 14 to the financial statements, beginning net position was restated due to the consolidation of Logan County from ROE #38.

Financial Analysis of the Regional Office's Funds

As previously noted, the Regional Office uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Regional Office's governmental funds' reported combined fund balances of \$2,260,814 for FY16, a decrease of \$22,047 from the FY15 fund balance of \$2,282,861.

Governmental Fund Highlights:

- County support for the Regional Office remained relatively flat in FY16.
- The State Aid Foundation Level was reduced to 91% of the Foundation Level for FY16.

Proprietary Fund Highlights:

- In FY16, the Regional Office offered 110 administrator and teacher workshops. The Regional Office anticipates having at least 100 workshops in FY17.

Budgetary Highlights:

The Regional Office annually adopts budgets for several funds, which are submitted to the State Board of Education. The State Board reviews the proposed budget and either grants approval or returns it without approval with comments. Any unapproved budget must be resubmitted to the State Board for final approval. The budget may be amended during the year utilizing procedures prescribed by the State Board. Over the course of the year, the Regional Office amended several of its grant budgets to reflect adjustments in revenue and expenditures associated with changes in funding from the federal and State sources or for additional services needed and provided to the local school districts. A schedule showing the original and final grant budget amounts compared to the Regional Office's actual financial activity is included in the "Other Supplementary Information" section of this report.

Capital Assets

Capital assets of the Regional Office include office equipment, lease improvements, computers, audio-visual equipment and office furniture. The Regional Office maintains an inventory of capital assets which have been accumulated over time. Governmental activities net capital assets were \$415,406 for FY16 and \$443,928 for FY15. Depreciation expense that exceeded current-year capital asset additions caused the net book value of capital assets to decrease in FY16.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

Economic Factors and Next Year's Budget

At the time these financial statements were prepared and audited, the Regional Office was aware of several existing circumstances that could affect its financial health in the future:

- The interest rate on investments continues to increase very slightly and will impact interest earned.
- The State will prorate General State Aid at 94% of Foundation Level in FY17.
- County funding for FY16 increased slightly above the FY15 level.
- Receipt of monies from the State continues to be slow due to the State's budget issues and backlogs.
- The ISBE-mandated consolidation of Regional Offices of Education resulted in our consolidating Logan County into our Educational Service Region as of July 1, 2015.

Contacting the Regional Office's Financial Management

This financial report is designed to provide the Regional Offices' citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent of the DeWitt/Livingston/Logan/McLean Counties Regional Office of Education #17 at 200 W. Front Street, Suite 500 D, Bloomington, IL 61701.

BASIC FINANCIAL STATEMENTS

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
STATEMENT OF NET POSITION
JUNE 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 1,768,034	\$ 53,764	\$ 1,821,798
Accounts receivable	-	5,429	5,429
Due from other governments:			
Local	296,024	-	296,024
State	190,978	-	190,978
Federal	169,659	-	169,659
Total Current Assets	<u>2,424,695</u>	<u>59,193</u>	<u>2,483,888</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	415,406	967	416,373
Total Noncurrent Assets	<u>415,406</u>	<u>967</u>	<u>416,373</u>
TOTAL ASSETS	<u>2,840,101</u>	<u>60,160</u>	<u>2,900,261</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>1,367,033</u>	<u>-</u>	<u>1,367,033</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	145	-	145
Accrued salaries and benefits	143,312	-	143,312
Unearned revenue	20,424	-	20,424
Lease payable	1,925	-	1,925
Total Current Liabilities	<u>165,806</u>	<u>-</u>	<u>165,806</u>
Noncurrent Liabilities:			
Lease payable	7,378	-	7,378
Net pension liability	1,649,815	-	1,649,815
Net OPEB liability	9,181	-	9,181
Total Noncurrent Liabilities	<u>1,666,374</u>	<u>-</u>	<u>1,666,374</u>
TOTAL LIABILITIES	<u>1,832,180</u>	<u>-</u>	<u>1,832,180</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>441,227</u>	<u>-</u>	<u>441,227</u>
NET POSITION			
Net investment in capital assets	406,103	967	407,070
Restricted - other	364,149	-	364,149
Unrestricted	1,163,475	59,193	1,222,668
TOTAL NET POSITION	<u>\$ 1,933,727</u>	<u>\$ 60,160</u>	<u>\$ 1,993,887</u>

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary Government:						
Governmental Activities:						
Instructional Services						
Salaries and benefits	\$ 2,651,352	\$ -	\$ 643,679	\$ (2,007,673)	\$ -	\$ (2,007,673)
Purchased services	981,885	-	187,903	(793,982)	-	(793,982)
Supplies and materials	129,781	-	20,693	(109,088)	-	(109,088)
Other objects	82,509	-	-	(82,509)	-	(82,509)
Depreciation	50,223	-	-	(50,223)	-	(50,223)
Capital outlay	-	-	21,701	21,701	-	21,701
Payments to other governments	148,512	-	117,903	(30,609)	-	(30,609)
Pension expense	686,296	-	-	(686,296)	-	(686,296)
Administrative:						
On-behalf payments - State	856,194	-	-	(856,194)	-	(856,194)
Total Governmental Activities	<u>5,586,752</u>	<u>-</u>	<u>991,879</u>	<u>(4,594,873)</u>	<u>-</u>	<u>(4,594,873)</u>
Business-Type Activities:						
Charges for services	45,752	71,486	-	-	25,734	25,734
Total Business-Type Activities	<u>45,752</u>	<u>71,486</u>	<u>-</u>	<u>-</u>	<u>25,734</u>	<u>25,734</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 5,632,504</u>	<u>\$ 71,486</u>	<u>\$ 991,879</u>	<u>(4,594,873)</u>	<u>25,734</u>	<u>(4,569,139)</u>
GENERAL REVENUES:						
Local sources				1,486,515	-	1,486,515
State sources				1,654,590	-	1,654,590
On-behalf payments - State				856,194	-	856,194
Transfers in (out)				(235)	235	-
Investment earnings				75	-	75
Interest income (expense)				(157)	-	(157)
Total General Revenues and Transfers				<u>3,996,982</u>	<u>235</u>	<u>3,997,217</u>
CHANGE IN NET POSITION				(597,891)	25,969	(571,922)
NET POSITION - BEGINNING, (Restated, See Note 14)				<u>2,531,618</u>	<u>34,191</u>	<u>2,565,809</u>
NET POSITION - ENDING				<u>\$ 1,933,727</u>	<u>\$ 60,160</u>	<u>\$ 1,993,887</u>

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,392,652	\$ 127,424	\$ 247,958	\$ -	\$ 1,768,034
Due from other funds	378,210	-	-	(378,210)	-
Due from other governments:					
Local	222,996	72,096	932	-	296,024
State	24,641	164,423	1,914	-	190,978
Federal	3,540	166,119	-	-	169,659
TOTAL ASSETS	\$ 2,022,039	\$ 530,062	\$ 250,804	\$ (378,210)	\$ 2,424,695
LIABILITIES					
Accounts payable	\$ -	\$ 145	\$ -	\$ -	\$ 145
Accrued salaries and benefits	110,746	32,566	-	-	143,312
Due to other funds	14,628	363,582	-	(378,210)	-
Unearned revenue	-	20,424	-	-	20,424
Total Liabilities	125,374	416,717	-	(378,210)	163,881
FUND BALANCE (DEFICIT)					
Restricted	-	113,345	250,804	-	364,149
Assigned	334,028	-	-	-	334,028
Unassigned	1,562,637	-	-	-	1,562,637
Total Fund Balance (Deficit)	1,896,665	113,345	250,804	-	2,260,814
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,022,039	\$ 530,062	\$ 250,804	\$ (378,210)	\$ 2,424,695

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2016

TOTAL FUND BALANCE — GOVERNMENTAL FUNDS		\$ 2,260,814
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.		\$ 415,406
Lease payable reflects capital lease payments related to capital assets that the Regional Office of Education #17 will recognize as an expense when paid in the governmental fund financial statements		(9,303)
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and therefore are not reported in the governmental funds as follows:		
Deferred outflows of resources	\$ 1,367,033	
Deferred inflows of resources	<u>(441,227)</u>	925,806
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
IMRF net pension liability	\$ (1,175,027)	
TRS net pension liability	<u>(474,788)</u>	(1,649,815)
The OPEB obligations resulting from annual required contributions in excess of actual contributions are not due and payable in the current period and, therefore, are not reported in the governmental funds.		<u>(9,181)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 1,933,727</u></u>

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
REVENUES					
Local sources	\$ 1,105,105	\$ 257,475	\$ 123,935	\$ -	\$ 1,486,515
State sources	1,331,225	431,671	1,914	-	1,764,810
On-behalf payments - State	289,555	-	-	-	289,555
Federal sources	30,584	851,075	-	-	881,659
Investment earnings	-	-	75	-	75
Total Revenues	<u>2,756,469</u>	<u>1,540,221</u>	<u>125,924</u>	<u>-</u>	<u>4,422,614</u>
EXPENDITURES					
Instructional Services:					
Salaries and benefits	1,915,637	732,543	3,172	-	2,651,352
Pension expense	126,972	81,126	124	-	208,222
Purchased services	413,415	517,628	50,842	-	981,885
Supplies and materials	66,180	59,652	3,949	-	129,781
Other objects	82,509	-	-	-	82,509
Payments to other governments	15,499	133,013	-	-	148,512
On-behalf payments - State	289,555	-	-	-	289,555
Capital outlay	20,871	830	-	-	21,701
Total Expenditures	<u>2,930,638</u>	<u>1,524,792</u>	<u>58,087</u>	<u>-</u>	<u>4,513,517</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	<u>(174,169)</u>	<u>15,429</u>	<u>67,837</u>	<u>-</u>	<u>(90,903)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	5,002	6,235	-	(11,237)	-
Transfers out	(6,472)	(5,000)	-	11,237	(235)
Repayment of capital lease payable	(321)	-	-	-	(321)
Capital lease proceeds	9,624	-	-	-	9,624
Interest expense	(157)	-	-	-	(157)
Total Other Financing Sources (Uses)	<u>7,676</u>	<u>1,235</u>	<u>-</u>	<u>-</u>	<u>8,911</u>
NET CHANGE IN FUND BALANCE	<u>(166,493)</u>	<u>16,664</u>	<u>67,837</u>	<u>-</u>	<u>(81,992)</u>
FUND BALANCE - BEGINNING					
Restated (See Note 14)	<u>2,063,158</u>	<u>96,681</u>	<u>182,967</u>	<u>-</u>	<u>2,342,806</u>
FUND BALANCE - ENDING	<u>\$ 1,896,665</u>	<u>\$ 113,345</u>	<u>\$ 250,804</u>	<u>\$ -</u>	<u>\$ 2,260,814</u>

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

NET CHANGE IN FUND BALANCE — GOVERNMENTAL FUNDS \$ (81,992)

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

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	\$ 21,701	
Depreciation	<u>(50,223)</u>	(28,522)

The issuance of long-term debt (e.g. leases) provides 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 assets. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Lease proceeds	\$ (9,624)	
Repayment of capital lease payable	<u>321</u>	(9,303)

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

Cost of benefits earned, net		<u>(478,074)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (597,891)

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2016

	Business-Type Activities Enterprise Fund - Nonmajor	
	Professional Development	Total
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 53,764	\$ 53,764
Accounts receivable	5,429	5,429
Total current assets	59,193	59,193
Noncurrent assets:		
Capital assets, being depreciated, net	967	967
TOTAL ASSETS	60,160	60,160
NET POSITION		
Net investment in capital assets	967	967
Unrestricted	59,193	59,193
TOTAL NET POSITION	\$ 60,160	\$ 60,160

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Business-Type Activities - Enterprise Fund - Nonmajor	
	Professional Development	Total
OPERATING REVENUES		
Charges for services	\$ 71,486	\$ 71,486
Total Operating Revenues	71,486	71,486
OPERATING EXPENSES		
Salaries and benefits	18,510	18,510
Pension expense	934	934
Purchased services	17,907	17,907
Supplies and materials	4,913	4,913
Other objects	2,693	2,693
Depreciation	795	795
Total Operating Expenses	45,752	45,752
OPERATING INCOME (LOSS)	25,734	25,734
NONOPERATING REVENUE		
Transfers in	235	235
Total Nonoperating Revenue	235	235
CHANGE IN NET POSITION	25,969	25,969
TOTAL NET POSITION - BEGINNING	34,191	34,191
TOTAL NET POSITION - ENDING	\$ 60,160	\$ 60,160

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Business-Type Activities - Enterprise Fund - Nonmajor	
	Professional Development	Total
Cash Flows from Operating Activities:		
Receipts from customers	\$ 75,025	\$ 75,025
Payments to suppliers and providers of goods and services	(25,766)	(25,766)
Payments to employees	(19,444)	(19,444)
Net Cash Provided by (Used for) Operating Activities	29,815	29,815
Cash Flows from Noncapital Financing Activities:		
Cash transfers from other funds	235	235
Net Cash Provided by Noncapital Financing Activities	235	235
Net Increase/(Decrease) in Cash and Cash Equivalents	30,050	30,050
Cash and cash equivalents - Beginning	23,714	23,714
Cash and cash equivalents - Ending	\$ 53,764	\$ 53,764
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:		
Operating Income	\$ 25,734	\$ 25,734
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:		
Depreciation expense	795	795
(Increase) decrease in assets:		
Decrease in accounts receivable	3,539	3,539
Increase (decrease) in liabilities:		
Decrease in accounts payable	(253)	(253)
Net Cash Used for Operating Activities	\$ 29,815	\$ 29,815

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2016

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 167,318
Due from other governments	2,122,718
Total Assets	\$ 2,290,036
LIABILITIES	
Due to other governments	\$ 2,290,036
Total Liabilities	\$ 2,290,036

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The DeWitt/Livingston/Logan/McLean Counties Regional Office of Education #17 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2016, the Regional Office of Education #17 implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*; and GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* – supersedes GASB Statement No. 55. The Regional Office of Education #17 implemented these standards during the current year. The implementation of GASB Statement No. 72 establishes guidance for determining a fair value measurement for financial reporting purposes and applying fair value to certain investments and disclosures. The implementation of GASB Statement No. 73 establishes required enhancements to financial statement disclosures by establishing a single framework for the presentation of information about pensions. The implementation of GASB Statement No. 76 prioritizes the guidance state and local governments follow when preparing financial statements in accordance with *Generally Accepted Accounting Principles*.

A. DATE OF MANAGEMENT’S REVIEW

Management has evaluated subsequent events through May 22, 2017, the date when the financial statements were available to be issued.

B. FINANCIAL REPORTING ENTITY

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

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #17’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.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FINANCIAL REPORTING ENTITY (Concluded)

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

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

For the period ended June 30, 2016, the Regional Office of Education #17 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 #17. Such activities are reported as a single special revenue fund (Education Fund).

C. SCOPE OF THE REPORTING ENTITY

The Regional Office of Education #17's reporting entity includes all related organizations for which it exercises oversight responsibility.

The Regional Office of Education #17 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 #17 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 #17 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #17 is not aware of any entity that would exercise such oversight as to result in the Regional Office of Education #17 being considered a component unit of the entity.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #17's activities, with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Regional Office of Education has one business-type activity that relies on fees and charges for support.

The Regional Office of Education #17'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 #17 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 #17's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Position. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges for services and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

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

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

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

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on a specific purpose or project before any amounts will be paid to the Regional Office of Education #17; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

Under the terms of grant agreements, Regional Office of Education #17 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 #17'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 #17 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 #17 uses governmental, proprietary, and fiduciary funds.

GOVERNMENTAL FUNDS

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

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: (1) total assets (including deferred outflows), liabilities (including deferred inflows), revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and (2) total assets (including deferred outflows), liabilities (including deferred inflows), revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education #17 has presented all major funds that met the above qualifications.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

The Regional Office of Education #17 reports the following major governmental funds:

General Fund – The General Fund is the operating fund of the Regional Office of Education #17. 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:

County Fund – This fund accounts for monies received from DeWitt, Livingston, and McLean counties. This support helps fund the operation of the Regional Office of Education #17.

Illinois Educators’ Roundtable – This fund accounts for resources used for a group of superintendents to meet on emerging issues affecting the education system.

Regional Safe Schools – General State Aid (GSA) – This program accounts for monies received for and in payment of expenditures for activities for disruptive students who are eligible for suspension or expulsion. In addition, this program includes State and federal lunch and breakfast programs.

Regional Alternative School – General State Aid (GSA) – This program accounts for monies received for and in payment of expenditures for the general operations of the Regional Alternative School.

I-SCORE – This program is for online credit recovery for special needs students.

Ed Services – This program accounts for a contract with a local drug/alcohol rehabilitation center for GED preparation services.

Donations Literacy Inservice – This program is funded by corporate and private sources to facilitate learning projects in literacy, GED, and English as second language classes.

Juvenile Justice Council – This is a program for At-Risk Diversion for students.

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:

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Education Fund (Continued)

Credit Recovery – This program accounts for monies received for and in payment of expenditures for the development and training of teachers to prepare online curriculum made available to all students from the entire Regional Office of Education #17 region.

D.O.R.S Program Step Grant – This program is for severely handicapped students making the transition from high school to the work place.

Foundational Services – This program accounts for monies received for and in payment of expenditures for the Foundational Services administrator to help the Illinois Association of Regional Superintendents of Schools’ and the Illinois State Board of Education’s coordination and collaboration on Foundational Services for professional development for all Illinois districts.

Improving Literacy – This program accounts for monies received for and in payment of expenditures for Diagnostic Literacy testing, a book club, and Little Library for Regional Alternative School students and the community.

Juvenile Detention Center – This program provides educational programming for incarcerated youth.

Mathematics and Science Partnerships - MA – This program accounts for monies received for and in payment of expenditures for a Math Area Partnership to help teachers and students across central Illinois meet the expectations of the New Illinois Learning Standards for Math.

Mathematics and Science Partnerships - SA – This program accounts for monies received for and in payment of expenditures for a Science Area Partnership to help teachers and students across central Illinois meet the expectations of the New Illinois Learning Standards for Science.

McKinney Homeless Children and Youth – This program accounts for grant monies received and expended assisting school districts in identifying and providing assistance to at-risk students. This program offers services to homeless children and youth primarily who are of school age. Preschool-aged children also receive services to ensure access to early childhood and preschool programs.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Education Fund (Continued)

Regional Safe Schools Program – This program accounts for the Regional Safe Schools grant monies. The program concentrates on the education of students who have been expelled from school districts served by the Regional Office of Education #17.

Regional Safe Schools Cooperative – This program provides support for the individual needs and learning styles of students while focusing on twelve employability skills recognized by adult service agencies.

ROE/ISC Operations – This fund accounts for grant monies received for and in payment of expenditures for assisting schools in all areas of school improvement.

Secretary of State’s Literacy Grant – This program accounts for grant monies to serve parents and their children ages 0 to 5 who are enrolled in Evenstart or Heartland Head Start to provide activities that encourage literacy development and enable parents to be their child’s first and best teacher through workshops, field trips, and a partnership with the public libraries to provide activities.

Title I – School Improvement – The Illinois State Board of Education Quality Assurance Process consists of an external visit to audit each school every few years and an internal review that each school must conduct annually. The Regional Office of Education #17 is charged with supporting and guiding schools through this complex school improvement process so that teaching and learning improve every year.

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

Title II – Teacher Quality – Leadership – This program accounts for grant monies received for and in payment of expenditures to provide online training that is required by the Illinois Performance Evaluation Reform Act to train education administrators to evaluate other administrators and teachers. The program is designed to increase the number of highly qualified administrators and teachers, leading to increased student academic achievement.

Transitional Specialist – This program is administered by the Illinois Department of Human Services to provide support for Individualized Education Plan (IEP) students to transition from high school to higher education and/or adult employment.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Concluded)

Education Fund (Concluded)

Truants Alternative/Optional Education – 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.

The Regional Office of Education #17 reports the following Nonmajor Special Revenue Funds:

General Education Development (GED) – Illinois law requires the Regional Superintendent of Schools of each county or counties to administer the GED test. Testing fees are used for test administration, testing materials, and diplomas on successful completion of the test.

Bus Driver Training – Experienced bus drivers must take a two-hour instructional refresher course annually, while all new drivers must take an eight-hour course in bus driver safety and first aid, prescribed by the Illinois State Board of Education and administered by the Regional Office.

Institute – This fund accounts for fees collected for the registration and renewal of teaching licenses. These fees are used to defray administrative expenses incidental to teachers' institutes, workshops, or meetings of a professional nature that are designed to promote the professional growth of teachers or to defray the expense of any general or special meeting of teachers or school personnel. All funds generated remain restricted until expended only on the aforementioned activities.

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 #17 reports the following proprietary fund:

Professional Development – This enterprise fund tracks revenues received and expenses incurred in offering professional development workshops for teachers and administrators and other services for the school districts in DeWitt, Livingston, Logan, and McLean Counties.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Concluded)

FIDUCIARY FUNDS

Agency Funds – Agency funds are used to account for assets held by the Regional Office of Education #17 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 #17 reports the following agency funds:

Cooperative Purchasing Fund – This fund is used to purchase paper and supplies in quantity as a single unit by participating schools in the Regional Office of Education #17.

Flex Spending Account – This fund accounts for the Regional Office of Education #17's employees' flex spending plan.

Heart of Illinois Low Incidence – This program promotes, establishes, and maintains comprehensive special education services for children with hearing, vision, and physical disabilities.

Regional Board of School Trustees Fund – This program accounts for the Regional Board of School Trustees' operating accounts.

ROE #38 Consolidation – This fund accounts for the assets received from the Regional Office of Education #38 prior to its consolidation by the Regional Office of Education #17 on July 1, 2015.

School Facility Occupation Tax – This fund accounts for the assets held by the Regional Office of Education #17 to be distributed to local school districts. Monies are received from the State Comptroller for the School Facilities Occupation Tax and are disbursed to the school districts.

Distributive Fund – This fund distributes monies received from the State to the school districts and other entities.

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:

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. GOVERNMENTAL FUND BALANCES (Concluded)

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 #17 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: General Education Development, Bus Driver Training, and Institute. The following Education Funds are restricted by grantor or donor restrictions: D.O.R.S Program Step Grant.

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 #17 has no committed fund balances.

Assigned Fund Balance – The portion of a governmental fund’s net position for which an intended use of resources has been denoted. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following General Fund accounts have assigned fund balances: I-SCORE, Ed Services, and Juvenile Justice Council.

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: County Fund, Regional Safe Schools – GSA, and Regional Alternative School – GSA.

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.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. CASH AND CASH EQUIVALENTS

The DeWitt/Livingston/Logan/McLean Counties Regional Office of Education #17'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. ESTIMATES

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

L. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$500 or more and estimated useful lives of greater than three years are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over 3-50 years.

M. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

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

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

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

N. COMPENSATED ABSENCES

Noncertified and certified employees who work 12 calendar months can earn up to 21 vacation days for a full year of service. No vacation time may be carried over to next year and will be lost if an employee does not use the time during the year. Therefore, the Regional Office of Education #17 did not accrue any vacation benefits for the current year. 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.

Employees receive up to 10 sick days annually and the unused portion is accumulated indefinitely. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay, and therefore, no liability is accrued.

O. BUDGET INFORMATION

The Regional Office of Education #17 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: Mathematics and Science Partnerships – MA (15-4936-MA), Mathematics and Science Partnerships – MA (16-4936-MA), Mathematics and Science Partnerships – SA (15-4936-SA), Mathematics and Science Partnerships – SA (16-4936-SA) McKinney Homeless Children and Youth, Regional Safe Schools, Regional Safe Schools Cooperative, ROE/ISC Operations, Secretary of State’s Literacy Grant, Title I – School Improvement, Title II Teacher Quality – Leadership, and Truants Alternative/Optional Education.

NOTE 2 – CASH

The Regional Office of Education #17’s investment policy is to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7.

A. DEPOSITS

At June 30, 2016, the carrying amounts of the Regional Office of Education #17’s government-wide fund and agency fund deposits were \$1,821,798 and \$167,318, respectively, and the bank balances were \$2,158,601 and \$291,586, respectively. Of the total bank balances as of June 30, 2016, \$250,000 was secured by federal depository insurance, \$2,180,917 was fully collateralized, and \$19,270 was invested in the Illinois Funds Money Market Fund.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 2 – CASH (Concluded)

A. DEPOSITS (Concluded)

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits with financial institutions is the risk that, in the event of bank failure, the Regional Office of Education #17's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the Regional Office of Education #17'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 #17.

B. INVESTMENTS

The Regional Office of Education #17's investment policy requires that funds should be invested solely in investments authorized by 30 ILCS 235/2 and 6 and 105 ILCS 5/8-7. As of June 30, 2016, the Regional Office of Education #17 had investments with carrying and fair values of \$19,270 invested in the Illinois Funds Money Market Fund.

CREDIT RISK

At June 30, 2016, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

CONCENTRATION OF CREDIT RISK

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

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.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 3 – DEFINED BENEFIT PENSION PLAN

IMRF Plan Description

The Regional Office of Education #17'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 #17's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the following "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

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

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

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2016

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

Employees Covered by Benefit Terms

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

	IMRF
Retirees and Beneficiaries currently receiving benefits	51
Inactive Plan Members entitled to but not yet receiving benefits	32
Active Plan Members	17
Total	100

Contributions

As set by statute, the Regional Office of Education #17's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education #17's annual contribution rate for calendar year 2015 was 16.97%. For the calendar year ended 2015, the Regional Office of Education #17 contributed \$162,115 to the plan. The Regional Office of Education #17 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The Regional Office of Education #17's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 3.5%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2015:

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

Single Discount Rate

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

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

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

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, 2014 (Restated)	\$ 5,297,939	\$ 4,956,653	\$ 341,286
Changes for the year:			
Service Cost	93,113	-	93,113
Interest on the Total Pension Liability	390,432	-	390,432
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	1,216,038	-	1,216,038
Changes of Assumptions	-	-	-
Contributions - Employer	-	162,115	(162,115)
Contributions - Employees	-	42,987	(42,987)
Net Investment Income	-	768,935	(768,935)
Benefit Payments, including Refunds of Employee Contributions	(326,733)	(326,733)	-
Other (Net Transfer)	-	(108,195)	108,195
Net Changes	<u>1,372,850</u>	<u>539,109</u>	<u>833,741</u>
Balances at December 31, 2015	<u>\$ 6,670,789</u>	<u>\$ 5,495,762</u>	<u>\$ 1,175,027</u>

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

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

	1% Lower 6.50%	Current Discount 7.50%	1% Higher 8.50%
Net Pension Liability	\$ 1,959,832	\$ 1,175,027	\$ 566,711

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ending June 30, 2016, the Regional Office of Education #17 recognized pension expense of \$433,690. At June 30, 2016, the Regional Office of Education #17 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 885,760	\$ 122,141
Changes of assumptions	19,500	-
Net difference between projected and actual earnings on pension plan investments	<u>31,227</u>	<u>294,835</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>936,487</u>	<u>416,976</u>
Pension Contributions made subsequent to the Measurement Date	<u>77,802</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 1,014,289</u></u>	<u><u>\$ 416,976</u></u>

\$77,802 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2016

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Concluded)

Year Ending December 31	Net Deferred Outflows of Resources
2016	\$ 719,396
2017	(63,724)
2018	(63,724)
2019	(72,437)
2020	-
Thereafter	-
Total	\$ 519,511

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

The Regional Office of Education #17 participates in the Teachers’ Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor’s approval. The TRS Board of Trustees is responsible for the System’s administration.

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

Benefits provided

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

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.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

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

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

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education #17.

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #17. For the year ended June 30, 2016, State of Illinois contributions recognized by the Regional Office of Education #17 were based on the State’s proportionate share of the collective net pension liability associated with the Regional Office of Education #17, and the Regional Office of Education #17 recognized revenue and expenditures of \$566,639 in pension contributions from the State of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2016, were \$8,396, and are deferred because they were paid after the June 30, 2015, 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 #17, there is a statutory requirement for the Regional Office of Education #17 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the State contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2016, the employer pension contribution was 36.06 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2016, salaries totaling \$149,202 were paid from federal and special trust funds that required employer contributions of \$53,802. These contributions are deferred because they were paid after the June 30, 2015, measurement date.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2016

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 #17 is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member’s age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2016, the Regional Office of Education #17 paid no employer ERO contributions.

The Regional Office of Education #17 is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree’s final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2016, the Regional Office of Education #17 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent and no payments for sick leave days granted in excess of the normal allotment.

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

At June 30, 2016, the Regional Office of Education #17 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State’s support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the employer were as follow:

Employers proportionate share of the net pension liability	\$ 474,788
State’s proportionate share of the net pension liability associated with the employer	<u>6,916,269</u>
Total	<u>\$ 7,391,057</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, and rolled forward to June 30, 2015. The Regional Office of Education #17’s proportion of the net pension liability was based on the employer’s share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2015, the Regional Office of Education #17’s proportion was .0007247564 percent, which was an increase of .000540265 percent from its proportion measured as of June 30, 2014.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

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

For the year ended June 30, 2016, the Regional Office of Education #17 recognized pension expense of \$566,639 and revenue of \$566,639 for support provided by the State. For the year ended June 30, 2016, the Regional Office of Education #17 recognized pension expense of \$44,384. At June 30, 2016, the Regional Office of Education #17 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	\$ 176	\$ 520
Net difference between projected and actual earnings on pension plan investments	9,403	16,626
Change of assumptions	6,566	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	275,137	7,105
Employer contributions subsequent to the measurement date	61,462	-
Total	\$ 352,744	\$ 24,251

\$61,462 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2017	\$	66,136
2018		66,136
2019		66,136
2020		68,623
	\$	267,031

Actuarial assumptions

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

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

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2016

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

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

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

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

Discount Rate

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2016

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

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

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

Sensitivity of the Regional Office of Education #17’s proportionate share of the net pension liability to changes in the discount rate

The following presents the Regional Office of Education #17’s proportionate share of the net pension liability calculated using the discount rate of 7.47 percent, as well as what the employer’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.47 percent) or 1 percentage point higher (8.47 percent) than the current rate.

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
Employer's proportionate share of the net pension liability	\$ 586,722	\$ 474,788	\$ 383,000

TRS fiduciary net position

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

NOTE 5 – TEACHER HEALTH INSURANCE SECURITY

The Regional Office of Education #17 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers’ Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the State-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 5 – TEACHER HEALTH INSURANCE SECURITY (Concluded)

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

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

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 #17. State contributions are intended to match contributions to the THIS Fund from active members which were 1.07 percent of pay during the year ended June 30, 2016. State of Illinois contributions were \$13,427, and the Regional Office of Education #17 recognized revenue and expenditures of this amount during the year. State contributions intended to match active member contributions during the years ended June 30, 2015 and 2014 were 1.02 and 0.97 percent of pay, respectively. State contributions on behalf of Regional Office of Education #17 employees were \$10,895 and \$11,136, respectively.

Employer contributions to the THIS Fund. The Regional Office of Education #17 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.80 percent during the year ended June 30, 2016, and 0.76 and 0.72 percent during the years ended June 30, 2015 and 2014, respectively. For the year ended June 30, 2016, the Regional Office of Education #17 paid \$10,039 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2015 and 2014, the Regional Office paid \$8,118 and \$8,266 to the THIS Fund, respectively, which was 100 percent of the required contribution.

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

NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS – HEALTH INSURANCE

The Regional Office of Education #17 provides a single-employer defined-benefit postemployment healthcare plan to retirees who participate in the IMRF retirement plan. This plan extends the same health benefits to annuitants as to active employees in the IMRF plan. The Governmental Accounting Standards Board (GASB) issued Statement Nos. 43 and 45 that established generally accepted accounting principles for the annual financial statements for postemployment benefit plans other than pension plans. The required information is as follows:

The Regional Office has restated its OPEB liability to the liability as of June 30, 2014, the date of the most recent actuarial valuation. Membership in the plan consisted of the following as of June 30, 2014:

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS – HEALTH INSURANCE (Continued)

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Retirees and beneficiaries receiving benefits	1	1
Terminated plan members entitled to but not yet receiving benefits	-	-
Active vested plan members	17	21
Active nonvested plan members	<u>17</u>	<u>17</u>
Total	<u><u>35</u></u>	<u><u>39</u></u>
Number of participating employers	1	1

Schedule of Funding Progress

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Annual OPEB Cost and Net OPEB Obligation

	<u>June 30, 2014</u>
Annual required contribution	\$ 9,551
Interest on net OPEB obligation	281
Adjustment to annual required contribution	<u>(235)</u>
Annual OPEB cost	9,597
Adjustment to net OPEB obligation at the beginning of the year	4,632
Contributions made	<u>(7,451)</u>
Increase (decrease) in net OPEB obligation	6,778
Net OPEB obligation beginning of year	<u>2,403</u>
Net OPEB obligation end of year	<u><u>\$ 9,181</u></u>

Three-Year Trend Information

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
<u>Ending</u>	<u>OPEB Cost</u>	<u>Cost Contributed</u>	<u>Obligation</u>
6/30/2014	\$ 9,597	77.60%	\$ 9,181
6/30/2013	-	0.00%	7,035
6/30/2012	-	0.00%	-

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS – HEALTH INSURANCE (Continued)

Annual Required Contribution

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Service cost	\$ 6,774	\$ 4,921
Amortization	2,798	4,175
Interest	<u>383</u>	<u>455</u>
Annual required contribution	<u>\$ 9,955</u>	<u>\$ 9,551</u>

Funding Policy and Actuarial Assumptions

The last actuarial valuation was completed on June 30, 2011. The Net OPEB obligation has been updated through June 30, 2014. The investment rate of return and projected salary increases assumptions have been reduced to 4.0% from 5.0%. The healthcare inflation rate assumption has been reduced to 7.5% from 8.0% (initial) and to 5.5% from 6.0% (ultimate). The current premiums have increased 19.5%.

Contribution rates:

Regional Office	
Plan members	0.00%
Actuarial valuation date	6/30/2014
Actuarial cost method	Entry age
Amortization period	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market

Actuarial assumptions:

Investment rate of return*	4.00%
Projected salary increases	4.00%
Healthcare inflation rate	7.50% initial, 5.5% ultimate (0.5% reduction per year)
Mortality, Turnover, Disability, Retirement Ages	Similar rates utilized for IMRF
Percentage of Active Employees Assumed to Elect Benefit	20%
Assumed Coverage Elections	50% Single Coverage, 50% Single plus Spouse
Current Premium Rates	to age 65: Single: \$734/mo; Single plus Spouse: \$1,949/mo
* Includes inflation at	3.00%

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2016

NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS – HEALTH INSURANCE (Concluded)

GASB 45 Summary as of June 30, 2014

<u>Division</u>	<u>Service Cost</u>	<u>Active Liability</u>	<u>Retired Liability</u>	<u>Total Liability</u>	<u>Annual Required Contribution</u>	<u>Expected Payments</u>	<u>Actives</u>	<u>Retirees</u>	<u>Total</u>
All	\$ 6,774	\$57,829	\$26,107	\$83,936	\$ 9,954	\$ 3,523	34	1	35

Discount Rate: 4.0%

Medical Inflation Rate: 7.5% initial, 5.5% ultimate

Future Payroll Increases: 4.0%

NOTE 7 – LEASES

A. CAPITAL LEASES

The Regional Office of Education #17 has entered into a lease agreement as lessee with Frontier Communications as lessor for financing the acquisition of a phone system amounting to \$9,624. 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 obligations and the net present value of these lease payments as of June 30, 2016, are as follows:

2017	\$ 2,868
2018	2,868
2019	2,868
2020	2,868
2021 and thereafter	<u>2,390</u>
Total minimum lease payment	13,862
Less: amount representing interest:	<u>(4,559)</u>
Present value of minimum lease payments	<u>\$ 9,303</u>
Current Portion	<u>\$ 321</u>

B. OPERATING LEASES

The Regional Office of Education #17 leases classroom and office space from various parties. During fiscal year 2016, the Regional Office of Education #17 leased classroom and office space located at 905 W. Custer Avenue, Pontiac, Illinois, from the Bud Behrends, LLC, for \$2,208 per month. The lease term is from July 1, 2013, to August 31, 2018, with a five-year renewal option.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2016

NOTE 7 –LEASES (Concluded)

B. OPERATING LEASES (Concluded)

The Regional Office of Education #17 also leased classrooms and office space located at 402-408 W. Washington Street, Bloomington, Illinois, and storage space located at 405 W. Front Street, Bloomington, Illinois. The leases run from August 1, 2012, to July 31, 2017, and February 18, 2013, to July 31, 2017, respectively; rent was \$9,379 and \$350 per month, respectively.

The Regional Office of Education #17 also leased office space located at 200 W. Front Street, Suite 500D, Bloomington, Illinois. The lease ran from January 1, 2013, to December 31, 2015; rent is \$61,000 per year. The lease was renewed for an additional 24 months from January 1, 2016 through December 31, 2017 for \$67,000 per year.

During fiscal year 2016, the Regional Office of Education #17 leased classroom and office space located at 1301 W Washington St, Bloomington, Illinois for \$200 per month. The lease term is from July 1, 2015, to June 30, 2016, with an automatic renewal option of 12 months.

Rent expense for the year ended June 30, 2016, was \$209,644. Future minimum rentals are as follows for the years ending June 30:

2017	\$ 210,244
2018	69,725
2019	4,416
2020 and thereafter	-
	<u>\$ 284,385</u>

NOTE 8 – CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education #17 has reported capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases of capital assets by business-type activities are capitalized when purchased. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2016:

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 8 – CAPITAL ASSETS (Concluded)

	Balance 7/1/2015	Additions	Disposals	Balance 6/30/2016
Governmental Activities				
Capital assets being depreciated:				
Office Equipment & Furniture	\$ 275,999	\$ 6,116	\$ -	\$ 282,115
Leasehold Improvements	441,683	15,585	-	457,268
Total Capital Assets	717,682	21,701	-	739,383
Less: Accumulated Depreciation	(273,754)	(50,223)	-	(323,977)
Governmental Activities				
Investment in Capital Assets, Net	<u>\$ 443,928</u>	<u>\$ (28,522)</u>	<u>\$ -</u>	<u>\$ 415,406</u>

	Balance 7/1/2015	Additions	Disposals	Balance 6/30/2016
Business-Type Activities				
Capital assets being depreciated:				
Office Equipment & Furniture	\$ 2,385	\$ -	\$ -	\$ 2,385
Total Capital Assets	2,385	-	-	2,385
Less: Accumulated Depreciation	(623)	(795)	-	(1,418)
Business-Type Activities				
Investment in Capital Assets, Net	<u>\$ 1,762</u>	<u>\$ (795)</u>	<u>\$ -</u>	<u>\$ 967</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2016, of \$50,223 and \$795 was charged to governmental activities instructional services function and business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation.

As of June 30, 2016, the capital assets balance of equipment recorded as capital lease totaled \$9,624. Total accumulated depreciation under the capital lease totaled \$321 as of June 30, 2016.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2016

NOTE 9 – RISK MANAGEMENT

The Regional Office of Education #17 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 #17 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

NOTE 10 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

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

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 378,210	\$ 14,628
Education Fund	-	363,582
Totals	<u>\$ 378,210</u>	<u>\$ 378,210</u>

TRANSFERS

Interfund transfers in/out to other fund balances at June 30, 2016, consist of the following individual transfers in/out to other funds in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 5,002	\$ 6,472
Education Fund	6,235	5,000
Proprietary Fund	235	-
	<u>\$ 11,472</u>	<u>\$ 11,472</u>

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 11 – DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #17’s General Fund, Education Fund, Nonmajor Special Revenue Funds, 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	\$ 222,996
Illinois State Board of Education	28,181
Nonmajor Special Revenue Funds	
Local Governments	932
Illinois State Board of Education	1,914
Education Fund	
Local Governments	72,096
Illinois State Board of Education	298,354
Illinois Department of Human Services	32,188
Agency Fund	
Local Governments	1,252,066
Illinois State Board of Education	870,652
Total	<u>\$ 2,779,379</u>
Due to Other Governments:	
Agency Fund	
Local Governments	\$ 2,290,036
Total	<u><u>\$ 2,290,036</u></u>

NOTE 12 – ON-BEHALF PAYMENTS

The State of Illinois paid the following salaries on behalf of the Regional Office of Education #17:

Regional Superintendent Salary	\$ 112,008
Assistant Regional Superintendent Salary	100,812
Regional Superintendent Benefits (Includes State-paid insurance)	24,871
Assistant Regional Superintendent Benefits (Includes State-paid insurance)	38,437
Teachers’ Health Insurance Security Contribution	<u>13,427</u>
Total	<u>\$ 289,555</u>

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 12 – ON-BEHALF PAYMENTS (Concluded)

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 #17 also recorded \$566,639 in revenue and expenses as on-behalf payments from ISBE for the Regional Office’s share of the State’s Teachers’ Retirement System (TRS) pension expense in the Statement of Activities. In addition, the Regional Office of Education #17 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	\$ 289,555
ROE #17’s share of TRS pension expense	<u>566,639</u>
Total	<u>\$ 856,194</u>

NOTE 13 – DISPOSITION OF DISTRIBUTIVE FUND INTEREST

The school district boards within the Regional Office of Education #17’s educational service regions have signed formal agreements that allow the Regional Office to retain any interest earned on Distributive Fund deposits during the year.

NOTE 14 – REGIONAL OFFICE OF EDUCATION CONSOLIDATION

The Regional Office of Education #17 reclassified the opening fund balance for the following Governmental funds due to the consolidation: County Fund, Ed Services, General Education Development, and Institute. The following beginning balances have been restated as follows:

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 14 – REGIONAL OFFICE OF EDUCATION CONSOLIDATION (Continued)

General Fund

Fund Balance - Beginning	\$ 2,032,964
Effect of consolidation on opening fund balance	30,194
Fund Balance - Beginning, restated	<u>\$ 2,063,158</u>

Nonmajor Special Revenue Funds

Fund Balance - Beginning	\$ 153,216
Effect of consolidation on opening fund balance	29,751
Fund Balance - Beginning, restated	<u>\$ 182,967</u>

Governmental Activities Net Position

Net Position - July 1, 2015	\$ 2,471,673
Effect of consolidation on opening fund balance	59,945
Net Position, restated - July 1, 2015	<u>\$ 2,531,618</u>

Dewitt/Livingston/Logan/McLean Counties Regional Office of Education #17 began operations on July 1, 2015, and was formed from the merger of Dewitt/Livingston/McLean Counties Regional Office of Education #17 and Logan County which was formerly included in the Logan/Mason/Menard Counties Regional Office of Education #38. The merger resulted from the Illinois State Board of Education’s adoption of a motion pursuant to its obligation under 105 ILCS 5/3A-4(a), which recognized consolidations agreed to via county board resolutions prior to June 30, 2013. The initial opening balances of Dewitt/Livingston/Logan/McLean Counties Regional Office of Education #17’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, as of the beginning of the period, were determined on the basis of the carrying values reported in the separate financial statements of Dewitt/Livingston/McLean Counties Regional Office of Education #17 and Logan/Mason/Menard Counties Regional Office of Education #38 as of July 1, 2015, as follows:

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 14 – REGIONAL OFFICE OF EDUCATION CONSOLIDATION (Concluded)

Merger of Operations as of July 1, 2015

	Logan County Portion (39.34%)	ROE #17	Total	Adjustments (Credit)	Total
Total Current Assets	\$ 33,877	\$ 2,451,936	\$ 2,485,813	\$ 46,891	\$ 2,532,704
Total Noncurrent Assets	-	443,928	443,928	-	443,928
Total Assets	<u>33,877</u>	<u>2,895,864</u>	<u>2,929,741</u>	<u>46,891</u>	<u>2,976,632</u>
Deferred Outflows of Resources	<u>19,251</u>	<u>235,479</u>	<u>254,730</u>	<u>-</u>	<u>254,730</u>
Total Current Liabilities	819	169,075	169,894	-	169,894
Total Noncurrent Liabilities	33,786	444,794	478,580	-	478,580
Total Liabilities	<u>34,605</u>	<u>613,869</u>	<u>648,474</u>	<u>-</u>	<u>648,474</u>
Deferred Inflows of Resources	<u>5,469</u>	<u>45,801</u>	<u>51,270</u>	<u>-</u>	<u>51,270</u>
Net Position:					
Investment in Capital Assets	-	443,928	443,928	-	443,928
Restricted - Other	26,296	249,897	276,193	46,891	323,084
Unrestricted	(13,242)	1,777,848	1,764,606	-	1,764,606
Total Net Position	<u>\$ 13,054</u>	<u>\$ 2,471,673</u>	<u>\$ 2,484,727</u>	<u>\$ 46,891</u>	<u>\$ 2,531,618</u>

The adjustments to the above reconciliation are due to cash disbursements prior to year-end that were being held in an agency fund at ROE #17 for the benefit of ROE #38 until such time as all activity relating to the consolidation was finalized.

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY & RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST TWO CALENDAR YEARS

Calendar Year Ended December 31,	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service Cost	\$ 93,113	\$ 90,794
Interest on the Total Pension Liability	390,432	331,043
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	1,216,038	(54,884)
Changes of Assumptions	-	160,500
Benefit Payments, including Refunds of Employee Contributions	(326,733)	(240,367)
Net Change in Total Pension Liability	<u>1,372,850</u>	<u>287,086</u>
 Total Pension Liability - Beginning (Restated)	 <u>5,297,939</u>	 <u>4,485,173</u>
 Total Pension Liability - Ending (A)	 <u>\$ 6,670,789</u>	 <u>\$ 4,772,259</u>
 Plan Fiduciary Net Position		
Contributions - Employer	\$ 162,115	\$ 173,508
Contributions - Employees	42,987	36,725
Net Investment Income	768,935	280,254
Benefit Payments, including Refunds of Employee Contributions	(326,733)	(240,367)
Other (Net Transfer)	(108,195)	(3,698)
Net Change in Plan Fiduciary Net Position	<u>539,109</u>	<u>246,422</u>
 Plan Fiduciary Net Position - Beginning (Restated)	 <u>4,956,653</u>	 <u>4,202,502</u>
 Plan Fiduciary Net Position - Ending (B)	 <u>\$ 5,495,762</u>	 <u>\$ 4,448,924</u>
 Net Pension Liability - Ending (A) - (B)	 <u>\$ 1,175,027</u>	 <u>\$ 323,335</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 82.39%	 93.22%
 Covered Valuation Payroll	 \$ 955,269	 \$ 816,123
 Net Pension Liability as a Percentage of Covered Valuation Payroll	 123.00%	 39.62%

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.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 ILLINOIS MUNICIPAL RETIREMENT FUND
 LAST TWO CALENDAR YEARS

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2015	\$ 162,116	\$ 162,115	\$ 1	\$ 955,269	16.97%
2014	168,448	173,508	(5,060)	816,123	21.26%

Notes to Schedule:

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

Valuation Date:

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

Methods and Assumptions Used to Determine 2015 Contribution Rates:

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

Other Information:

Notes: There were no benefit changes during the year.

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 FOR THE YEAR ENDED JUNE 30, 2016 †

	<u>FY15*</u>	<u>FY14*</u>
Employer's proportion of the net pension liability	0.0007247564%	0.0001844914%
Employer's proportionate share of the net pension liability	\$ 474,788	\$ 112,278
State's proportionate share of the net pension liability associated with the employer	<u>6,916,269</u>	<u>7,001,785</u>
Total	<u>\$ 7,391,057</u>	<u>\$ 7,114,063</u>
Employer's covered-employee payroll	\$ 1,125,700	\$ 1,148,032
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	42.2%	9.8%
Plan fiduciary net position as a percentage of the total pension liability	41.5%	43.0%

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

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

	<u>FY16</u>	<u>FY15</u>	<u>FY14</u>
Statutorily-required contribution	\$ 61,080	\$ 25,395	\$ 6,659
Contributions in relation to the statutorily-required contribution	<u>61,462</u>	<u>25,333</u>	<u>6,677</u>
Contribution deficiency (excess)	<u>\$ (382)</u>	<u>\$ 62</u>	<u>\$ (18)</u>
Employer's covered-employee payroll	\$ 1,271,558	\$ 1,125,700	\$ 1,148,032
Contributions as a percentage of covered-employee payroll	4.83%	2.25%	0.58%

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

Notes to This Required Supplementary Information

Changes of assumptions

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 OTHER POSTEMPLOYMENT BENEFITS - HEALTH INSURANCE PLAN FOR RETIRED EMPLOYEES
 SCHEDULE OF FUNDING PROGRESS
 (UNAUDITED)
 JUNE 30, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
06/30/14	\$ -	\$ 83,936	\$ 83,936	0.00%	\$ 805,373	10.42%
06/30/13	-	125,262	125,262	0.00%	780,311	16.05%
06/30/12	-	125,262	125,262	0.00%	808,802	15.49%

OTHER SUPPLEMENTARY INFORMATION

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
JUNE 30, 2016

	County Fund	Illinois Educators' Roundtable	Regional Safe Schools - GSA	Regional Alternative School - GSA	I-SCORE
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 556,824	\$ 513,284	\$ 92,580
Due from other funds	-	-	-	378,210	-
Due from other governments					
Local	101,498	-	12,784	91,207	1,500
State	-	-	24,641	-	-
Federal	-	-	3,540	-	-
TOTAL ASSETS	\$ 101,498	\$ -	\$ 597,789	\$ 982,701	\$ 94,080
LIABILITIES					
Accrued salaries and benefits	\$ 9,406	\$ -	\$ 41,896	\$ 53,421	\$ -
Due to other funds	14,628	-	-	-	-
Total Liabilities	24,034	-	41,896	53,421	-
FUND BALANCE					
Assigned	-	-	-	-	94,080
Unassigned	77,464	-	555,893	929,280	-
Total Fund Balance	77,464	-	555,893	929,280	94,080
TOTAL LIABILITIES AND FUND BALANCE	\$ 101,498	\$ -	\$ 597,789	\$ 982,701	\$ 94,080

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2016

	<u>Ed Services</u>	<u>Donations Literacy Inservice</u>	<u>Juvenile Justice Council</u>	<u>TOTALS</u>
ASSETS				
Cash and cash equivalents	\$ 213,484	\$ -	\$ 16,480	\$ 1,392,652
Due from other funds	-	-	-	378,210
Due from other governments				
Local	16,007	-	-	222,996
State	-	-	-	24,641
Federal	-	-	-	3,540
TOTAL ASSETS	<u>\$ 229,491</u>	<u>\$ -</u>	<u>\$ 16,480</u>	<u>\$ 2,022,039</u>
LIABILITIES				
Accrued salaries and benefits	\$ 6,023	\$ -	\$ -	\$ 110,746
Due to other funds	-	-	-	14,628
Total Liabilities	<u>6,023</u>	<u>-</u>	<u>-</u>	<u>125,374</u>
FUND BALANCE				
Assigned	223,468	-	16,480	334,028
Unassigned	-	-	-	1,562,637
Total Fund Balance	<u>223,468</u>	<u>-</u>	<u>16,480</u>	<u>1,896,665</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 229,491</u>	<u>\$ -</u>	<u>\$ 16,480</u>	<u>\$ 2,022,039</u>

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2016

	County Fund	Illinois Educators' Roundtable	Regional Safe Schools - GSA	Regional Alternative School - GSA	I-SCORE
REVENUES					
Local sources	\$ 596,217	\$ -	\$ 96,237	\$ 131,723	\$ 12,174
State sources	-	-	584,002	747,223	-
On-behalf payments - State	289,555	-	-	-	-
Federal sources	-	-	30,584	-	-
Total Revenues	<u>885,772</u>	<u>-</u>	<u>710,823</u>	<u>878,946</u>	<u>12,174</u>
EXPENDITURES					
Salaries and benefits	472,834	-	554,474	676,925	-
Pension expense	18,344	-	42,068	46,674	-
Purchased services	120,864	4,600	108,770	111,816	-
Supplies and materials	7,850	-	6,376	41,504	285
Other objects	4,232	-	-	77,699	-
Capital outlay	10,199	-	-	4,621	-
Payments to governments	-	-	-	-	-
On-behalf expenditures - State	289,555	-	-	-	-
Total Expenditures	<u>923,878</u>	<u>4,600</u>	<u>711,688</u>	<u>959,239</u>	<u>285</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	<u>(38,106)</u>	<u>(4,600)</u>	<u>(865)</u>	<u>(80,293)</u>	<u>11,889</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	2	-	-	-	-
Transfers out	-	(237)	-	(5,345)	-
Repayment of capital lease payable	(321)	-	-	-	-
Capital lease proceeds	9,624	-	-	-	-
Interest expense	(157)	-	-	-	-
Total Other Financing Sources (Uses)	<u>9,148</u>	<u>(237)</u>	<u>-</u>	<u>(5,345)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(28,958)	(4,837)	(865)	(85,638)	11,889
FUND BALANCE - BEGINNING					
Restated (See Note 14)	<u>106,422</u>	<u>4,837</u>	<u>556,758</u>	<u>1,014,918</u>	<u>82,191</u>
FUND BALANCE - ENDING	<u>\$ 77,464</u>	<u>\$ -</u>	<u>\$ 555,893</u>	<u>\$ 929,280</u>	<u>\$ 94,080</u>

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2016

	Ed Services	Donations Literacy Inservice	Juvenile Justice Council	TOTALS
REVENUES				
Local sources	\$ 243,754	\$ -	\$ 25,000	\$ 1,105,105
State sources	-	-	-	1,331,225
On-behalf payments - State	-	-	-	289,555
Federal sources	-	-	-	30,584
Total Revenues	<u>243,754</u>	<u>-</u>	<u>25,000</u>	<u>2,756,469</u>
EXPENDITURES				
Salaries and benefits	211,404	-	-	1,915,637
Pension expense	19,886	-	-	126,972
Purchased services	31,801	-	35,564	413,415
Supplies and materials	10,165	-	-	66,180
Other objects	84	494	-	82,509
Capital outlay	6,051	-	-	20,871
Payments to governments	15,499	-	-	15,499
On-behalf expenditures - State	-	-	-	289,555
Total Expenditures	<u>294,890</u>	<u>494</u>	<u>35,564</u>	<u>2,930,638</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>(51,136)</u>	<u>(494)</u>	<u>(10,564)</u>	<u>(174,169)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	5,000	5,002
Transfers out	(890)	-	-	(6,472)
Repayment of capital lease payable	-	-	-	(321)
Capital lease proceeds	-	-	-	9,624
Interest expense	-	-	-	(157)
Total Other Financing Sources (Uses)	<u>(890)</u>	<u>-</u>	<u>5,000</u>	<u>7,676</u>
NET CHANGE IN FUND BALANCE	(52,026)	(494)	(5,564)	(166,493)
FUND BALANCE - BEGINNING				
Restated (See Note 14)	<u>275,494</u>	<u>494</u>	<u>22,044</u>	<u>2,063,158</u>
FUND BALANCE - ENDING	<u><u>\$ 223,468</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16,480</u></u>	<u><u>\$ 1,896,665</u></u>

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2016

	Credit Recovery	D.O.R.S Program Step Grant	Foundational Services	Improving Literacy	Juvenile Detention Center	Mathematics and Science Partnerships - MA
ASSETS						
Cash and cash equivalents	\$ 4,273	\$ 102,316	\$ -	\$ 7,984	\$ -	\$ -
Due from other governments:						
Local	-	-	26,713	-	24,004	-
State	-	11,029	-	-	-	-
Federal	-	-	-	-	-	61,544
TOTAL ASSETS	\$ 4,273	\$ 113,345	\$ 26,713	\$ 7,984	\$ 24,004	\$ 61,544
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-	307	-
Due to other funds	-	-	26,713	-	23,697	61,544
Unearned revenue	4,273	-	-	7,984	-	-
Total Liabilities	4,273	-	26,713	7,984	24,004	61,544
FUND BALANCE (DEFICIT)						
Restricted	-	113,345	-	-	-	-
Total Fund Balance (Deficit)	-	113,345	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 4,273	\$ 113,345	\$ 26,713	\$ 7,984	\$ 24,004	\$ 61,544

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2016

	Mathematics and Science Partnerships - SA	McKinney Homeless Children and Youth	Regional Safe Schools	Regional Safe Schools Cooperative	ROE/ISC Operations	Secretary of State's Literacy Grant
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,851
Due from other governments:						
Local	-	-	-	-	-	-
State	-	-	22,631	8,232	103,532	-
Federal	60,312	8,627	-	-	-	-
TOTAL ASSETS	\$ 60,312	\$ 8,627	\$ 22,631	\$ 8,232	\$ 103,532	\$ 12,851
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 145	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	4,109	13,664	2,914	-	4,867
Due to other funds	60,312	4,518	8,822	5,135	103,532	-
Unearned revenue	-	-	-	183	-	7,984
Total Liabilities	60,312	8,627	22,631	8,232	103,532	12,851
FUND BALANCE (DEFICIT)						
Restricted	-	-	-	-	-	-
Total Fund Balance (Deficit)	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 60,312	\$ 8,627	\$ 22,631	\$ 8,232	\$ 103,532	\$ 12,851

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2016

	Title I - School Improvement	Title II - Teacher Quality	Title II - Teacher Quality - Leadership	Transitional Specialist	Truants Alternative/ Optional Education	TOTALS
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,424
Due from other governments:						
Local	-	-	-	21,379	-	72,096
State	-	-	-	-	18,999	164,423
Federal	23,561	-	6,180	5,895	-	166,119
TOTAL ASSETS	\$ 23,561	\$ -	\$ 6,180	\$ 27,274	\$ 18,999	\$ 530,062
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 145
Accrued salaries and benefits	-	-	-	207	6,498	32,566
Due to other funds	23,561	-	6,180	27,067	12,501	363,582
Unearned revenue	-	-	-	-	-	20,424
Total Liabilities	23,561	-	6,180	27,274	18,999	416,717
FUND BALANCE (DEFICIT)						
Restricted	-	-	-	-	-	113,345
Total Fund Balance (Deficit)	-	-	-	-	-	113,345
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 23,561	\$ -	\$ 6,180	\$ 27,274	\$ 18,999	\$ 530,062

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2016

	Credit Recovery	D.O.R.S Program Step Grant	Foundational Services	Improving Literacy	Juvenile Detention Center	Mathematics and Science Partnerships - MA
REVENUES						
Local sources	\$ 21,309	\$ -	\$ 147,347	\$ 3,085	\$ 64,355	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	115,031	-	-	-	290,929
Total Revenues	<u>21,309</u>	<u>115,031</u>	<u>147,347</u>	<u>3,085</u>	<u>64,355</u>	<u>290,929</u>
EXPENDITURES						
Salaries and benefits	19,929	-	94,077	3,044	54,937	70,131
Pension expense	213	-	31,450	41	565	16,527
Purchased services	909	-	21,820	-	45	168,343
Supplies and materials	258	-	-	-	3,808	18,605
Capital outlay	-	-	-	-	-	-
Payments to other governments	-	98,367	-	-	-	17,323
Total Expenditures	<u>21,309</u>	<u>98,367</u>	<u>147,347</u>	<u>3,085</u>	<u>59,355</u>	<u>290,929</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>16,664</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(5,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>16,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>96,681</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ 113,345</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2016

	Mathematics and Science Partnerships - SA	McKinney Homeless Children and Youth	Regional Safe Schools	Regional Safe Schools Cooperative	ROE/ISC Operations	Secretary of State's Literacy Grant
REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	124,402	40,980	103,532	58,276
Federal sources	290,802	30,873	-	-	-	-
Total Revenues	<u>290,802</u>	<u>30,873</u>	<u>124,402</u>	<u>40,980</u>	<u>103,532</u>	<u>58,276</u>
EXPENDITURES						
Salaries and benefits	61,183	26,226	98,531	37,777	60,517	43,386
Pension expense	13,614	-	1,226	480	784	-
Purchased services	188,189	2,364	24,645	457	32,316	4,641
Supplies and materials	11,383	1,453	-	2,266	9,915	10,249
Capital outlay	-	830	-	-	-	-
Payments to other governments	17,323	-	-	-	-	-
Total Expenditures	<u>291,692</u>	<u>30,873</u>	<u>124,402</u>	<u>40,980</u>	<u>103,532</u>	<u>58,276</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(890)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	890	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>890</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	-	-	-
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2016

	Title I - School Improvement	Title II - Teacher Quality	Title II - Teacher Quality - Leadership	Transitional Specialist	Truants Alternative/ Optional Education	TOTALS
REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ 21,379	\$ -	\$ 257,475
State sources	-	-	-	-	104,481	431,671
Federal sources	56,625	-	6,880	59,935	-	851,075
Total Revenues	<u>56,625</u>	<u>-</u>	<u>6,880</u>	<u>81,314</u>	<u>104,481</u>	<u>1,540,221</u>
EXPENDITURES						
Salaries and benefits	19,683	-	-	71,580	71,542	732,543
Pension expense	7,264	-	-	7,981	981	81,126
Purchased services	28,213	-	6,880	7,013	31,793	517,628
Supplies and materials	1,465	-	-	85	165	59,652
Capital outlay	-	-	-	-	-	830
Payments to other governments	-	-	-	-	-	133,013
Total Expenditures	<u>56,625</u>	<u>-</u>	<u>6,880</u>	<u>86,659</u>	<u>104,481</u>	<u>1,524,792</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,345)</u>	<u>-</u>	<u>15,429</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	5,345	-	6,235
Transfers out	-	-	-	-	-	(5,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,345</u>	<u>-</u>	<u>1,235</u>
NET CHANGE IN FUND BALANCE	-	-	-	-	-	16,664
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,681</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,345</u>

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
MATHEMATICS AND SCIENCE PARTNERSHIPS - MA (15-4936-MA)
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
Federal sources	\$ 250,000	\$ 250,000	\$ 216,945
Total Revenue	<u>250,000</u>	<u>250,000</u>	<u>216,945</u>
EXPENDITURES			
Salaries and benefits	35,530	42,127	30,741
Pension expense	-	-	7,302
Purchased services	177,820	166,980	153,500
Supplies and materials	29,150	33,393	17,902
Payments to other governments	7,500	7,500	7,500
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>216,945</u>
 NET CHANGE IN FUND BALANCE	 -	 -	 -
 FUND BALANCE - BEGINNING	 <u>-</u>	 <u>-</u>	 <u>-</u>
 FUND BALANCE - ENDING	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 MATHEMATICS AND SCIENCE PARTNERSHIPS - MA (16-4936-MA)
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
Federal sources	\$ 250,000	\$ 250,000	\$ 73,984
Total Revenue	<u>250,000</u>	<u>250,000</u>	<u>73,984</u>
EXPENDITURES			
Salaries and benefits	27,065	199,909	39,390
Pension expense	-	-	9,225
Purchased services	187,435	14,996	14,843
Supplies and materials	28,000	25,295	703
Payments to other governments	7,500	9,800	9,823
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>73,984</u>
 NET CHANGE IN FUND BALANCE	 -	 -	 -
 FUND BALANCE - BEGINNING	 <u>-</u>	 <u>-</u>	 <u>-</u>
 FUND BALANCE - ENDING	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
MATHEMATICS AND SCIENCE PARTNERSHIPS - SA (15-4936-SA)
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 250,000	\$ 250,000	\$ 215,932
Total Revenue	<u>250,000</u>	<u>250,000</u>	<u>215,932</u>
EXPENDITURES			
Salaries and benefits	35,530	27,333	21,002
Pension expense	-	-	3,708
Purchased services	177,820	191,289	175,689
Supplies and materials	29,150	23,878	8,923
Payments to other governments	7,500	7,500	7,500
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>216,822</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>(890)</u>
OTHER FINANCING SOURCES:			
Transfers in	-	-	890
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>890</u>
NET CHANGE IN FUND BALANCE			
	-	-	-
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
MATHEMATICS AND SCIENCE PARTNERSHIPS - SA (16-4936-SA)
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
Federal sources	\$ 250,000	\$ 250,000	\$ 74,870
Total Revenue	<u>250,000</u>	<u>250,000</u>	<u>74,870</u>
EXPENDITURES			
Salaries and benefits	220,489	194,191	40,181
Pension expense	-	-	9,906
Purchased services	12,500	12,500	12,500
Supplies and materials	9,511	28,509	2,460
Payments to other governments	7,500	14,800	9,823
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>74,870</u>
 NET CHANGE IN FUND BALANCE	 -	 -	 -
 FUND BALANCE - BEGINNING	 <u>-</u>	 <u>-</u>	 <u>-</u>
 FUND BALANCE - ENDING	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

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

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
MCKINNEY HOMELESS CHILDREN AND YOUTH
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
Federal sources	\$ 26,491	\$ 30,886	\$ 30,873
Total Revenue	<u>26,491</u>	<u>30,886</u>	<u>30,873</u>
EXPENDITURES			
Salaries and benefits	15,790	26,227	26,226
Purchased services	9,235	2,363	2,364
Supplies and materials	1,466	1,466	1,453
Capital outlay	-	830	830
Total Expenditures	<u>26,491</u>	<u>30,886</u>	<u>30,873</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 REGIONAL SAFE SCHOOLS
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
State sources	\$ 124,547	\$ 124,547	\$ 124,402
Total Revenue	<u>124,547</u>	<u>124,547</u>	<u>124,402</u>
EXPENDITURES			
Salaries and benefits	100,606	100,606	98,531
Pension expense	-	-	1,226
Purchased services	<u>23,941</u>	<u>23,941</u>	<u>24,645</u>
Total Expenditures	<u>124,547</u>	<u>124,547</u>	<u>124,402</u>
 NET CHANGE IN FUND BALANCE	 -	 -	 -
 FUND BALANCE - BEGINNING	 <u>-</u>	 <u>-</u>	 <u>-</u>
 FUND BALANCE - ENDING	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
REGIONAL SAFE SCHOOLS COOPERATIVE
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUE			
State sources	\$ 41,163	\$ 41,163	\$ 40,980
Total Revenue	<u>41,163</u>	<u>41,163</u>	<u>40,980</u>
EXPENDITURES			
Salaries and benefits	37,712	37,712	37,777
Pension expense	-	-	480
Purchased services	1,060	1,060	457
Supplies and materials	2,391	2,391	2,266
Total Expenditures	<u>41,163</u>	<u>41,163</u>	<u>40,980</u>
 NET CHANGE IN FUND BALANCE	 -	 -	 -
 FUND BALANCE - BEGINNING	 <u>-</u>	 <u>-</u>	 <u>-</u>
 FUND BALANCE - ENDING	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

Revenues and expenditures are less than budgeted amounts because the grant ran from August 3, 2015, through August 31, 2016; only part of the grant was received and expended in the current fiscal year.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
ROE/ISC OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 103,429	\$ 103,532	\$ 103,532
Total Revenue	<u>103,429</u>	<u>103,532</u>	<u>103,532</u>
EXPENDITURES			
Salaries and benefits	18,706	58,502	60,517
Pension expense	-	-	784
Purchased services	69,723	35,116	32,316
Supplies and materials	15,000	9,914	9,915
Total Expenditures	<u>103,429</u>	<u>103,532</u>	<u>103,532</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
SECRETARY OF STATE'S LITERACY GRANT
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
State sources	\$ 66,260	\$ 66,260	\$ 58,276
Total Revenue	<u>66,260</u>	<u>66,260</u>	<u>58,276</u>
EXPENDITURES			
Salaries and benefits	56,912	56,912	43,386
Purchased services	5,414	5,414	4,641
Supplies and materials	3,934	3,934	10,249
Total Expenditures	<u>66,260</u>	<u>66,260</u>	<u>58,276</u>
 NET CHANGE IN FUND BALANCE	 -	 -	 -
 FUND BALANCE - BEGINNING	 <u>-</u>	 <u>-</u>	 <u>-</u>
 FUND BALANCE - ENDING	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 TITLE I - SCHOOL IMPROVEMENT
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
Federal sources	\$ 58,585	\$ 58,585	\$ 56,625
Total Revenue	<u>58,585</u>	<u>58,585</u>	<u>56,625</u>
EXPENDITURES			
Salaries and benefits	25,261	25,261	19,683
Pension expense	-	-	7,264
Purchased services	31,860	31,860	28,213
Supplies and materials	1,464	1,464	1,465
Total Expenditures	<u>58,585</u>	<u>58,585</u>	<u>56,625</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 TITLE II - TEACHER QUALITY - LEADERSHIP
 FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 7,080	\$ 7,080	\$ 6,880
Total Revenue	<u>7,080</u>	<u>7,080</u>	<u>6,880</u>
EXPENDITURES			
Purchased services	7,080	7,080	6,880
Total Expenditures	<u>7,080</u>	<u>7,080</u>	<u>6,880</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
State sources	\$ 104,481	\$ 104,481	\$ 104,481
Total Revenue	<u>104,481</u>	<u>104,481</u>	<u>104,481</u>
EXPENDITURES			
Salaries and benefits	89,751	72,488	71,542
Pension expense	-	-	981
Purchased services	14,530	31,793	31,793
Supplies and materials	200	200	165
Total Expenditures	<u>104,481</u>	<u>104,481</u>	<u>104,481</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2016

	<u>General Education Development</u>	<u>Bus Driver Training</u>	<u>Institute</u>	<u>TOTALS</u>
ASSETS				
Cash and cash equivalents	\$ 14,723	\$ 2,748	\$ 230,487	\$ 247,958
Due from other governments:				
Local	-	932	-	932
State	-	1,914	-	1,914
TOTAL ASSETS	<u>\$ 14,723</u>	<u>\$ 5,594</u>	<u>\$ 230,487</u>	<u>\$ 250,804</u>
FUND BALANCES				
Restricted	<u>\$ 14,723</u>	<u>\$ 5,594</u>	<u>\$ 230,487</u>	<u>\$ 250,804</u>
TOTAL FUND BALANCE	<u>\$ 14,723</u>	<u>\$ 5,594</u>	<u>\$ 230,487</u>	<u>\$ 250,804</u>

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General Education Development	Bus Driver Training	Institute	TOTALS
REVENUES				
Local sources	\$ 2,954	\$ 7,762	\$ 113,219	\$ 123,935
State sources	-	1,914	-	1,914
Investment earnings	-	-	75	75
Total Revenues	<u>2,954</u>	<u>9,676</u>	<u>113,294</u>	<u>125,924</u>
EXPENDITURES				
Salaries and benefits	-	3,172	-	3,172
Pension expense	-	124	-	124
Purchased services	272	665	49,905	50,842
Supplies and materials	137	121	3,691	3,949
Total Expenditures	<u>409</u>	<u>4,082</u>	<u>53,596</u>	<u>58,087</u>
NET CHANGE IN FUND BALANCE	2,545	5,594	59,698	67,837
FUND BALANCE - BEGINNING, Restated (See Note 14)	<u>12,178</u>	<u>-</u>	<u>170,789</u>	<u>182,967</u>
FUND BALANCE - ENDING	<u>\$ 14,723</u>	<u>\$ 5,594</u>	<u>\$ 230,487</u>	<u>\$ 250,804</u>

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 JUNE 30, 2016

	Cooperative Purchasing Fund	Flex Spending Account	Heart of Illinois Low Incidence	Regional Board of School Trustees Fund	ROE #38 Consolidation	School Facility Occupation Tax	Distributive Fund	TOTALS
ASSETS								
Cash and cash equivalents	\$ -	\$ 5,708	\$ 159,019	\$ 1,076	\$ -	\$ -	\$ 1,515	\$ 167,318
Due from other governments	42,866	-	49,320	-	-	1,159,880	870,652	2,122,718
TOTAL ASSETS	<u>\$ 42,866</u>	<u>\$ 5,708</u>	<u>\$ 208,339</u>	<u>\$ 1,076</u>	<u>\$ -</u>	<u>\$ 1,159,880</u>	<u>\$ 872,167</u>	<u>\$ 2,290,036</u>
LIABILITIES								
Due to other governments	\$ 42,866	\$ 5,708	\$ 208,339	\$ 1,076	\$ -	\$ 1,159,880	\$ 872,167	\$ 2,290,036
TOTAL LIABILITIES	<u>\$ 42,866</u>	<u>\$ 5,708</u>	<u>\$ 208,339</u>	<u>\$ 1,076</u>	<u>\$ -</u>	<u>\$ 1,159,880</u>	<u>\$ 872,167</u>	<u>\$ 2,290,036</u>

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
<u>Cooperative Purchasing Fund</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 338,996	\$ 338,996	\$ -
Due from other governments	51,025	42,866	51,025	42,866
Total Assets	<u>\$ 51,025</u>	<u>\$ 381,862</u>	<u>\$ 390,021</u>	<u>\$ 42,866</u>
LIABILITIES				
Due to other governments	\$ 51,025	\$ 381,862	\$ 390,021	\$ 42,866
Total Liabilities	<u>\$ 51,025</u>	<u>\$ 381,862</u>	<u>\$ 390,021</u>	<u>\$ 42,866</u>
<u>Flex Spending Account</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 22,538	\$ 16,830	\$ 5,708
Due from other governments	383	-	383	-
Total Assets	<u>\$ 383</u>	<u>\$ 22,538</u>	<u>\$ 17,213</u>	<u>\$ 5,708</u>
LIABILITIES				
Due to other governments	\$ 383	\$ 22,538	\$ 17,213	\$ 5,708
Total Liabilities	<u>\$ 383</u>	<u>\$ 22,538</u>	<u>\$ 17,213</u>	<u>\$ 5,708</u>
<u>Heart of Illinois Low Incidence</u>				
ASSETS				
Cash and cash equivalents	\$ 157,913	\$ 1,138,597	\$ 1,137,491	\$ 159,019
Due from other governments	142,747	49,320	142,747	49,320
Total Assets	<u>\$ 300,660</u>	<u>\$ 1,187,917</u>	<u>\$ 1,280,238</u>	<u>\$ 208,339</u>
LIABILITIES				
Due to other governments	\$ 300,660	\$ 1,187,917	\$ 1,280,238	\$ 208,339
Total Liabilities	<u>\$ 300,660</u>	<u>\$ 1,187,917</u>	<u>\$ 1,280,238</u>	<u>\$ 208,339</u>
<u>Regional Board of School Trustees Fund</u>				
ASSETS				
Cash and cash equivalents	\$ 2,607	\$ 1,500	\$ 3,031	\$ 1,076
Total Assets	<u>\$ 2,607</u>	<u>\$ 1,500</u>	<u>\$ 3,031</u>	<u>\$ 1,076</u>
LIABILITIES				
Due to other governments	\$ 2,607	\$ 1,500	\$ 3,031	\$ 1,076
Total Liabilities	<u>\$ 2,607</u>	<u>\$ 1,500</u>	<u>\$ 3,031</u>	<u>\$ 1,076</u>

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
<u>ROE #38 Consolidation</u>				
ASSETS				
Cash and cash equivalents	\$ 76,107	\$ 402	76,509	\$ -
Total Assets	<u>\$ 76,107</u>	<u>\$ 402</u>	<u>\$ 76,509</u>	<u>\$ -</u>
LIABILITIES				
Due to other governments	\$ 76,107	\$ 402	\$ 76,509	\$ -
Total Liabilities	<u>\$ 76,107</u>	<u>\$ 402</u>	<u>\$ 76,509</u>	<u>\$ -</u>
<u>School Facility Occupation Tax</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 4,447,294	\$ 4,447,294	\$ -
Due from other governments	1,227,670	1,159,880	1,227,670	1,159,880
Total Assets	<u>\$ 1,227,670</u>	<u>\$ 5,607,174</u>	<u>\$ 5,674,964</u>	<u>\$ 1,159,880</u>
LIABILITIES				
Due to other governments	\$ 1,227,670	\$ 5,607,174	\$ 5,674,964	\$ 1,159,880
Total Liabilities	<u>\$ 1,227,670</u>	<u>\$ 5,607,174</u>	<u>\$ 5,674,964</u>	<u>\$ 1,159,880</u>
<u>Distributive Fund</u>				
ASSETS				
Cash and cash equivalents	\$ 54,634	\$ 4,290,859	\$ 4,343,978	\$ 1,515
Due from other governments	278,112	870,652	278,112	870,652
Total Assets	<u>\$ 332,746</u>	<u>\$ 5,161,511</u>	<u>\$ 4,622,090</u>	<u>\$ 872,167</u>
LIABILITIES				
Due to other governments	\$ 332,746	\$ 5,161,511	\$ 4,622,090	\$ 872,167
Total Liabilities	<u>\$ 332,746</u>	<u>\$ 5,161,511</u>	<u>\$ 4,622,090</u>	<u>\$ 872,167</u>
<u>TOTALS</u>				
ASSETS				
Cash and cash equivalents	\$ 291,261	\$ 10,240,186	\$ 10,364,129	\$ 167,318
Due from other governments	1,699,937	2,122,718	1,699,937	2,122,718
Total Assets	<u>\$ 1,991,198</u>	<u>\$ 12,362,904</u>	<u>\$ 12,064,066</u>	<u>\$ 2,290,036</u>
LIABILITIES				
Due to other governments	\$ 1,991,198	\$ 12,362,904	\$ 12,064,066	\$ 2,290,036
Total Liabilities	<u>\$ 1,991,198</u>	<u>\$ 12,362,904</u>	<u>\$ 12,064,066</u>	<u>\$ 2,290,036</u>

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
FOR THE YEAR ENDED JUNE 30, 2016

Program	Cornell CSD #426	Livingston County Special Services Unit	Rooks Creek CCSD #425	Regional Office of Education #17	Total
General State Aid	\$ 206,484	\$ -	\$ 23,786	\$ 1,229,596	\$ 1,459,866
GSA-Loss Limit	-	-	-	56,146	56,146
Funding for Children Requiring Sp Ed Services	14,648	-	6,465	-	21,113
Special Ed Personnel	18,595	336,563	445	149,695	505,298
State Free Lunch & Breakfast	237	139	28	305	709
Transportation - Regular & Vocational	41,469	-	36,086	-	77,555
Transportation - Spec Education	12	-	2,503	-	2,515
Truants Alternative/Optional Ed	-	-	-	94,980	94,980
Regional Safe Schools	-	-	-	121,302	121,302
Medicaid	-	68,144	-	-	68,144
Other State Program	-	-	-	37,047	37,047
National School Lunch Program	23,777	11,355	3,716	15,079	53,927
School Breakfast Program	7,348	6,103	592	12,918	26,961
Title I - Low Income	20,806	-	-	-	20,806
Special Ed - Pre-School Flow Through	-	54,913	-	4,968	59,881
Special Ed - I.D.E.A. Flow Through	-	1,162,033	-	65,256	1,227,289
Title II - Teacher Quality	2,050	-	3,661	100	5,811
Title II - Teacher Quality - Leadership	-	-	-	7,427	7,427
Math and Science Partnerships	-	-	-	497,201	497,201
Total	\$ 335,426	\$ 1,639,250	\$ 77,282	\$ 2,292,020	\$ 4,343,978

FEDERAL COMPLIANCE SECTION

DEWOTT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
US Department of Education passed through Illinois State Board of Education				
Mathematics and Science Partnerships				
Mathematics and Science Partnerships - Science	(M) 84.366	2015-4936-SA		\$ 215,931
Mathematics and Science Partnerships - Science	(M) 84.366	2016-4936-SA		74,871
Mathematics and Science Partnerships - Math	(M) 84.366	2015-4936-MA		216,944
Mathematics and Science Partnerships - Math	(M) 84.366	2016-4936-MA		73,985
Total Math and Science Partnerships				<u>581,731</u>
Improving Teacher Quality State Grants				
Title II - Teacher Quality - Leadership Grant	84.367A	2016-4935-02		<u>6,880</u>
Total US Department of Education passed through Illinois State Board of Education				<u>588,611</u>
US Department of Education passed through Regional Office of Education #32				
Education for Homeless Children and Youth				
McKinney Education for Homeless Children	84.196A	2016-4920-00		<u>30,873</u>
Title I - Grants to Local Educational Agencies				
Title I - School Improvement and Accountability	84.010A	2015-4331-SS		<u>56,625</u>
Total US Department of Education passed through Regional Office of Education #32				<u>87,498</u>
US Department of Education passed through Illinois Department of Human Services (DHS)				
Rehabilitation Services - Vocational Rehabilitation Grants to States				
D.O.R.S Program Step Grant	84.126	30081440A		98,367
Basic VR - Grants (Transition Specialist)	84.126	30081440A		59,935
Total Rehabilitation Services - Vocational Rehabilitation Grants to States				<u>158,302</u>
Total US Department of Education passed through Illinois Department of Human Services (DHS)				<u>158,302</u>
US Department of Agriculture passed through Illinois State Board of Education				
Child Nutrition Cluster				
National School Lunch Program	10.555	16-4210-00		13,917
National School Lunch Program	10.555	15-4210-00		2,769
School Breakfast Program	10.553	16-4220-00		11,918
School Breakfast Program	10.553	15-4220-00		1,980
Total Child Nutrition Cluster				<u>30,584</u>
Total US Department of Agriculture passed through Illinois State Board of Education				<u>30,584</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 864,995</u>

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

DEWITT/LIVINGSTON/LOGAN/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED, June 30, 2016

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Dewitt/Livingston/Logan/Mclean Counties Regional Office of Education #17 under programs of the federal government for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Dewitt/Livingston/Logan/Mclean Counties Regional Office of Education #17, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Dewitt/Livingston/Logan/Mclean Counties Regional Office of Education #17.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Regional Office of Education #17 has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.