

State of Illinois

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16
FINANCIAL AUDIT**

For the Year Ended June 30, 2014

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

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

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**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

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**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

OFFICIALS

Regional Superintendent:
(Current and During the Audit Period)

Ms. Amanda Christensen

Assistant Regional Superintendent:
(Current and During the Audit Period)

Mr. Jeff Smith

Office is located at:

2500 N. Annie Glidden Road, Suite C
DeKalb, Illinois 60115

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

FINANCIAL REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

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

SUMMARY OF FINDINGS AND RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
2014-001	10	Controls Over Financial Statement Preparation (Material Journal Entries)	Material Weakness

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

2013-002	13	Failure to Fully Insure and Collateralize Cash Balances	Material Weakness
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EXIT CONFERENCE

The DeKalb County Regional Office of Education No. 16 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2014. Throughout the audit, numerous meetings were held between auditors and Regional Office officials to discuss matters contained in this audit report. Responses to the recommendations were provided by Amanda Christensen, Regional Superintendent, on June 26, 2015.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of DeKalb County Regional Office of Education No. 16 was performed by McGreal & Co., PC.

Based on their audit, the auditors expressed an unmodified opinion on the DeKalb County Regional Office of Education No. 16's basic financial statements.

INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
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, each major fund, and the aggregate remaining fund information of DeKalb County Regional Office of Education No. 16 as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the DeKalb County Regional Office of Education No. 16's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, each major fund, and the aggregate remaining fund information of the DeKalb County Regional Office of Education No. 16, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 17 through 25 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 DeKalb County Regional Office of Education No. 16's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements and the Schedule of Disbursements to Other Entities-Distributive Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 14, 2015, on our consideration of the DeKalb County Regional Office of Education No. 16'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 the DeKalb County Regional Office of Education No. 16's internal control over financial reporting and compliance.

Mc Greal & Company PC

September 14, 2015
Oak Lawn, Illinois

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 William G. Holland
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, each major fund, and the aggregate remaining fund information of the DeKalb County Regional Office of Education No. 16 as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the DeKalb County Regional Office of Education No. 16's basic financial statements and have issued our report thereon dated September 14, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the DeKalb County Regional Office of Education No. 16's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the DeKalb County Regional Office of Education No. 16's internal control. Accordingly, we do not express an opinion on the effectiveness of the DeKalb County Regional Office of Education No. 16's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2014-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the DeKalb County Regional Office of Education No. 16'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*.

DeKalb County Regional Office of Education No. 16's Response to Finding

The DeKalb County Regional Office of Education No. 16's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The DeKalb County Regional Office of Education No. 16's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the DeKalb County Regional Office of Education No. 16's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the DeKalb County Regional Office of Education No. 16's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mc Greal & Company PC

September 14, 2015
Oak Lawn, Illinois

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION I – SUMMARY OF AUDITORS' RESULTS
Year Ended June 30, 2014**

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? X Yes No
- Significant deficiency(ies) identified? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
Year Ended June 30, 2014**

FINDING: 2014-001 – Controls Over Financial Statement Preparation (Material Journal Entries) (Partial repeat of Findings 13-001, 12-1, 11-1, 10-1, 09-1, 08-1 and 07-1)

CRITERIA/SPECIFIC REQUIREMENT:

The DeKalb County Regional Office of Education No. 16 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The Regional Office of Education No. 16's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

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

CONDITION:

The Regional Office of Education No. 16 does not have sufficient internal controls over the financial reporting process. The Regional Office of Education No. 16 maintains its accounting records on the cash basis of accounting during the fiscal year and posts the adjusting journal entries proposed by the auditor to convert financial statements from cash to accrual at year-end. While the Regional Office of Education No. 16 maintains controls over the processing of most accounting transactions and reviews revisions to the financial statements and notes proposed by the auditor, there are not sufficient controls over the preparation of GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the Regional Office of Education No. 16's financial information prepared by the Regional Office of Education No. 16, auditors noted the Regional Office did not have adequate controls to ensure financial statement balances were accurate. While the Regional Office of Education No. 16 did maintain records to indicate the balance of financial statement accounts, numerous material audit adjustments were proposed in order to ensure those balances were accurate.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
Year Ended June 30, 2014**

FINDING: 2014-001 – Controls Over Financial Statement Preparation (Material Journal Entries) (Partial repeat of Findings 13-001, 12-1, 11-1, 10-1, 09-1, 08-1 and 07-1) (Continued)

EFFECT:

The Regional Office of Education No. 16's management or its employees, in the normal course of performing their assigned functions, may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

CAUSE:

According to the Regional Office of Education No. 16's management, they did not effectively detect all of the material adjustments needed in order to present financial statements in accordance with GAAP.

RECOMMENDATION:

As part of internal control over the preparation of financial statements, the Regional Office of Education No. 16 should implement a comprehensive preparation procedure to ensure that the financial statements, including disclosures, are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of the applicable GAAP, GASB pronouncements, and knowledge of the Regional Office of Education No. 16's activities and operations.

MANAGEMENT'S RESPONSE:

As of December 2014, a new bookkeeper was hired who has implemented many new accounting procedures to ensure accuracy on the books. For example, our bookkeeper now maintains all checks and balances on a monthly basis to ensure all accounting transactions are coded correctly. Since January 2015, all current bank reconciliations have been balanced. Prior to balancing the bank reconciliations, all transactions for the month are reviewed to ensure coding accuracy. There is now a 3-person check and balance system in place which consists of the Regional Superintendent, Assistant Superintendent, and bookkeeper. Management is continually increasing knowledge and improving monitoring practices. Although the DeKalb ROE has stayed on cash basis, any transactions after the end of the fiscal year have been accrued to the correct fiscal year matching the grant income to the bookkeeping system.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ended June 30, 2014**

CORRECTIVE ACTION PLAN

FINDING: 2014-001 – **Controls Over Financial Statement Preparation (Material Journal Entries)** (Partial repeat of Findings 13-001, 12-1, 11-1, 10-1, 09-1, 08-1 and 07-1)

CONDITION:

The Regional Office of Education No. 16 does not have sufficient internal controls over the financial reporting process. The Regional Office of Education No. 16 maintains its accounting records on the cash basis of accounting during the fiscal year and posts the adjusting journal entries proposed by the auditor to convert financial statements from cash to accrual at year-end. While the Regional Office of Education No. 16 maintains controls over the processing of most accounting transactions and reviews revisions to the financial statements and notes proposed by the auditor, there are not sufficient controls over the preparation of GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the Regional Office of Education No. 16's financial information prepared by the Regional Office of Education No. 16, auditors noted the Regional Office did not have adequate controls to ensure financial statement balances were accurate. While the Regional Office of Education No. 16 did maintain records to indicate the balance of financial statement accounts, numerous material audit adjustments were proposed in order to ensure those balances were accurate.

PLAN:

As of December 2014, a new bookkeeper was hired who has implemented many new accounting procedures to ensure accuracy on the books. Management is continually increasing knowledge and improving monitoring practices. Although the DeKalb ROE has stayed on cash basis, any transactions after the end of the fiscal year have been accrued to the correct fiscal year matching the grant income to the bookkeeping system. We have established new accounting procedures for reconciling and daily recordkeeping to ensure accuracy.

ANTICIPATED COMPLETION DATE:

Already implemented starting December 1, 2014

CONTACT PERSON:

Ms. Amanda Christensen, Regional Superintendent

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2014**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
2013-001	Controls Over Financial Statement Preparation	Repeated
2013-002	Failure to Fully Insure and Collateralize Cash Balances	Not Repeated

MANAGEMENT'S DISCUSSION AND ANALYSIS

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

The DeKalb County Regional Office of Education No. 16 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, 2014. We encourage readers to consider this information in conjunction with the DeKalb County Regional Office of Education No. 16's financial statements, which follow.

2014 FINANCIAL HIGHLIGHTS

- Governmental Fund revenues decreased from \$1,040,915 in fiscal year 2013 (FY13) to \$1,019,581 in fiscal year 2014 (FY14), while Governmental Fund expenditures decreased from \$1,015,457 in FY13 to \$1,004,888 in FY14. This was a result of a decrease in funding from the State of Illinois and the federal government. However, the Governmental Fund fund balance increased in FY14 to \$250,494 from FY13 \$235,801.
- General Fund revenues decreased from \$625,341 in FY13 to \$624,404 in FY14 while General Fund expenditures increased from \$608,836 in FY13 to \$621,806 in FY14. Salaries and benefits and on-behalf payments increased while purchased services decreased.

USING THIS ANNUAL REPORT

The annual 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 DeKalb County Regional Office of Education No. 16'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 DeKalb County Regional Office of Education No. 16 as a whole and present an overall view of the DeKalb County Regional Office of Education No. 16's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the DeKalb County Regional Office of Education No. 16'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 essential to a full understanding of the data provided in the basic financial statements.

Supplementary Information further explains and supports the financial statements with comparisons of the DeKalb County Regional Office of Education No. 16's grant budgets for the year to actual results, and provides detailed information about the nonmajor funds.

Figure A-1 summarizes the major features of DeKalb County Regional Office of Education No. 16's financial statements, including the portion of DeKalb County Regional Office of Education No. 16's activities they cover and the types of information they contain.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

**Figure A-1:
Major Features of the Government-wide and Fund Financial Statements**

	Government-Wide Statements	Fund Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire Regional Office of Education No. 16 (except fiduciary funds)	The activities of Regional Office of Education No. 16 that are not proprietary or fiduciary, such as grants and statutory funds	Instances in which Regional Office of Education No. 16 administers resources on behalf of someone else, such as the distributive fund, board of trustees, and outreach workers.
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset / liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term
Type of inflow / outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All additions and deductions during the year, regardless of when cash is received or paid

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

**REPORTING DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16'S
FINANCIAL ACTIVITIES**

Government-wide Financial Statements

The Government-wide financial statements report information about DeKalb County Regional Office of Education No. 16 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of DeKalb County Regional Office of Education No. 16's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide statements report the DeKalb County Regional Office of Education No. 16's net position and how it has changed. Net position - the difference between DeKalb County Regional Office of Education No. 16's assets and liabilities - is one way to measure the agency's financial health or position. Over time, increases or decreases in the DeKalb County Regional Office of Education No. 16's net position are an indicator of whether financial position is improving or deteriorating. To assess DeKalb County Regional Office of Education No. 16's overall health, additional non-financial factors, such as a change in DeKalb County Regional Office of Education No. 16's responsibilities and staffing, the community and the condition of school buildings and other facilities, need to be considered.

In the government-wide financial statements, the DeKalb County Regional Office of Education No. 16's activities are reported as:

- *Governmental activities:* All of DeKalb County Regional Office of Education No. 16's services are included here, such as Regional Safe Schools instruction and instructional staff support services and administration. Federal and State grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide detailed information about DeKalb County Regional Office of Education No. 16's funds, focusing on its most significant or "major" funds - not DeKalb County Regional Office of Education No. 16 as a whole. Funds are accounting devices DeKalb County Regional Office of Education No. 16 uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by State law. DeKalb County Regional Office of Education No. 16 established other funds to control and manage money for particular purposes, such as accounting for State and Federal grants.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

DeKalb County Regional Office of Education No. 16 has two kinds of funds:

- 1) Governmental funds account for all of DeKalb County Regional Office of Education No. 16 services. These focus on how cash and other financial assets can readily be converted to cash flow and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the DeKalb County Regional Office of Education No. 16's programs. Because this information does not encompass the additional long-term focus of the Government-wide statements, additional information immediately following each of the governmental fund statements explains the relationship or difference between the two statements.

The DeKalb County Regional Office of Education No. 16's governmental funds include the General Fund and the Special Revenue funds.

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

- 2) Fiduciary funds include Agency Funds. DeKalb County Regional Office of Education No. 16 is the trustee for assets that belong to others. These funds include Agency Funds. Agency funds are funds through which DeKalb County Regional Office of Education No. 16 administers and accounts for certain federal and/or state grants on behalf of others.

DeKalb County Regional Office of Education No. 16 is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. DeKalb County Regional Office of Education No. 16 excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statement for the fiduciary funds is the Statement of Fiduciary Net Position.

A summary reconciliation between the Government-wide financial statements and the fund financial statements follows the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of DeKalb County Regional Office of Education No. 16's net position at the end of FY14 totaled \$250,494. This is compared to \$235,801 at the end of FY13. The analysis that follows provides a summary of DeKalb County Regional Office of Education No. 16's net position at June 30, 2014 and 2013 for governmental activities.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

	Statement of Net Position	
	Governmental Activities	
	2014	2013
Current assets	\$ 352,715	\$ 371,911
Total assets	352,715	371,911
Current liabilities	102,221	136,110
Total liabilities	102,221	136,110
Net position		
Restricted for educational purposes	148,985	136,890
Unrestricted	101,509	98,911
Total net assets	\$ 250,494	\$ 235,801

A portion of the DeKalb County Regional Office of Education No. 16's net position is restricted for educational purposes. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, was \$101,509 and \$98,911 at June 30, 2014 and 2013, respectively. Net position related to the Institute, GED, Education, and Other Nonmajor funds are considered restricted for educational purposes.

Changes in net position. The DeKalb County Regional Office of Education No. 16's total revenues for the fiscal years ended June 30, 2014 and June 30, 2013 were \$1,019,581 and \$1,040,915, respectively. The total cost of all programs and services for 2014 and 2013 was \$1,004,888 and \$1,015,457, respectively. The following analysis shows the changes in net position for the years ended June 30, 2014 and 2013.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

	Change in Net Position	
	Governmental Activities	
	2014	2013
Revenues:		
Program revenues		
Operating grants and contributions	\$ 349,634	\$ 364,752
General revenues		
Local sources	90,059	93,872
State sources	164,339	192,586
On-behalf payments	415,329	389,648
Interest income	<u>220</u>	<u>57</u>
Total revenues	<u>1,019,581</u>	<u>1,040,915</u>
Expenses:		
Program expenses		
Instructional services	589,559	625,809
Administrative expenses		
On-behalf payments	<u>415,329</u>	<u>389,648</u>
Total expenses	<u>1,004,888</u>	<u>1,015,457</u>
Change in net position	<u>14,693</u>	<u>25,458</u>
Net position – beginning of year, as previously reported	235,801	214,615
Prior period adjustment	<u>-</u>	<u>(4,272)</u>
Net position, beginning of year, as restated	<u>235,801</u>	<u>210,343</u>
Net position, end of year	<u>\$ 250,494</u>	<u>\$ 235,801</u>

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Operating grants and contributions and general revenues from local, state and federal sources account for 59.2% of the total revenue. The DeKalb County Regional Office of Education No. 16's expenses primarily relate to instructional services, which account for 58.7% of the total expenses.

INDIVIDUAL FUND ANALYSIS

As previously noted, the DeKalb County Regional Office of Education No. 16 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund Highlights

The General Fund's fund balance increased in FY14 to \$101,509 from the previously reported amount of \$98,911 for FY13. The main reason for the increase is due to two new funds: Testing Services and New Teacher Induction.

Institute Fund increased in FY14 to \$77,100 as compared to FY13 to \$71,700 which resulted from a decrease in expenditures.

General Education Development (GED) Fund increased in FY14 to \$55,746 from FY13 of \$51,490. This is due to the ROE becoming an official Pearson VUE testing site and an increased number of GED applicants.

Education Fund increased in FY14 to \$1,471 from \$1,346 in FY13 which resulted from an increase in the McKinney Education for Homeless Children Grant.

BUDGETARY HIGHLIGHTS

DeKalb County Regional Office of Education No. 16 is not required to adopt annual budgets for all funds under its control and is not legally required to do so. DeKalb County Regional Office of Education No. 16 submits its budget to the State Board of Education and all other grantors that require it. The budgets may be amended during the year utilizing procedures prescribed by the particular grantor. Over the course of the year, DeKalb County Regional Office of Education No. 16 amended certain operating budgets to reflect additional revenue and expenditures associated with the additional services needed and provided. Budgetary comparison schedules are provided for various grant specific funds as supplementary information on pages 49 to 53.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

**ECONOMIC FACTORS BEARING ON DEKALB COUNTY REGIONAL OFFICE OF
EDUCATION NO. 16'S FUTURE**

At the time these financial statements were prepared and audited, DeKalb County Regional Office of Education No. 16 was aware of certain circumstances that could significantly affect its financial health in the future:

- The DeKalb ROE has experienced reduced funding for operations in the form of grant budget cuts. Specifically, the McKinney-Vento (homeless students) grant has decreased by 40% from FY13 to FY14.
- The DeKalb ROE expects the DeKalb County funds to increase by 1% for calendar year 2015.

**CONTACTING DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16
FINANCIAL MANAGEMENT**

This financial report is designed to provide DeKalb County Regional Office of Education No. 16 financial statement users with a general overview of DeKalb County Regional Office of Education No. 16 finances and to demonstrate DeKalb County Regional Office of Education No. 16 accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Regional Superintendent of the DeKalb County Regional Office of Education No. 16, 2500 N. Annie Glidden Road, Suite C, DeKalb, IL 60115.

BASIC FINANCIAL STATEMENTS

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Statement of Net Position

June 30, 2014

	<u>Governmental Activities</u>
ASSETS	
<i>Current Assets</i>	
Cash and Cash Equivalents	\$ 321,912
Grants Receivable	30,803
Total Assets	<u>352,715</u>
 LIABILITIES	
<i>Current Liabilities</i>	
Accounts Payable	93,888
Unearned Revenue	8,333
Total Liabilities	<u>102,221</u>
 NET POSITION	
Restricted for Educational Purposes	148,985
Unrestricted	101,509
Total Net Position	<u>\$ 250,494</u>

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

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Statement of Activities

For the Year Ended June 30, 2014

	<u>Expenses</u>	<u>Program Revenues</u> Operating Grants and Contributions	<u>Net (Expense) Revenues and Change in Net Position</u> Governmental Activities
Governmental Activities			
Instructional Services:			
Salaries and Benefits	\$ 94,198	\$ 84,975	\$ (9,223)
Purchased Services	382,313	160,227	(222,086)
Supplies and Materials	11,646	3,571	(8,075)
Payment to Other Government Units	101,402	100,861	(541)
Administrative:			
On Behalf Payments	415,329	-	(415,329)
Total Governmental Activities	<u>\$ 1,004,888</u>	<u>\$ 349,634</u>	<u>(655,254)</u>
General Revenues:			
Local Sources			90,059
State Sources			164,339
On Behalf Payments			415,329
Interest Income			220
Total General Revenues			<u>669,947</u>
Change in Net Position			<u>14,693</u>
Net Position - Beginning of Year			<u>235,801</u>
Net Position - End of Year			<u>\$ 250,494</u>

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

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Balance Sheet

Governmental Funds

June 30, 2014

	Major Funds					Total Governmental Funds
	General Fund	Institute Fund	General Educational Development Fund	Education Fund	Non-Major Special Revenue Funds	
ASSETS						
Cash and Cash Equivalents	\$ 112,883	\$ 77,100	\$ 55,746	\$ 61,515	\$ 14,668	\$ 321,912
Grants Receivable	-	-	-	30,803	-	30,803
Total Assets	<u>\$ 112,883</u>	<u>\$ 77,100</u>	<u>\$ 55,746</u>	<u>\$ 92,318</u>	<u>\$ 14,668</u>	<u>\$ 352,715</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 11,374	\$ -	\$ -	\$ 82,514	\$ -	\$ 93,888
Unearned Revenue	-	-	-	8,333	-	8,333
Total Liabilities	<u>11,374</u>	<u>-</u>	<u>-</u>	<u>90,847</u>	<u>-</u>	<u>102,221</u>
FUND BALANCES						
Restricted	-	77,100	55,746	1,471	14,668	148,985
Assigned	101,509	-	-	-	-	101,509
Total Fund Balance	<u>101,509</u>	<u>77,100</u>	<u>55,746</u>	<u>1,471</u>	<u>14,668</u>	<u>250,494</u>
Total Liabilities and Fund Balances	<u>\$ 112,883</u>	<u>\$ 77,100</u>	<u>\$ 55,746</u>	<u>\$ 92,318</u>	<u>\$ 14,668</u>	<u>\$ 352,715</u>

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

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position

Governmental Funds

June 30, 2014

Total Fund Balances - Governmental Funds	\$ 250,494
Amounts Reported for Governmental Activities in the Statement of Net Position Are the Same	<u>-</u>
Net Position of Governmental Activities	<u>\$ 250,494</u>

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

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Statement of Revenues, Expenditures and
Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2014

	Major Funds					Total Governmental Funds
	General Fund	Institute Fund	General Educational Development Fund	Education Fund	Non-Major Special Revenue Funds	
Revenues						
Local Sources	\$ 45,582	\$ 34,539	\$ 5,274	\$ 1,625	\$ 4,664	\$ 91,684
State Sources	163,379	-	-	329,813	960	494,152
On Behalf Payments	415,329	-	-	-	-	415,329
Federal Sources	-	-	-	18,196	-	18,196
Interest Income	114	106	-	-	-	220
Total Revenues	<u>624,404</u>	<u>34,645</u>	<u>5,274</u>	<u>349,634</u>	<u>5,624</u>	<u>1,019,581</u>
Expenditures						
Instructional Services:						
Salaries and Benefits	9,223	-	-	84,975	-	94,198
Purchased Services	194,364	23,546	991	160,102	3,310	382,313
Supplies and Materials	2,349	5,699	27	3,571	-	11,646
Payment to Other Government Units	541	-	-	100,861	-	101,402
Administrative:						
On Behalf Payments	415,329	-	-	-	-	415,329
Total Expenditures	<u>621,806</u>	<u>29,245</u>	<u>1,018</u>	<u>349,509</u>	<u>3,310</u>	<u>1,004,888</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,598</u>	<u>5,400</u>	<u>4,256</u>	<u>125</u>	<u>2,314</u>	<u>14,693</u>
Fund Balance, Beginning of Year	<u>98,911</u>	<u>71,700</u>	<u>51,490</u>	<u>1,346</u>	<u>12,354</u>	<u>235,801</u>
Fund Balance, End of Year	<u>\$ 101,509</u>	<u>\$ 77,100</u>	<u>\$ 55,746</u>	<u>\$ 1,471</u>	<u>\$ 14,668</u>	<u>\$ 250,494</u>

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

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

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, 2014

Net Change in Fund Balances	\$ 14,693
Amounts Reported for Governmental Activities in the Statement of Activities Are the Same	<u>-</u>
Change in Net Position of Governmental Activities	<u>\$ 14,693</u>

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

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 390
Due from Other Governmental Agencies	<u>65,033</u>
Total Assets	<u>\$ 65,423</u>
LIABILITIES	
Due to Other Governmental Agencies	<u>\$ 65,423</u>
Total Liabilities	<u>\$ 65,423</u>

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

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of DeKalb County Regional Office of Education No. 16 (the ROE) are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments. The more significant accounting policies established by GAAP and used by the ROE are discussed below.

Reporting Entity

The DeKalb County Regional Office of Education No. 16 was created when an Educational Service Region became a Regional Office of Education on August 7, 1995. The DeKalb County Regional Office of Education No. 16 operates under the School Code (105ILCS 5/3 and 5/3A). The Regional Office of Education encompasses DeKalb County, Illinois. A Regional Superintendent of Schools serves as Chief Administrative Officer of DeKalb County Regional Office of Education No. 16 and is elected pursuant to 105 ILCS 5/3 and 5/3A of the School Code. The principal financial duty of the Regional Superintendent is to receive and distribute monies due to school districts from general state aid, state categorical grants, and various other sources.

The functions of the DeKalb County Regional Office of Education No. 16 include, but are not limited to the following:

- Processing teachers' certificates
- Teaching initial and refresher classes for school bus drivers within DeKalb County Regional Office of Education No. 16
- Review life/safety requirements for schools in conjunction with the State of Illinois
- Issuing newsletters regarding new Illinois life/safety requirements
- Monitoring compliance with State laws and Department of Education policies and procedures
- Providing directions to teachers and school officials on science, art and teaching methods
- Implementing the State Board of Education's Policy Programs
- Encouraging camaraderie among teachers through the teachers' institute

Scope of the Reporting Entity

The Regional Office of Education No. 16 includes all related organizations for which it exercises oversight responsibility.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

The Regional Office of Education No. 16 has developed criteria to determine whether outside agencies with activities, which benefit the citizens of the Regional Office of Education No. 16, including districts or joint agreements, which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education No. 16 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 Regional Superintendent has determined that no outside agency meets the above criteria and, therefore, no agency has been included as a component unit in the financial statements. In addition, the Regional Office of Education No. 16 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education No. 16 being considered a component unit of the entity.

New Accounting Pronouncement

For the year ended June 30, 2014, the Regional Office of Education No. 16 implemented the following GASB Statements:

- Number 65 - *Items Previously Reported as Assets and Liabilities*. This clarified GASB Statement No. 63's presentation of deferred inflows and outflows of resources.
- Number 66 – *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*. This standard had no impact on the financial reporting of the ROE for the year ended June 30, 2014.
- Number 67 - *Financial Reporting for Pension Plans (amends GASB #25)*. This standard had no impact on the financial reporting of the ROE for the year ended June 30, 2014.
- Number 70 – *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This standard had no impact on the financial reporting of the ROE for the year ended June 30, 2014.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

Basis of Presentation

The Regional Office of Education No. 16's basic financial statements include both government-wide financial statements (reporting the Regional Office of Education No. 16 as a whole) and fund financial statements (reporting the Regional Office of Education No. 16's major and other funds).

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the Regional Office of Education No. 16 as a whole. They include all funds of the Regional Office of Education No. 16. Fiduciary funds are excluded from the government-wide financial statements. The Statement of Net Position and the Statement of Activities include the governmental activities. Governmental activities for the Regional Office of Education No. 16 include programs supported primarily by state and federal grants and other intergovernmental revenues. Internal balances and activities within the Regional Office of Education No. 16's governmental funds are eliminated in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 1) grants, contributions and interest restricted to meeting the operational requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting.

Fund Financial Statements

Fund financial statements of the Regional Office of Education No. 16 are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. The Regional Office of Education No. 16's funds are organized into two major categories: governmental and fiduciary funds. An emphasis is placed on major funds within the fund financial statements. A fund is considered major if it is the primary operating fund of the Regional Office of Education No. 16 or meets the following criteria:

1. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

2. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Governmental Funds

The focus of the governmental funds' measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the ROE:

- General Fund – The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted and reported for in another fund. The General Fund is always considered a major fund. The following accounts are included in the General Fund:
 - General – This fund accounts for monies received for, and payment of, expenditures in connection with general administration activities.
 - General State Aid Operations – This fund accounts for monies received for, and payment of, expenditures for general operations of alternative schools in the region.
 - Fingerprinting – This fund is used to account for the administration of the Fingerprinting Program. Revenues are received from member school districts and private entities and are assigned by the Regional Superintendent's internal policy to fingerprinting related expenses.
 - Other Professional Testing Services – This fund accounts for money received for the establishment and running of the new Testing Center (lab). Testing includes GED, all Pearson VUE tests, and the ETS Paraprofessional Assessment.
 - New Teacher Induction – This fund accounts for money received from school districts and allow the ROE to provide professional development to new teachers.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

Special Revenue Funds – Special Revenue Funds are used to account for and report the proceeds of the specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service and capital projects. The ROE maintains three major special revenue funds and two non-major special revenue funds.

The Major Special Revenue Funds are:

- Institute Fund – This fund is used to account for the stewardship of the assets held in trust for the benefit of the teachers. Fees are collected from registration of teachers' certificates of qualification. Monies are expended to conduct teachers' institutes, conferences, and workshops. All funds generated remain restricted until expended only on the aforementioned activities.
- General Educational Development Fund – This fund is used to account for the administration of the general educational development testing program. Revenues are received from testing and diploma fees and are restricted for supplies and materials to support the general educational development program.
- 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:
 - Early Childhood Grant – This fund is used to account for grant monies received for, and payment of, expenditures for developing and operating programs for parents of young children.
 - Regional Safe Schools Grant – This fund is used to account for a grant that provides additional staff and materials for the alternative schools in the region.
 - General State Aid – This fund is used to account for monies received for, and payment of, expenditures for general operations of alternative schools in the region.
 - ROE/ISC Operation – This fund is used to account for monies received for the administration of the ROE/ISC Operation program.
 - Alternative Education – This fund is used to account for a grant that provides for funding for the alternative schools within the region.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

- Children and Family Services – This fund is used to provide on-line classes for middle school students to ensure they pass all of the required classes to graduate middle school and attend high school.
- McKinney Education for Homeless Children – This fund is used to account for grant monies received for, and payment of, expenditures for programs for educating homeless children.
- Title II Teacher Quality – Leadership Grant – This fund accounts for grant money received for and expenditures incurred in, providing training and professional development for the improvement of teacher preparation programs.

The Non-Major Special Revenue Funds are used to account for and report the proceeds of the specific revenue sources that are restricted or committed to expenditures for specified purposes. The non-major special revenue funds are:

- Bus Permit – This fund is used to account for the stewardship of the assets held in trust in connection with the Bus Driver Training Program.
- Supervisory – This fund is used to account for monies from the State of Illinois for expenditures incurred providing supervisory services in DeKalb County.

Agency Funds – Agency funds consist of funds received from the State Board of Education, individuals, private organizations, and/or other governments, and distributed by the ROE to school districts and other organizations. These funds are custodial in nature and do not involve the measurement of the results of operations. The ROE has three agency funds:

- Distributive Fund – The ROE received state and federal funds from the State Board of Education, which it distributes to school districts and other organizations.
- Board of Trustees – The source of this account is from the petitions of citizens wishing to change school districts.
- Outreach Workers – The source of this fund is local school districts in DeKalb County. Funds are collected from the local school districts then paid to DeKalb County to help fund a Truancy Outreach Worker in DeKalb County.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

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 provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues received more than 60 days after the end of the current period are deferred inflows of resources in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements.

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the DeKalb County Regional Office of Education No. 16.

DeKalb County Regional Office of Education No. 16 records on-behalf payments made by the State to the Teachers' Retirement System as revenue and expenditures.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Under the terms of grant agreements, DeKalb County Regional Office of Education No. 16 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 DeKalb County Regional Office of Education No. 16's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues. It is the Regional Office of Education No. 16's policy to first apply restricted funds, then unrestricted. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned if any.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

Net Position

Net position presents the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources in the Statement of Net Position. Net Position of the Regional Office of Education are classified as follows:

Restricted net position – represents net position that are restricted due to constraints placed on the net position use that are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – represents resources used for transactions relating to the general operations of the Regional Office of Education and may be used at the discretion of management to meet expenses for any purpose.

Fund Balance

The components of fund balance indicate the extent to which there are constraints on the specific purposes for which amounts in the fund can be spent. The fund balance classifications are as follows:

Non-Spendable Fund Balance – the portion of a Governmental Fund’s net position that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. There are no accounts presenting a nonspendable fund balance.

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 considered restricted by grant agreements or contracts: General State Aid and Alternative Education. The following fund balances are restricted by Illinois State Statute: Institute Fund, General Education Development Fund and Bus Permit Fund.

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. There are no accounts presenting a committed fund balance.

Assigned Fund Balance – the portion of a Governmental Fund’s net position to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. A portion of the fund balance of the Fingerprinting Fund and the New Teacher Induction are considered assigned.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

Unassigned Fund Balance – available expendable financial resources in a governmental fund that are not designated for a specific purpose. The fund balance of the following funds is considered unassigned: General and Testing Services (due to the deficit fund balance).

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balance is available, the ROE considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the ROE considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the ROE has provided otherwise in its commitment or assignment action.

Intergovernmental Agreement

On August 7, 1992, DeKalb County Regional Office of Education No. 16 entered into an Intergovernmental Agreement executed pursuant to the provisions of the Intergovernmental Cooperation Clause of the Illinois Constitution as well as the provisions of the Intergovernmental Cooperation Act of 1973 and the Illinois Admin. Code 525.110. The name of the educational service delivery system formed is known as the Kishwaukee Intermediate Delivery System (KIDS). Membership in KIDS is made up of the following Regional Offices of Education: Boone-Winnebago, DeKalb, and McHenry. The Boone-Winnebago Regional Office of Education is the designated administrative agent for KIDS.

Budgets and Budgetary Information

The ROE acts as the administrative agent for certain grant programs that are accounted for in the General and Education Funds. Certain programs have budgets that are required to be reported to and approved by the Illinois State Board of Education. However, none of the annual budgets have been legally adopted nor are they required to be. Comparison of budgeted and actual results is presented as supplementary information. Budgetary comparison schedules have been provided in the supplementary schedules for the following funds: Early Childhood Grant, Regional Safe Schools Grant, ROE/ISC Operations, Alternative Education, and Title II – Teacher Quality.

Cash and Cash Equivalents

All highly liquid investments with a maturity of three months or less are considered cash equivalents.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

Receivables – Net of Allowances

The carrying amount of grants receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will be collected. The allowance is based on management's assessment of collectability of receivables. All receivables deemed to be uncollectible are written off to the allowance. The total allowance as of June 30, 2014 was \$0.

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through September 14, 2015, the date the financial statements were available to be issued.

2. Deposits and Investments

Custodial Credit Risk – Bank Deposits

At June 30, 2014, the carrying amount of the ROE's deposits was \$322,302 (including \$390 of fiduciary funds' cash) and the bank balance was \$317,170.

Custodial credit risk is the risk that in the event of a bank failure, the ROE's deposits may not be returned to it. The ROE does not have a deposit policy for custodial credit risk. All of DeKalb County Regional Office of Education No. 16's deposits were either covered by FDIC insurance or covered by collateral held by the financial institution in DeKalb County Regional Office of Education No. 16's name.

The ROE does not have a formal investment policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund and are considered cash equivalents. As of June 30, 2014, the ROE had \$1,210 in the Illinois Funds Money Market Fund. The fair value of the ROE's position in this fund is equal to the value of the ROE's fund shares. The portfolio is regulated by oversight of the Treasurer of the State of Illinois and private rating agencies. The portfolio has AAAM ratings from Standard and Poor's. The assets of the fund are mainly invested in securities issued by the United States government or agencies related to the United States. Assets of the fund not invested in United States government securities are fully collateralized by pledged securities. The time to maturity of the investments in this external investment pool averages less than one year.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

3. Capital Assets

Capital assets are acquired using the governmental resources of DeKalb County, therefore, the existing balance of capital assets is not presented.

4. Due From / To Other Governmental Unit

At June 30, 2014, Grants Receivable and Due To/From Other Governmental Unit consisted of the following:

Education Fund	
Grants Receivable:	
Illinois State Board of Education	\$ 30,803
Agency Fund	
Due from Other Governmental Agencies:	
Illinois State Board of Education	65,033
Due to Other Governmental Agencies:	
Kishwaukee Education Consortium	65,033
Other Local Education Agencies	<u>390</u>
Total due to other governments	<u>\$ 65,423</u>

5. Deficit Fund Balance

At June 30, 2014, the following funds had deficit fund balances. They are expected to correct themselves in 2015, through payments from the State and local funds.

General Fund	
General Fund	\$ 398
Other Professional Testing Services	274

6. Disposition of Distributive Fund Interest

Revenues are partially derived from interest on deposits of the various funds under the jurisdiction of DeKalb County Regional Office of Education No. 16. A substantial portion of these interest earnings have been earned on monies which are passed through from the Illinois State Board of Education to the various school districts within the County of DeKalb.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

Illinois Compiled Statutes require that interest earned by a public agency on investments of funds held for, but owned by, another public agency shall be credited to the public agency for which the investment is made, i.e. the owner of the funds.

Per an intergovernmental agreement between Regional Office of Education No. 16 and the school districts, 80 percent of Distributive Fund interest earned is remitted to the school districts and 20 percent is retained by the ROE.

7. On-Behalf Payments

Salaries of the Regional Superintendent and the Assistant Regional Superintendent are paid by the State of Illinois. All other salaries are paid by DeKalb County. Pension plan contributions associated with these salaries are also paid, respectively, by the State of Illinois and DeKalb County.

The State of Illinois and DeKalb County made the following expenditure payments on behalf of the ROE for the year ended June 30, 2014:

Regional Superintendent Salary	\$ 109,464
Regional Superintendent TRS	38,761
Regional Superintendent Fringe Benefits (includes State Paid Insurance)	35,173
Assistant Regional Superintendent Salary	98,544
Assistant Regional Superintendent TRS	34,894
Assistant Regional Superintendent Fringe Benefits (includes State Paid Insurance)	<u>34,556</u>
Total State of Illinois On-Behalf Payments	<u>\$ 351,392</u>
County Employees – Salaries	\$ 47,379
County Employees – Benefits	<u>16,558</u>
Total DeKalb County On-Behalf Payments	<u>\$ 63,937</u>
Total On-Behalf Payments	<u><u>\$ 415,329</u></u>

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent were calculated based on data provided by the Illinois State Board of Education. Salary and benefit data for the County employees was calculated based on data provided by the DeKalb County Regional Office of Education No. 16.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

8. Economic Dependence

Approximately 48 percent or \$494,152 of the ROE's operating revenue for the year ended June 30, 2014 was earned from one State of Illinois agency. One hundred percent of grants receivable at June 30, 2014 was also from the same State of Illinois agency.

9. Risk Management

The ROE purchases a commercial insurance policy and is covered for all risk. There have been no significant reductions in coverage during the fiscal year. Settlement amounts have not exceeded insurance coverage for any of the three prior years.

10. Retirement Plan

As previously mentioned, salaries of the Regional Superintendent and the Assistant Regional Superintendent are paid by the State of Illinois. All certified personnel participate in the Teachers' Retirement System of the State of Illinois and others participate in the Illinois Municipal Retirement Fund with the contributions being paid by the County of DeKalb. Information about the IMRF retirement plan can be found in the basic financial statements and note disclosures of DeKalb County.

11. Related Party Transactions

The ROE is a member in the Kishwaukee Intermediate Delivery System (KIDS) under an intergovernmental agreement with two other regional offices of education. The Regional Superintendent and Assistant Regional Superintendent of the ROE both serve on the Executive Board of KIDS with voting rights. During fiscal year 2014, the ROE incurred expenditures of \$29,784 for professional development related services provided by KIDS pursuant to the intergovernmental agreement. As of June 30, 2014, \$4,964 was due to KIDS from the ROE and this amount is included in accounts payable.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014**

12. Future Adoption of Accounting Pronouncement

The ROE will adopt the requirements of the following Government Accounting Standards Board (GASB) Statements in Fiscal Year 2014:

- Number 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This statement will be implemented for the fiscal year ending June 30, 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a significant liability for the government's proportionate share of the employee pension plan.
- Number 69, *Government Combinations and Disposals of Government Operations*. The requirements of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013 and should be applied on a prospective basis.
- Number 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

As of the date of the auditors' report, the ROE has not completed the process of evaluating the impact that will result from adopting these GASB Statements. The ROE is therefore unable to disclose the impact that adopting these GASB Statements will have on its financial position and the results of its operations when the statements are adopted.

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Combining Schedule of Accounts

General Fund Accounts

June 30, 2014

	General	General State Aid Operations	Fingerprinting	Other Professional Testing Services	New Teacher Induction	Combined Total
ASSETS						
Cash and Cash Equivalents	\$ 7,028	\$ -	\$ 103,055	\$ 754	\$ 2,046	\$ 112,883
Due from Other Funds	-	-	-	-	-	-
Total Assets	<u>\$ 7,028</u>	<u>\$ -</u>	<u>\$ 103,055</u>	<u>\$ 754</u>	<u>\$ 2,046</u>	<u>\$ 112,883</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 7,426	-	\$ 2,861	\$ 1,028	\$ 59	\$ 11,374
Total Liabilities	<u>7,426</u>	<u>-</u>	<u>2,861</u>	<u>1,028</u>	<u>59</u>	<u>11,374</u>
Fund Balances (Deficit):						
Assigned	-	-	100,194	-	1,987	102,181
Unassigned	(398)	-	-	(274)	-	(672)
Total Fund Balances (Deficit)	<u>(398)</u>	<u>-</u>	<u>100,194</u>	<u>(274)</u>	<u>1,987</u>	<u>101,509</u>
Total Liabilities and Fund Balances (Deficit)	<u>\$ 7,028</u>	<u>\$ -</u>	<u>\$ 103,055</u>	<u>\$ 754</u>	<u>\$ 2,046</u>	<u>\$ 112,883</u>

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances

General Fund Accounts

For the Year Ended June 30, 2014

	General	General State Aid Operations	Fingerprinting	Other Professional Testing Services	New Teacher Induction	Combined Total
Revenues						
Local Sources	\$ 4,074	\$ -	\$ 31,000	\$ 2,508	\$ 8,000	\$ 45,582
State Sources	-	163,379	-	-	-	163,379
On Behalf Payments	415,329	-	-	-	-	415,329
Interest Income	114	-	-	-	-	114
Total Revenues	419,517	163,379	31,000	2,508	8,000	624,404
Expenditures						
Instructional Services:						
Salaries and Benefits	\$ -	\$ -	\$ 9,123	\$ -	\$ 100	\$ 9,223
Purchased Services	15,114	163,379	8,761	2,782	4,328	194,364
Supplies and Materials	764	-	-	-	1,585	2,349
Other Objects	541	-	-	-	-	541
Administrative:						
On-Behalf Payments	415,329	-	-	-	-	415,329
Total Expenditures	431,748	163,379	17,884	2,782	6,013	621,806
Excess (Deficiency) of Revenues over Expenditures	(12,231)	-	13,116	(274)	1,987	2,598
Fund Balance, Beginning of Year	11,833	-	87,078	-	-	98,911
Fund Balance (Deficit), End of Year	\$ (398)	\$ -	\$ 100,194	\$ (274)	\$ 1,987	\$ 101,509

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Combining Schedule of Accounts

Education Fund Accounts

June 30, 2014

	Early Childhood Grant	Regional Safe Schools Grant	General State Aid	ROE/ISC Operation	Alternative Education	Children and Family Service Grant	McKinney Education for Homeless Children Grant	Title II - Teacher Quality	Combined Total
ASSETS									
Cash and Cash Equivalents	\$ 12,294	\$ -	\$ 23	\$ 4,964	\$ 34,422	\$ 2,886	\$ 5,426	\$ 1,500	\$ 61,515
Grants Receivable	9,811	3,316	-	-	16,750	-	-	926	30,803
Total Assets	\$ 22,105	\$ 3,316	\$ 23	\$ 4,964	\$ 51,172	\$ 2,886	\$ 5,426	\$ 2,426	\$ 92,318
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts Payable	\$ 22,105	\$ 3,316	\$ -	\$ 4,964	\$ 49,724	\$ -	\$ 2,405	\$ -	\$ 82,514
Unearned Revenue	-	-	-	-	-	2,886	3,021	2,426	8,333
Total Liabilities	22,105	3,316	-	4,964	49,724	2,886	5,426	2,426	90,847
Fund Balances:									
Restricted	-	-	23	-	1,448	-	-	-	1,471
Total Fund Balance	-	-	23	-	1,448	-	-	-	1,471
Total Liabilities and Fund Balances	\$ 22,105	\$ 3,316	\$ 23	\$ 4,964	\$ 51,172	\$ 2,886	\$ 5,426	\$ 2,426	\$ 92,318

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances

Education Fund Accounts

For the Year Ended June 30, 2014

	Early Childhood Grant	Regional Safe Schools Grant	General State Aid	ROE/ISC Operations	Alternative Education	Children and Family Service Grant	McKinney Education for Homeless Children Grant	Title II - Teacher Quality	Combined Total
Revenues									
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ 125	\$ -	\$ 1,500	\$ -	\$ 1,625
State Sources	145,034	71,077	-	29,784	83,918	-	-	-	329,813
Federal Sources	-	-	-	-	-	-	16,096	2,100	18,196
Total Revenues	<u>145,034</u>	<u>71,077</u>	<u>-</u>	<u>29,784</u>	<u>84,043</u>	<u>-</u>	<u>17,596</u>	<u>2,100</u>	<u>349,634</u>
Expenditures									
Instructional Services:									
Salaries and Benefits	-	-	-	-	77,387	-	7,588	-	84,975
Purchased Services	145,034	-	-	-	5,677	-	7,291	2,100	160,102
Supplies and Materials	-	-	-	-	854	-	2,717	-	3,571
Payment to Other Government Units	-	71,077	-	29,784	-	-	-	-	100,861
Total Expenditures	<u>145,034</u>	<u>71,077</u>	<u>-</u>	<u>29,784</u>	<u>83,918</u>	<u>-</u>	<u>17,596</u>	<u>2,100</u>	<u>349,509</u>
Excess of Revenues over Expenditures	-	-	-	-	125	-	-	-	125
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>23</u>	<u>-</u>	<u>1,323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,346</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 1,448</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,471</u>

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Budgetary Comparison Schedule
Education Fund Account

Early Childhood Grant

For the Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
Revenues			
Local Sources	\$ -	\$ -	\$ -
State Sources	147,516	145,034	(2,482)
Federal Sources	-	-	-
Total Revenues	147,516	145,034	(2,482)
Expenditures			
Instructional Services:			
Salaries and Benefits	-	-	-
Purchased Services	147,516	145,034	2,482
Supplies and Materials	-	-	-
Payment to Other Government Units	-	-	-
Total Expenditures	147,516	145,034	2,482
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, Beginning of Year		-	
Fund Balance, End of Year		\$ -	

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Budgetary Comparison Schedule
Education Fund Account

Regional Safe Schools Grant

For the Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Local Sources	\$ -	\$ -	\$ -
State Sources	71,077	71,077	-
Federal Sources	-	-	-
Total Revenues	<u>71,077</u>	<u>71,077</u>	<u>-</u>
Expenditures			
Instructional Services:			
Salaries and Benefits	-	-	-
Purchased Services	-	-	-
Supplies and Materials	-	-	-
Payment to Other Government Units	71,077	71,077	-
Total Expenditures	<u>71,077</u>	<u>71,077</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, Beginning of Year		<u>-</u>	
Fund Balance, End of Year		<u>\$ -</u>	

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Budgetary Comparison Schedule
Education Fund Account

ROE/ISC Operations

For the Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
Revenues			
Local Sources	\$ -	\$ -	\$ -
State Sources	29,784	29,784	-
Federal Sources	-	-	-
Total Revenues	29,784	29,784	-
Expenditures			
Instructional Services:			
Purchased Services	-	-	-
Supplies and Materials	-	-	-
Payment to Other Government Units	29,784	29,784	-
Total Expenditures	29,784	29,784	-
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, Beginning of Year		-	
Fund Balance, End of Year		\$ -	

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Budgetary Comparison Schedule
Education Fund Account

Alternative Education

For the Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
Revenues			
Local Sources	\$ -	\$ 125	\$ 125
State Sources	83,754	83,918	164
Federal Sources	-	-	-
Total Revenues	83,754	84,043	289
Expenditures			
Instructional Services:			
Salaries and Benefits	77,012	77,387	(375)
Purchased Services	6,000	5,677	323
Supplies and Materials	742	854	(112)
Payment to Other Government Units	-	-	-
Total Expenditures	83,754	83,918	(164)
Net Change in Fund Balance	\$ -	125	\$ 125
Fund Balance, Beginning of Year		1,323	
Fund Balance, End of Year		\$ 1,448	

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Budgetary Comparison Schedule
Education Fund Account

Title II - Teacher Quality

For the Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
Revenues			
Local Sources	\$ -	\$ -	\$ -
State Sources	-	-	-
Federal Sources	4,539	2,100	(2,439)
Total Revenues	4,539	2,100	(2,439)
Expenditures			
Instructional Services:			
Salaries and Benefits	-	-	-
Purchased Services	4,313	2,100	2,213
Supplies and Materials	226	-	226
Payment to Other Government Units	-	-	-
Total Expenditures	4,539	2,100	2,439
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, Beginning of Year		-	
Fund Balance, End of Year		\$ -	

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2014

	<u>Bus Permit</u>	<u>Supervisory</u>	<u>Combined Total</u>
ASSETS			
Cash and Cash Equivalents	<u>\$ 14,668</u>	<u>\$ -</u>	<u>\$ 14,668</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to Other Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Restricted	14,668	-	14,668
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>14,668</u>	<u>-</u>	<u>14,668</u>
Total Liabilities and Fund Balances	<u>\$ 14,668</u>	<u>\$ -</u>	<u>\$ 14,668</u>

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Non-Major Special Revenue Funds

For the Year Ended June 30, 2014

	<u>Bus Permit</u>	<u>Supervisory</u>	<u>Combined Total</u>
Revenues			
Local Sources	\$ 4,248	\$ 416	\$ 4,664
State Sources	960	-	960
Total Revenues	<u>5,208</u>	<u>416</u>	<u>5,624</u>
Expenditures			
Instructional Services:			
Purchased Services	3,310	-	3,310
Total Expenditures	<u>3,310</u>	<u>-</u>	<u>3,310</u>
Excess of Revenues over Expenditures	<u>1,898</u>	<u>416</u>	<u>2,314</u>
Net Change in Fund Balance	1,898	416	2,314
Fund Balance (Deficit), Beginning of Year	<u>12,770</u>	<u>(416)</u>	<u>12,354</u>
Fund Balance, End of Year	<u>\$ 14,668</u>	<u>\$ -</u>	<u>\$ 14,668</u>

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Combining Statement of Fiduciary Net Position

Agency Funds

June 30, 2014

	<u>Distributive</u>	<u>Board of Trustees</u>	<u>Outreach Workers</u>	<u>Combined Total</u>
ASSETS				
Cash and Cash Equivalents	\$ 254	\$ 136	\$ -	\$ 390
Due from Others	-	-	-	-
Due from Other Governmental Agencies	65,033	-	-	65,033
Total Assets	<u>\$ 65,287</u>	<u>\$ 136</u>	<u>\$ -</u>	<u>\$ 65,423</u>
LIABILITIES				
Liabilities:				
Due to Other Governmental Agencies	<u>\$ 65,287</u>	<u>\$ 136</u>	<u>\$ -</u>	<u>\$ 65,423</u>
Total Liabilities	<u>\$ 65,287</u>	<u>\$ 136</u>	<u>\$ -</u>	<u>\$ 65,423</u>

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014
<u>Distributive</u>				
ASSETS				
Cash and Cash Equivalents	\$ 254	\$ 440,264	\$ 440,264	\$ 254
Due from Other Governmental Agencies	40,560	65,033	40,560	65,033
Total Assets	<u>\$ 40,814</u>	<u>\$ 505,297</u>	<u>\$ 480,824</u>	<u>\$ 65,287</u>
LIABILITIES				
Due to Other Governmental Agencies	<u>\$ 40,814</u>	<u>\$ 505,297</u>	<u>\$ 480,824</u>	<u>\$ 65,287</u>
<u>Board of Trustees</u>				
ASSETS				
Cash and Cash Equivalents	<u>\$ 136</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136</u>
LIABILITIES				
Due to Other Governmental Agencies	<u>\$ 136</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136</u>
<u>Outreach Workers</u>				
ASSETS				
Cash and Cash Equivalents	\$ (1,074)	\$ -	\$ (1,074)	\$ -
Due from Others	1,074	-	1,074	-
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Due to Other Governmental Agencies	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Totals</u>				
ASSETS				
Cash and Cash Equivalents	\$ (684)	\$ 440,264	\$ 439,190	\$ 390
Due from Others	1,074	-	1,074	-
Due from Other Governmental Agencies	40,560	65,033	40,560	65,033
Total Assets	<u>\$ 40,950</u>	<u>\$ 505,297</u>	<u>\$ 480,824</u>	<u>\$ 65,423</u>
LIABILITIES				
Due to Other Governmental Agencies	<u>\$ 40,950</u>	<u>\$ 505,297</u>	<u>\$ 480,824</u>	<u>\$ 65,423</u>
Total Liabilities	<u>\$ 40,950</u>	<u>\$ 505,297</u>	<u>\$ 480,824</u>	<u>\$ 65,423</u>

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Schedule of Disbursements to Other Entities

Distributive Fund

For the Year Ended June 30, 2014

	Kishwaukee Education Consortium
Career and Technical Ed Improvement	\$ 305,192
V.E. Perkins Title IIC - Secondary	135,072
Total	<u>\$ 440,264</u>

See Accompanying Independent Auditors' Report