

State of Illinois
DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
FINANCIAL AUDIT
For the Year Ended June 30, 2014

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

DEWITT/LIVINGSTON/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 JUNE 30, 2014

TABLE OF CONTENTS

	<u>PAGE</u>
Agency Officials	1
Financial 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
 Schedule of Findings and Responses	
Section I – Summary of Auditors' Results	10
Section II – Financial Statement Findings.....	11a-11e
Corrective Action Plan for Current-Year Audit Findings	12a-12c
Summary Schedule of Prior Audit Findings.....	13
Management's Discussion and Analysis	14a-14f
 BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	15
Statement of Activities	16
 Fund Financial Statements	
Balance Sheet – Governmental Funds	17
Reconciliation of the Balance Sheet to the Statement of Net Position – Governmental Funds.....	18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities – Governmental Funds	20
Statement of Net Position – Proprietary Fund	21
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund	22
Statement of Cash Flows – Proprietary Fund	23
Statement of Fiduciary Net Position – Fiduciary Fund	24
Notes to the Financial Statements	25-51

REQUIRED SUPPLEMENTARY INFORMATION

Illinois Municipal Retirement Fund – Schedule of Funding Progress	52
Other Postemployment Benefits – Health Insurance Plan for Retired Employees – Schedule of Funding Progress	52

OTHER SUPPLEMENTARY INFORMATION

Combining Schedule of Accounts	
General Fund	53-54
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – General Fund Accounts	55-56
Combining Schedule of Accounts	
Education Fund	57-59
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Education Fund Accounts	60-62
Budgetary Comparison Schedules	
Education Fund	
McKinney Homeless Children and Youth	63
Regional Safe Schools	64
ROE/ISC Operations	65
Secretary of State’s Literacy Grant	66
Title I – School Improvement	67
Title II – Teacher Quality – Leadership	68
Truants Alternative/Optional Education	69
Combining Balance Sheet – Nonmajor Special Revenue Funds	70
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	71
Combining Statement of Fiduciary Net Position – Agency Fund	72
Combining Statement of Changes in Assets and Liabilities – Agency Fund	73-74
Schedule of Disbursements to School District Treasurers and Other Entities – Distributive Fund	75

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
JUNE 30, 2014

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/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 JUNE 30, 2014

FINANCIAL REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	3	3
Repeated audit findings	1	2
Prior recommendations implemented or not repeated	2	4

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	11a	Controls over Financial Statement Preparation	Material Weakness
2014-002	11c	Inadequate Internal Control Procedures	Material Weakness
2014-003	11e	Noncompliance with School Facility Occupation Tax Statute	Compliance

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

2013-002	13	Lack of Formal Policies	Significant Deficiency
2013-003	13	Uncollateralized Deposits	Material Weakness

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
JUNE 30, 2014

FINANCIAL REPORT SUMMARY (Concluded)

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on October 3, 2014. Attending were Mr. Mark Jontry, Regional Superintendent; Angie Fox, Business Manager; Matthew Price, CPA, Kemper CPA Group LLP; and Karen Bojda, CPA, Kemper CPA Group LLP. Responses to the recommendations were provided by Mr. Mark Jontry, Regional Superintendent.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
JUNE 30, 2014

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the DeWitt/Livingston/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 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, the business-type activities, each major fund, and the aggregate remaining fund information of the DeWitt/Livingston/McLean Counties Regional Office of Education #17, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the DeWitt/Livingston/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/McLean Counties Regional Office of Education #17, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Illinois Municipal Retirement Fund Schedule of Funding Progress, and Other Postemployment Benefits – Health Insurance Plan for Retired Employees Schedule of Funding Progress on pages 14a through 14f and 52 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/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, and the Schedule of Disbursements to School District Treasurers and Other Entities – Distributive Fund, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2015, on our consideration of the DeWitt/Livingston/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/McLean Counties Regional Office of Education #17's internal control over financial reporting and compliance.

Handwritten signature in black ink that reads "Kemper CPA Group LLP". The signature is written in a cursive, flowing style.

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
February 3, 2015

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, the business-type activities, each major fund, and the aggregate remaining fund information of DeWitt/Livingston/McLean Counties Regional Office of Education #17, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise DeWitt/Livingston/McLean Counties Regional Office of Education #17's basic financial statements and have issued our report thereon dated February 3, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered DeWitt/Livingston/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/McLean Counties Regional Office of Education #17's internal control. Accordingly, we do not express an opinion on the effectiveness of DeWitt/Livingston/McLean Counties Regional Office of Education #17'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 certain deficiencies in internal control that we consider to be material weaknesses.

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 deficiencies described in the accompanying Schedule of Findings and Responses as items 2014-001 and 2014-002 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether DeWitt/Livingston/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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2014-003.

DeWitt/Livingston/McLean Counties Regional Office of Education #17's Responses to Findings

DeWitt/Livingston/McLean Regional Office of Education #17's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. DeWitt/Livingston/McLean Counties Regional Office of Education #17's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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/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/McLean Counties Regional Office of Education #17's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kemper CPA Group LLP

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
February 3, 2015

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2014

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	Yes
• Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	Yes

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 2014-001 – Controls over Financial Statement Preparation (Repeat of Finding 13-001, 12-01, 11-01, 10-01, 09-01, 08-01, and 07-01)

Criteria/Specific Requirement:

The Regional Office of Education #17 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's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare GAAP-based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

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

Condition:

The Regional Office of Education #17 does not have sufficient internal controls over the financial reporting process. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the 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. For example, during review of the Regional Office's accounting records, auditors noted the Regional Office's financial information required several adjusting entries to present the financial statements in accordance with generally accepted accounting principles.

Effect:

Management or 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:

Current funding levels are not adequate to hire and/or train accounting personnel in order to comply with these requirements.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 2014-001 – Controls over Financial Statement Preparation (Repeat of Finding 13-001, 12-01, 11-01, 10-01, 09-01, 08-01, and 07-01) (Concluded)

Auditor's Recommendation:

As part of its internal control over the preparation of financial statements, including disclosures, the Regional Office of Education #17 should implement a comprehensive preparation and/or review procedure to ensure the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

Management's Response:

The Regional Office of Education #17 understands the nature of this finding and realizes that this circumstance is not unusual in an organization of this size. The Regional Office will continue to seek qualified accounting expertise in developing procedures that will satisfy the pronouncements in financial statement preparation.

The Regional Office will continue to provide training for staff in utilizing the full range of financial technology that exists.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 2014-002 – Inadequate Internal Control Procedures

Criteria/Specific Requirement:

The Regional Superintendent of Schools is responsible for establishing and maintaining an internal control system over receipts, disbursements, and reporting to prevent errors and fraud.

Condition:

During testing of internal controls, auditors noted the following internal control weaknesses:

- Computer passwords are not changed on a regular basis.
- There is no documented review of bank reconciliations by an individual independent of the reconciliation process.
- Sales tax was paid on several purchases, including a purchase of a capital asset, although the Regional Office is exempt from sales tax.
- An invoice was overpaid by \$117.06.
- One employee had no time study or contemporaneous time record signed by the employee and approved by the supervisor to support salary paid.
- Although the employee handbook stipulates that textbooks, fees, and supplies for continuing education programs are not reimbursable, one employee was reimbursed for \$604.80 of general fees in addition to tuition.

Effect:

Lack of effective internal control procedures could result in unintentional or intentional errors or misappropriation of assets that could be material to the financial statements and may not be detected in a timely manner by employees in the normal course of performing their assigned duties.

Cause:

The Regional Office has not established and/or complied with established internal control procedures.

Auditor's Recommendation:

- The Regional Office should require all employees to change their computer passwords periodically.
- An individual independent of the reconciliation process should timely review the bank reconciliations and document his or her review by signing and dating them.
- The Regional Office's tax-exempt certificate or number should be provided to vendors when purchases are made.
- Payment vouchers should be reconciled to the supporting vendor invoice by both the preparer and reviewer for all disbursements.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 2014-002 – Inadequate Internal Control Procedures (Concluded)

Auditor’s Recommendation (Concluded):

- Time studies should be conducted periodically for salaried employees, or salaried employees should keep a contemporaneous record of how their time is spent, and the supervisor should approve such time records.
- The Regional Office should adhere to its stated policies or revise its policies.

Management’s Response:

The Regional Office of Education #17 has established a schedule for resetting computer passwords twice annually.

The Regional Superintendent signs off on bank reconciliations upon completion of the month-end close. The Business Manager has established a month-end completion date by the 15th of the current month for the prior month’s reconciliation.

The Regional Office of Education #17 has made the tax exempt letter more accessible to staff by making it available on the staff portal of the website.

Time study/record keeping has been reformatted to address the salaried employee work schedule.

The Regional Office of Education #17 released an updated version of the Employee Handbook in January 2014, which allowed for the reimbursement of any general fees associated with enrollment of an employee at an accredited college or university.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS (Concluded)

Finding No. 2014-003 – Noncompliance with School Facility Occupation Tax Statute

Criteria/Specific Requirement:

By statute (105 ILCS 5/3-14.31), the Regional Superintendent of Schools is responsible for distributing proceeds of the Livingston County School Facility Occupation Tax (CSFOT) to each school district in the county. By statute (55 ILCS 5/5-1006.7), the School Facility Occupation Tax is to be used exclusively for school facility purposes, as defined in 55 ILCS 5/5-1006.7.

Condition:

The Regional Office of Education #17 entered into intergovernmental agreements with 19 school districts in Livingston County between September 2013 and June 2014 whereby the school districts give the Regional Office permission to keep 0.5% of the proceeds from the CSFOT as an administrative fee to cover costs incurred distributing the tax proceeds. However, the statute authorizing the School Facility Occupation Tax does not contain a provision that permits use of the tax proceeds to cover the Regional Office's administrative costs or any other costs associated with the normal responsibilities of the Regional Office. In FY2014, the Regional Office retained \$2,968 from the tax proceeds.

Effect:

The Regional Office's retention of CSFOT proceeds is not specifically authorized by State laws that address the distribution and use of the CSFOT.

Cause:

The Regional Office maintains that its retention of an administrative fee from the CSFOT proceeds is permitted under the statute based on guidance received from the McLean County State's Attorney.

Auditor's Recommendation:

The Regional Office should distribute the entire proceeds of the CSFOT to the Livingston County school districts. Should the Regional Office continue to maintain that retaining a portion of the proceeds as an administrative fee is permissible under State law, it should seek an opinion from the Office of the Attorney General on this matter.

Management's Response:

The Regional Office of Education will limit the retention to interest earned, as permitted by intergovernmental agreements.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF FINDINGS AND RESPONSES
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

Corrective Action Plan

Finding No. 2014-001 – Controls over Financial Statement Preparation

Condition:

The Regional Office of Education #17 does not have sufficient internal controls over the financial reporting process. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the 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. For example, during review of the Regional Office's accounting records, auditors noted the Regional Office's financial information required several adjusting entries to present the financial statements in accordance with generally accepted accounting principles.

Plan:

The Regional Office of Education #17 understands the nature of this finding and realizes that this circumstance is not unusual in an organization this size. The Regional Office will continue to seek qualified accounting expertise in developing procedures that will satisfy the pronouncements in financial statement preparation.

The Regional Office of Education will continue to provide training for staff in utilizing the full range of financial technology that exists.

Anticipated Date of Completion:

Ongoing

Contact Person Responsible for Corrective Action:

Honorable Mark Jontry, Regional Superintendent of Schools

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF FINDINGS AND RESPONSES
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

Corrective Action Plan (Continued)

Finding No. 2014-002 – Inadequate Internal Control Procedures

Condition:

During testing of internal controls, auditors noted the following internal control weaknesses:

- Computer passwords are not changed on a regular basis.
- There is no documented review of bank reconciliations by an individual independent of the reconciliation process.
- Sales tax was paid on several purchases, including a purchase of a capital asset, although the Regional Office is exempt from sales tax.
- An invoice was overpaid by \$117.06.
- One employee had no time study or contemporaneous time record signed by the employee and approved by the supervisor to support salary paid.
- Although the employee handbook stipulates that textbooks, fees, and supplies for continuing education programs are not reimbursable, one employee was reimbursed for \$604.80 of general fees in addition to tuition.

Plan:

The Regional Office of Education #17 has established a schedule for resetting computer passwords twice annually.

The Regional Superintendent signs off on bank reconciliations upon completion of the month-end close. The Business Manager has established a month-end completion date by the 15th of the current month for the prior month's reconciliation.

The Regional Office of Education #17 has made the tax exempt letter more accessible to staff by making it available on the staff portal of the website.

Time study/record keeping has been reformatted to address the salaried employee work schedule.

The Regional Office of Education #17 released an updated version of the Employee Handbook in January 2014, of which allowed for the reimbursement of any general fees associated with enrollment of an employee at an accredited college or university.

Anticipated Date of Completion:

Immediately

Contact Person Responsible for Corrective Action:

Honorable Mark Jontry, Regional Superintendent of Schools

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SCHEDULE OF FINDINGS AND RESPONSES
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

Corrective Action Plan (Concluded)

Finding No. 2014-003 – Noncompliance with School Facility Occupation Tax Statute

Condition:

The Regional Office of Education #17 entered into intergovernmental agreements with 19 school districts in Livingston County between September 2013 and June 2014 whereby the school districts give the Regional Office permission to keep 0.5% of the proceeds from the CSFOT as an administrative fee to cover costs incurred distributing the tax proceeds. However, the statute authorizing the School Facility Occupation Tax does not contain a provision that permits use of the tax proceeds to cover the Regional Office's administrative costs or any other costs associated with the normal responsibilities of the Regional Office. In FY2014, the Regional Office retained \$2,968 from the tax proceeds.

Plan:

The Regional Office of Education will limit the retention to interest earned, as permitted by intergovernmental agreements.

Anticipated Date of Completion:

Immediately

Contact Person Responsible for Corrective Action:

Honorable Mark Jontry, Regional Superintendent of Schools

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2014

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
2013-001	Controls over Financial Statement Preparation	Repeated as 2014-001
2013-002	Lack of Formal Policies	Corrected
2013-003	Uncollateralized Deposits	Corrected

MANAGEMENT'S DISCUSSION AND ANALYSIS

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

The DeWitt/Livingston/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, 2014. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements which follows.

2014 Financial Highlights

- Within the Governmental Funds, the General Fund revenues increased by \$17,425 from \$3,386,288 in FY13 to \$3,403,713 in FY14. General Fund expenditures increased by \$350,836 from \$3,160,766 in FY13 to \$3,511,602 in FY14. This was the result of a decrease in General State Aid, the addition of fiscal responsibilities and associated personnel.
- Within the Governmental Funds, the Education Fund and Special Revenue Funds revenue decreased by \$1,154,536, from \$1,924,040 in FY13 to \$769,504 in FY14. The Special Revenue Fund expenditures decreased by \$1,127,204, from \$1,866,651 in FY13 to \$739,447 in FY14. These decreases resulted from the reduction of awarded grants and fiscal responsibilities.
- Within the Proprietary Funds, revenues increased \$37,754 from \$60,897 in FY13 to \$98,651 in FY14. Expenditures decreased \$4,080 from \$122,973 in FY13 to \$118,893 in FY14. This was a result of activities and personnel for workshops for professional development.

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 non-major 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/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

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 non-financial 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 non major 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.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

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.

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 FY14 totaled \$2,983,448. The analysis that follows provides a summary of the Regional Office's net position at June 30, 2014 and 2013.

CONDENSED STATEMENT OF NET POSITION
June 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current assets	\$ 2,642,491	\$ 3,067,421	\$ 50,246	\$ 49,587	\$ 2,692,737	\$ 3,117,008
Noncurrent, net	474,055	487,819	1,677	-	475,732	487,819
Total assets	<u>3,116,546</u>	<u>3,555,240</u>	<u>51,923</u>	<u>49,587</u>	<u>3,168,469</u>	<u>3,604,827</u>
Current liabilities	176,918	393,670	5,700	6,783	182,618	400,453
Noncurrent liabilities	2,403	7,035	-	-	2,403	7,035
Total liabilities	<u>179,321</u>	<u>400,705</u>	<u>5,700</u>	<u>6,783</u>	<u>185,021</u>	<u>407,488</u>
Net position:						
Invested in capital assets	474,055	487,819	1,677	-	475,732	487,819
Restricted for educational purposes	149,487	275,863	-	-	149,487	275,863
Unrestricted	2,313,683	2,390,853	44,546	42,804	2,358,229	2,433,657
Total net position	<u>\$ 2,937,225</u>	<u>\$ 3,154,535</u>	<u>\$ 46,223</u>	<u>\$ 42,804</u>	<u>\$ 2,983,448</u>	<u>\$ 3,197,339</u>

The following analysis shows the changes in net position for the years ended June 30, 2014 and 2013.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

CHANGES IN NET POSITION
For the Years Ended June 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ 110,615	\$ 98,651	\$ 60,897	\$ 98,651	\$ 171,512
Operating grants and contributions	519,319	1,682,531	-	-	519,319	1,682,531
General revenues:						
Local sources	1,299,586	2,325,209	-	-	1,299,586	2,325,209
State sources	1,599,318	428,922	-	-	1,599,318	428,922
Administrative:						
On-behalf payments - State	757,810	632,157	-	-	757,810	632,157
Loss on disposal of assets	(425)	-	-	-	(425)	-
Change in net OPEB liability	4,632	-	-	-	4,632	-
Interest	-	-	149	-	149	-
Total revenues	<u>4,180,240</u>	<u>5,179,434</u>	<u>98,800</u>	<u>60,897</u>	<u>4,279,040</u>	<u>5,240,331</u>
Expenses:						
Program expenses:						
Instructional services:						
Salaries and benefits	2,595,905	2,302,518	38,371	12,341	2,634,276	2,314,859
Purchased services	564,309	1,499,451	46,951	49,367	611,260	1,548,818
Supplies and materials	120,123	112,934	33,523	61,265	153,646	174,199
Payments to other governments	78,051	389,938	-	-	78,051	389,938
Other objects	86,397	5,787	-	-	86,397	5,787
Depreciation expense	61,793	58,753	48	-	61,841	58,753
Administrative:						
On-behalf payments - State	757,810	632,157	-	-	757,810	632,157
Total expenses	<u>4,264,388</u>	<u>5,001,538</u>	<u>118,893</u>	<u>122,973</u>	<u>4,383,281</u>	<u>5,124,511</u>
Excess (Deficiency) of Revenues over Expenditures	(84,148)	177,896	(20,093)	(62,076)	(104,241)	115,820
Other Financing Sources (Uses):						
Operating transfers	(23,512)	6,121	23,512	(6,121)	-	-
Change in net position	(107,660)	184,017	3,419	(68,197)	(104,241)	115,820
Net position, beginning of year, restated	<u>3,044,885</u>	<u>2,970,518</u>	<u>42,804</u>	<u>111,001</u>	<u>3,087,689</u>	<u>3,081,519</u>
Net position, end of year	<u>\$ 2,937,225</u>	<u>\$ 3,154,535</u>	<u>\$ 46,223</u>	<u>\$ 42,804</u>	<u>\$ 2,983,448</u>	<u>\$ 3,197,339</u>

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

Governmental Activities

Revenues for governmental activities were \$4,180,240 and expenses were \$4,264,388. The Regional Office experienced a decrease in net position of \$107,660. This was a result of spending more General State Aid excess cash on hand due to a decrease of state and federal grants.

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 \$2,462,757 for FY14, a decrease of \$210,994 under FY13 (unrestated) fund balance of \$2,673,751.

Governmental Fund Highlights:

- County support for the Regional Office remained at FY13 levels in FY14.
- The State aid foundation level was reduced to 89% of the Foundation Level of \$6,119 for FY14.
- Reclassified Heart of Illinois Low Incidence (HILIA) program from an Education fund to an Agency Fund.

Proprietary Fund Highlights:

- In FY14, the Regional Office offered 41 administrator and teacher workshops. As of July 1, 2014, the Regional Office anticipates having at least 30 workshops in FY15.
- The Regional Office used less of the Institute Fund to pay for workshops for local school districts during FY14. This resulted in more money being collected by the Regional Office for this fund.

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 supplementary section of this report on pages 63 through 69.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

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 for FY14 were \$474,055 and for FY13 were \$487,819. Excess depreciation expense over current year capital asset additions has caused the net book value of capital assets to decrease in FY14.

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.
- Grant funding will decrease for Illinois State Board of Education-Regional Safe Schools Program, Truants Alternative/Optional Education Program, and Early Childhood Programs.
- The state will prorate General State Aid at 89% of Foundation Level.
- County funding for FY15 will likely maintain the FY14 level.
- Slow receipt of monies from the State due to the State's budget issues and backlogs.
- The ISBE-mandated consolidation of Regional Offices of Education will result in our consolidating Logan County into our Educational Service Region.

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/McLean Counties Regional Office of Education #17 at 200 W. Front Street, Suite 500 D, Bloomington, IL 61701.

BASIC FINANCIAL STATEMENTS

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 2,165,768	\$ 50,246	\$ 2,216,014
Due from other governments:			
Local	419,903	-	419,903
State	16,459	-	16,459
Federal	40,361	-	40,361
Total Current Assets	<u>2,642,491</u>	<u>50,246</u>	<u>2,692,737</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	474,055	1,677	475,732
Total Noncurrent Assets	<u>474,055</u>	<u>1,677</u>	<u>475,732</u>
TOTAL ASSETS	<u>3,116,546</u>	<u>51,923</u>	<u>3,168,469</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	4,600	5,700	10,300
Accrued salaries and benefits	172,318	-	172,318
Total Current Liabilities	<u>176,918</u>	<u>5,700</u>	<u>182,618</u>
Noncurrent Liabilities:			
Net OPEB liability	2,403	-	2,403
Total Noncurrent Liabilities	<u>2,403</u>	<u>-</u>	<u>2,403</u>
TOTAL LIABILITIES	<u>179,321</u>	<u>5,700</u>	<u>185,021</u>
NET POSITION			
Invested in capital assets	474,055	1,677	475,732
Restricted for educational purposes	149,487	-	149,487
Unrestricted	2,313,683	44,546	2,358,229
TOTAL NET POSITION	<u>\$ 2,937,225</u>	<u>\$ 46,223</u>	<u>\$ 2,983,448</u>

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

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

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	\$ 2,595,905	\$ -	\$ 240,630	\$ (2,355,275)	\$ -	\$ (2,355,275)
Purchased services	564,309	-	138,882	(425,427)	-	(425,427)
Supplies and materials	120,123	-	13,302	(106,821)	-	(106,821)
Other objects	86,397	-	-	(86,397)	-	(86,397)
Depreciation	61,793	-	-	(61,793)	-	(61,793)
Capital outlay	-	-	48,454	48,454	-	48,454
Payments to other governments	78,051	-	78,051	-	-	-
Administrative:						
On-behalf payments - State	757,810	-	-	(757,810)	-	(757,810)
Total Governmental Activities	<u>4,264,388</u>	<u>-</u>	<u>519,319</u>	<u>(3,745,069)</u>	<u>-</u>	<u>(3,745,069)</u>
Business-Type Activities:						
Charges for services	118,893	98,651	-	-	(20,242)	(20,242)
Total Business-Type Activities	<u>118,893</u>	<u>98,651</u>	<u>-</u>	<u>-</u>	<u>(20,242)</u>	<u>(20,242)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 4,383,281</u>	<u>\$ 98,651</u>	<u>\$ 519,319</u>	<u>(3,745,069)</u>	<u>(20,242)</u>	<u>(3,765,311)</u>
GENERAL REVENUES:						
Local sources				1,299,586	-	1,299,586
State sources				1,599,318	-	1,599,318
On-behalf payments - State				757,810	-	757,810
Loss on disposal of capital assets				(425)	-	(425)
Transfers in (out)				(23,512)	23,512	-
Change in net OPEB liability				4,632	-	4,632
Investment earnings				-	149	149
Total General Revenues and Transfers				<u>3,637,409</u>	<u>23,661</u>	<u>3,661,070</u>
CHANGE IN NET POSITION				(107,660)	3,419	(104,241)
NET POSITION - BEGINNING,						
Restated (See Note 15)				<u>3,044,885</u>	<u>42,804</u>	<u>3,087,689</u>
NET POSITION - ENDING				<u>\$ 2,937,225</u>	<u>\$ 46,223</u>	<u>\$ 2,983,448</u>

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

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,015,595	\$ 74,047	\$ 76,126	\$ -	\$ 2,165,768
Due from other funds	112,652	-	-	(112,652)	-
Due from other governments:					
Local	380,600	39,303	-	-	419,903
State	280	16,179	-	-	16,459
Federal	2,531	37,830	-	-	40,361
TOTAL ASSETS	\$ 2,511,658	\$ 167,359	\$ 76,126	\$ (112,652)	\$ 2,642,491
LIABILITIES					
Accounts payable	\$ -	\$ 4,600	\$ -	\$ -	\$ 4,600
Accrued salaries and benefits	158,967	13,146	205	-	172,318
Due to other funds	36,605	76,047	-	(112,652)	-
Total Liabilities	195,572	93,793	205	(112,652)	176,918
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	2,816	-	-	2,816
FUND BALANCE (DEFICIT)					
Restricted	-	73,566	75,921	-	149,487
Assigned	381,374	-	-	-	381,374
Unassigned	1,934,712	(2,816)	-	-	1,931,896
Total Fund Balance (Deficit)	2,316,086	70,750	75,921	-	2,462,757
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (DEFICIT)	\$ 2,511,658	\$ 167,359	\$ 76,126	\$ (112,652)	\$ 2,642,491

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

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2014

TOTAL FUND BALANCE — GOVERNMENTAL FUNDS \$ 2,462,757

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. 474,055

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. (2,403)

Some revenues will not be collected for several months after the Regional Office's fiscal year ends; they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds. 2,816

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,937,225

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

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
REVENUES					
Local sources	\$ 1,108,932	\$ 109,535	\$ 81,119	\$ -	\$ 1,299,586
State sources	1,453,431	328,739	1,546	-	1,783,716
On-behalf payments - State	757,810	-	-	-	757,810
Federal sources	83,540	248,565	-	-	332,105
Total Revenues	<u>3,403,713</u>	<u>686,839</u>	<u>82,665</u>	<u>-</u>	<u>4,173,217</u>
EXPENDITURES					
Instructional Services:					
Salaries and benefits	2,160,376	401,589	33,940	-	2,595,905
Purchased services	364,962	167,159	32,188	-	564,309
Supplies and materials	95,336	16,926	7,861	-	120,123
Other objects	86,389	-	8	-	86,397
Payments to other governments	-	78,051	-	-	78,051
On-behalf payments - State	757,810	-	-	-	757,810
Capital outlay	46,729	-	1,725	-	48,454
Total Expenditures	<u>3,511,602</u>	<u>663,725</u>	<u>75,722</u>	<u>-</u>	<u>4,251,049</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	<u>(107,889)</u>	<u>23,114</u>	<u>6,943</u>	<u>-</u>	<u>(77,832)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	27,030	2,816	989	(30,835)	-
Transfers out	(3,805)	(50,542)	-	30,835	(23,512)
Total Other Financing Sources (Uses)	<u>23,225</u>	<u>(47,726)</u>	<u>989</u>	<u>-</u>	<u>(23,512)</u>
NET CHANGE IN FUND BALANCE	(84,664)	(24,612)	7,932	-	(101,344)
FUND BALANCE - BEGINNING, Restated (See Note 15)	<u>2,400,750</u>	<u>95,362</u>	<u>67,989</u>	<u>-</u>	<u>2,564,101</u>
FUND BALANCE - ENDING	<u><u>\$ 2,316,086</u></u>	<u><u>\$ 70,750</u></u>	<u><u>\$ 75,921</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,462,757</u></u>

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

DEWITT/LIVINGSTON/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, 2014

NET CHANGE IN FUND BALANCE — GOVERNMENTAL FUNDS \$ (101,344)

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	\$ 48,454	
Depreciation	(61,793)	
Loss on disposal of capital assets	<u>(425)</u>	(13,764)

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

Current year unavailable revenue	2,816
----------------------------------	-------

Some revenues in the Statement of Activities are not current financial resources and therefore are not reported as revenues in the governmental funds.

Current year decrease in net OPEB liability	<u>4,632</u>
---	--------------

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (107,660)

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

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2014

	Business-Type Activities Enterprise Fund	
	Professional Development	Total
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 50,246	\$ 50,246
Total current assets	50,246	50,246
Noncurrent assets:		
Capital assets, being depreciated, net	1,677	1,677
TOTAL ASSETS	51,923	51,923
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 5,700	\$ 5,700
TOTAL LIABILITIES	5,700	5,700
NET POSITION		
Net investment in capital assets	1,677	1,677
Unrestricted	44,546	44,546
TOTAL NET POSITION	\$ 46,223	\$ 46,223

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

DEWITT/LIVINGSTON/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, 2014

	Business-Type Activities - Enterprise Fund	
	Professional Development	Total
OPERATING REVENUES		
Charges for services	\$ 98,651	\$ 98,651
Total Operating Revenues	98,651	98,651
OPERATING EXPENSES		
Salaries and benefits	38,371	38,371
Purchased services	46,951	46,951
Supplies and materials	33,523	33,523
Depreciation	48	48
Total Operating Expenses	118,893	118,893
OPERATING INCOME (LOSS)	(20,242)	(20,242)
NONOPERATING REVENUE		
Transfers in	23,512	23,512
Interest income	149	149
Total Nonoperating Revenue	23,661	23,661
CHANGE IN NET POSITION	3,419	3,419
TOTAL NET POSITION - BEGINNING	42,804	42,804
TOTAL NET POSITION - ENDING	\$ 46,223	\$ 46,223

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

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Fund	
	Professional Development	Total
Cash Flows from Operating Activities:		
Receipts from customers	\$ 99,423	\$ 99,423
Payments to suppliers and providers of goods and services	(81,557)	(81,557)
Payments to employees	(38,371)	(38,371)
Net Cash Used for Operating Activities	(20,505)	(20,505)
Cash Flows from Capital and Related Financing Activities:		
Acquisition of capital assets	(1,725)	(1,725)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,725)	(1,725)
Cash Flows from Noncapital Financing Activities:		
Cash transfers from other funds	23,512	23,512
Payments for interfund borrowing, net	15,019	15,019
Net Cash Provided by Noncapital Financing Activities	38,531	38,531
Cash Flows from Investing Activities:		
Interest income	149	149
Net Cash Provided by Investing Activities	149	149
Net Increase in Cash and Cash Equivalents	16,450	16,450
Cash and cash equivalents - Beginning	33,796	33,796
Cash and cash equivalents - Ending	\$ 50,246	\$ 50,246
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:		
Operating Loss	\$ (20,242)	\$ (20,242)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:		
Depreciation expense	48	48
(Increase) decrease in assets:		
Decrease in accounts receivable	772	772
Increase (decrease) in liabilities:		
Decrease in accounts payable	(1,083)	(1,083)
Net Cash Used for Operating Activities	\$ (20,505)	\$ (20,505)

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

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2014

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ 120,360
Due from other governments	<u>1,217,403</u>
Total Assets	<u>\$ 1,337,763</u>
LIABILITIES	
Due to other governments	<u>\$ 1,337,763</u>
Total Liabilities	<u>\$ 1,337,763</u>

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

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In 2014, the Regional Office of Education #17 implemented Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*; GASB Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*; GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*; and GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The Regional Office of Education #17 implemented these standards during the current year; however, GASB Statement No. 70 had no impact on the financial statements. The implementation of GASB Statement No. 65 reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The implementation of GASB Statement No. 66 resolved conflicting guidance that resulted from the issuance of GASB Statement Nos. 54 and 62 regarding risk financing activities, operating leases, purchased loans, and servicing fees. The implementation of GASB Statement No. 67 improved financial reporting by state and local governmental pension plans.

The Government Accounting Standards Board has issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB 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.

A. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through February 3, 2015, 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.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FINANCIAL REPORTING ENTITY (Concluded)

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

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, 2014, 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.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. SCOPE OF THE REPORTING ENTITY (Concluded)

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education #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.

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.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

E. PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are reported. 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.

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.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

General Fund (Concluded)

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

Chestnut – 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:

Continuum of Care – This program assists participants in obtaining and remaining in permanent housing.

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

Illinois Violence Prevention Authority – This program assists in prevention of domestic violence.

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

Livingston Children’s Net – This program provides screening, support, and instruction to help children learn to manage their emotions, cope with stress, get along with others, solve conflicts, and set and accomplish goals as of the general education curriculum.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Education Fund (Continued)

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.

Modeling Effective Collaboration – This program accounts for monies received to further establish the advancement and alignment of the Common Core State Standards across secondary and post-secondary curriculum.

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.

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.

SCORE United Way – This program is funded by local revenue from the United Way to provide assistance to students.

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.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Concluded)

Education Fund (Concluded)

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.

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.

Supervisory – This fund was developed by the General Assembly to help support the day-to-day activities of the Regional Superintendent.

Institute – This fund accounts for fees collected for the registration and renewal of teaching certificates. 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.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Concluded)

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, and McLean Counties.

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.

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.

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.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. GOVERNMENTAL FUND BALANCES

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

Nonspendable Fund Balance – The portion of a governmental fund’s net position that is not available to be spent, either short term or long term, due to either their form or legal restrictions. The Regional Office of Education #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, Supervisory, and Institute. The following Education Funds are restricted by grantor or donor restrictions: Continuum of Care, and 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: Illinois Educators’ Roundtable, I-SCORE, Chestnut, Donations Literacy Inservice, 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. The fund balance of the following Education Fund account is comprised of an unassigned fund balance: Transitional Specialist.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. NET POSITION

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

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

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

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

J. CASH AND CASH EQUIVALENTS

The DeWitt/Livingston/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.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

M. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

GASB Statement No. 65 reclassified as deferred outflows of resources or deferred inflows of resources certain items that were previously reported as assets and liabilities. Decreases in net assets that relate to future periods are reported as deferred outflows of resources. Increases in net assets that relate to future periods are reported as deferred inflows of resources. When an asset is recorded in the governmental fund financial statements but the revenue is not available, the Regional Office reports a deferred inflow of resources until such time as the revenue becomes available. *Available* means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are not available if they are received more than 60 days after the end of the fiscal year.

N. COMPENSATED ABSENCES

Noncertified and certified employees who work 12 calendar months can earn up to 20 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 up 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: McKinney Homeless Children and Youth, Regional Safe Schools, ROE/ISC Operations, Secretary of State's Literacy Grant, Title I – School Improvement, Title II – Teacher Quality – Leadership, and Truants Alternative/Optional Education.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 – CASH

The Regional Office of Education #17 does not have a formal investment policy. The Regional Office of Education #17 is permitted to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7.

A. DEPOSITS

At June 30, 2014, the carrying amounts of the Regional Office of Education #17's government-wide fund and agency fund deposits were \$2,216,014 and \$120,360, respectively, and the bank balances were \$2,808,948 and \$311,230, respectively. Of the total bank balances as of June 30, 2014, \$250,000 was secured by federal depository insurance, \$2,722,228 was fully collateralized, and \$147,950 was invested in the Illinois Funds Money Market Fund.

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, 2014, the Regional Office of Education #17 had investments with carrying and fair values of \$147,950 invested in the Illinois Funds Money Market Fund.

CREDIT RISK

At June 30, 2014, 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.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 2 – CASH (Concluded)

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.

NOTE 3 – DEFINED BENEFIT PENSION PLAN

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 affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the Regional Office of Education #17’s Regular plan members are required to contribute 4.50 percent 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 employer annual required contribution rate for calendar year 2013 was 16.85 percent. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2013 was \$131,482.

THREE-YEAR TREND INFORMATION

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/13	\$ 131,482	100%	\$ 0
12/31/12	124,232	100%	0
12/31/11	168,642	95%	8,948

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Concluded)

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the Regional Office of Education #17's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education #17's plan's unfunded actuarial accrued liability at December 31, 2011, is being amortized as a level percentage of projected payroll on an open 10-year basis.

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the Regional Office's Regular plan was 59.52 percent funded. The actuarial accrued liability for benefits was \$1,626,567 and the actuarial value of assets was \$968,212, resulting in an underfunded actuarial accrued liability (UAAL) of \$658,355. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$780,311, and the ratio of the UAAL to the covered payroll was 84 percent.

The schedule of funding progress, presented as 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.

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.

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 State of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The active member contribution rate for the year ended June 30, 2014, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2013 and 2012.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #17’s TRS-covered employees.

- **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, 2014, State of Illinois contributions were based on 35.41 percent of creditable earnings not paid from federal funds, and the Regional Office of Education #17 recognized revenue and expenditures of \$480,174 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2013 and 2012, contribution rates were 28.05 percent (\$352,843) and 24.91 percent (\$294,693), respectively.

The Regional Office of Education #17 makes other types of employer contributions directly to TRS.

- **2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ending June 30, 2014, were \$6,659. Contributions for the years ending June 30, 2013 and 2012, were \$6,110 and \$5,709, respectively.
- **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, 2014, the employer pension contribution was 35.41 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2013 and 2012, the employer contribution was 28.05 and 24.91 percent, respectively. For the year ended June 30, 2014, there were no salaries paid from federal and special trust funds that required employer contributions. For the years ended June 30, 2013 and 2012, required employer contributions were \$-0-.

- **Early retirement option.** The Regional Office of Education #17 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

The maximum employer ERO contribution under the current program is 146.50 percent and applies when the member is age 55 at retirement.

For the years ended June 30, 2014, 2013, and 2012, the Regional Office of Education #17 paid no ERO contributions.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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

- **Salary increases over 6 percent and excess sick leave.** If the Regional Office of Education #17 grants salary increases over 6 percent and those salaries are used to calculate a retiree’s final average salary, the Regional Office of Education #17 makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the year ended June 30, 2014, June 30, 2013 and 2012 the Regional Office of Education #17 paid \$-0- to TRS for employer contributions due on salary increases in excess of 6 percent.

If the Regional Office of Education #17 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the Regional Office of Education #17 makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.29 percent of salary during the year ended June 30, 2014).

For the year ended June 30, 2014, the Regional Office of Education #17 paid no employer contributions to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2013 and 2012, the Regional Office of Education #17 paid no employer contributions granted for sick leave days.

Further information on TRS. TRS financial information, an explanation of TRS benefits, and descriptions of member, employer, and State funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2013. The report for the year ended June 30, 2014, is expected to be available in late 2014.

The reports may be obtained by writing to the Teachers’ Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at <http://trs.illinois.gov>.

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 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. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the 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 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 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 THIS Fund from active members, which were 0.97 percent of pay during the year ended June 30, 2014. State of Illinois contributions were \$11,136, 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 year ended June 30, 2013 and 2012, were 0.92 and 0.88 percent of pay, respectively. State contributions on behalf of the Regional Office of Education #17 employees were \$9,691 and \$8,661, respectively.

Employer contributions to THIS Fund. The Regional Office of Education #17 also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.72 percent during the year ended June 30, 2014, and 0.69 and 0.66 percent during the years ended June 30, 2013 and 2012, respectively. For the year ended June 30, 2014, the Regional Office of Education #17 paid \$8,266 to the THIS Fund. For the years ended June 30, 2013 and 2012, the Regional Office paid \$7,268 and \$6,496 to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further information on 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 2013 report is 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, 2011, the date of the most recent actuarial valuation. Membership in the plan consisted of the following as of June 30, 2011:

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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

	<u>June 30, 2011</u>
Retirees and beneficiaries receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	21
Active nonvested plan members	<u>17</u>
Total	<u><u>39</u></u>
Number of participating employers	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, 2011</u>	<u>June 30, 2014</u>
Annual required contribution	\$ 9,854	
Interest on net OPEB obligation	-	
Adjustment to annual required contribution	<u>-</u>	
Annual OPEB cost	9,854	
Contributions made	<u>7,451</u>	
Increase (decrease) in net OPEB obligation	2,403	\$ (4,632)
Net OPEB obligation beginning of year	<u>-</u>	<u>7,035</u>
Net OPEB obligation end of year	<u><u>\$ 2,403</u></u>	<u><u>\$ 2,403</u></u>

Three-Year Trend Information

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
<u>Ending</u> 6/30/2011	\$ 9,854	75.60%	\$ 2,403
6/30/2010	-	0.00%	-
6/30/2009	-	0.00%	-

DEWITT/LIVINGSTON/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014

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

Annual Required Contribution

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Service cost	\$ 4,921	\$ 5,083
Amortization	4,175	4,302
Interest	<u>455</u>	<u>469</u>
Annual required contribution	<u>\$ 9,551</u>	<u>\$ 9,854</u>

Funding Policy and Actuarial Assumptions

Contribution rates:	
Employer	0.00%
Plan members	0.00%
Actuarial valuation date	6/30/2011
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*	5.00%
Projected salary increases	5.00%
Healthcare inflation rate	8.00% initial, 6.00% ultimate
Mortality, Turnover, Disability, Retirement Ages	Similar rates utilized for IMRF
Active utilization rate:	20%
Employer provided benefit	Explicit: None Implicit: 40% of premium to age 65 (50% of \$692/mo + 50% of \$1,552/mo)
* Includes inflation at	3.00%

DEWITT/LIVINGSTON/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014

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	\$ 4,921	\$ 46,520	\$ 78,742	\$ 125,262	\$ 9,551	\$ 7,451	38	1.0	39

Discount Rate: 5.0%

Medical Inflation Rate: 8.0% initial, 6.0% ultimate

Future Payroll Increases: 5.0%

NOTE 7 – OPERATING LEASES

The Regional Office of Education #17 leases classroom and office space from various parties. During fiscal year 2014, 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.

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, from Joe and Ruth Haney. 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, from McLean County. The lease runs from January 1, 2013, to December 31, 2015; rent is \$61,000 per year.

Rent expense for the year ended June 30, 2014, was \$204,244. Future minimum rentals are as follows for the years ending June 30:

2015	\$ 204,244
2016	173,744
2017	143,244
2018	36,225
2019 and thereafter	4,416
	<u>\$ 561,873</u>

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014:

	Balance 7/1/2013	Additions	Disposals	Balance 6/30/2014
Governmental Activities				
Capital assets being depreciated:				
Office Equipment & Furniture	\$ 262,214	\$ 43,765	\$ (61,098)	\$ 244,881
Leasehold Improvements	436,411	4,689	-	441,100
Total Capital Assets	698,625	48,454	(61,098)	685,981
Less: Accumulated Depreciation	(210,806)	(61,793)	60,673	(211,926)
Governmental Activities				
Investment in Capital Assets, Net	\$ 487,819	\$ (13,339)	\$ (425)	\$ 474,055
Business-Type Activities				
Capital assets being depreciated:				
Office Equipment & Furniture	\$ -	\$ 1,725	\$ -	\$ 1,725
Total Capital Assets	-	1,725	-	1,725
Less: Accumulated Depreciation	-	(48)	-	(48)
Business-Type Activities				
Investment in Capital Assets, Net	\$ -	\$ 1,677	\$ -	\$ 1,677

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, 2014, of \$61,793 and \$48 was charged to governmental activities instructional services function and business-type activities, respectively, on the government-wide Statement of Activities. Also, a disposal loss of \$425 was charged to the governmental activities on the government-wide Statement of Activities. Investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation.

NOTE 9 – RISK MANAGEMENT

The Regional Office of Education #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.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 10 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2014, 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	\$ 112,652	\$ 36,605
Education Fund	-	76,047
Totals	<u>\$ 112,652</u>	<u>\$ 112,652</u>

TRANSFERS

Interfund transfers in/out to other fund balances at June 30, 2014, 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, but not those between governmental and proprietary funds, were eliminated in the government-wide Statement of Activities.

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 27,030	\$ 3,805
Education Fund	2,816	50,542
Nonmajor Special Revenue Funds	989	-
Proprietary Fund	23,512	-
	<u>\$ 54,347</u>	<u>\$ 54,347</u>

DEWITT/LIVINGSTON/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 11 – DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #17’s General Fund, Education Fund, and Agency Fund have funds due to/from various other governmental units which consist of the following:

Due from Other Governments:	
General Fund	
Local Governments	\$ 380,600
Illinois State Board of Education	2,811
Education Fund	
Local Governments	58,921
Illinois State Board of Education	25,479
Illinois Department of Human Services	8,912
Agency Fund	
Local Governments	1,065,791
Illinois State Board of Education	151,612
Total	<u>\$ 1,694,126</u>
Due to Other Governments:	
Agency Fund	
Local Governments	\$ 1,337,763
Total	<u>\$ 1,337,763</u>

NOTE 12 – DEFERRED INFLOWS OF RESOURCES

The governmental funds report a separate section for deferred inflows of resources. A deferred inflow of resources reflects an increase in net assets that applies to a future period. The Regional Office has only one type of item that is reported as a deferred inflow of resources. Grant revenues received more than 60 days after the end of the year, which are thus not available under the modified accrual basis of accounting, are reported as deferred inflows of resources in the governmental funds balance sheet. At June 30, 2014 the Regional Office of Education #17 had \$2,816 in deferred inflows.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 13 – ON-BEHALF PAYMENTS

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

Regional Superintendent Salary	\$ 109,464
Assistant Regional Superintendent Salary	98,544
Regional Superintendent Benefits (Includes State-paid insurance)	23,938
Assistant Regional Superintendent Benefits (Includes State paid insurance)	34,554
TRS Pension Contribution	480,174
Teachers' Health Insurance Security Contribution	<u>11,136</u>
 Total	 <u>\$ 757,810</u>

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent were calculated based on data provided by the Illinois State Board of Education.

These amounts have been recorded in the accompanying financial statements as state revenues and expenditures.

NOTE 14 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure of certain information concerning individual funds which are presented only in combination on the financial statements. Funds having deficit fund balances/net position and funds which overexpend appropriations during the year are required to be disclosed. The following funds had fund deficits as of June 30, 2014:

<u>Fund</u>	<u>Amount</u>
Education Fund	
Transitional Specialist	\$ 2,816

NOTE 15 – RECLASSIFICATION AND RESTATEMENT

In the current year, it was determined that the Regional Office of Education #17 acts only as the fiscal agent for the Heart of Illinois Low Incidence (HILIA) program, which is run by an independent organization. The HILIA program has thus been reclassified from the Education Fund to an agency fund.

The following is the effect of the reclassification on the beginning net position for the Governmental Activities and the beginning fund balance of the Education Fund.

DEWITT/LIVINGSTON/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 15 – RECLASSIFICATION AND RESTATEMENT (Concluded)

Governmental Activities Net Position:

Net Position - July 1, 2013	\$ 3,154,535
Effect of reclassifying the HILIA program	<u>(109,650)</u>
Net Position, Restated - July 1, 2013	<u><u>\$ 3,044,885</u></u>

Education Fund:

Fund Balance - July 1, 2013	\$ 205,012
Effect of reclassifying the HILIA program	<u>(109,650)</u>
Fund Balance, Restated - July 1, 2013	<u><u>\$ 95,362</u></u>

NOTE 16 – REGIONAL OFFICE OF EDUCATION CONSOLIDATION

On November 22, 2013, the Illinois State Board of Education adopted 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, and directed certain other consolidations. Effective July 1, 2015, Dewitt/Livingston/McLean Counties Regional Office of Education #17 will consolidate Logan County into its Educational Service Region.

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

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
(UNAUDITED)
JUNE 30, 2014

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)
12/31/13	\$ 968,212	\$ 1,626,567	\$ 658,355	59.52%	\$ 780,311	84.37%
12/31/12	695,189	1,441,459	746,270	48.23%	808,802	92.27%
12/31/11	993,545	1,775,076	781,531	55.97%	1,132,585	69.00%

On a market value basis, the actuarial value of assets as of December 31, 2013, is \$1,370,728.

On a market basis, the funded ratio would be 84.27%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Dewitt/Livingston/McLean Regional Office #17. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

OTHER POSTEMPLOYMENT BENEFITS - HEALTH INSURANCE PLAN FOR RETIRED EMPLOYEES
SCHEDULE OF FUNDING PROGRESS
(UNAUDITED)
JUNE 30, 2014

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)
06/30/11	\$ -	\$ 125,262	\$ 125,262	0.00%	\$ 1,193,931	10.49%
06/30/10	-	-	-	-	-	-
06/30/09	-	-	-	-	-	-

OTHER SUPPLEMENTARY INFORMATION

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
JUNE 30, 2014

	County Fund	Illinois Educators' Roundtable	Regional Safe Schools - GSA	Regional Alternative School - GSA	I-SCORE
ASSETS					
Cash and cash equivalents	\$ 111,785	\$ 4,837	\$ 662,784	\$ 961,558	\$ 66,381
Due from other funds	17,361	-	-	59,466	-
Due from other governments					
Local	37,294	-	13,311	255,392	5,973
State	-	-	280	-	-
Federal	-	-	2,531	-	-
TOTAL ASSETS	\$ 166,440	\$ 4,837	\$ 678,906	\$ 1,276,416	\$ 72,354
LIABILITIES					
Accrued salaries and benefits	\$ 8,017	\$ -	\$ 64,127	\$ 78,301	\$ -
Due to other funds	36,605	-	-	-	-
Total Liabilities	44,622	-	64,127	78,301	-
FUND BALANCE					
Assigned	-	4,837	-	-	72,354
Unassigned	121,818	-	614,779	1,198,115	-
Total Fund Balance	121,818	4,837	614,779	1,198,115	72,354
TOTAL LIABILITIES AND FUND BALANCE	\$ 166,440	\$ 4,837	\$ 678,906	\$ 1,276,416	\$ 72,354

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
JUNE 30, 2014

	Chestnut	Donations Literacy Inservice	Juvenile Justice Council	TOTALS
ASSETS				
Cash and cash equivalents	\$ 173,808	\$ 9,643	\$ 24,799	\$ 2,015,595
Due from other funds	35,825	-	-	112,652
Due from other governments				
Local	68,630	-	-	380,600
State	-	-	-	280
Federal	-	-	-	2,531
TOTAL ASSETS	\$ 278,263	\$ 9,643	\$ 24,799	\$ 2,511,658
LIABILITIES				
Accrued salaries and benefits	\$ 8,522	\$ -	\$ -	\$ 158,967
Due to other funds	-	-	-	36,605
Total Liabilities	8,522	-	-	195,572
FUND BALANCE				
Assigned	269,741	9,643	24,799	381,374
Unassigned	-	-	-	1,934,712
Total Fund Balance	269,741	9,643	24,799	2,316,086
TOTAL LIABILITIES AND FUND BALANCE	\$ 278,263	\$ 9,643	\$ 24,799	\$ 2,511,658

DEWITT/LIVINGSTON/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, 2014

	County Fund	Illinois Educators' Roundtable	Regional Safe Schools - GSA	Regional Alternative School - GSA	I-SCORE
REVENUES					
Local sources	\$ 582,813	\$ -	\$ 103,393	\$ 125,156	\$ 15,057
State sources	-	-	609,399	844,032	-
On-behalf payments - State	757,810	-	-	-	-
Federal sources	-	-	83,540	-	-
Total Revenues	<u>1,340,623</u>	<u>-</u>	<u>796,332</u>	<u>969,188</u>	<u>15,057</u>
EXPENDITURES					
Salaries and benefits	536,929	-	514,639	940,080	-
Purchased services	99,343	4,216	38,648	163,633	2,080
Supplies and materials	7,462	-	71,725	8,350	-
Other objects	5,539	-	-	75,000	-
Capital outlay	8,275	-	3,178	21,768	-
On-behalf expenditures - State	757,810	-	-	-	-
Total Expenditures	<u>1,415,358</u>	<u>4,216</u>	<u>628,190</u>	<u>1,208,831</u>	<u>2,080</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(74,735)</u>	<u>(4,216)</u>	<u>168,142</u>	<u>(239,643)</u>	<u>12,977</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	37	-	6,675
Transfers out	-	-	-	(2,816)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>37</u>	<u>(2,816)</u>	<u>6,675</u>
NET CHANGE IN FUND BALANCE	(74,735)	(4,216)	168,179	(242,459)	19,652
FUND BALANCE - BEGINNING	<u>196,553</u>	<u>9,053</u>	<u>446,600</u>	<u>1,440,574</u>	<u>52,702</u>
FUND BALANCE - ENDING	<u>\$ 121,818</u>	<u>\$ 4,837</u>	<u>\$ 614,779</u>	<u>\$ 1,198,115</u>	<u>\$ 72,354</u>

DEWITT/LIVINGSTON/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, 2014

	Chestnut	Donations Literacy Inservice	Juvenile Justice Council	TOTALS
REVENUES				
Local sources	\$ 254,147	\$ 3,866	\$ 24,500	\$ 1,108,932
State sources	-	-	-	1,453,431
On-behalf payments - State	-	-	-	757,810
Federal sources	-	-	-	83,540
Total Revenues	<u>254,147</u>	<u>3,866</u>	<u>24,500</u>	<u>3,403,713</u>
EXPENDITURES				
Salaries and benefits	142,526	26,202	-	2,160,376
Purchased services	6,810	13,732	36,500	364,962
Supplies and materials	4,130	3,669	-	95,336
Other objects	5,850	-	-	86,389
Capital outlay	3,341	10,167	-	46,729
On-behalf expenditures - State	-	-	-	757,810
Total Expenditures	<u>162,657</u>	<u>53,770</u>	<u>36,500</u>	<u>3,511,602</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>91,490</u>	<u>(49,904)</u>	<u>(12,000)</u>	<u>(107,889)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	318	20,000	27,030
Transfers out	-	(989)	-	(3,805)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(671)</u>	<u>20,000</u>	<u>23,225</u>
NET CHANGE IN FUND BALANCE	91,490	(50,575)	8,000	(84,664)
FUND BALANCE - BEGINNING	<u>178,251</u>	<u>60,218</u>	<u>16,799</u>	<u>2,400,750</u>
FUND BALANCE - ENDING	<u>\$ 269,741</u>	<u>\$ 9,643</u>	<u>\$ 24,799</u>	<u>\$ 2,316,086</u>

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2014

	Continuum of Care	D.O.R.S Program Step Grant	Illinois Violence Prevention Authority	Juvenile Detention Center	Livingston Children's Net
ASSETS					
Cash and cash equivalents	\$ -	\$ 70,115	\$ -	\$ -	\$ -
Due from other governments:					
Local	-	-	-	30,854	-
State	-	-	-	-	-
Federal	8,423	-	-	-	-
TOTAL ASSETS	\$ 8,423	\$ 70,115	\$ -	\$ 30,854	\$ -
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-	-
Due to other funds	4,972	-	-	30,854	-
Total Liabilities	4,972	-	-	30,854	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
FUND BALANCE (DEFICIT)					
Restricted	3,451	70,115	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance (Deficit)	3,451	70,115	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (DEFICIT)	\$ 8,423	\$ 70,115	\$ -	\$ 30,854	\$ -

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2014

	McKinney Homeless Children and Youth	Modeling Effective Collaboration	Regional Safe Schools	ROE/ISC Operations	SCORE United Way
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 1,370	\$ -	\$ -
Due from other governments:					
Local	-	-	-	-	-
State	-	-	9,214	-	-
Federal	935	4,600	-	-	-
TOTAL ASSETS	\$ 935	\$ 4,600	\$ 10,584	\$ -	\$ -
LIABILITIES					
Accounts payable	\$ -	\$ 4,600	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	10,584	-	-
Due to other funds	935	-	-	-	-
Total Liabilities	935	4,600	10,584	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
FUND BALANCE (DEFICIT)					
Restricted	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance (Deficit)	-	-	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (DEFICIT)	\$ 935	\$ 4,600	\$ 10,584	\$ -	\$ -

DEWITT/LIVINGSTON/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2014

	Secretary of State's Literacy Grant	Title I - School Improvement	Title II - Teacher Quality - Leadership	Transitional Specialist	Truants Alternative/ Optional Education	TOTALS
ASSETS						
Cash and cash equivalents	\$ 2,562	\$ -	\$ -	\$ -	\$ -	\$ 74,047
Due from other governments:						
Local	-	-	-	8,449	-	39,303
State	-	-	-	-	6,965	16,179
Federal	-	5,660	9,300	8,912	-	37,830
TOTAL ASSETS	\$ 2,562	\$ 5,660	\$ 9,300	\$ 17,361	\$ 6,965	\$ 167,359
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,600
Accrued salaries and benefits	2,562	-	-	-	-	13,146
Due to other funds	-	5,660	9,300	17,361	6,965	76,047
Total Liabilities	2,562	5,660	9,300	17,361	6,965	93,793
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	2,816	-	2,816
FUND BALANCE (DEFICIT)						
Restricted	-	-	-	-	-	73,566
Unassigned	-	-	-	(2,816)	-	(2,816)
Total Fund Balance (Deficit)	-	-	-	(2,816)	-	70,750
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (DEFICIT)	\$ 2,562	\$ 5,660	\$ 9,300	\$ 17,361	\$ 6,965	\$ 167,359

DEWITT/LIVINGSTON/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, 2014

	Continuum of Care	D.O.R.S Program Step Grant	Illinois Violence Prevention Authority	Juvenile Detention Center	Livingston Children's Net
REVENUES					
Local sources	\$ -	\$ -	\$ 1,332	\$ 69,654	\$ 100
State sources	-	29,751	-	-	-
Federal sources	19,941	85,280	9,352	-	-
Total Revenues	<u>19,941</u>	<u>115,031</u>	<u>10,684</u>	<u>69,654</u>	<u>100</u>
EXPENDITURES					
Salaries and benefits	18,445	-	9,300	46,561	-
Purchased services	1,291	-	7,320	1,168	-
Supplies and materials	-	-	1,299	1,806	-
Payments to other governments	-	78,051	-	-	-
Total Expenditures	<u>19,736</u>	<u>78,051</u>	<u>17,919</u>	<u>49,535</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>205</u>	<u>36,980</u>	<u>(7,235)</u>	<u>20,119</u>	<u>100</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(318)	-	-	(20,000)	(100)
Total Other Financing Sources (Uses)	<u>(318)</u>	<u>-</u>	<u>-</u>	<u>(20,000)</u>	<u>(100)</u>
NET CHANGE IN FUND BALANCE	(113)	36,980	(7,235)	119	-
FUND BALANCE (DEFICIT) - BEGINNING, Restated (See Note 15)	<u>3,564</u>	<u>33,135</u>	<u>7,235</u>	<u>(119)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 3,451</u>	<u>\$ 70,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DEWITT/LIVINGSTON/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, 2014

	McKinney Homeless Children and Youth	Modeling Effective Collaboration	Regional Safe Schools	ROE/ISC Operations	SCORE United Way
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 30,000
State sources	-	-	110,569	39,763	-
Federal sources	18,521	57,592	-	-	-
Total Revenues	<u>18,521</u>	<u>57,592</u>	<u>110,569</u>	<u>39,763</u>	<u>30,000</u>
EXPENDITURES					
Salaries and benefits	15,790	3,528	101,000	-	27,652
Purchased services	1,307	44,749	9,569	39,763	23,574
Supplies and materials	1,424	9,315	-	-	197
Payments to other governments	-	-	-	-	-
Total Expenditures	<u>18,521</u>	<u>57,592</u>	<u>110,569</u>	<u>39,763</u>	<u>51,423</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,423)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(23,412)	(6,712)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,412)</u>	<u>(6,712)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,412)</u>	<u>(28,135)</u>
FUND BALANCE (DEFICIT) - BEGINNING, Restated (See Note 15)	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,412</u>	<u>28,135</u>
FUND BALANCE (DEFICIT) - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

DEWITT/LIVINGSTON/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, 2014

	Secretary of State's Literacy Grant	Title I - School Improvement	Title II - Teacher Quality - Leadership	Transitional Specialist	Truants Alternative/ Optional Education	TOTALS
REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ 8,449	\$ -	\$ 109,535
State sources	65,000	-	-	14,006	69,650	328,739
Federal sources	-	5,660	10,200	42,019	-	248,565
Total Revenues	<u>65,000</u>	<u>5,660</u>	<u>10,200</u>	<u>64,474</u>	<u>69,650</u>	<u>686,839</u>
EXPENDITURES						
Salaries and benefits	54,543	-	-	65,733	59,037	401,589
Purchased services	7,572	5,660	10,200	4,373	10,613	167,159
Supplies and materials	2,885	-	-	-	-	16,926
Payments to other governments	-	-	-	-	-	78,051
Total Expenditures	<u>65,000</u>	<u>5,660</u>	<u>10,200</u>	<u>70,106</u>	<u>69,650</u>	<u>663,725</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,632)</u>	<u>-</u>	<u>23,114</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	2,816	-	2,816
Transfers out	-	-	-	-	-	(50,542)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,816</u>	<u>-</u>	<u>(47,726)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,816)</u>	<u>-</u>	<u>(24,612)</u>
FUND BALANCE (DEFICIT) - BEGINNING, Restated (See Note 15)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,362</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,816)</u>	<u>\$ -</u>	<u>\$ 70,750</u>

DEWITT/LIVINGSTON/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 MCKINNEY HOMELESS CHILDREN AND YOUTH
 FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
Federal sources	\$ 18,521	\$ 18,521	\$ 18,521
Total Revenue	<u>18,521</u>	<u>18,521</u>	<u>18,521</u>
EXPENDITURES			
Salaries and benefits	15,790	15,790	15,790
Purchased services	1,265	1,265	1,307
Supplies and materials	1,466	1,466	1,424
Total Expenditures	<u>18,521</u>	<u>18,521</u>	<u>18,521</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/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
REGIONAL SAFE SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 110,569	\$ 110,569	\$ 110,569
Total Revenue	<u>110,569</u>	<u>110,569</u>	<u>110,569</u>
EXPENDITURES			
Salaries and benefits	100,285	100,285	101,000
Purchased services	10,284	10,284	9,569
Total Expenditures	<u>110,569</u>	<u>110,569</u>	<u>110,569</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/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
ROE/ISC OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
State sources	\$ 39,763	\$ 39,763	\$ 39,763
Total Revenue	<u>39,763</u>	<u>39,763</u>	<u>39,763</u>
EXPENDITURES			
Purchased services	<u>39,763</u>	<u>39,763</u>	<u>39,763</u>
Total Expenditures	<u>39,763</u>	<u>39,763</u>	<u>39,763</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (Uses):			
Transfer out	<u>-</u>	<u>-</u>	<u>(23,412)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(23,412)</u>
NET CHANGE IN FUND BALANCE	-	-	(23,412)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>23,412</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DEWITT/LIVINGSTON/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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
State sources	\$ 65,000	\$ 65,000	\$ 65,000
Total Revenue	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>
EXPENDITURES			
Salaries and benefits	52,641	52,641	54,543
Purchased services	10,000	10,000	7,572
Supplies and materials	<u>2,359</u>	<u>2,359</u>	<u>2,885</u>
Total Expenditures	<u>65,000</u>	<u>65,000</u>	<u>65,000</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/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 TITLE I - SCHOOL IMPROVEMENT
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 43,271	\$ 43,271	\$ 5,660
Total Revenue	<u>43,271</u>	<u>43,271</u>	<u>5,660</u>
EXPENDITURES			
Salaries and benefits	10,000	10,000	-
Purchased services	24,531	24,531	5,660
Supplies and materials	8,740	8,740	-
Total Expenditures	<u>43,271</u>	<u>43,271</u>	<u>5,660</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/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
TITLE II - TEACHER QUALITY - LEADERSHIP
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 9,981	\$ 9,981	\$ 10,200
Total Revenue	<u>9,981</u>	<u>9,981</u>	<u>10,200</u>
EXPENDITURES			
Purchased services	9,981	9,981	10,200
Total Expenditures	<u>9,981</u>	<u>9,981</u>	<u>10,200</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/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 TRUANTS ALTERNATIVE/OPTIONAL EDUCATION
 FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
State sources	\$ 69,650	\$ 69,650	\$ 69,650
Total Revenue	<u>69,650</u>	<u>69,650</u>	<u>69,650</u>
EXPENDITURES			
Salaries and benefits	59,086	59,086	59,037
Purchased services	10,564	10,564	10,613
Total Expenditures	<u>69,650</u>	<u>69,650</u>	<u>69,650</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/MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION #17
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	General Education Development	Bus Driver Training	Supervisory	Institute	TOTALS
ASSETS					
Cash and cash equivalents	\$ 485	\$ 6,395	\$ -	\$ 69,246	\$ 76,126
TOTAL ASSETS	\$ 485	\$ 6,395	\$ -	\$ 69,246	\$ 76,126
LIABILITIES					
Accrued salaries and benefits	\$ -	\$ 205	\$ -	\$ -	\$ 205
Total Liabilities	-	205	-	-	205
FUND BALANCES					
Restricted	485	6,190	-	69,246	75,921
Total Fund Balances	485	6,190	-	69,246	75,921
TOTAL LIABILITIES AND FUND BALANCE	\$ 485	\$ 6,395	\$ -	\$ 69,246	\$ 76,126

DEWITT/LIVINGSTON/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, 2014

	General Education Development	Bus Driver Training	Supervisory	Institute	TOTALS
REVENUES					
Local sources	\$ 11,995	\$ 5,756	\$ -	\$ 63,368	\$ 81,119
State sources	-	1,546	-	-	1,546
Total Revenues	<u>11,995</u>	<u>7,302</u>	<u>-</u>	<u>63,368</u>	<u>82,665</u>
EXPENDITURES					
Salaries and benefits	29,619	3,656	-	665	33,940
Purchased services	2,854	619	2,421	26,294	32,188
Supplies and materials	498	484	-	6,879	7,861
Capital outlay	-	-	-	1,725	1,725
Other objects	-	8	-	-	8
Total Expenditures	<u>32,971</u>	<u>4,767</u>	<u>2,421</u>	<u>35,563</u>	<u>75,722</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(20,976)</u>	<u>2,535</u>	<u>(2,421)</u>	<u>27,805</u>	<u>6,943</u>
OTHER FINANCING SOURCES					
Transfers in	989	-	-	-	989
Total Other Financing Sources	<u>989</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>989</u>
NET CHANGE IN FUND BALANCE	(19,987)	2,535	(2,421)	27,805	7,932
FUND BALANCE - BEGINNING	<u>20,472</u>	<u>3,655</u>	<u>2,421</u>	<u>41,441</u>	<u>67,989</u>
FUND BALANCE - ENDING	<u>\$ 485</u>	<u>\$ 6,190</u>	<u>\$ -</u>	<u>\$ 69,246</u>	<u>\$ 75,921</u>

DEWITT/LIVINGSTON/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUND
 JUNE 30, 2014

	Cooperative Purchasing Fund	Heart of Illinois Low Incidence	Regional Board of School Trustees Fund	School Facility Occupation Tax	Distributive Fund	TOTALS
ASSETS						
Cash and cash equivalents	\$ -	\$ 117,851	\$ 1,107	\$ -	\$ 1,402	\$ 120,360
Due from other governments	205,123	100,492	-	760,176	151,612	1,217,403
TOTAL ASSETS	<u>205,123</u>	<u>218,343</u>	<u>1,107</u>	<u>760,176</u>	<u>153,014</u>	<u>1,337,763</u>
LIABILITIES						
Due to other governments	\$ 205,123	\$ 218,343	\$ 1,107	\$ 760,176	\$ 153,014	\$ 1,337,763
TOTAL LIABILITIES	<u>205,123</u>	<u>218,343</u>	<u>1,107</u>	<u>760,176</u>	<u>153,014</u>	<u>1,337,763</u>

DEWITT/LIVINGSTON/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<u>Cooperative Purchasing Fund</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 419,498	\$ 419,498	\$ -
Due from other governments	135,262	205,123	135,262	205,123
Total Assets	<u>\$ 135,262</u>	<u>\$ 624,621</u>	<u>\$ 554,760</u>	<u>\$ 205,123</u>
LIABILITIES				
Due to other governments	\$ 135,262	\$ 624,621	\$ 554,760	\$ 205,123
Total Liabilities	<u>\$ 135,262</u>	<u>\$ 624,621</u>	<u>\$ 554,760</u>	<u>\$ 205,123</u>
<u>Heart of Illinois Low Incidence</u>				
ASSETS				
Cash and cash equivalents	\$ 195,065	\$ 1,232,521	\$ 1,309,735	\$ 117,851
Due from other governments	159,301	100,492	159,301	100,492
Total Assets	<u>\$ 354,366</u>	<u>\$ 1,333,013</u>	<u>\$ 1,469,036</u>	<u>\$ 218,343</u>
LIABILITIES				
Due to other governments	\$ 354,366	\$ 1,333,013	\$ 1,469,036	\$ 218,343
Total Liabilities	<u>\$ 354,366</u>	<u>\$ 1,333,013</u>	<u>\$ 1,469,036</u>	<u>\$ 218,343</u>
<u>Regional Board of School Trustees Fund</u>				
ASSETS				
Cash and cash equivalents	\$ 2,302	\$ -	\$ 1,195	\$ 1,107
Total Assets	<u>\$ 2,302</u>	<u>\$ -</u>	<u>\$ 1,195</u>	<u>\$ 1,107</u>
LIABILITIES				
Due to other governments	\$ 2,302	\$ -	\$ 1,195	\$ 1,107
Total Liabilities	<u>\$ 2,302</u>	<u>\$ -</u>	<u>\$ 1,195</u>	<u>\$ 1,107</u>

DEWITT/LIVINGSTON/MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION #17
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<u>School Facility Occupation Tax</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 587,462	\$ 587,462	\$ -
Due from other governments	-	760,176	-	760,176
Total Assets	<u>\$ -</u>	<u>\$ 1,347,638</u>	<u>\$ 587,462</u>	<u>\$ 760,176</u>
LIABILITIES				
Due to other governments	\$ -	\$ 1,347,638	\$ 587,462	\$ 760,176
Total Liabilities	<u>\$ -</u>	<u>\$ 1,347,638</u>	<u>\$ 587,462</u>	<u>\$ 760,176</u>
<u>Distributive Fund</u>				
ASSETS				
Cash and cash equivalents	\$ 1,399	\$ 5,223,938	\$ 5,223,935	\$ 1,402
Due from other governments	-	151,612	-	151,612
Total Assets	<u>\$ 1,399</u>	<u>\$ 5,375,550</u>	<u>\$ 5,223,935</u>	<u>\$ 153,014</u>
LIABILITIES				
Due to other governments	\$ 1,399	\$ 5,375,550	\$ 5,223,935	\$ 153,014
Total Liabilities	<u>\$ 1,399</u>	<u>\$ 5,375,550</u>	<u>\$ 5,223,935</u>	<u>\$ 153,014</u>
<u>TOTALS</u>				
ASSETS				
Cash and cash equivalents	\$ 198,766	\$ 7,463,419	\$ 7,541,825	\$ 120,360
Due from other governments	294,563	1,217,403	294,563	1,217,403
Total Assets	<u>\$ 493,329</u>	<u>\$ 8,680,822</u>	<u>\$ 7,836,388</u>	<u>\$ 1,337,763</u>
LIABILITIES				
Due to other governments	\$ 493,329	\$ 8,680,822	\$ 7,836,388	\$ 1,337,763
Total Liabilities	<u>\$ 493,329</u>	<u>\$ 8,680,822</u>	<u>\$ 7,836,388</u>	<u>\$ 1,337,763</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, 2014

Program	Cornell CSD #426	Livingston County Special Services Unit	Mackinaw Valley Special Education Unit #5	Rooks Creek CCSD #425	Regional Office of Education #17	Total
General State Aid	\$ 186,994	\$ 1,083	\$ 1,083	\$ 21,663	\$ 1,408,910	\$ 1,619,733
Funding for Children Requiring Sp Ed Services	17,548	-	-	7,647	-	25,195
Special Ed Personnel	20,250	460,966	2,250	4,938	185,694	674,098
State Free Lunch & Breakfast	463	205	-	115	1,773	2,556
Transportation - Regular & Vocational	31,695	-	-	54,555	-	86,250
Transportation - Spec Education	14,104	-	-	5,553	-	19,657
School Bus Driver Training	-	-	-	-	1,546	1,546
Truants Alternative/Optional Ed	-	-	-	-	62,685	62,685
Regional Safe Schools	-	-	-	-	101,355	101,355
ROE/ISC Operations	-	-	-	-	39,763	39,763
Medicaid	-	63,399	-	-	-	63,399
National School Lunch Program	22,509	5,847	423	4,831	56,202	89,812
School Breakfast Program	6,192	3,364	69	1,069	37,583	48,277
Title I - Low Income	16,116	-	-	-	-	16,116
Special Ed - Pre-School Flow Through	-	59,601	2,963	-	-	62,564
Special Ed - I.D.E.A. Flow Through	-	1,213,228	1,078,290	-	-	2,291,518
Title II - Teacher Quality	3,089	-	955	467	-	4,511
Title II - Teacher Quality - Leadership	-	-	-	-	14,900	14,900
Total	<u>\$ 318,960</u>	<u>\$ 1,807,693</u>	<u>\$ 1,086,033</u>	<u>\$ 100,838</u>	<u>\$ 1,910,411</u>	<u>\$ 5,223,935</u>