

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
FINANCIAL AUDIT
(In Accordance with the Uniform Guidance)
For the Year Ended June 30, 2016**

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

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES**

TABLE OF CONTENTS

Officials	1
Compliance Report Summary	2-3
Financial Statement Report Summary	4

AUDITORS' REPORTS

Independent Auditors' Report	5-7
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	8-9
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance	10-12

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditors' Results	13
Section II – Financial Statement Findings	14a-14h
Section III – Federal Award Findings	15a-15c
Corrective Action Plan for Current Year Audit Findings	16a-16f
Summary Schedule of Prior Audit Findings	17

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements	
Statement of Net Position	18
Statement of Activities	19
Fund Financial Statements	
Balance Sheet – Governmental Funds	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position – Governmental Funds	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities – Governmental Funds	23
Statement of Net Position – Proprietary Funds	24
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	25
Statement of Cash Flows – Proprietary Funds	26
Statement of Fiduciary Net Position – Fiduciary Funds	27
Notes to the Financial Statements	28-52

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES**

TABLE OF CONTENTS (CONCLUDED)

REQUIRED SUPPLEMENTARY INFORMATION

Illinois Municipal Retirement Fund – Schedule of Funding Progress – <i>Unaudited</i>	53
--	----

SUPPLEMENTAL INFORMATION

Combining Schedule of Accounts – General Fund	54-55
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – General Fund Accounts	56-57
Combining Schedule of Accounts – Education Fund	58-60
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Education Fund Accounts	61-63
 Budgetary Comparison Schedules – Education Fund Accounts	
I-STEM Math (Project #15-4936-MA)	64
I-STEM Math (Project #16-4936-MA)	65
I-STEM Science (Project #15-4936-SA)	66
I-STEM Science (Project #16-4936-SA)	67
Regional Safe Schools (Project #16-3696-00)	68
ROE/ISC Operations (Project #16-3730-00)	69
Title II-Teacher Quality Leadership (Project #16-4935-02)	70
Truants Alternative/Optional Education (Project #16-3695-15)	71
 Combining Balance Sheet – Nonmajor Special Revenue Funds	
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	72
Combining Statement of Fiduciary Net Position – Agency Funds	73
Combining Statement of Changes in Assets and Liabilities – Agency Funds	74
Schedule of Disbursement to School District Treasurers and Other Entities – Distributive Fund	75
	76-78

FEDERAL COMPLIANCE SECTION

Schedule of Expenditures of Federal Awards	79
Notes to the Schedule of Expenditures of Federal Awards	80

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES**

OFFICIALS

Regional Superintendent (November 16, 2016 to Current)	Ms. Cheryl Graff
Regional Superintendent (During the Audit Period July 1, 2015 - November 15, 2016)	Ms. Donna Boros
Assistant Regional Superintendent (December 19, 2016 to Current)	Ms. Karen Wolfe
Assistant Regional Superintendent (November 16, 2016 – December 18, 2016)	None
Assistant Regional Superintendent (During the Audit Period January 16, 2016 - November 15, 2016)	Mr. John Hawkins
Assistant Regional Superintendent (During the Audit Period July 1, 2015 – January 15, 2016)	Ms. Jaime Lodge

Offices are located at:

Jackson County Courthouse
1001 Walnut Street
Murphysboro, IL 62966

Perry County Government Building
3764 State Route 13/127
Pinckneyville, IL 62274

Murphysboro Annex
819 Walnut Street
Murphysboro, IL 62966

Anna Office
1150 East Vienna Street
Anna, IL 62906

COPE School
1725-B Shomaker Drive
Murphysboro, IL 62966

Project SOAR
Ward School
120 Spring
DuQuoin, IL 62832

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES**

COMPLIANCE REPORT SUMMARY

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

AUDITORS' REPORTS

The auditors' reports on compliance and internal control do not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	5	1
Repeated audit findings	1	0
Prior recommendations implemented or not repeated	0	0

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<i>Findings (Government Auditing Standards)</i>			
2016-001	14a-14c	Controls Over Financial Statement Preparation	Material Weakness and Noncompliance
2016-002	14d	Underpayment of Employer Federal Funds Teachers' Retirement System Contributions	Material Weakness and Noncompliance
2016-003	14e-14f	Internal Controls Over Expenditure Report Preparation	Material Weakness and Noncompliance
2016-004	14g-14h	Salaries and Benefits Not Supported by Proper Time and Effort Documentation	Material Weakness and Noncompliance

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES**

COMPLIANCE REPORT SUMMARY (CONCLUDED)

SUMMARY OF FINDINGS AND QUESTIONED COSTS (CONCLUDED)

Findings and Questioned Costs (Federal Compliance)

2016-001	14a-14c	Controls Over Financial Statement Preparation	Material Weakness and Noncompliance
2016-003	14e-14f	Internal Controls Over Expenditure Report Preparation	Material Weakness and Noncompliance
2016-004	14g-14h	Salaries and Benefits Not Supported by Proper Time and Effort Documentation	Material Weakness and Noncompliance
2016-005	15b-15c	Lack of Written Policies for Federal Grants	Material Weakness and Noncompliance

Prior Audit Findings Not Repeated (Government Auditing Standards)

None

Prior Audit Findings Not Repeated (Federal Compliance)

None

EXIT CONFERENCE

An informal exit conference was held on January 9, 2018 with the management of the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30. The findings and recommendations in this report were discussed with management of the Regional Office of Education #30 at various informal meetings. The Regional Office of Education #30's responses to the recommendations and corrective action plans were provided by Cheryl Graff, Regional Superintendent in an email dated January 26, 2018.

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES**

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30 was performed by Kemper CPA Group LLP, Certified Public Accountants and Consultants.

Based on their audit, the auditors expressed a qualified opinion on the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30's basic financial statements.

INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30'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.

Basis for Qualified Opinion

The Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30 did not recognize and disclose pension benefits in their financial statements as required by Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. Disclosure of that information is required to conform with accounting principles generally accepted in the United States of America. The effects of this departure from U.S. generally accepted accounting principles on the financial statements of the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30 are not reasonably determinable.

Qualified Opinion

In our opinion, except for the effects of not recognizing assets, liabilities, deferred outflows of resources, and/or deferred inflows of resources for pension benefits in the Statement of Net Position and the Statement of Activities as described in the preceding paragraph, 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 Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As disclosed in Note 18, the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30 consolidated Alexander, Pulaski, and Union Counties into its educational service regional effective July 1, 2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund Schedule of Funding Progress on page 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30's basic financial statements. The combining schedules of accounts, budgetary comparison schedules, combining fund financial statements, Schedule of Disbursements to School District Treasurers and Other Entities – Distributive Fund, and Schedule of Expenditures of Federal Awards, as required by the Uniform Guidance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2018 on our consideration of the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30'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 Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
March 16, 2018

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30's basic financial statements, and have issued our report thereon dated March 16, 2018. Our opinion was qualified because the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30 did not recognize and disclose pension benefits in their financial statements as required by Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. Disclosure of that information is required to conform with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30's internal control. Accordingly, we do not express an opinion on the effectiveness of the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2016-001, 2016-002, 2016-003, and 2016-004 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2016-001, 2016-002, 2016-003, and 2016-004.

Regional Office of Education #30's Responses to Findings

Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Regional Office of Education #30'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 the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
March 16, 2018

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on Compliance for Each Major Federal Program

We have audited the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30's major federal programs for the year ended June 30, 2016. The Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30's compliance.

Opinion on Each Major Federal Program

In our opinion, the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2016-001, 2016-003, 2016-004, and 2016-005. Our opinion on each major federal program is not modified with respect to these matters.

The Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questions Costs. The Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Regional Office of Education #30's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education #30's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2016-001, 2016-003, 2016-004, and 2016-005, that we consider to be material weaknesses.

Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

SIGNED ORIGINAL ON FILE

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
March 16, 2018

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION I – SUMMARY OF AUDITORS’ RESULTS
For the Year Ended June 30, 2016**

Financial Statements

Type of auditors’ report issued:	<i>Qualified</i>
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None reported

Type of auditors’ report issued on compliance for major federal programs:	<i>Unmodified</i>
---	-------------------

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?	Yes
---	-----

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.366B	Mathematics and Science Partnerships

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
--	-----------

Auditee qualified as a low-risk auditee?	No
--	----

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2016

FINDING NO. 2016-001 – Controls Over Financial Statement Preparation (Repeated from Prior Year Finding 15-001)

Federal Program: IDEA – Improvement Grant – Part D, Mathematics and Science Partnerships, McKinney Education for Homeless Children, Title I – School Improvement and Accountability, Rural Access to Mathematics Professional Development: Unparalleled Performance & Onward (RAMPDUP and Onward)

Project No: 15-4631-RN, 16-4631-RN, 15-4936-MA, 16-4936-MA, 15-4936-SA, 16-4936-SA, 16-4920-00, 16-4331-SS, RAMPDUP and Onward Years 5 and 6

CFDA No: 84.323A, 84.366B, 84.196A, 84.010A, 84.367

Passed Through: Regional Office of Education #47, Illinois State Board of Education, Regional Office of Education #21, Regional Office of Education #21, Southern Illinois University Carbondale

Federal Agency: U.S. Department of Education, U.S. Department of Education

Criteria/specific requirement:

The Regional Office of Education #30 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, including the schedule of expenditures of federal awards, and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

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

GASB Statements No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, require governments to record and present net accrued pension liabilities/assets, deferred outflows of resources, deferred inflows of resources, and pension expenses. These standards further prescribe the methods and assumptions that are to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of service.

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2016

FINDING NO. 2016-001 – Controls Over Financial Statement Preparation (Repeated from Prior Year Finding 15-001) (Continued)

Condition:

The Regional Office does not have sufficient internal controls over the financial reporting process. The Regional Office of Education #30 maintains its accounting records on the cash basis of accounting during the fiscal year and posts or maintains a list of year-end accrual adjustments for financial statement purposes. While the Regional Office of Education #30 maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the financial information prepared by the Regional Office, the following was noted:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable/due from other governments, accounts payable/due to other governments, and fund balance. While the Regional Office did maintain records to indicate the balances of accounts receivable/due from other governments, accounts payable/due to other governments, and fund balance, not all entries were provided to reconcile the Regional Office of Education #30's grant and general activity, such as posting receivables and payables and posting all prior period audit entries.
- The Regional Office did not have adequate controls over the recognition of cash. The Regional Office did not provide entries to eliminate negative cash balances within certain funds.
- The Regional Office did not have adequate controls over the proper allocation and classification of expenses. Expenses used to meet cost reimbursement requirements for State and federal grants, including indirect costs, were not allocated to the proper fund and were instead charged to unrestricted funds. Audit adjustments were also necessary to correct insurance reimbursements that were not netted against the associated expenses, certain other expenses that were misclassified, and one entry was posted backwards.
- The Regional Office did not have adequate controls over the proper classification of revenue. Audit adjustments were necessary to properly classify State and federal revenue, which had originally been classified as local revenue.
- The Regional Office did not have adequate controls over the proper recognition of on-behalf revenues and expenses. Information to calculate and record these amounts had not been obtained by the Regional Office.
- The Regional Office did not have adequate controls over the proper classification of funds within the financial statements. Reclassifications of beginning fund balances were necessary to properly classify these funds.
- Prior period adjustments of the beginning fund balance were necessary to correct an accounting error.

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2016**

FINDING NO. 2016-001 – Controls Over Financial Statement Preparation (Repeated from Prior Year Finding 15-001) (Concluded)

Condition (Concluded):

Through inquiries and discussions with the Regional Office’s accounting personnel and Regional Superintendent, auditors noted that the Regional Office did not have adequate controls to record and report the Regional Office’s net accrued pension liabilities/assets, deferred outflows of resources, deferred inflows of resources, and pension expenses in accordance with GAAP.

Questioned Costs:

None

Context:

Audit adjustments were necessary to allocate expenses to grant funds for the following federal programs: IDEA – Improvement Grant – Part D, Mathematics and Science Partnerships, McKinney Education for Homeless Children, Title I – School Improvement and Accountability, and RAMPDUP and Onward.

Effect:

The Regional Office management or its employees, in the normal course of performing their assigned functions, may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

Cause:

According to Regional Office management, they did not have adequate funding to hire and/or train their accounting personnel in order to comply with these requirements or to hire a third party to present the financial statements in accordance with GAAP. In addition, the complex requirements of GASB Statements No. 68 and 71 will require additional time and training before the Regional Office can fully implement the requirements on its own.

Auditors’ Recommendation:

As part of internal control over the preparation of financial statements, the Regional Office should implement comprehensive preparation procedures to ensure the financial statements are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of the applicable GAAP, GASB pronouncements, and knowledge of the Regional Office of Education #30’s activities and operations.

Management’s Response:

I agree with the finding and corrective actions are being implemented, as noted in the Corrective Action Plan for Current Year Audit Findings section of this report. This fiscal audit was under prior management.

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2016**

FINDING NO. 2016-002 – Underpayment of Employer Federal Funds Teachers’ Retirement System Contributions

Criteria/specific requirement:

Illinois statute 40 ILCS 5/16-158 requires an employer contribution on any portion of a Teachers’ Retirement System (TRS) member’s salary that is creditable earnings and paid from special trust or federal funds administered by the employer. Additionally the *Teachers’ Retirement System Employer Guide* states the employer contribution for federally-funded salary must be paid in addition to (not in lieu of) the member TRS retirement contribution. For the year ended June 30, 2016, the required employer pension contribution was 36.06% of salaries paid from federal and special trust funds, including stipends and substitute pay.

Condition:

The Regional Office of Education #30 under-reported salaries paid from federal and special trust funds for the year ended June 30, 2016, resulting in an underpayment of \$14,009 in employer contributions for those funds.

Effect:

The Regional Office underpaid the required TRS employer contribution by \$14,009.

Cause:

According to Regional Office management, the fiscal staff was unaware that certain salaries were paid with federal funds. In addition, due to employee oversight, not all salaries claimed as federal expenditures with granting agencies were allocated to the proper funds and accounts in the ROE’s general ledger. An incorrect amount was then submitted as salaries paid from federal and special trust funds, resulting in an incorrect calculation of the contribution due.

Auditors’ Recommendation:

We recommend the Regional Office reconcile all grant expenditure reports or other expense tracking systems to the amounts recorded in the general ledger. We also recommend a system of internal controls be put in place to ensure management and fiscal staff are aware of all sources of federal funds, including contacting the granting agency, if necessary, to determine if a grant is paid with federal funds. Also, an individual independent of the TRS report preparation should be reviewing the reporting for accuracy.

Management’s Response:

I agree with the finding and corrective actions are being implemented, as noted in the Corrective Action Plan for Current Year Audit Findings section of this report. This fiscal audit was under prior management.

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2016

FINDING NO. 2016-003 – Internal Controls Over Expenditure Report Preparation

Federal Program: IDEA – Improvement Grant – Part D, Mathematics and Science Partnerships, McKinney Education for Homeless Children, Title I – School Improvement and Accountability, Rural Access to Mathematics Professional Development: Unparalleled Performance & Onward (RAMPDUP and Onward)

Project No: 15-4631-RN, 16-4631-RN, 15-4936-SA, 16-4936-SA, 16-4920-00, 16-4331-SS, RAMPDUP and Onward Years 5 and 6

CFDA No: 84.323A, 84.366B, 84.196A, 84.010A, 84.367

Passed Through: Regional Office of Education #47, Illinois State Board of Education, Regional Office of Education #21, Regional Office of Education #21, Southern Illinois University Carbondale

Federal Agency: U.S. Department of Education, U.S. Department of Education, U.S. Department of Education, U.S. Department of Education, U.S. Department of Education

Criteria/specific requirement:

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires that a non-federal entity's financial management system, including records documenting compliance with federal statutes, regulations, and the terms and conditions of the federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the federal statutes, regulations, and the terms and conditions of the federal award. Furthermore, the non-federal entity must establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should be in compliance with guidance in "Standards for Internal Controls in the Federal Government" issued by the Comptroller General of the United States or the "Internal Controls Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Regional Office did not have adequate internal controls over the preparation of grant expenditure reports. Expenditure reports submitted to granting agencies to request reimbursement did not reconcile to the underlying accounting records for the following State and federal grant programs: Regional Safe Schools, Truants Alternative/Optional Education, IDEA – Improvement Grant – Part D, Mathematics and Science Partnerships, McKinney Education for Homeless Children, Title I – School Improvement and Accountability, and RAMPDUP and Onward. Expenses were overstated to the granting agencies for the RAMPDUP and Onward program and the Title I – School Improvement and Accountability program.

Questioned Costs:

\$4,442 – RAMPDUP and Onward

\$1,432 – Title I – School Improvement and Accountability (16-4331-SS)

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2016**

FINDING NO. 2016-003 – Internal Controls Over Expenditure Report Preparation (Concluded)

Context:

The Regional Office of Education #30 overstated salaries and benefits to the RAMPDUP and Onward passthrough granting agency by \$3,106 and \$1,336, respectively. The Regional Office of Education #30 also overstated benefits to the Title I – School Improvement and Accountability passthrough granting agency by \$1,432. Salaries and benefits expended on the RAMPDUP and Onward program during fiscal year 2016 totaled \$7,865. Benefits expended on the Title I – School Improvement and Accountability (16-4331-SS) program during fiscal year 2016 totaled \$1,913.

Effect:

A lack of internal controls over expenditure reporting could result in over or understatements of expenditures to the granting agencies. A return of grant funds could be requested from the granting agencies.

Cause:

According to Regional Office management, they obtained general ledger reports with preliminary information and did not perform further follow-up to verify all applicable expenses were moved to the appropriate accounts. Further, Regional Office management indicated they were not aware that salary and benefit amounts should not be claimed based on budgeted amounts alone.

Auditors' Recommendation:

We recommend the Regional Office management create a system of internal controls to ensure all expenditure reports are submitted accurately, are fully supported by adequate cost documentation records, and reconcile to the underlying accounting records.

Management's Response:

I agree with the finding and corrective actions are being implemented, as noted in the Corrective Action Plan for Current Year Audit Findings section of this report. This fiscal audit was under prior management.

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2016

FINDING NO. 2016-004 – Salaries and Benefits Not Supported by Proper Time and Effort Documentation

Federal Program: Mathematics and Science Partnerships, Child Nutrition Cluster
Project No: 15-4936-MA, 16-4936-MA, 15-4936-SA, 16-4936-SA, 15-4210-00, 16-4210-00, 15-4220-00, 16-4220-00
CFDA No: 84.366B, 10.555, 10.553
Passed Through: Illinois State Board of Education, Illinois State Board of Education
Federal Agency: U.S. Department of Education, U.S. Department of Agriculture

Criteria/specific requirement:

Employees of the Regional Office of Education #30 are required to document their time and effort working on federal programs. Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires charges for salaries and benefits to be supported by a system of internal control which provides reasonable assurance that charges are accurate, allowable, and properly allocated. Documentation records should reasonably reflect the total activity for which the employee is compensated, not exceeding 100% of compensated activities, and should encompass both federally assisted and non-federally assisted activities. It further states that budget estimates alone do not qualify as support for salary and benefit charges to a federal award. Significant changes in the corresponding work activity should be identified and entered into the accounting records in a timely manner. All necessary adjustments must be made such that the final amount charged to the federal award is accurate, allowable, and properly allocated.

Condition:

The Regional Office assigned salary and benefit costs to the Mathematics and Science Partnership grants based on budgeted amounts. Comparisons of actual costs to budgeted distributions based on time and effort records were not performed and adjustments for actual time spent on the grants, if different from budgeted amounts, were not made. Employees who worked on the Mathematics and Science Partnerships grants turned in time and effort reports to the granting agencies, but these time records did not always include 100% of the employees' time. Some employees also turned in monthly calendars to management, but they only included time spent on grants, not 100% of the employees' hours.

The Regional Office also did not maintain time and effort documentation for part-time lunchroom supervisors working on the National School Lunch and School Breakfast Programs (Child Nutrition programs) and did not breakout the portion of their salaries and benefits dedicated to food service.

Questioned Costs:

The difference between budgeted and actual costs is undeterminable.

Context:

Salary and benefits charged to Mathematics and Science Partnership programs during fiscal year 2016 totaled \$167,909. No salaries and benefits were specifically allocated to the Child Nutrition program activities.

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2016**

**FINDING NO. 2016-004 – Salaries and Benefits Not Supported by Proper Time and Effort Documentation
(Concluded)**

Effect:

Since time and effort documentation was not used to allocate the salary and benefit costs of certain employees or used to adjust budgeted time to actual, there is an increased risk that the salary and benefit costs charged to the Mathematics and Science Partnership programs does not reflect the actual time worked on the programs.

Since the Regional Office did not document time and effort for food service employees and allocate those salaries and benefits to a food service account, those costs cannot be included in the 3 month average expenditures when determining excess net cash resources for the Child Nutrition programs.

Cause:

According to Regional Office officials, they were unaware of the time and effort log requirements for administrative personnel, including the requirement to adjust budget to actual.

Auditors' Recommendation:

The Regional Office should implement a system of internal controls over time and effort reporting. The Regional Office should use time and effort documentation to distribute salary and benefit costs for employees who work in whole or in part on grant program activity in accordance with the Uniform Guidance.

Management's Response:

I agree with the finding and corrective actions are being implemented, as noted in the Corrective Action Plan for Current Year Audit Findings section of this report. This fiscal audit was under prior management.

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III – FEDERAL AWARD FINDINGS
For the Year Ended June 30, 2016

Instances of Noncompliance

FINDING 2016-001 – Controls Over Financial Statement Preparation (finding details on pages 14a-14c)
FINDING 2016-003 – Internal Controls Over Expenditure Report Preparation (finding details on pages 14e-14f)
FINDING 2016-004 – Salaries and Benefits Not Supported by Proper Time and Effort Documentation (finding details on pages 14g-14h)
FINDING 2016-005 – Lack of Written Policies for Federal Grants (finding details on pages 15b-15c)

Significant Deficiencies

None

Material Weaknesses

FINDING 2016-001 – Controls Over Financial Statement Preparation (finding details on pages 14a-14c)
FINDING 2016-003 – Internal Controls Over Expenditure Report Preparation (finding details on pages 14e-14f)
FINDING 2016-004 – Salaries and Benefits Not Supported by Proper Time and Effort Documentation (finding details on pages 14g-14h)
FINDING 2016-005 – Lack of Written Policies for Federal Grants (finding details on pages 15b-15c)

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III – FEDERAL AWARD FINDINGS
For the Year Ended June 30, 2016**

FINDING NO. 2016-005 – Lack of Written Policies for Federal Grants

Federal Program: Mathematics and Science Partnerships
Project No: 15-4936-MA, 16-4936-MA, 15-4936-SA, 16-4936-SA
CFDA No: 84.366B
Passed Through: Illinois State Board of Education
Federal Agency: U.S. Department of Education

Criteria/specific requirement:

Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires the Regional Office of Education #30 to have written procedures to implement the requirements of Part 200.305, *Payment*, related to cash management, and for determining the allowability of costs in accordance with Subpart E – Cost Principles of the Uniform Guidance and the terms and conditions of the federal award. The Regional Office must also maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award, and administration of contracts.

Condition:

The Regional Office does not have written procedures concerning cash management, the determination of allowability of costs in accordance with Subpart E – Cost Principles of the Uniform Guidance and the terms and conditions of the federal award, or standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award, and administration of contracts. In lieu of written procedures, the Regional Office utilized informal procedures in which each purchase made or cost allocated to the Mathematics and Science Partnerships was reviewed for allowability by an individual with knowledge of the budget, allowable costs and activities, and the cash management requirements. The allowability determinations were based on the amounts included in the budgets for the Mathematics and Science Partnerships approved by, and the grant periods set by, the Illinois State Board of Education.

Questioned Costs:

N/A

Context:

The Regional Office expended \$1,059,260 of federal awards in total during fiscal year 2016, including \$622,095 for the Mathematics and Science Partnerships.

Effect:

Not having written procedures concerning cash management, cost principles, and conflicts of interest increases the risk that grant payments will not be requested on the reimbursement basis, unallowable costs will be allocated to federal award programs, or conflicts of interest will not be identified.

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III – FEDERAL AWARD FINDINGS
For the Year Ended June 30, 2016**

FINDING NO. 2016-005 – Lack of Written Policies for Federal Grants (Concluded)

Cause:

According to Regional Office management, they were unable to dedicate the time needed to fully implement the Uniform Guidance due to competing priorities.

Auditors' Recommendation:

We recommend the Regional Office prepare written procedures to implement the requirements of Part 200.305, *Payment*, related to cash management, for determining the allowability of costs in accordance with Subpart E – Cost Principles of the Uniform Guidance and the terms and conditions of the federal award, and to document standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award, and administration of contracts.

Management's Response:

I agree with the finding and corrective actions are being implemented, as noted in the Corrective Action Plan for Current Year Audit Findings section of this report. This fiscal audit was under prior management.

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2016**

CORRECTIVE ACTION PLAN

FINDING NO. 2016-001 – Controls Over Financial Statement Preparation (Repeated from Prior Year Finding 15-001)

Federal Program: IDEA – Improvement Grant – Part D, Mathematics and Science Partnerships, McKinney Education for Homeless Children, Title I – School Improvement and Accountability, Rural Access to Mathematics Professional Development: Unparalleled Performance & Onward (RAMPDUP and Onward)

Project No: 15-4631-RN, 16-4631-RN, 15-4936-MA, 16-4936-MA, 15-4936-SA, 16-4936-SA, 16-4920-00, 16-4331-SS, RAMPDUP and Onward Years 5 and 6

CFDA No: 84.323A, 84.366B, 84.196A, 84.010A, 84.367

Passed Through: Regional Office of Education #47, Illinois State Board of Education, Regional Office of Education #21, Regional Office of Education #21, Southern Illinois University Carbondale

Federal Agency: U.S. Department of Education, U.S. Department of Education, U.S. Department of Education, U.S. Department of Education, U.S. Department of Education

Condition:

The Regional Office does not have sufficient internal controls over the financial reporting process. The Regional Office of Education #30 maintains its accounting records on the cash basis of accounting during the fiscal year and posts or maintains a list of year-end accrual adjustments for financial statement purposes. While the Regional Office of Education #30 maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the financial information prepared by the Regional Office, the following was noted:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable/due from other governments, accounts payable/due to other governments, and fund balance. While the Regional Office did maintain records to indicate the balances of accounts receivable/due from other governments, accounts payable/due to other governments, and fund balance, not all entries were provided to reconcile the Regional Office of Education #30's grant and general activity, such as posting receivables and payables and posting all prior period audit entries.
- The Regional Office did not have adequate controls over the recognition of cash. The Regional Office did not provide entries to eliminate negative cash balances within certain funds.
- The Regional Office did not have adequate controls over the proper allocation and classification of expenses. Expenses used to meet cost reimbursement requirements for State and federal grants, including indirect costs, were not allocated to the proper fund and were instead charged to unrestricted funds. Audit adjustments were also necessary to correct insurance reimbursements that were not netted against the associated expenses, certain other expenses that were misclassified, and one entry was posted backwards.

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2016**

Corrective Action Plan

FINDING NO. 2016-001 – Controls Over Financial Statement Preparation (Repeated from Prior Year Finding 15-001) (Concluded)

Condition (Concluded):

- The Regional Office did not have adequate controls over the proper classification of revenue. Audit adjustments were necessary to properly classify State and federal revenue, which had originally been classified as local revenue.
- The Regional Office did not have adequate controls over the proper recognition of on-behalf revenues and expenses. Information to calculate and record these amounts had not been obtained by the Regional Office.
- The Regional Office did not have adequate controls over the proper classification of funds within the financial statements. Reclassifications of beginning fund balances were necessary to properly classify these funds.
- Prior period adjustments of the beginning fund balance were necessary to correct an accounting error.

Through inquiries and discussions with the Regional Office's accounting personnel and Regional Superintendent, auditors noted that the Regional Office did not have adequate controls to record and report the Regional Office's net accrued pension liabilities/assets, deferred outflows of resources, deferred inflows of resources, and pension expenses in accordance with GAAP.

Plan:

In May of 2017, the ROE began utilizing a new accounting system that reconciles cash with general ledger funds. Fund and account codes have been created in the new accounting system to classify revenues and expenditures for each fund. A trial balance report can be created for each fund. The Regional Office will continue to seek funding to meet all of the requirements set forth in GASB Statements No. 34, 68, and 71.

Anticipated Date of Completion:

As soon as possible, as funding allows.

Name of Contact Person:

Cheryl Graff, Regional Superintendent of Schools

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2016**

Corrective Action Plan

FINDING NO. 2016-002 – Underpayment of Employer Federal Funds Teachers’ Retirement System Contributions

Condition:

The Regional Office of Education #30 under-reported salaries paid from federal and special trust funds for the year ended June 30, 2016, resulting in an underpayment of \$14,009 in employer contributions for those funds.

Plan:

Account expense codes have been created in the new accounting system to track state and federal TRS. The new accounting system calculates the contribution for State and Federal TRS. Federal TRS benefits are currently being paid in the correct funding source.

Anticipated Date of Completion:

Fiscal Year 2018

Name of Contact Person:

Cheryl Graff, Regional Superintendent of Schools

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2016**

Corrective Action Plan

FINDING NO. 2016-003 – Internal Controls Over Expenditure Report Preparation

Federal Program: IDEA – Improvement Grant – Part D, Mathematics and Science Partnerships, McKinney Education for Homeless Children, Title I – School Improvement and Accountability, Rural Access to Mathematics Professional Development: Unparalleled Performance & Onward (RAMPDUP and Onward)

Project No: 15-4631-RN, 16-4631-RN, 15-4936-SA, 16-4936-SA, 16-4920-00, 16-4331-SS, RAMPDUP and Onward Years 5 and 6

CFDA No: 84.323A, 84.366B, 84.196A, 84.010A, 84.367

Passed Through: Regional Office of Education #47, Illinois State Board of Education, Regional Office of Education #21, Regional Office of Education #21, Southern Illinois University Carbondale

Federal Agency: U.S. Department of Education, U.S. Department of Education

Condition:

The Regional Office did not have adequate internal controls over the preparation of grant expenditure reports. Expenditure reports submitted to granting agencies to request reimbursement did not reconcile to the underlying accounting records for the following State and federal grant programs: Regional Safe Schools, Truants Alternative/Optional Education, IDEA – Improvement Grant – Part D, Mathematics and Science Partnerships, McKinney Education for Homeless Children, Title I – School Improvement and Accountability, and RAMPDUP and Onward. Expenses were overstated to the granting agencies for the RAMPDUP and Onward program and the Title I – School Improvement and Accountability program.

Plan:

We are currently entering the budgets of each grant into the new account system to track expenditures with grant line items. Internal controls with purchase order and invoice procedures have been implemented. Each purchase order and invoice includes account codes. Employees are receiving training on the new procedures.

Anticipated Date of Completion:

Fiscal Year 2018

Name of Contact Person:

Cheryl Graff, Regional Superintendent of Schools

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2016**

Corrective Action Plan

FINDING NO. 2016-004 – Salaries and Benefits Not Supported by Proper Time and Effort Documentation

Federal Program: Mathematics and Science Partnerships, Child Nutrition Cluster
Project No: 15-4936-MA, 16-4936-MA, 15-4936-SA, 16-4936-SA, 15-4210-00, 16-4210-00, 15-4220-00, 16-4220-00
CFDA No: 84.366B, 10.555, 10.553
Passed Through: Illinois State Board of Education, Illinois State Board of Education
Federal Agency: U.S. Department of Education, U.S. Department of Agriculture

Condition:

The Regional Office assigned salary and benefit costs to the Mathematics and Science Partnership grants based on budgeted amounts. Comparisons of actual costs to budgeted distributions based on time and effort records were not performed and adjustments for actual time spent on the grants, if different from budgeted amounts, were not made. Employees who worked on the Mathematics and Science Partnerships grants turned in time and effort reports to the granting agencies, but these time records did not always include 100% of the employees' time. Some employees also turned in monthly calendars to management, but they only included time spent on grants, not 100% of the employees' hours.

The Regional Office also did not maintain time and effort documentation for part-time lunchroom supervisors working on the National School Lunch and School Breakfast Programs (Child Nutrition programs) and did not breakout the portion of their salaries and benefits dedicated to food service.

Plan:

New time sheets have been implemented to track time and effort. Time sheets must be signed by an administrator.

Anticipated Date of Completion:

Fiscal Year 2018

Name of Contact Person:

Cheryl Graff, Regional Superintendent of Schools

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2016**

Corrective Action Plan

FINDING NO. 2016-005 – Lack of Written Policies for Federal Grants

Federal Program: Mathematics and Science Partnerships
Project No: 15-4936-MA, 16-4936-MA, 15-4936-SA, 16-4936-SA
CFDA No: 84.366B
Passed Through: Illinois State Board of Education
Federal Agency: U.S. Department of Education

Condition:

The Regional Office does not have written procedures concerning cash management, the determination of allowability of costs in accordance with Subpart E – Cost Principles of the Uniform Guidance and the terms and conditions of the federal award, or standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award, and administration of contracts. In lieu of written procedures, the Regional Office utilized informal procedures in which each purchase made or cost allocated to the Mathematics and Science Partnerships was reviewed for allowability by an individual with knowledge of the budget, allowable costs and activities, and the cash management requirements. The allowability determinations were based on the amounts included in the budgets for the Mathematics and Science Partnerships approved by, and the grant periods set by, the Illinois State Board of Education.

Plan:

The Regional Office of Education #30 is developing written procedures related to cash management requirements, for determining the allowability of costs in accordance with Subpart E – Cost Principles of the Uniform Guidance and the terms and conditions of the federal award, and to document standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award, and administration of contracts.

Anticipated Date of Completion:

Fiscal Year 2018

Name of Contact Person:

Cheryl Graff, Regional Superintendent of Schools

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2016**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
2015-001	Controls Over Financial Statement Preparation	Partially Repeated as Finding 2016-001

BASIC FINANCIAL STATEMENTS

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
STATEMENT OF NET POSITION
June 30, 2016

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 276,932	\$ 54,661	\$ 331,593
Accounts receivable	194	-	194
Due from other governments	303,779	9,010	312,789
Total Current Assets	<u>580,905</u>	<u>63,671</u>	<u>644,576</u>
NONCURRENT ASSETS			
Capital assets, net of depreciation	53,090	-	53,090
TOTAL ASSETS	<u>633,995</u>	<u>63,671</u>	<u>697,666</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	22,210	27,795	50,005
Due to other governments	139,246	-	139,246
Total Current Liabilities	<u>161,456</u>	<u>27,795</u>	<u>189,251</u>
TOTAL LIABILITIES	<u>161,456</u>	<u>27,795</u>	<u>189,251</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	53,090	-	53,090
Restricted for educational purposes	195,496	-	195,496
Unrestricted	223,953	35,876	259,829
TOTAL NET POSITION	<u>\$ 472,539</u>	<u>\$ 35,876</u>	<u>\$ 508,415</u>

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

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
			Primary Government		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
PRIMARY GOVERNMENT					
Governmental Activities					
Instructional Services					
Salaries	\$ 441,597	\$ 15,434	\$ 387,600	\$ (38,563)	\$ (38,563)
Employee benefits	24,330	232	20,973	(3,125)	(3,125)
Pension expense	111,416	-	97,461	(13,955)	(13,955)
Purchased services	259,377	25,841	237,304	3,768	3,768
Supplies and materials	155,410	479	132,702	(22,229)	(22,229)
Other	9,461	-	7,868	(1,593)	(1,593)
Payments to other governmental units	616,756	10	498,882	(117,864)	(117,864)
Depreciation	4,273	-	-	(4,273)	(4,273)
Administrative					
On-behalf payments	498,244	-	-	(498,244)	(498,244)
Total Governmental Activities	<u>2,120,864</u>	<u>41,996</u>	<u>1,382,790</u>	<u>(696,078)</u>	<u>(696,078)</u>
Business-type Activities					
Charges for Services	110,112	104,099	-	-	(6,013)
Total Business-type Activities	<u>110,112</u>	<u>104,099</u>	<u>-</u>	<u>-</u>	<u>(6,013)</u>
Total Primary Government	<u>\$ 2,230,976</u>	<u>\$ 146,095</u>	<u>\$ 1,382,790</u>	<u>(696,078)</u>	<u>(702,091)</u>
General Revenues					
Local sources				87,511	87,511
On-behalf payments - local				149,102	149,102
State sources				206,670	206,670
On-behalf payments - State				349,142	349,142
Interest				1,080	2,912
Total General Revenues				<u>793,505</u>	<u>795,337</u>
Change in net position				<u>97,427</u>	<u>93,246</u>
Net Position - beginning				(352,712)	(307,014)
Prior period adjustments, restatements, and reclassifications				<u>727,824</u>	<u>722,183</u>
Net Position - beginning (restated, see Note 17)				<u>375,112</u>	<u>415,169</u>
Net Position - ending				<u>\$ 472,539</u>	<u>\$ 508,415</u>

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

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	General Fund	Education Fund	Institute Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 77,400	\$ 22,550	\$ 161,334	\$ 15,648	\$ -	\$ 276,932
Accounts receivable	-	-	-	194	-	194
Due from other funds	188,958	-	-	-	(188,958)	-
Due from other governments	1,492	293,187	7,697	1,403	-	303,779
TOTAL ASSETS	<u>267,850</u>	<u>315,737</u>	<u>169,031</u>	<u>17,245</u>	<u>(188,958)</u>	<u>580,905</u>
DEFERRED OUTFLOWS OF RESOURCES						
	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 267,850</u>	<u>\$ 315,737</u>	<u>\$ 169,031</u>	<u>\$ 17,245</u>	<u>\$ (188,958)</u>	<u>\$ 580,905</u>
LIABILITIES						
Accounts payable	\$ 2,259	\$ 19,951	\$ -	\$ -	\$ -	\$ 22,210
Due to other funds	-	188,958	-	-	(188,958)	-
Due to other governments	41,638	97,608	-	-	-	139,246
Total liabilities	<u>43,897</u>	<u>306,517</u>	<u>-</u>	<u>-</u>	<u>(188,958)</u>	<u>161,456</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	6,629	-	-	-	6,629
FUND BALANCES (DEFICITS)						
Restricted	-	9,220	169,031	17,245	-	195,496
Assigned	41,329	-	-	-	-	41,329
Unassigned	182,624	(6,629)	-	-	-	175,995
Total Fund Balances (Deficits)	<u>223,953</u>	<u>2,591</u>	<u>169,031</u>	<u>17,245</u>	<u>-</u>	<u>412,820</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	<u>\$ 267,850</u>	<u>\$ 315,737</u>	<u>\$ 169,031</u>	<u>\$ 17,245</u>	<u>\$ (188,958)</u>	<u>\$ 580,905</u>

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

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2016**

Total fund balances - governmental funds	\$	412,820
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Some revenues will not be collected for several months after the Regional Office's fiscal year ends. They are not considered "available" revenues and are deferred in the governmental funds.</p>		6,629
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds, net of accumulated depreciation of \$317,470.</p>		<u>53,090</u>
Net position of governmental activities	\$	<u><u>472,539</u></u>

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

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	General Fund	Education Fund	Institute Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
REVENUES						
Local sources	\$ 88,914	\$ -	\$ 34,418	\$ 6,175	\$ -	\$ 129,507
Local sources - on-behalf payments	149,102	-	-	-	-	149,102
State sources	213,299	315,498	-	1,403	-	530,200
State sources - on-behalf payments	349,142	-	-	-	-	349,142
Federal sources	-	1,052,631	-	-	-	1,052,631
Interest	659	-	363	58	-	1,080
Total revenues	<u>801,116</u>	<u>1,368,129</u>	<u>34,781</u>	<u>7,636</u>	<u>-</u>	<u>2,211,662</u>
EXPENDITURES						
Instructional services						
Salaries	54,941	386,456	200	-	-	441,597
Employee benefits	3,340	20,987	3	-	-	24,330
Pension expense	13,890	97,526	-	-	-	111,416
Purchased services	19,524	237,463	243	2,147	-	259,377
Supplies and materials	22,474	132,791	-	145	-	155,410
Other	1,588	7,873	-	-	-	9,461
Payments to other governmental units	117,871	498,882	-	3	-	616,756
On-behalf payments	498,244	-	-	-	-	498,244
Capital outlay	5,061	-	-	-	-	5,061
Total expenditures	<u>736,933</u>	<u>1,381,978</u>	<u>446</u>	<u>2,295</u>	<u>-</u>	<u>2,121,652</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>64,183</u>	<u>(13,849)</u>	<u>34,335</u>	<u>5,341</u>	<u>-</u>	<u>90,010</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,341	21,258	-	-	(22,599)	-
Transfers out	(21,372)	(1,227)	-	-	22,599	-
Total other financing sources (uses)	<u>(20,031)</u>	<u>20,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances (deficits)	<u>44,152</u>	<u>6,182</u>	<u>34,335</u>	<u>5,341</u>	<u>-</u>	<u>90,010</u>
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	145,042	(3,591)	134,696	11,904	-	288,051
PRIOR PERIOD ADJUSTMENTS, RESTATEMENTS, AND RECLASSIFICATIONS	<u>34,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,759</u>
FUND BALANCES (DEFICITS), BEGINNING OF YEAR, RESTATEMENT - SEE NOTE 17	<u>179,801</u>	<u>(3,591)</u>	<u>134,696</u>	<u>11,904</u>	<u>-</u>	<u>322,810</u>
FUND BALANCES (DEFICITS), END OF YEAR	<u>\$ 223,953</u>	<u>\$ 2,591</u>	<u>\$ 169,031</u>	<u>\$ 17,245</u>	<u>\$ -</u>	<u>\$ 412,820</u>

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

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016**

Net change in fund balances	\$	90,010
-----------------------------	----	--------

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

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

Unavailable revenue - federal sources		6,629
---------------------------------------	--	-------

Governmental funds report capital outlays as expenditures and proceeds from disposals as revenue. However, in the Statement of Activities the cost of those assets, which meet capitalization requirements, is allocated over their estimated useful lives and reported as depreciation expense and gains and losses are reported on disposals.

Capital outlay	\$ 5,061		
Depreciation expense	(4,273)		788

Change in net position of governmental activities	\$	97,427
---	----	--------

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

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2016

	Business-Type Activities Enterprise Funds		Total
	Workshops	Nonmajor Fund Fingerprinting	
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 30,915	\$ 23,746	\$ 54,661
Due from other governments	4,665	4,345	9,010
TOTAL ASSETS	<u>35,580</u>	<u>28,091</u>	<u>63,671</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	24,516	3,279	27,795
TOTAL LIABILITIES	<u>24,516</u>	<u>3,279</u>	<u>27,795</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Unrestricted	11,064	24,812	35,876
TOTAL NET POSITION	<u>\$ 11,064</u>	<u>\$ 24,812</u>	<u>\$ 35,876</u>

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

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2016

	Business-Type Activities Enterprise Funds		Total
	Workshops	Nonmajor Fund Fingerprinting	
Operating Revenues			
Charges for services	\$ 54,285	\$ 49,814	\$ 104,099
Operating Expenses			
Purchased services	71,074	35,102	106,176
Supplies and materials	-	3,053	3,053
Other	370	513	883
Total operating expenses	71,444	38,668	110,112
Operating Income (Loss)	(17,159)	11,146	(6,013)
Nonoperating Revenues (Expenses)			
Interest	-	1,832	1,832
Total Nonoperating Revenues (Expenses)	-	1,832	1,832
Change in Net Position	(17,159)	12,978	(4,181)
Net Position, Beginning of Year	45,698	-	45,698
Prior Period Adjustments, Restatements, and Reclassifications	(17,475)	11,834	(5,641)
Net Position, Beginning of Year, Restated, See Note 17	28,223	11,834	40,057
Net Position, End of Year	\$ 11,064	\$ 24,812	\$ 35,876

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

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2016

	Business-Type Activities Enterprise Funds		Total
	Nonmajor Fund		
	Workshops	Fingerprinting	
Cash Flows from Operating Activities:			
Receipts from customers	\$ 51,604	\$ 48,494	\$ 100,098
Payments to suppliers and providers for goods and services	(49,273)	(40,039)	(89,312)
Payments to employees	-	-	-
Net cash provided by (used for) operating activities	<u>2,331</u>	<u>8,455</u>	<u>10,786</u>
Cash Flows from Investing Activities			
Interest earned on deposits	-	1,832	1,832
Net cash provided by (used for) investing activities	<u>-</u>	<u>1,832</u>	<u>1,832</u>
Net increase (decrease) in cash and cash equivalents	2,331	10,287	12,618
Cash and cash equivalents - Beginning of year	<u>28,584</u>	<u>13,459</u>	<u>42,043</u>
Cash and cash equivalents - End of year	<u>\$ 30,915</u>	<u>\$ 23,746</u>	<u>\$ 54,661</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (17,159)	\$ 11,146	\$ (6,013)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Change in assets and liabilities:			
(Increase) decrease in due from other governments	(2,681)	(1,320)	(4,001)
Increase (decrease) in accounts payable	22,171	1,804	23,975
Increase (decrease) in due to other governments	<u>-</u>	<u>(3,175)</u>	<u>(3,175)</u>
Net cash provided by (used for) operating activities	<u>\$ 2,331</u>	<u>\$ 8,455</u>	<u>\$ 10,786</u>

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

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2016

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 114,442
Due from other governments	<u>2,740,536</u>
Total assets	<u><u>\$ 2,854,978</u></u>
Liabilities	
Due to other governments	<u>\$ 2,854,978</u>
Total liabilities	<u><u>\$ 2,854,978</u></u>

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

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education #30 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2016, the Regional Office of Education #30 implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application* and GASB Statement No. 76, *The Hierarchy of Generally Accepted Principles for State and Local Governments – supersedes GASB Statement No. 55*. The Regional Office of Education #30 implemented these standards during the current year. The implementation of GASB Statement No. 72 established guidance for determining a fair value measurement for financial reporting purposes and applying fair value to certain investments and disclosures. The implementation of GASB Statement No. 76 prioritizes the guidance state and local governments follow when preparing financial statements in accordance with *Generally Accepted Accounting Principles*.

A. Date of Management's Review

Management has evaluated subsequent events through March 16, 2018, the date when the financial statements were available to be issued.

B. Financial Reporting Entity

The Regional Office operates under the School Code (105 ILCS 5/3 and 5/3A). The Regional Office of Education #30 encompasses Alexander, Jackson, Perry, Pulaski, and Union Counties. The Regional Superintendent of Schools (Regional Superintendent) serves as chief administrative officer of the Regional Office of Education #30 and is elected to the position for a four year term pursuant to 105 ILCS 5/3.

The Regional Superintendent is charged with the 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; evaluate the schools in the region; examine evidence of indebtedness; to file and keep returns of elections required to be returned to the Regional Superintendent's office; and to file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #30's districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with State law; to perform and report 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 to carrying out other related duties required or permitted by law.

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Financial Reporting Entity (Concluded)

The Regional Superintendent is responsible for inspection and approval or rejection of school treasurer's bonds. The Regional Superintendent is also required to provide the State Board of Education with an affidavit showing that the treasurers of school districts under the Regional Superintendent's control 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 see that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

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

C. Scope of Reporting Entity

The Regional Office of Education #30's reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #30 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 #30 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education #30 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #30 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education #30 being considered a component unit of the entity.

Based on the criteria above, any expenditures paid through the funds of Alexander, Jackson, Perry, Pulaski, and Union Counties, for the operation of the Regional Office of Education #30, are not included in the reporting entity because it is the county boards that authorize, oversee, and control these expenditures.

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Government-Wide and Fund Financial Statements

The Regional Office of Education #30's government-wide financial statements include a Statement of Net Position and a Statement of Activities and report information on all of the non-fiduciary activities of the Regional Office of Education #30. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by intergovernmental revenues and are reported separate from business-type activities, which rely, to a significant extent, on fees and charges for support.

The Statement of Net Position and the Statement of Activities are presented on an "economic resources" measurement focus prescribed by GASB Statement No. 34. All of the Regional Office of Education #30's assets, including capital assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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 to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

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 and proprietary funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and reported in a single column.

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 transfers in/out on the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and 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 or transfers in/out on the government-wide financial statements.

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.

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Proprietary Fund Financial Statements (Concluded)

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets plus deferred outflows of resources and liabilities plus deferred inflows of resources (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position present 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, if any, are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses, if any, are reported as non-operating expenses.

F. Governmental Fund Financial Statements

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

The governmental fund financial statements have been prepared in accordance with generally accepted accounting principles on the modified accrual basis. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both “measurable and available.” “Measurable” means that the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. All revenues are considered “available” if they are collected within 60 days after year end. Revenues received more than 60 days after the end of the current period are deferred inflows of resources in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for prepaid expenses and other long-term obligations, which are recognized when paid.

G. 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 from exchange transactions are recognized when they are earned, and expenses are recognized 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.

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Measurement Focus and Basis of Accounting (Concluded)

The governmental funds financial statements focus on the measurement of spending or "financial flow" and the determination of changes in financial position, rather than upon net income determination. This means that only current assets plus deferred outflows of resources and current liabilities plus deferred inflows of resources are generally included on their balance sheets. The reported fund balance (net current position) 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 position. 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 the specific purpose or project before any amounts will be paid to the Regional Office of Education #30; 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 #30 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 resources available to finance the program. It is Regional Office of Education #30's policy to first apply restricted funds, then unrestricted resources as they are needed. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned if any.

H. Fund Accounting

The Regional Office of Education #30 uses funds to maintain its financial records during the year. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purposes and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The Regional Office of Education #30 uses governmental, proprietary, and fiduciary funds.

Governmental Funds

Governmental funds are those through which most governmental functions of the Regional Office of Education #30 are typically reported. Reporting for governmental funds 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 and deferred outflows of resources and liabilities and deferred inflows of resources is reported as a fund balance.

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Continued)

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets (including deferred outflows of resources), liabilities (including deferred inflows of resources), 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 of resources), liabilities (including deferred inflows of resources), 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 #30 has presented all major funds that met the above qualifications.

The Regional Office of Education #30 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education #30 and is used to account for all financial resources except those required to be accounted for and reported in another fund. This fund is available to pay general and administrative expenditures of the Regional Office of Education #30. The General Fund is always considered a major fund. Included in this fund are:

General Operations – To accumulate miscellaneous receipt and disbursements to support the day-to-day expenses of the Regional Office.

General State Aid – To account for general state aid monies received and used to provide assistance with other regional office programs.

General State Aid – Soar HS Safe Schools – To account for general state aid monies received for the Regional Office of Education #30’s safe school for high school students.

General State Aid – Soar MS Safe Schools – To account for general state aid monies received for the Regional Office of Education #30’s safe school for middle school students.

Principal Mentoring – To provide support and mentoring to new school district principals.

Special Programs – To provide for miscellaneous expenses and programs that benefit the school districts and/or Regional Office.

Technology Learning – Technology Centers – To provide special grant funds for Regional Office of Education #30 for technology services.

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Continued)

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 – 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:

I Bio-Tech – As part of the Illinois Math and Science Partnership: I Bio-Tech – Phase 2, the Regional Office of Education #30 will help with teacher recruitment for this project, will provide follow up assistance to teachers in their area during the action research implementation and data collection phases, and will provide assistance in the facilitation of workshops as needed, and as necessary to ensure successful experience for participants for Phase 2.

I-RTI – To work with the I-RTI Network Statewide Coordinator to develop and implement a coordinated plan, aligned with the Illinois Statewide Plan for delivery of professional development, technical assistance, and coaching services to participating districts and others in the area.

I-STEM Math – To account for a grant for math professional development from the Illinois Math and Science Partnerships I-STEM Network Area Partnership.

I-STEM Science – To account for a grant for science professional development from the Illinois Math and Science Partnerships I-STEM Network Area Partnership.

McKinney Education for Homeless Children – To aid the education of homeless children.

RAMPDUP II – To provide services, support, and technical assistance for the professional development grant Grant RAMPD UP (Rural Access to Mathematics through Professional Development) and Onward received from Southern Illinois University Carbondale.

Regional Safe Schools – To provide funding for an alternative school program for disruptive youth in grades 6-9 whom have been removed from the regular school setting due to continuous disruptions in the classroom.

ROE/ISC Operations – This fund accounts for the professional development activities that took over the educational service centers.

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Continued)

School Climate (Bullying) – To account for a grant designed to gather data in regard to school climate, including issues around bullying, to be distributed to school districts for the development and implementation of healthy, positive school climates. Training is offered to teachers and administrators to provide strategies and programs for improving school climates, including anti-bullying.

School Lunch and Breakfast – This fund accounts for State and federal monies to provide reimbursement of meals through the school lunch and breakfast program and free or reduced-price meals for students enrolled in the Regional Safe School program.

Title I – School Improvement and Accountability – To support the improvement of basic programs operated by providing professional development for data analysis, school improvement plan/development, Standards-Aligned curriculum/instruction, and classroom assessment to System of Support Status schools on Academic Early Warning and Watch.

Title II – Teacher Quality Leadership – To account for a grant from the State which is for the purpose of implementing the purchase of the principal and/or teacher evaluation training.

Truants Alternative/Optional Education (TAOEP) – To account for a grant from the State which is devoted to ensuring that each referred at-risk student will be provided with individualized educational and supplemental services that meet the holistic needs of students in pursuit of their educational development. TAOEP offerings include: identification of at-risk students and dropouts, truancy intervention services, academic intervention and remediation, parental skills development, and network with community agencies and businesses.

Institute Fund – This fund accounts for teacher license registration, issuance, and evaluation fees for processing licenses and expenses to promote the professional growth of teachers and school personnel. All funds generated remain restricted until expended only on the aforementioned activities.

Nonmajor 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. Nonmajor special revenue funds include the following:

Bus Driver Training – To account for State and local receipts and expenses designed for initial and refresher courses of instruction for school bus drivers.

General Education Development – To account for the receipts and expenses related to administering the High School Equivalency Testing program.

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Concluded)

Governmental Funds (Concluded)

Supervisory – To account for State receipts provided by the Regional Office of Education to pay expenses as approved by the Regional Superintendent.

Proprietary Funds

Proprietary funds reported are enterprise funds which are used to account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financial or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or income is appropriate for capital maintenance, public policy, management control accountability, or other purposes.

The Regional Office of Education #30 reports the following major proprietary fund:

Workshops – To account for the workshop registration fees and expenses related to workshops sponsored by the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30.

Nonmajor Proprietary Fund – The Regional Office of Education #30 reports the following proprietary fund as a nonmajor fund:

Fingerprinting – To account for the administration of the fingerprinting program.

Fiduciary Funds

Fiduciary funds reported are agency funds which are used to account for assets held by the Regional Office of Education #30 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 and liabilities) and do not involve measurement of results of operations. Agency funds include the following:

Annexation/Detachment – This fund accounts for monies received from individuals filing petitions requesting annexation or detachment of school district boundary hearings with the Regional Board of Schools Trustees. Monies are expended to cover hearing expenses.

Area VI Meetings – To account for registration fees and expenses associated with Area VI meetings.

Distributive Fund – To distribute monies received from the Illinois State Board of Education, the Department of Natural Resources, and the State of Illinois (School Facility Occupation Tax) to the applicable school districts and other entities.

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. 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, in either its form or through legal restrictions. The Regional Office of Education #30 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 Education Fund account fund balance is restricted by grant agreement or contract: School Lunch and Breakfast. The following fund balances are restricted by Illinois Statute: Institute, Bus Driver Training, and General Education Development.

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 #30 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 been assigned: Special Programs and Technology Learning – Technology Centers.

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following General Fund accounts have unassigned fund balances: General Operations, General State Aid. The following Education Fund account has an unassigned fund deficit: School Climate (Bullying).

J. 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.

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit. The Regional Office of Education #30 considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

L. Interfund Receivables and Payables

The recordings of due from and due to other funds are a result of various borrowings between funds during the year.

M. Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more and estimated useful lives of greater than one year are recorded at historical cost or estimated historical cost. Contributed assets are recorded 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 the following estimated useful lives:

Computer equipment	3-5 years
Office equipment and furniture	5-10 years
Other equipment	5-20 years
Buildings	39 years

Capital assets in the governmental fund financial statements are reported as expenditures when incurred.

N. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

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

O. Compensated Absences

Compensated absences do not vest or accumulate and are recorded as expenditures when paid.

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

P. Estimates

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

Q. Budget Information

The Regional Office of Education #30 was not legally required to adopt annual budgets for all funds under its control, and some annual budgets prepared were not based upon the same operating period. Therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

Budgets relating to programs funded by grants from the Illinois State Board of Education are prepared and submitted to the State Board as part of the grant awards process. The State Board must also approve amendments to these budgets. Grant project budgets are based on the award period. Budgetary Comparison Schedules have been presented for the following grants: I-STEM Math, I-STEM Science, Regional Safe Schools, ROE/ISC Operations, Title II – Teacher Quality Leadership, and Truants Alternative/Optional Education.

R. Interest on Distributive Fund Accounts

The Regional Office of Education #30 has agreements with all districts in the region whereby the Regional Office of Education #30 is allowed to keep the interest received on Distributive Fund receipts for expenditures benefiting all districts.

NOTE 2: CASH AND CASH EQUIVALENTS

Illinois Compiled Statutes authorize the Regional Office of Education #30 to make deposits and invest in U.S. Government, State of Illinois and municipal securities, certificates of deposit or time savings deposits insured by the FDIC, mortgage notes, bonds, or debentures issued by the Federal Housing Administration, bonds and other obligations of the Federal National Mortgage Association, commercial paper rated within the three highest classifications by at least two standard rating services, credit union shares, and the Illinois Public Treasurer's Investment Pool.

A. Deposits

At June 30, 2016, the carrying amount of the Regional Office of Education #30's government-wide and fiduciary fund deposits were \$331,593 and \$114,442, respectively, and the bank balances were \$114,442 and \$379,061, respectively. The difference between the above amounts primarily represents checks that have been issued but have not yet cleared the bank as of June 30, 2016.

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016**

NOTE 2: CASH AND CASH EQUIVALENTS (CONCLUDED)

A. Deposits (Concluded)

At June 30, 2016, \$251,395 of the Regional Office of Education #30's cash deposits were insured by the Federal Deposit Insurance Corporation. Of the remaining amount, \$241,709 was collateralized by securities pledged by the Regional Office of Education #30's financial institution in the name of the Regional Office and \$399 was invested in the Illinois Money Market Fund.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Regional Office of Education #30's deposits may not be returned to it. The Regional Office of Education #30 does not have a formal deposit policy for custodial credit risk but follows the Public Funds Investment Act (30 ILCS 235/2 and 6), and Section 8-7 of the School Code.

B. Investments

At June 30, 2016, the carrying amount and bank balance of the Regional Office of Education #30's deposits in the Illinois Funds Money Market Fund for fiduciary funds was \$399. This fund enables custodians of public funds and investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. These deposits are included in cash and cash equivalents in the Regional Office of Education #30's fiduciary funds.

Credit Risk

At June 30, 2016, the Illinois Funds Money Market Fund has 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 directly regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provisions of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

Interest Rate Risk

The Illinois Funds Money Market Fund, created by the Illinois Generally 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 Fun 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.

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.

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016**

NOTE 3: DEFINED BENEFIT PENSION PLAN

Plan Description. The Regional Office of Education #30’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 #30’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 (RSI). The report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the Regional Office of Education #30’s Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education #30’s annual required contribution rate for calendar year 2015 was 4.08%. The Regional Office of Education #30 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 2015 was \$7,498.

THREE YEAR TREND INFORMATION

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/15	\$ 7,498	100%	\$ 0
12/31/14	19,081	100%	0
12/31/13	25,404	100%	0

The required contribution for 2015 was determined as part of the December 31, 2013 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2013 included (a) 7.50% 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 0.40% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3.00% annually. The actuarial value of the Regional Office of Education #30’s Regular 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 20.00% corridor between the actuarial and market value of assets. The Regional Office of Education #30’s Regular plan’s overfunded actuarial accrued liability at December 31, 2012 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, 2015, the most recent actuarial valuation date, the Regular plan was 100.77% funded. The actuarial accrued liability for benefits was \$514,669 and the actuarial value of assets was \$518,651, resulting in an overfunded actuarial accrued liability (UAAL) of \$3,982. The covered payroll for calendar year 2015 (annual payroll of active employees covered by the plan) was \$183,773. Because the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 3: DEFINED BENEFIT PENSION PLAN (CONCLUDED)

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 Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30 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, 2016 was 9.4% 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% for the years ended June 30, 2015 and 2014.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #30's TRS-covered employees.

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #30. For the year ended June 30, 2016, the State of Illinois contributions were based on 36.06% of creditable earnings not paid from federal funds, and the Regional Office of Education #30 recognized revenue and expenditures of \$112,551 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2015 and June 30, 2014, the contribution rates were 33.00% (\$96,808) and 35.41% (\$104,261), respectively.

The Regional Office of Education #30 makes other types of employer contributions directly to TRS.

- **2.2 formula contributions.** Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ending June 30, 2016 were \$1,794. Contributions for the years ending June 30, 2015 and June 30, 2014 were \$1,210 and \$1,184, respectively.

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (CONTINUED)

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

For the year ended June 30, 2016, the employer pension contribution was 36.06% of salaries paid from federal and special trust funds. For the years ended June 30, 2015 and 2014, the employer contribution was 33.00% and 35.41%, respectively. For the year ended June 30, 2016, salaries totaling \$201,565 were paid from federal and special trust funds that required employer contributions of \$72,684. For the years ended June 30, 2015 and June 30, 2014, required Regional Office of Education #30 contributions were \$38,681 and \$38,541, respectively.

- **Early Retirement Option.** The Regional Office of Education #30 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 146.5% and applies when the member is age 55 at retirement.

For the years ended June 30, 2016, June 30, 2015 and June 30, 2014, the Regional Office of Education #30 made no payments to TRS for employer contributions under the Early Retirement Option.

- **Salary increases over 6 percent and excess sick leave.** If the Regional Office of Education #30 grants salary increases over 6% and those salaries are used to calculate a retiree's final average salary, the Regional Office of Education #30 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%.

For the years ended June 30, 2016, June 30, 2015 and June 30, 2014, the Regional Office of Education #30 made no payments to TRS for employer contributions on salary increases in excess of 6%.

If the Regional Office of Education #30 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, Regional Office of Education #30 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.

For the years ended June 30, 2016, June 30, 2015 and June 30, 2014, the Regional Office of Education #30 made no payments for employer contributions to TRS for sick leave days granted in excess of the normal annual allotment.

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016**

NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (CONCLUDED)

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, 2015. The report for the year ended June 30, 2016, is expected to be available in late 2016.

The reports may be obtained at <http://www.trsil.org>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

NOTE 5: OTHER POST-EMPLOYMENT BENEFITS

A. Teacher Health Insurance Security Fund

The Regional Office of Education #30 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

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

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

On behalf contributions to the THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #30. State contributions are intended to match contributions to the THIS Fund from active members which were 1.07% of pay during the year ended June 30, 2016. State of Illinois contributions were \$3,309, and the Regional Office of Education #30 recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2015 and June 30, 2014 were 1.02% and 0.97% of pay, respectively. State contributions on behalf of the Regional Office of Education #30's employees were \$2,126 and \$1,981, respectively.

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 5: OTHER POST-EMPLOYMENT BENEFITS (CONCLUDED)

A. Teacher Health Insurance Security Fund (Concluded)

Employer contributions to THIS Fund. The Regional Office of Education #30 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.80% during the year ended June 30, 2016. For the year ended June 30, 2016, the Regional Office of Education #30 paid \$2,474 to the THIS Fund, which was 100% of the required contribution. For the years ended June 30, 2015 and 2014, the Regional Office paid \$1,584 and \$1,470 to the THIS Fund, respectively.

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 current reports are listed under “Central Management Services.” Prior reports are available under “Healthcare and Family Services.”

B. Other Post-Employment Benefits

The Regional Office of Education #30 has limited participation in the Jackson County Health Insurance Plan (OPEB Plan) that provides health-care insurance for certain eligible retired employees. The OPEB Plan provides an explicit premium subsidy to certain employees who meet eligibility conditions, and other coverage to certain employees as a function of their early retirement agreements. Membership in the OPEB plan consisted of 231 total members, out of which 3 members are employees of the Regional Office of Education #30.

The actuarial valuation of liabilities under the OPEB Plan is calculated using the entry age actuarial cost method as of the November 30, 2014 actuarial valuation report (latest available information). This method required the calculation of an unfunded actuarial liability, OPEB cost and OPEB obligation for Jackson County which amounted to \$7,075,648, \$649,959, and \$1,934,216 as of November 30, 2013. The Regional Office of Education #30’s portion of the unfunded actuarial liability, OPEB cost, and OPEB obligation are not separately determinable from the Jackson County actuarial study.

The Regional Office of Education #30 has estimated its portion of Jackson County’s net OPEB obligation using the ratio of full-time equivalent employees of the Regional Office compared to full-time equivalent employees of the County. Due to the small number of Regional Office employees who participate in the OPEB Plan (1.30% of total members), the Regional Office of Education #30’s estimated net OPEB liability was determined to be minimal.

Details of the OPEB Plan are available in Jackson County’s audit report for the year ended November 30, 2016. The report may be obtained by writing to the Finance Department, Jackson County, 1001 Walnut Street, Murphysboro, IL 62966.

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016**

NOTE 6: INTERFUND RECEIVABLES AND PAYABLES

Interfund due to / from other fund balances at June 30, 2016 consist of the following individual due to / from other funds in the governmental funds Balance Sheet. Balances of the same fund type were eliminated in the government-wide Statement of Net Position. The purpose of interfund borrowing was to cover temporary shortfalls in cash flow within grant programs and funds.

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund		
General Operations	\$ 136,556	\$ -
General State Aid	46,835	-
Technology Learning – Technology Centers	5,567	
Major Special Revenue Fund – Education Fund		
I-RTI	-	34,980
I-STEM Math	-	21,589
I-STEM Science	-	24,418
McKinney Education for Homeless Children	-	11,561
RAMPDUP II	-	2,771
Regional Safe Schools	-	11,002
ROE/ISC Operations	-	34,748
School Climate (Bullying)	-	6,293
School Lunch and Breakfast	-	58
Title I – School Improvement and Accountability (227)	-	4,500
Title I – School Improvement and Accountability (226)	-	36,695
Title II – Teacher Quality Leadership	-	343
	<u>\$ 188,958</u>	<u>\$ 188,958</u>

NOTE 7: BOND

The Illinois School Code (105 ILCS 5/2) directs the Regional Office of Education #30 to execute a bond of not less than \$100,000 on the Regional Superintendent. The Regional Office of Education #30 has secured and maintained such a bond with coverage of \$400,000 on the Regional Superintendent.

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016**

NOTE 8: DUE TO/DUE FROM OTHER GOVERNMENTS

The Regional Office of Education #30's various grant and local programs had funds due to and due from other governments which consisted of the following:

Due from Other Governments:

General Fund		
Local Governments	\$	1,492
Special Revenue Fund – Education Fund		
Illinois State Board of Education		107,584
Regional Office of Education #21		56,653
Regional Office of Education #47		35,062
Southern Illinois University - Carbondale		93,888
Special Revenue Fund – Institute Fund		
Local Governments		7,697
Nonmajor Special Revenue Fund – Bus Driver		
Illinois State Board of Education		1,403
Proprietary Fund – Workshops		
Local Governments		4,665
Nonmajor Proprietary Fund – Fingerprinting		
Local Governments		4,345
Agency Fund – Distributive Fund		
Illinois State Board of Education		2,740,536
Total	\$	<u>3,053,325</u>

Due to Other Governments:

General Fund		
Local Governments	\$	41,638
Special Revenue Fund – Education Fund		
Local Governments		96,176
Illinois State Board of Education		1,432
Agency Fund – Distributive Fund		
Local Governments		2,854,978
	\$	<u>2,994,224</u>

NOTE 9: DEFERRED OUTFLOWS AND 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.

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE 10: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Governmental activities:				
Capital assets, begin depreciated				
Equipment	\$ 273,499	\$ 5,061	\$ -	\$ 278,560
Building	92,000	-	-	92,000
Total capital assets being depreciated	<u>365,499</u>	<u>5,061</u>	<u>-</u>	<u>370,560</u>
Less accumulated depreciation for				
Equipment	270,536	1,914	-	272,450
Building	42,661	2,359	-	45,020
Total accumulated depreciation	<u>313,197</u>	<u>4,273</u>	<u>-</u>	<u>317,470</u>
Governmental activities capital assets, net	<u>\$ 52,302</u>	<u>\$ 788</u>	<u>\$ -</u>	<u>\$ 53,090</u>
	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Business-type activities:				
Capital assets, begin depreciated				
Equipment	\$ 2,040	\$ -	\$ -	\$ 2,040
Less accumulated depreciation for				
Equipment	<u>2,040</u>	<u>-</u>	<u>-</u>	<u>2,040</u>
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense of \$4,273 was charged to the governmental activities instructional services function on the government-wide Statement of Activities for the year ended June 30, 2016. Invested in capital assets is the component of net position that reports capital assets net of accumulated depreciation.

NOTE 11: RISK MANAGEMENT

The Regional Office of Education #30 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. Regional Office of Education #30 has purchased commercial insurance to cover these risks. During the year ended June 30, 2016, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016**

NOTE 12: ON-BEHALF PAYMENTS

The State of Illinois and Jackson County paid the following contributions on-behalf of the Regional Office of Education #30:

State of Illinois:	
Regional Superintendent Salary	\$ 112,008
Regional Superintendent Fringe Benefits (Includes State paid insurance)	24,884
Assistant Regional Superintendent Salaries	92,411
Assistant Regional Superintendent Fringe Benefits (Includes State paid insurance)	3,979
TRS Pension Contributions	112,551
THIS Fund Contributions	3,309
Total	<u>\$ 349,142</u>

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

Jackson County:	
Salaries	\$ 130,917
Employee benefits	591
Purchased services	2,447
Supplies and materials	3,369
Equipment	11,778
Total	<u>\$ 149,102</u>

NOTE 13: OPERATING LEASES

The Regional Office of Education #30 had entered into an annual operating lease for its office annex through September 1, 2012 and a month-to-month lease thereafter. Rental expense for the year ended June 30, 2016 totaled \$15,000

NOTE 14: INTERFUND TRANSFERS

Interfund transfers in/out to other funds at June 30, 2016 consisted of the following individual transfers in/out to other funds in the fund statements. These transfers were made in order to meet operating costs in the receiving funds. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities; however, any transfers between the governmental funds and the business-type funds were not eliminated.

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016**

NOTE 14: INTERFUND TRANSFERS (CONCLUDED)

	Transfers In	Transfers Out
General Fund		
General Operations	\$ -	\$ 15,741
General State Aid	-	114
General State Aid – Soar HS Safe Schools	57	-
General State Aid – Soar MS Safe Schools	57	-
Principal Mentoring	-	5,517
Technology Learning – Technology Centers	1,227	-
Special Revenue Fund – Education Fund		
I Bio-Tech	-	1,227
I-STEM Math	3,687	-
I-STEM Science	323	-
RAMDUP II	3,685	-
ROE/ISC Operations	3,091	-
Truants Alternative/Optional Education	10,472	-
Total	\$ 22,599	\$ 22,599

NOTE 15: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

The following fund had a deficit fund balance at June 30, 2016:

Education Fund – School Climate (Bullying)	\$ 6,629
--	----------

NOTE 16: CONTINGENCIES

The Regional Office of Education #30 has received funding from federal and State grants in the current and prior years which are subject to audits by granting agencies. The Regional Office of Education #30 believes any adjustments that may arise will be insignificant to the Regional Office of Education #30's operations.

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016**

NOTE 17: PRIOR PERIOD ADJUSTMENTS, RESTATEMENTS, AND RECLASSIFICATIONS

The Regional Office of Education #30 made adjustments of \$741,733 and \$7,483 to the Governmental Activities and Business-Type Activities beginning net positions, respectively, due to the Regional Office of Education #30 not implementing GASB 68 and 71 for the year ending June 30, 2016. The auditor's report has been modified as a result of this matter.

In addition, in order to reclassify certain funds as to fund type and to correct prior period errors identified during the year ended June 30, 2016, the Regional Office of Education #30 made various other adjustments and/or restatements to the beginning net positions in the government-wide financial statements and the beginning fund balances in the fund financial statements as detailed below:

General Fund

Fund Balance – July 1, 2015	\$	158,951
Reclassification of Technology Learning – Technology Centers from the Education Fund to the General Fund		34,759
Reclassification of Area VI Meeting from the General Fund to a Fiduciary Fund (Agency Fund)		(325)
Reclassification of the prior year General Fund – School Service fund to a Proprietary Fund – Fingerprinting (\$11,834) and a Fiduciary Fund (Agency Fund) – Annexation/Detachment (\$1,750)		(13,584)
Fund Balance, Restated – July 1, 2015	\$	<u>179,801</u>

Education Fund

Fund Balance – July 1, 2015	\$	31,168
Reclassification of Technology Learning – Technology Centers from the Education Fund to the General Fund		(34,759)
Fund Balance, Restated – July 1, 2015	\$	<u>(3,591)</u>

Governmental Activities

Net Position – July 1, 2015	\$	(352,712)
Reclassification of Area VI Meeting from the General Fund to a Fiduciary Fund (Agency Fund)		(325)
Reclassification of the prior year General Fund – School Service fund to a Proprietary Fund – Fingerprinting (\$11,834) and a Fiduciary Fund (Agency Fund) – Annexation/Detachment (\$1,750)		(13,584)
Effect of not implementing GASB 68 and 71		741,733
Fund Balance, Restated – July 1, 2015	\$	<u>375,112</u>

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016**

**NOTE 17: PRIOR PERIOD ADJUSTMENTS, RESTATEMENTS, AND RECLASSIFICATIONS
(CONCLUDED)**

Proprietary Funds and Business-Type Activities

Fund Balance – July 1, 2015	\$	45,698
Reclassification of a portion of the prior year General Fund – School Service fund to a Proprietary Fund – Fingerprinting		11,834
Adjustment to correct error in recording of prior year accounts receivable		(24,958)
Effect of not implementing GASB 68 and 71		7,483
Fund Balance, Restated – July 1, 2015	<u>\$</u>	<u>40,057</u>

NOTE 18: REGIONAL OFFICE OF EDUCATION CONSOLIDATION

Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30 began operations on July 1, 2015, and was formed from the merger of Jackson and Perry Counties Regional Office of Education #30 and Alexander, Jackson, and Pulaski Counties which were formerly included in the Alexander, Johnson, Massac, Pulaski, and Union Counties Regional Office of Education #2. The merger resulted from the Illinois State Board of Education’s adoption of a motion pursuant to its obligation under 105 ILCS 5/3A-4(a), which recognized consolidations agreed to via county board resolutions prior to June 30, 2013. As the Alexander, Johnson, Massac, Pulaski, and Union Counties Regional Office of Education #2 disbursed all of its funds and disposed of all of its capital assets prior to the merger, no restatements were necessary to the July 1, 2015 balances of the Regional Office of Education #30.

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

**REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2016**

UNAUDITED

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)
12/31/15	\$ 518,651	\$ 514,669	\$ (3,982)	100.77%	\$ 183,773	-
12/31/14	828,811	711,835	(116,976)	116.43%	173,939	-
12/31/13	741,641	670,262	(71,379)	110.65%	203,722	-

On a market value basis, the actuarial value of assets as of December 31, 2015 is \$501,936. On a market basis, the funded ratio would be 97.53%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Alexander, Jackson, Perry, Pulaski, and Union Counties Regional Office of Education #30. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

SUPPLEMENTAL INFORMATION

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2016

	<u>General Operations</u>	<u>General State Aid</u>	<u>General State Aid - Soar HS Safe Schools</u>	<u>General State Aid - Soar MS Safe Schools</u>
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 13,935	\$ 27,703
Due from other funds	136,556	46,835	-	-
Due from other governments	1,000	492	-	-
Total Assets	<u>137,556</u>	<u>47,327</u>	<u>13,935</u>	<u>27,703</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 137,556</u>	<u>\$ 47,327</u>	<u>\$ 13,935</u>	<u>\$ 27,703</u>
Liabilities				
Accounts payable	\$ 530	\$ 1,729	\$ -	\$ -
Due to other governments	-	-	13,935	27,703
Total Liabilities	<u>530</u>	<u>1,729</u>	<u>13,935</u>	<u>27,703</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)				
Assigned	-	-	-	-
Unassigned	137,026	45,598	-	-
Total Fund Balances (Deficits)	<u>137,026</u>	<u>45,598</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 137,556</u>	<u>\$ 47,327</u>	<u>\$ 13,935</u>	<u>\$ 27,703</u>

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
COMBINING SCHEDULE OF ACCOUNTS (CONCLUDED)
GENERAL FUND
June 30, 2016

	Principal Mentoring	Special Programs	Technology Learning - Technology Centers	Total
Assets				
Cash and cash equivalents	\$ -	\$ 5,343	\$ 30,419	\$ 77,400
Due from other funds	-	-	5,567	188,958
Due from other governments	-	-	-	1,492
Total Assets	<u>-</u>	<u>5,343</u>	<u>35,986</u>	<u>267,850</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ -</u>	<u>\$ 5,343</u>	<u>\$ 35,986</u>	<u>\$ 267,850</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,259
Due to other governments	-	-	-	41,638
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,897</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)				
Assigned	-	5,343	35,986	41,329
Unassigned	-	-	-	182,624
Total Fund Balances (Deficits)	<u>-</u>	<u>5,343</u>	<u>35,986</u>	<u>223,953</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ -</u>	<u>\$ 5,343</u>	<u>\$ 35,986</u>	<u>\$ 267,850</u>

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2016

	General Operations	General State Aid	General State Aid - Soar HS Safe Schools	General State Aid - Soar MS Safe Schools
Revenues				
Local sources	\$ 57,863	\$ 25,644	\$ -	\$ -
Local sources - on-behalf payments	149,102	-	-	-
State sources	-	95,428	65,385	52,486
State sources - on-behalf payments	349,142	-	-	-
Interest	659	-	-	-
Total Revenue	<u>556,766</u>	<u>121,072</u>	<u>65,385</u>	<u>52,486</u>
Expenditures				
Salaries	21,737	33,204	-	-
Employee benefits	645	2,695	-	-
Pension expense	2,721	11,169	-	-
Purchased services	6,700	12,676	57	57
Supplies and materials	7,953	9,114	-	-
Capital outlay	5,061	-	-	-
Other	1,500	88	-	-
Payments to other governmental units	-	-	65,385	52,486
Payments made on behalf of region	498,244	-	-	-
Total Expenditures	<u>544,561</u>	<u>68,946</u>	<u>65,442</u>	<u>52,543</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>12,205</u>	<u>52,126</u>	<u>(57)</u>	<u>(57)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	57	57
Transfers out	(15,741)	(114)	-	-
Total Other Financing Sources (Uses)	<u>(15,741)</u>	<u>(114)</u>	<u>57</u>	<u>57</u>
Net Change in Fund Balances (Deficits)	<u>(3,536)</u>	<u>52,012</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits), Beginning of year	134,148	-	-	-
Prior Period Adjustments, Restatements, and Reclassifications	<u>6,414</u>	<u>(6,414)</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits), Beginning of year, Restated - See Note 17	<u>140,562</u>	<u>(6,414)</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits), End of year	<u>\$ 137,026</u>	<u>\$ 45,598</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONCLUDED)
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2016

	Principal Mentoring	Special Programs	Technology Learning - Technology Centers	Total
Revenues				
Local sources	\$ -	\$ 5,407	\$ -	\$ 88,914
Local sources - on-behalf payments	-	-	-	149,102
State sources	-	-	-	213,299
State sources - on-behalf payments	-	-	-	349,142
Interest	-	-	-	659
Total Revenue	<u>-</u>	<u>5,407</u>	<u>-</u>	<u>801,116</u>
Expenditures				
Salaries	-	-	-	54,941
Employee benefits	-	-	-	3,340
Pension expense	-	-	-	13,890
Purchased services	-	34	-	19,524
Supplies and materials	-	5,407	-	22,474
Capital outlay	-	-	-	5,061
Other	-	-	-	1,588
Payments to other governmental units	-	-	-	117,871
On-behalf payments	-	-	-	498,244
Total Expenditures	<u>-</u>	<u>5,441</u>	<u>-</u>	<u>736,933</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(34)</u>	<u>-</u>	<u>64,183</u>
Other Financing Sources (Uses)				
Transfers in	-	-	1,227	1,341
Transfers out	(5,517)	-	-	(21,372)
Total Other Financing Sources (Uses)	<u>(5,517)</u>	<u>-</u>	<u>1,227</u>	<u>(20,031)</u>
Net Change in Fund Balances (Deficits)	<u>(5,517)</u>	<u>(34)</u>	<u>1,227</u>	<u>44,152</u>
Fund Balances (Deficits), Beginning of year	5,517	5,377	-	145,042
Prior Period Adjustments, Restatements, and Reclassifications	<u>-</u>	<u>-</u>	<u>34,759</u>	<u>34,759</u>
Fund Balances (Deficits), Beginning of year, Restated - See Note 17	<u>5,517</u>	<u>5,377</u>	<u>34,759</u>	<u>179,801</u>
Fund Balances (Deficits), End of year	<u>\$ -</u>	<u>\$ 5,343</u>	<u>\$ 35,986</u>	<u>\$ 223,953</u>

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2016

	<u>I Bio-Tech</u>	<u>I-RTI</u>	<u>I-STEM Math</u>	<u>I-STEM Science</u>	<u>McKinney Education for Homeless Children</u>
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	35,062	23,075	24,488	11,769
Total Assets	<u>-</u>	<u>35,062</u>	<u>23,075</u>	<u>24,488</u>	<u>11,769</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ -</u>	<u>\$ 35,062</u>	<u>\$ 23,075</u>	<u>\$ 24,488</u>	<u>\$ 11,769</u>
Liabilities					
Accounts payable	\$ -	\$ 82	\$ 1,486	\$ 70	\$ 208
Due to other funds	-	34,980	21,589	24,418	11,561
Due to other governments	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>35,062</u>	<u>23,075</u>	<u>24,488</u>	<u>11,769</u>
Deferred Inflows of Resources					
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)					
Restricted	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ -</u>	<u>\$ 35,062</u>	<u>\$ 23,075</u>	<u>\$ 24,488</u>	<u>\$ 11,769</u>

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
COMBINING SCHEDULE OF ACCOUNTS (CONTINUED)
EDUCATION FUND
June 30, 2016

	<u>RAMPDUP II</u>	<u>Regional Safe School</u>	<u>ROE/ISC Operations</u>	<u>School Climate (Bullying)</u>	<u>School Lunch and Breakfast</u>
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 9,794
Due from other governments	87,259	11,002	35,038	6,629	58
Total Assets	<u>87,259</u>	<u>11,002</u>	<u>35,038</u>	<u>6,629</u>	<u>9,852</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 87,259</u>	<u>\$ 11,002</u>	<u>\$ 35,038</u>	<u>\$ 6,629</u>	<u>\$ 9,852</u>
Liabilities					
Accounts payable	\$ 15,558	\$ -	\$ 290	\$ -	\$ -
Due to other funds	2,771	11,002	34,748	6,293	58
Due to other governments	68,930	-	-	336	574
Total Liabilities	<u>87,259</u>	<u>11,002</u>	<u>35,038</u>	<u>6,629</u>	<u>632</u>
Deferred Inflows of Resources					
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	6,629	<u>-</u>
Fund Balances (Deficits)					
Restricted	-	-	-	-	9,220
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	(6,629)	<u>-</u>
Total Fund Balances (Deficits)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,629)</u>	<u>9,220</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 87,259</u>	<u>\$ 11,002</u>	<u>\$ 35,038</u>	<u>\$ 6,629</u>	<u>\$ 9,852</u>

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
COMBINING SCHEDULE OF ACCOUNTS (CONCLUDED)
EDUCATION FUND
June 30, 2016

	Title I - School Improvement and Accountability (227)	Title I - School Improvement and Accountability (226)	Title II - Teacher Quality Leadership	Truants Alternative/ Optional Education	Total
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 12,756	\$ 22,550
Due from other governments	4,500	40,384	343	13,580	293,187
Total Assets	4,500	40,384	343	26,336	315,737
Deferred Outflows of Resources					
	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 4,500	\$ 40,384	\$ 343	\$ 26,336	\$ 315,737
Liabilities					
Accounts payable	\$ -	\$ 2,257	\$ -	\$ -	\$ 19,951
Due to other funds	4,500	36,695	343	-	188,958
Due to other governments	-	1,432	-	26,336	97,608
Total Liabilities	4,500	40,384	343	26,336	306,517
Deferred Inflows of Resources					
Unavailable revenue	-	-	-	-	6,629
Fund Balances (Deficits)					
Restricted	-	-	-	-	9,220
Unassigned	-	-	-	-	(6,629)
Total Fund Balances (Deficits)	-	-	-	-	2,591
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 4,500	\$ 40,384	\$ 343	\$ 26,336	\$ 315,737

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2016

	I Bio-Tech	I RTI	I-STEM Math	I-STEM Science	McKinney Education for Homeless Children
Revenues					
State sources	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	-	150,551	311,171	310,924	41,593
Total Revenues	<u>-</u>	<u>150,551</u>	<u>311,171</u>	<u>310,924</u>	<u>41,593</u>
Expenditures					
Salaries	-	75,096	60,529	60,529	27,916
Employee benefits	-	8,298	1,608	1,578	566
Pension expense	-	34,624	21,821	21,844	11,408
Purchased services	-	33,603	4,122	15,361	3,714
Supplies and materials	-	2,060	49,377	54,850	418
Other	-	3,630	-	-	-
Payments to other governmental units	-	-	173,714	156,762	-
Total Expenditures	<u>-</u>	<u>157,311</u>	<u>311,171</u>	<u>310,924</u>	<u>44,022</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(6,760)</u>	<u>-</u>	<u>-</u>	<u>(2,429)</u>
Other Financing Sources (Uses)					
Transfers in	-	-	3,687	323	-
Transfers out	(1,227)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(1,227)</u>	<u>-</u>	<u>3,687</u>	<u>323</u>	<u>-</u>
Net Change in Fund Balances (Deficits)	<u>(1,227)</u>	<u>(6,760)</u>	<u>3,687</u>	<u>323</u>	<u>(2,429)</u>
Fund Balances (Deficits), Beginning of year	<u>1,227</u>	<u>6,760</u>	<u>(3,687)</u>	<u>(323)</u>	<u>2,429</u>
Fund Balances (Deficits), End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2016

	<u>RAMPDUP II</u>	<u>Regional Safe Schools</u>	<u>ROE/ISC Operations</u>	<u>School Climate (Bullying)</u>	<u>School Lunch and Breakfast</u>
Revenues					
State sources	\$ -	\$ 66,709	\$ 35,038	\$ -	\$ 171
Federal sources	171,855	-	-	-	20,142
Total Revenues	<u>171,855</u>	<u>66,709</u>	<u>35,038</u>	<u>-</u>	<u>20,313</u>
Expenditures					
Salaries	5,075	66,709	13,500	4,700	-
Employee benefits	106	-	311	360	-
Pension expense	2,684	-	408	44	-
Purchased services	143,365	-	15,615	910	-
Supplies and materials	17,158	-	4,428	615	-
Other	3,467	-	776	-	-
Payments to other governmental units	-	-	-	-	11,093
Total Expenditures	<u>171,855</u>	<u>66,709</u>	<u>35,038</u>	<u>6,629</u>	<u>11,093</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,629)</u>	<u>9,220</u>
Other Financing Sources (Uses)					
Transfers in	3,685	-	3,091	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>3,685</u>	<u>-</u>	<u>3,091</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances (Deficits)	<u>3,685</u>	<u>-</u>	<u>3,091</u>	<u>(6,629)</u>	<u>9,220</u>
Fund Balances (Deficits), Beginning of year	<u>(3,685)</u>	<u>-</u>	<u>(3,091)</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits), End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,629)</u>	<u>\$ 9,220</u>

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONCLUDED)
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2016

	Title I - School Improvement and Accountability (227)	Title I - School Improvement and Accountability (226)	Title II - Teacher Quality Leadership	Truants Alternative/ Optional Education	Total
Revenues					
State sources	\$ -	\$ -	\$ -	\$ 213,580	\$ 315,498
Federal sources	4,500	38,952	2,943	-	1,052,631
Total Revenues	<u>4,500</u>	<u>38,952</u>	<u>2,943</u>	<u>213,580</u>	<u>1,368,129</u>
Expenditures					
Salaries	3,192	12,120	-	57,090	386,456
Employee benefits	46	84	-	8,030	20,987
Pension expense	1,551	1,829	-	1,313	97,526
Purchased services	130	6,809	2,943	10,891	237,463
Supplies and materials	-	2,256	-	1,629	132,791
Other	-	-	-	-	7,873
Payments to other governmental units	-	22,287	-	135,026	498,882
Total Expenditures	<u>4,919</u>	<u>45,385</u>	<u>2,943</u>	<u>213,979</u>	<u>1,381,978</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(419)</u>	<u>(6,433)</u>	<u>-</u>	<u>(399)</u>	<u>(13,849)</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	10,472	21,258
Transfers out	-	-	-	-	(1,227)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,472</u>	<u>20,031</u>
Net Change in Fund Balances (Deficits)	<u>(419)</u>	<u>(6,433)</u>	<u>-</u>	<u>10,073</u>	<u>6,182</u>
Fund Balances (Deficits), Beginning of year	<u>419</u>	<u>6,433</u>	<u>-</u>	<u>(10,073)</u>	<u>(3,591)</u>
Fund Balances (Deficits), End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,591</u>

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of May 1, 2015 to September 30, 2015)
EDUCATION FUND ACCOUNTS
I-STEM MATH (PROJECT #15-4936-MA)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 250,000	\$ 250,000	\$ 232,590
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>232,590</u>
Expenditures:			
Salaries	46,880	32,880	31,928
Employee benefits	21,619	14,619	-
Pension expense	-	-	10,469
Purchased services	6,389	6,189	2,144
Supplies and materials	29,553	76,753	45,879
Payments to other governmental units	145,559	119,559	138,483
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>228,903</u>
Net Change in Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ -</u>	3,687
Fund Balance (Deficit) - Beginning of Year			<u>(3,687)</u>
Fund Balance (Deficit) - End of Year			<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of October 1, 2015 to June 30, 2016)
EDUCATION FUND ACCOUNTS
I-STEM MATH (PROJECT #16-4936-MA)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 250,000	\$ 250,000	\$ 78,581
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>78,581</u>
Expenditures:			
Salaries	38,270	38,270	28,601
Employee benefits	17,332	17,332	1,608
Pension expense	-	-	11,352
Purchased services	27,035	27,035	1,978
Supplies and materials	7,214	7,214	3,498
Payments to other governmental units	160,149	160,149	35,231
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>82,268</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(3,687)</u>
Other Financing Sources (Uses)			
Transfers in	-	-	3,687
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3,687</u>
Net Change in Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance (Deficit) - Beginning of Year			<u>-</u>
Fund Balance (Deficit) - End of Year			<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of May 1, 2015 to September 30, 2015)
EDUCATION FUND ACCOUNTS
I-STEM SCIENCE (PROJECT #15-4936-SA)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 250,000	\$ 250,000	\$ 232,406
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>232,406</u>
Expenditures:			
Salaries	46,880	32,880	31,928
Employee benefits	21,619	14,619	-
Pension expense	-	-	10,329
Purchased services	16,148	15,948	12,580
Supplies and materials	33,644	67,844	54,028
Payments to other governmental units	131,709	118,709	123,218
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>232,083</u>
Net Change in Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ -</u>	323
Fund Balance (Deficit) - Beginning of Year			<u>(323)</u>
Fund Balance (Deficit) - End of Year			<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of October 1, 2015 to June 30, 2016)
EDUCATION FUND ACCOUNTS
I-STEM SCIENCE (PROJECT #16-4936-SA)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 250,000	\$ 250,000	\$ 78,518
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>78,518</u>
Expenditures:			
Salaries	38,270	38,270	28,601
Employee benefits	17,332	17,332	1,578
Pension expense	-	-	11,515
Purchased services	36,794	36,794	2,781
Supplies and materials	11,305	11,305	822
Payments to other governmental units	146,299	146,299	33,544
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>78,841</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(323)</u>
Other Financing Sources (Uses)			
Transfers in	-	-	323
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>323</u>
Net Change in Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance (Deficit) - Beginning of Year			<u>-</u>
Fund Balance (Deficit) - End of Year			<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2015 to June 30, 2016)
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS (PROJECT #16-3696-00)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 66,709	\$ 66,709	\$ 66,709
Total Revenues	<u>66,709</u>	<u>66,709</u>	<u>66,709</u>
Expenditures:			
Salaries	66,709	66,709	66,709
Total Expenditures	<u>66,709</u>	<u>66,709</u>	<u>66,709</u>
Net Change in Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance (Deficit) - Beginning of Year			<u>-</u>
Fund Balance (Deficit) - End of Year			<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 21, 2015 to June 30, 2016)
EDUCATION FUND ACCOUNTS
ROE/ISC OPERATIONS (PROJECT #16-3730-00)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 72,583	\$ 72,683	\$ 35,038
Total Revenues	<u>72,583</u>	<u>72,683</u>	<u>35,038</u>
Expenditures			
Salaries	53,000	45,000	13,500
Employee benefits	5,662	4,662	311
Pension expense	-	-	408
Purchased services	8,421	12,521	15,615
Supplies and materials	2,500	6,500	4,428
Other	-	-	776
Capital outlay	3,000	4,000	-
Total Expenditures	<u>72,583</u>	<u>72,683</u>	<u>35,038</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)			
Transfers in	<u>-</u>	<u>-</u>	<u>3,091</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3,091</u>
Net Change in Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ -</u>	3,091
Fund Balance (Deficit) - Beginning of Year			<u>(3,091)</u>
Fund Balance (Deficit) - End of Year			<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of August 21, 2015 to June 30, 2016)
EDUCATION FUND ACCOUNTS
TITLE II - TEACHER QUALITY LEADERSHIP (PROJECT #16-4935-02)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 2,943	\$ 2,943	\$ 2,943
Total Revenues	<u>2,943</u>	<u>2,943</u>	<u>2,943</u>
Expenditures			
Purchased services	2,943	2,943	2,943
Total Expenditures	<u>2,943</u>	<u>2,943</u>	<u>2,943</u>
Net Change in Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance (Deficit) - Beginning of Year			<u>-</u>
Fund Balance (Deficit) - End of Year			<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2015 to June 30, 2016)
EDUCATION FUND ACCOUNTS
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION (PROJECT #16-3695-15)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 213,580	\$ 213,580	\$ 213,580
Total Revenues	<u>213,580</u>	<u>213,580</u>	<u>213,580</u>
Expenditures			
Salaries	53,100	53,100	57,090
Employee benefits	6,132	6,132	8,030
Pension expense	-	-	1,313
Purchased services	19,001	19,001	10,891
Supplies and materials	1,300	1,300	1,629
Capital outlay	-	-	-
Payments to other governmental units	134,047	134,047	135,026
Total Expenditures	<u>213,580</u>	<u>213,580</u>	<u>213,979</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(399)</u>
Other Financing Sources (Uses)			
Transfers in	-	-	10,472
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>10,472</u>
Net Change in Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ -</u>	10,073
Fund Balance (Deficit) - Beginning of Year			<u>(10,073)</u>
Fund Balance (Deficit) - End of Year			<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2016

	Bus Driver Training	General Education Development	Supervisory	Total
Assets				
Cash and cash equivalents	\$ 6,684	\$ 8,964	\$ -	\$ 15,648
Accounts receivable	-	194	-	194
Due from other governments	1,403	-	-	1,403
Total Assets	<u>8,087</u>	<u>9,158</u>	<u>-</u>	<u>17,245</u>
 Deferred Outflows of Resources	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 8,087</u>	<u>\$ 9,158</u>	<u>\$ -</u>	<u>\$ 17,245</u>
 Liabilities	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>
 Deferred Inflows of Resources	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Fund Balances (Deficits)				
Restricted	<u>8,087</u>	<u>9,158</u>	<u>-</u>	<u>17,245</u>
Total Fund Balances (Deficits)	<u>8,087</u>	<u>9,158</u>	<u>-</u>	<u>17,245</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	 <u>\$ 8,087</u>	 <u>\$ 9,158</u>	 <u>\$ -</u>	 <u>\$ 17,245</u>

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2016

	Bus Driver Training	General Education Development	Supervisory	Total
Revenues				
Local sources	\$ 3,228	\$ 2,947	\$ -	\$ 6,175
State sources	1,403	-	-	1,403
Interest	16	42	-	58
Total Revenues	<u>4,647</u>	<u>2,989</u>	<u>-</u>	<u>7,636</u>
Expenditures				
Purchased services	1,861	86	200	2,147
Supplies and materials	-	145	-	145
Other	-	3	-	3
Total Expenditures	<u>1,861</u>	<u>234</u>	<u>200</u>	<u>2,295</u>
Net Change in Fund Balances (Deficits)	2,786	2,755	(200)	5,341
Fund Balances (Deficits), Beginning of year	<u>5,301</u>	<u>6,403</u>	<u>200</u>	<u>11,904</u>
Fund Balances (Deficits), End of year	<u>\$ 8,087</u>	<u>\$ 9,158</u>	<u>\$ -</u>	<u>\$ 17,245</u>

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2016

	<u>Annexation/ Detachment</u>	<u>Area VI Meetings</u>	<u>Distributive</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ -	\$ 154	\$ 114,288	\$ 114,442
Due from other governments	<u>-</u>	<u>-</u>	<u>2,740,536</u>	<u>2,740,536</u>
 Total Assets	 <u>\$ -</u>	 <u>\$ 154</u>	 <u>\$ 2,854,824</u>	 <u>\$ 2,854,978</u>
 Liabilities				
Due to other governments	<u>\$ -</u>	<u>\$ 154</u>	<u>\$ 2,854,824</u>	<u>\$ 2,854,978</u>
 Total Liabilities	 <u>\$ -</u>	 <u>\$ 154</u>	 <u>\$ 2,854,824</u>	 <u>\$ 2,854,978</u>

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
<u>Annexation/Detachment</u>				
Assets				
Cash and cash equivalents	\$ 1,750	\$ 1,000	\$ 2,750	\$ -
Total Assets	<u>\$ 1,750</u>	<u>\$ 1,000</u>	<u>\$ 2,750</u>	<u>\$ -</u>
Liabilities				
Due to others	\$ 1,750	\$ 1,000	\$ 2,750	\$ -
Total Liabilities	<u>\$ 1,750</u>	<u>\$ 1,000</u>	<u>\$ 2,750</u>	<u>\$ -</u>
<u>Area VI Meetings</u>				
Assets				
Cash and cash equivalents	\$ 325	\$ 1,000	\$ 1,171	\$ 154
Total Assets	<u>\$ 325</u>	<u>\$ 1,000</u>	<u>\$ 1,171</u>	<u>\$ 154</u>
Liabilities				
Due to other governments	\$ 325	\$ 1,000	\$ 1,171	\$ 154
Total Liabilities	<u>\$ 325</u>	<u>\$ 1,000</u>	<u>\$ 1,171</u>	<u>\$ 154</u>
<u>Distributive</u>				
Assets				
Cash and cash equivalents	\$ 8,303	\$ 54,225,505	\$ 54,119,520	\$ 114,288
Due from other governments	1,693,924	2,740,536	1,693,924	2,740,536
Total Assets	<u>\$ 1,702,227</u>	<u>\$ 56,966,041</u>	<u>\$ 55,813,444</u>	<u>\$ 2,854,824</u>
Liabilities				
Due to other governments	\$ 1,702,227	\$ 56,966,041	\$ 55,813,444	\$ 2,854,824
Total Liabilities	<u>\$ 1,702,227</u>	<u>\$ 56,966,041</u>	<u>\$ 55,813,444</u>	<u>\$ 2,854,824</u>
<u>Total</u>				
Assets				
Cash and cash equivalents	\$ 10,378	\$ 54,227,505	\$ 54,123,441	\$ 114,442
Due from other governments	1,693,924	2,740,536	1,693,924	2,740,536
Total Assets	<u>\$ 1,704,302</u>	<u>\$ 56,968,041</u>	<u>\$ 55,817,365</u>	<u>\$ 2,854,978</u>
Liabilities				
Due to other governments	\$ 1,702,552	\$ 56,967,041	\$ 55,814,615	\$ 2,854,978
Due to others	1,750	1,000	2,750	-
Total Liabilities	<u>\$ 1,704,302</u>	<u>\$ 56,968,041</u>	<u>\$ 55,817,365</u>	<u>\$ 2,854,978</u>

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
For the Year Ended June 30, 2016

Distributions	Carbondale Community Unit #95	Carbondale Community Unit #165	Comm. Cons. Community Unit #204	DeSoto Community Unit #86	DuQuoin Community Unit #300
Local Funds					
Distributive Fund Interest	\$ -	\$ -	\$ -	\$ -	\$ -
County School Facility Tax	-	-	41,401	-	414,014
Total Local Funds	-	-	41,401	-	414,014
State Funds					
General State Aid - Sec. 18-8	2,377,218	1,055,445	144,619	801,498	6,247,126
General State Aid - Hold Harmless	-	-	-	19,399	228,608
Special Ed. Private Facility Tuition	-	10,066	-	-	49,696
Fund for Child Requiring Special Ed. Services	197,632	133,724	20,128	31,646	197,143
Special Ed. - Personnel	242,451	127,012	16,895	43,163	198,698
Special E. - Orphanage	23,804	92,700	-	13,840	112,325
Special E. Orphanage - Summer Ind.	-	-	-	-	-
Special Ed. - Summer School	535	-	-	-	459
Voc. Ed. Career & Technical Ed. Imp.	-	-	-	-	-
Voc. Ed. - Agricultural Education	-	1,970	-	-	2,407
Bilingual Ed.	37,748	3,108	-	-	-
State Free Lunch & Breakfast	7,735	2,756	232	691	3,460
Driver Education	-	43,670	-	-	20,062
Transportation - Regular & Vocational	302,072	28,684	49,179	44,951	172,852
Transportation - Special Education	125,897	157,149	-	42,631	82,806
National Board Certification Initiative	-	-	-	-	-
Truants Alternative/Operational Education	-	70,812	-	-	-
Regional Safe Schools Program	-	-	-	-	-
Early Childhood Block Grant	435,096	129,080	-	-	-
Orphanage Tuition	-	54,342	-	-	-
Total State Funds	3,750,188	1,910,518	231,053	997,819	7,315,642
Federal Funds					
Title VI Rural Education Initiative	-	-	-	-	28,187
National School Lunch Program	632,900	212,556	23,857	48,881	351,301
School Breakfast Program	208,998	90,308	8,647	21,402	123,927
Summer Food Service Program	-	-	-	-	32,688
Fresh Fruits and Vegetables	-	-	-	-	-
NSLP Equipment Assistance Grant	-	-	-	13,155	-
Title I Low Income	918,490	469,130	32,055	127,874	529,298
Title IV - 21st Century Comm L C	-	-	-	-	301,523
Fed. - Sp. Ed. - Pre-School Flow Through	-	-	-	-	-
Fed. - Sp. Ed. - IDEA - Flow Through	-	-	-	-	-
V. E. - Perkins - Title IIC - Secondary	-	-	-	-	-
Title III - Language Inst. Program	22,875	-	-	-	-
Title II - Teacher Quality	108,540	34,608	11,142	13,923	84,528
Title II - Teacher Quality - Leadership	-	-	-	-	-
Mathematics & Science Partnerships	-	-	-	-	-
Total Federal Funds	1,891,803	806,602	75,701	225,235	1,451,452
Total Distributions	\$ 5,641,991	\$ 2,717,120	\$ 348,155	\$ 1,223,054	\$ 9,181,108

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES (CONTINUED)
DISTRIBUTIVE FUND
For the Year Ended June 30, 2016

Distributions	Education for Employment	Elverado Community Unit #196	Giant City Community Unit #130	Murphysboro Community Unit #186	Pinckneyville Community Unit #50
Local Funds					
Distributive Fund Interest	\$ -	\$ -	\$ -	\$ -	\$ -
County School Facility Tax	-	-	-	-	157,325
Total Local Funds	-	-	-	-	157,325
State Funds					
General State Aid - Sec. 18-8	-	2,265,272	523,821	8,252,859	1,894,697
General State Aid - Hold Harmless	-	90,927	-	276,788	37,363
Special Ed. Private Facility Tuition	-	-	-	-	-
Fund for Child Requiring Special Ed. Services	-	66,614	31,000	283,646	75,859
Special Ed. - Personnel	-	80,493	42,973	420,519	42,079
Special E. - Orphanage	-	-	-	52,096	5,203
Special E. Orphanage - Summer Ind.	-	-	-	-	-
Special Ed. - Summer School	-	1,214	-	2,480	-
Voc. Ed. Career & Technical Ed. Imp.	280,603	-	-	-	-
Voc. Ed. - Agricultural Education	-	1,342	-	-	-
Bilingual Ed.	-	-	-	4,785	-
State Free Lunch & Breakfast	-	1,229	263	8,188	1,009
Driver Education	-	6,991	-	21,862	-
Transportation - Regular & Vocational	-	115,821	22,061	409,307	81,751
Transportation - Special Education	-	88,936	5,805	292,218	160,763
National Board Certification Initiative	-	-	-	-	-
Truants Alternative/Operational Education	-	-	-	-	-
Regional Safe Schools Program	-	-	-	-	-
Early Childhood Block Grant	-	-	-	3,692,369	-
Orphanage Tuition	-	-	-	-	-
Total State Funds	280,603	2,718,839	625,923	13,717,117	2,298,724
Federal Funds					
Title VI Rural Education Initiative	-	-	-	-	11,314
National School Lunch Program	-	92,989	31,223	569,188	98,837
School Breakfast Program	-	45,242	4,150	257,560	35,150
Summer Food Service Program	-	-	-	18,510	-
Fresh Fruits and Vegetables	-	-	-	-	-
NSLP Equipment Assistance Grant	-	-	-	-	-
Title I Low Income	-	188,870	77,836	1,040,669	231,410
Title IV - 21st Century Comm L C	-	-	-	-	-
Fed. - Sp. Ed. - Pre-School Flow Through	-	-	-	-	-
Fed. - Sp. Ed. - IDEA - Flow Through	-	-	-	-	-
V. E. - Perkins - Title IIC - Secondary	146,502	-	-	-	-
Title III - Language Inst. Program	-	-	-	-	-
Title II - Teacher Quality	-	29,537	19,369	201,098	38,890
Title II - Teacher Quality - Leadership	-	-	-	-	-
Mathematics & Science Partnerships	-	-	-	-	-
Total Federal Funds	146,502	356,638	132,578	2,087,025	415,601
Total Distributions	\$ 427,105	\$ 3,075,477	\$ 758,501	\$ 15,804,142	\$ 2,871,650

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES (CONCLUDED)
DISTRIBUTIVE FUND
For the Year Ended June 30, 2016

Distributions	Pinckneyville Community Unit #101	Tamaroa Community Unit #5	Trico Community Unit #176	Tri-County	Regional Office of Education #30	Total
Local Funds						
Distributive Fund Interest	\$ -	\$ -	\$ -	\$ -	\$ 1,041	\$ 1,041
County School Facility Tax	124,204	33,121	57,962	-	-	828,027
Total Local Funds	124,204	33,121	57,962	-	1,041	829,068
State Funds						
General State Aid - Sec. 18-8	1,219,056	562,224	2,514,185	-	203,985	28,062,005
General State Aid - Hold Harmless	11,807	23,026	15,151	-	9,314	712,383
Special Ed. Private Facility Tuition	-	-	-	-	-	59,762
Fund for Child Requiring Special Ed. Services	55,302	16,362	124,313	-	-	1,233,369
Special Ed. - Personnel	49,879	12,999	127,057	1,164,659	-	2,568,877
Special E. - Orphanage	33,314	-	3,835	146,930	-	484,047
Special E. Orphanage - Summer Ind.	-	-	-	6,690	-	6,690
Special Ed. - Summer School	-	-	-	-	-	4,688
Voc. Ed. Career & Technical Ed. Imp.	-	-	-	-	-	280,603
Voc. Ed. - Agricultural Education	2,246	-	889	-	-	8,854
Bilingual Ed.	-	-	-	-	-	45,641
State Free Lunch & Breakfast	652	547	2,212	2,190	188	31,352
Driver Education	19,817	-	16,382	-	-	128,784
Transportation - Regular & Vocational	36,111	17,693	341,468	-	-	1,621,950
Transportation - Special Education	79,706	38,619	162,270	38,772	-	1,275,572
National Board Certification Initiative	-	-	1,500	-	-	1,500
Truants Alternative/Operational Education	-	-	-	-	202,800	273,612
Regional Safe Schools Program	-	-	-	-	55,707	55,707
Early Childhood Block Grant	-	-	-	-	-	4,256,545
Orphanage Tuition	-	-	-	-	-	54,342
Total State Funds	1,507,890	671,470	3,309,262	1,359,241	471,994	41,166,283
Federal Funds						
Title VI Rural Education Initiative	-	-	-	-	-	39,501
National School Lunch Program	48,580	44,467	170,715	141,993	15,559	2,483,046
School Breakfast Program	31,893	19,152	71,170	82,107	5,820	1,005,526
Summer Food Service Program	-	-	-	-	-	51,198
Fresh Fruits and Vegetables	-	-	-	299	-	299
NSLP Equipment Assistance Grant	-	-	-	-	-	13,155
Title I Low Income	53,430	83,441	276,383	-	-	4,028,886
Title IV - 21st Century Comm L C	-	-	-	-	-	301,523
Fed. - Sp. Ed. - Pre-School Flow Through	-	-	-	97,329	-	97,329
Fed. - Sp. Ed. - IDEA - Flow Through	-	-	-	2,705,544	-	2,705,544
V. E. - Perkins - Title IIC - Secondary	-	-	-	-	-	146,502
Title III - Language Inst. Program	-	-	-	-	-	22,875
Title II - Teacher Quality	16,548	8,185	49,890	-	-	616,258
Title II - Teacher Quality - Leadership	-	-	-	-	2,991	2,991
Mathematics & Science Partnerships	-	-	-	-	609,536	609,536
Total Federal Funds	150,451	155,245	568,158	3,027,272	633,906	12,124,169
Total Distributions	\$ 1,782,545	\$ 859,836	\$ 3,935,382	\$ 4,386,513	\$ 1,106,941	\$ 54,119,520

FEDERAL COMPLIANCE SECTION

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION				
passed through Illinois State Board of Education				
Improving Teacher Quality State Grants Title II - Teacher Quality - Leadership	84.367A	16-4935-02		\$ 2,943
passed through Southern Illinois University-Carbondale				
RAMPDUP & Onward	84.367			<u>171,855</u>
				<u>174,798</u>
passed through Illinois State Board of Education				
Mathematics and Science Partnerships	84.366B	15-4936-MA		232,590 (M)
Mathematics and Science Partnerships	84.366B	16-4936-MA		78,581 (M)
Mathematics and Science Partnerships	84.366B	15-4936-SA		232,406 (M)
Mathematics and Science Partnerships	84.366B	16-4936-SA		78,518 (M)
				<u>622,095</u>
passed through Regional Office of Education #21				
Education for Homeless Children and Youth McKinney Education for Homeless Children	84.196A	16-4920-00		<u>41,593</u>
Title I Grants to Local Educational Agencies				
System of Support - Title I - Grants to Local Educational Agencies	84.010A	16-4331-SS		<u>43,452</u>
passed through Regional Office of Education #47				
Special Education - State Personnel Development				
IDEA - Improvement Grants - Part D	84.323A	15-4631-RN		79,961
IDEA - Improvement Grants - Part D	84.323A	16-4631-RN		70,590
				<u>150,551</u>
TOTAL U.S. DEPARTMENT OF EDUCATION				<u>1,032,489</u>
U.S. DEPARTMENT OF AGRICULTURE				
passed through Illinois State Board of Education				
Child School Nutrition Cluster				
School Breakfast Program	10.553	15-4220-00		739
School Breakfast Program	10.553	16-4220-00		1,522
				<u>2,261</u>
National School Lunch Program	10.555	15-4210-00		2,662
National School Lunch Program	10.555	16-4210-00		6,170
				<u>8,832</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>11,093</u>
U.S. DEPARTMENT OF JUSTICE				
passed through Southern Illinois University-Carbondale				
National Institute of Justice Research, Evaluation, & Development Grants	16.560	16-18		<u>6,629</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ -</u>	<u>\$ 1,050,211</u>

(M) Program was audited as a major program

The accompanying notes are an integral part of this schedule.

REGIONAL OFFICE OF EDUCATION #30
ALEXANDER, JACKSON, PERRY, PULASKI, AND UNION COUNTIES
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2016

NOTE 1: BASIS OF PRESENTATION

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Regional Office of Education #30 has elected not to use the 10-percent de Minimis indirect cost rate allowed under the Uniform Guidance.