

**STATE OF ILLINOIS  
MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**FINANCIAL AUDIT  
For the year ended June 30, 2017**

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

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

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REGIONAL OFFICE OF EDUCATION NO. 39**

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**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**OFFICIALS**

Regional Superintendent (Current and during the audit period) ..... Mr. Matthew Snyder  
Assistant Regional Superintendent (Current and during the audit period)..... Ms. Jill Reedy

Office is located at:

1690 Huston Drive  
Decatur, IL 62526

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**FINANCIAL REPORT SUMMARY**

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

**AUDITORS' REPORTS**

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

**SUMMARY OF AUDIT FINDINGS**

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

**SUMMARY OF FINDINGS AND RESPONSES**

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

There were no findings for the year ended June 30, 2017.

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

2016-001		Failure to Apply Appropriate Accounting Principles	Significant Deficiency
----------	--	--	------------------------

**EXIT CONFERENCE**

The Macon and Piatt Counties Regional Office of Education No. 39 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2017. Throughout the audit, numerous meetings were held between the auditors and Regional Office to discuss matters contained in this audit report.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the Macon and Piatt Counties Regional Office of Education No. 39 was performed by West & Company, LLC.

Based on their audit, the auditors expressed an unmodified opinion on the Regional Office of Education No. 39's basic financial statements.

MEMBERS

BRIAN E. DANIELL  
JANICE K. ROMACK  
DIANA R. SMITH  
D. RAIF PERRY  
JOHN H. VOGT  
JOSHUA D. LOWE  
DAVID W. FALLER  
ALEXANDER M. HAGEN

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GREENVILLE  
MATTOON  
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**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 Macon and Piatt Counties Regional Office of Education No. 39, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Macon and Piatt Counties Regional Office of Education No. 39'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 from material misstatement.

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Macon and Piatt Counties Regional Office of Education No. 39, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund – Schedules of Changes in the Net Pension Liability and Related Ratios, Illinois Municipal Retirement Fund – Schedules of Employer Contributions, Teachers' Retirement System of the State of Illinois – Schedules of Employer's Proportionate Share of the Net Pension Liability, and Teacher's Retirement System of the State of Illinois – Schedules of Employer Contributions on pages 57 - 61 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 Macon and Piatt Counties Regional Office of Education No. 39's basic financial statements. The combining schedules of accounts, budgetary comparison schedules, and combining fund financial statements 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, and combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of accounts, budgetary comparison schedules, and combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2018 on our consideration of the Macon and Piatt Counties Regional Office of Education No. 39's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Macon and Piatt Counties Regional Office of Education No. 39's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Macon and Piatt Counties Regional Office of Education No. 39's internal control over financial reporting and compliance.

**ORIGINAL SIGNATURE ON FILE**

Mattoon, Illinois  
May 22, 2018

MEMBERS

BRIAN E. DANIELL  
JANICE K. ROMACK  
DIANA R. SMITH  
D. RAIF PERRY  
JOHN H. VOGT  
JOSHUA D. LOWE  
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SULLIVAN

**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**

INDEPENDENT AUDITORS' REPORT

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 Macon and Piatt Counties Regional Office of Education No. 39, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Macon and Piatt Counties Regional Office of Education No. 39's basic financial statements, and have issued our report thereon dated May 22, 2018.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Macon and Piatt Counties Regional Office of Education No. 39'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 Macon and Piatt Counties Regional Office of Education No. 39's internal control. Accordingly, we do not express an opinion on the effectiveness of the Macon and Piatt Counties Regional Office of Education No. 39's internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Macon and Piatt Counties Regional Office of Education No. 39'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Macon and Piatt Counties Regional Office of Education No. 39'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 Macon and Piatt Counties Regional Office of Education No. 39's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**ORIGINAL SIGNATURE ON FILE**

Mattoon, Illinois  
May 22, 2018

## **SCHEDULE OF FINDINGS AND RESPONSES**

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**SCHEDULE OF FINDINGS AND RESPONSES  
SECTION I – SUMMARY OF AUDITORS' RESULTS  
For the year ended June 30, 2017**

**Section I - Summary of Auditors' Results**

**Financial Statements in accordance with GAAP**

Type of auditors' report issued UNMODIFIED

Internal Control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ X no

Significant deficiency(ies) identified? \_\_\_\_\_ yes \_\_\_\_\_ X none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes \_\_\_\_\_ X no

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**SCHEDULE OF FINDINGS AND RESPONSES  
SECTION II – FINANCIAL STATEMENT FINDINGS  
For the year ended June 30, 2017**

**Section II – Financial Statement Findings**

No findings were noted for the year ended June 30, 2017.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**CORRECTIVE ACTION PLAN FOR CURRENT AUDIT FINDINGS  
For the year ended June 30, 2017**

**Corrective Action Plan**

No findings were noted for the year ended June 30, 2017.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED  
For the year ended June 30, 2017**

2016-001                      Failure to Apply Appropriate Accounting Principles                      Resolved

During the current audit, the Regional Office of Education No. 39 recorded the capital lease according to Generally Accepted Accounting Principles.

## **BASIC FINANCIAL STATEMENTS**

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**STATEMENT OF NET POSITION  
June 30, 2017**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,248,839	\$ 37,441	\$ 1,286,280
Accounts receivable	60,094	-	60,094
Due from other governments	1,644,334	1,875	1,646,209
Total current assets	<u>2,953,267</u>	<u>39,316</u>	<u>2,992,583</u>
Noncurrent assets:			
Capital assets, net	21,663	-	21,663
Total assets	<u>2,974,930</u>	<u>39,316</u>	<u>3,014,246</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	816,547	-	816,547
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	23,773	533	24,306
Accrued payroll and benefits	114,815	649	115,464
Due to other governments	14,795	-	14,795
Unearned revenue	77,059	-	77,059
Current portion of capital lease liability	2,276	-	2,276
Total current liabilities	<u>232,718</u>	<u>1,182</u>	<u>233,900</u>
Noncurrent liabilities:			
Capital lease liability, net of current portion	2,772	-	2,772
Net pension liability	1,240,445	-	1,240,445
Total liabilities	<u>1,475,935</u>	<u>1,182</u>	<u>1,477,117</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	815,136	-	815,136
<b>NET POSITION</b>			
Net investment in capital assets	16,615	-	16,615
Restricted - other	144,067	-	144,067
Unrestricted	1,339,724	38,134	1,377,858
Total net position	<u>\$ 1,500,406</u>	<u>\$ 38,134</u>	<u>\$ 1,538,540</u>

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

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**STATEMENT OF ACTIVITIES  
For the year ended June 30, 2017**

FUNCTIONS/PROGRAMS	Program Revenues		Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Governmental Activities:						
Instructional services:						
Salaries and benefits	\$ 2,986,319	\$ -	\$ 2,116,546	\$ (869,773)	\$ -	\$ (869,773)
Purchased services	1,460,102	-	765,659	(694,443)	-	(694,443)
Supplies and materials	90,222	-	74,088	(16,134)	-	(16,134)
Capital outlay	-	-	8,008	8,008	-	8,008
Other objects	4,347	-	2,314	(2,033)	-	(2,033)
Payments to other governments	1,000	-	1,038	38	-	38
Depreciation	10,858	-	-	(10,858)	-	(10,858)
Administrative:						
On-behalf payments	1,195,165	-	-	(1,195,165)	-	(1,195,165)
Total governmental activities	<u>5,748,013</u>	<u>-</u>	<u>2,967,653</u>	<u>(2,780,360)</u>	<u>-</u>	<u>(2,780,360)</u>
Business-Type Activities:						
Workshop fees	3,735	13,490	-	-	9,755	9,755
Total primary government	<u>\$ 5,751,748</u>	<u>\$ 13,490</u>	<u>\$ 2,967,653</u>	<u>(2,780,360)</u>	<u>9,755</u>	<u>(2,770,605)</u>
General revenues:						
Local sources				1,987,478	-	1,987,478
On-behalf payments				1,195,165	-	1,195,165
Interest				4,898	-	4,898
Pension benefit				732,399	-	732,399
Total general revenues				<u>3,919,940</u>	<u>-</u>	<u>3,919,940</u>
Change in net position				1,139,580	9,755	1,149,335
Net position, beginning of year				<u>360,826</u>	<u>28,379</u>	<u>389,205</u>
Net position, end of year				<u>\$ 1,500,406</u>	<u>\$ 38,134</u>	<u>\$ 1,538,540</u>

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

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2017**

	General Fund	Education Fund	Other Nonmajor Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,124,270	\$ 1,971	\$ 122,598
Accounts receivable	60,094	-	-
Due from other funds	958,078	-	-
Due from other governments	524,388	1,119,546	400
Total assets	<u>\$ 2,666,830</u>	<u>\$ 1,121,517</u>	<u>\$ 122,998</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 4,655	\$ 18,034	\$ 1,084
Accrued payroll and benefits	73,990	40,552	273
Due to other funds	-	958,078	-
Due to other governments	8,933	3,862	2,000
Unearned revenue	494	76,565	-
Total liabilities	<u>88,072</u>	<u>1,097,091</u>	<u>3,357</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	158,439	226,401	-
<b>FUND BALANCES (DEFICIT)</b>			
Restricted	-	394	119,641
Assigned	43,353	-	-
Unassigned	2,376,966	(202,369)	-
Total fund balances (deficit)	<u>2,420,319</u>	<u>(201,975)</u>	<u>119,641</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 2,666,830</u>	<u>\$ 1,121,517</u>	<u>\$ 122,998</u>

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

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2017**

	Eliminations	Total Governmental Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 1,248,839
Accounts receivable	-	60,094
Due from other funds	(958,078)	-
Due from other governments	-	1,644,334
	\$ (958,078)	\$ 2,953,267
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 23,773
Accrued payroll and benefits	-	114,815
Due to other funds	(958,078)	-
Due to other governments	-	14,795
Unearned revenue	-	77,059
	(958,078)	230,442
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue	-	384,840
<b>FUND BALANCES (DEFICIT)</b>		
Restricted	-	120,035
Assigned	-	43,353
Unassigned	-	2,174,597
	-	2,337,985
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ (958,078)	\$ 2,953,267

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

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
June 30, 2017**

Total fund balances - governmental funds		\$ 2,337,985
--	--	--------------

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		21,663
---	--	--------

Some revenues will not be collected for several months after the Regional Office's fiscal year ends; they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.		384,840
--	--	---------

Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds

Deferred outflows of resources	\$ 816,547	
Deferred inflows of resources	<u>(815,136)</u>	1,411

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Capital lease payable	\$ (5,048)	
Net pension liability	<u>(1,240,445)</u>	<u>(1,245,493)</u>

Net position of governmental activities		<u><u>\$ 1,500,406</u></u>
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The notes to the financial statements are an integral part of this statement.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the year ended June 30, 2017**

	General Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
<b>Revenues:</b>				
Local sources	\$ 1,947,261	\$ -	\$ 40,217	\$ 1,987,478
State sources	913,175	1,793,237	1,460	2,707,872
Federal sources	-	33,770	-	33,770
On-behalf payments	309,433	-	-	309,433
Interest	4,898	-	-	4,898
	<u>3,174,767</u>	<u>1,827,007</u>	<u>41,677</u>	<u>5,043,451</u>
<b>Expenditures:</b>				
<b>Instructional services:</b>				
Salaries and benefits	1,773,236	1,185,639	27,444	2,986,319
Purchased services	850,539	578,938	30,625	1,460,102
Supplies and materials	27,923	62,112	187	90,222
Other objects	4,347	-	-	4,347
Payments to other governments	-	1,000	-	1,000
Pension expense	200,652	69,027	2,691	272,370
On-behalf payments	309,433	-	-	309,433
Capital outlay	-	8,008	-	8,008
	<u>3,166,130</u>	<u>1,904,724</u>	<u>60,947</u>	<u>5,131,801</u>
Excess (deficiencies) of revenues over (under) expenditures	8,637	(77,717)	(19,270)	(88,350)
<b>Other financing uses:</b>				
Repayment of long term lease payable	(2,186)	-	-	(2,186)
Net change in fund balances	6,451	(77,717)	(19,270)	(90,536)
Fund balances (deficits), beginning of year	2,413,868	(124,258)	138,911	2,428,521
Fund balances (deficits) , end of year	<u>\$ 2,420,319</u>	<u>\$ (201,975)</u>	<u>\$ 119,641</u>	<u>\$ 2,337,985</u>

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

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**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, 2017**

Net changes in fund balances - governmental funds \$ (90,536)

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 considered unavailable revenues and are deferred inflows of resources in the governmental funds.

Current year unavailable revenue	\$ 384,840	
Prior year unavailable revenue	<u>(158,829)</u>	226,011

Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 8,008	
Depreciation expense	<u>(10,858)</u>	(2,850)

The issuance of long-term debt (e.g. capital lease) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt.

2,186

Certain expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Pension contributions	\$ 272,370	
Pension benefit	<u>732,399</u>	<u>1,004,769</u>

Change in net position of governmental activities \$ 1,139,580

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

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**STATEMENT OF NET POSITION  
PROPRIETARY FUND  
June 30, 2017**

	<u>Business-Type Activities</u>
	<u>Workshop</u>
	<u>Reimbursement</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 37,441
Due from other governments	<u>1,875</u>
Total assets	<u>39,316</u>
 <b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	533
Accrued payroll and benefits	<u>649</u>
Total liabilities	1,182
 <b>NET POSITION</b>	
Unrestricted	<u>38,134</u>
Total net position	<u><u>\$ 38,134</u></u>

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

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND**

**For the year ended June 30, 2017**

	Business-Type Activities
	Workshop Reimbursement
Operating revenue:	
Charges for services	\$ 13,490
Operating expenses:	
Salaries and benefits	882
Purchased services	2,403
Supplies and materials	384
Pension expense	66
Total operating expenses	3,735
Change in net position	9,755
Net position, beginning of year	28,379
Net position, end of year	\$ 38,134

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

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
For the year ended June 30, 2017**

	Business-Type Activities
	Workshop Reimbursement
Cash flows from operating activities:	
Receipts from customers	\$ 12,365
Payments to suppliers and providers of goods and services	(2,665)
Payments to employees	(299)
Net cash provided by operating activities	9,401
Net increase in cash	9,401
Cash and cash equivalents, beginning of year	28,040
Cash and cash equivalents, end of year	\$ 37,441
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 9,755
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in due from other governments	(1,125)
Increase in accounts payable	122
Increase in accrued payroll and benefits	649
Net cash provided by operating activities	\$ 9,401

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

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
June 30, 2017**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,346
Due from other governments	<u>4,018,011</u>
Total assets	<u>4,019,357</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	<u>137,239</u>
Total assets and deferred outflows of resources	<u><u>\$ 4,156,596</u></u>
 <b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 72,176
Due to other governments	<u>3,159,129</u>
Total current liabilities	<u>3,231,305</u>
Noncurrent liabilities:	
Net pension liability	<u>439,866</u>
Total liabilities	<u>3,671,171</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	<u>485,425</u>
Total liabilities and deferred inflows of resources	<u><u>\$ 4,156,596</u></u>

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

**NOTES TO FINANCIAL STATEMENTS**

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Regional Office of Education No. 39's accounting policies conform to generally accepted accounting principles, which are appropriate to local governmental units of this type.

**A. Reporting Entity**

The Regional Office of Education No. 39 was created by Illinois Public Act 76-735, as amended, effective August 8, 1995. The region encompasses Macon and Piatt Counties.

The Regional Superintendent of Schools is the chief administrative officer of the region and is elected to the position for a four-year term. The Regional Superintendent is responsible for the supervision and control of the school districts.

The Regional Superintendent's responsibilities for administering the school educational service region programs include, but are not limited to, providing directions to teachers and school officials on science, art and teaching methods; implementing the State Board of Education's Policy Programs; encouraging camaraderie among teachers through the teachers' institute; making public notice of unfilled teaching positions within the region; and ensuring of the safety, health and welfare of the students in the region by periodically inspecting the school buildings and ensuring that the bus drivers have valid driving licenses and are properly trained to operate the school buses. The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the region, or seeing that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report.

The Regional Office of Education No. 39 derives its oversight power and authority over the school districts from the School Code and is responsible for its own fiscal and budgetary matters. The Regional Office of Education No. 39 exercises no oversight responsibility on financial interdependency, selection of governing authority, designation of management or the ability to significantly influence the operations of any other outside agencies. Control or dependency is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing order. Therefore, no other agency has been included as a component unit in the Regional Office of Education No. 39's financial statements. In addition, the Regional Office of Education No. 39 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education No. 39 being considered a component unit of the entity.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from the business-type activities, which rely to a significant extent on fees and charges for support.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**B. Government-wide and Fund Financial Statements** (Continued)

The Statement of Net Position includes all of the Regional Office of Education No. 39's assets, including capital assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to 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 the 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 major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Certain eliminations have been made as prescribed by governmental accounting standards 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 the proprietary fund Statement of Net Position, and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and on the proprietary fund Statement of Revenues, Expenses and Changes in Fund Net Position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. All internal balances in the Statement of Net Position have been eliminated.

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.

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.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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 provider have been met.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Regional Office of Education No. 39 considers revenues to be available if they are collectible within 60 days after year-end. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable, with the exception of expenditures for prepaid expenses and other long-term obligations, which are recognized as liabilities when due, as well as expenditures related to compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Revenues susceptible to accrual are recognized in the current fiscal period. Those revenues include local sources, State sources, federal sources, and interest. Unearned revenues arise when potential revenue does not meet both the measurable and available criteria or when resources are received prior to the government having legal claim to them. The revenues are subsequently recognized when both recognition criteria are met or when the government has legal claim to the resources. Revenues received after the Regional Office's availability period is reported as deferred inflows of resources in the fund statements and are reported as current revenue in the Statement of Activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Regional Office of Education No. 39's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

It is the Regional Office of Education No. 39's policy to first apply restricted resources when an expenditure or expense is incurred for which both restricted and unrestricted resources are available. For unrestricted fund balances, committed fund balances are used first, then assigned fund balances, then unassigned, if any.

**1. Governmental Funds**

The Regional Office of Education No. 39 reports the following major governmental funds:

**General Fund** – The General Fund is the general operating fund of the Regional Office of Education No. 39 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 No. 39. Included in this fund are:

MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

1. **Governmental Funds** (Continued)

**General Fund** (Continued)

**General** - This fund accounts for interest earned on Distributive Fund monies.

**Business Office** - This fund accounts for various business office expenditures, such as insurance, utilities, rent, and business personnel, and reimbursements from Macon and Piatt Counties to help cover these costs. It also accounts for pop machine revenues and expenditures as well as interest on the pooled cash account.

**Water Street Pop Fund** - This program accounts for revenue and expenses from the pop machine at the Water Street facility.

**Adult Education** - The program accounts for General State Aid proceeds used for adult education.

**Junior Achievement** - This program accounts for sales of candy, etc.

**ADA State Aid** - This program accounts for General State Aid for the Futures Unlimited School.

**Futures Pop Fund** - This program accounts for revenue and expenses from the Futures Unlimited pop machine.

**St. Mary's Hospital School** - This program accounts for charges to local school districts for educational services provided to students being treated by St. Mary's Adolescent Mental Health Services.

**Student Council** - This program accounts for the sales of candy, bake sales, etc. for class trips.

**Recycling and Energy** - This program accounts for proceeds from Caterpillar, Inc., for recycling and energy education curriculum for all students (K-12) in Macon and Piatt Counties.

**Teachers' Exchange** - This program accounts for revenue generated by fees from classes from Eastern Illinois University graduate classes.

**General State Aid and Lunch and Breakfast** - This program accounts for General State Aid received from the Illinois State Board of Education based on the average daily attendance at the Regional Safe School and accounts for federal and state nutrition reimbursements.

**Baby Talk** - This program accounts for monies for outreach and family literacy programs, STEPS Early Intervention, and resources for professionals, including professional training, certification seminars, and an extensive program curriculum.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

**1. Governmental Funds** (Continued)

**General Fund** (Continued)

**Futures Foundation** - This program accounts for Futures Unlimited contributions from the Community Foundation of Decatur/Macon County and various other donors.

**Spelling Bee** - This fund accounts for activities related to the Macon County spelling bee winner and other award expenses.

**School Improvement** - This fund accounts for activities related to an agreement between the Regional Office and East St. Louis and Danville school districts. The Regional Office provides services to the school districts through the parameters set by the School Improvement Grant - Section 1003(g).

**Special Revenue Funds** - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. Included among these funds are:

**Education Fund** - This special revenue 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:

**Truants Alternative/Optional Education** - This program accounts for the proceeds of a grant from the Illinois State Board of Education to provide educational opportunities for drop-outs and truants.

**ROE/ISC Operations** - These funds are provided by the Illinois State Board of Education, through a budget application process, to the Regional Office to provide professional development to district schools and teachers in Macon and Piatt County school districts.

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

**Title II Teacher Quality Leadership** - This program accounts for the use of purchasing the evaluation training for teachers and evaluator training for principals through Growth Through Learning Illinois.

**Ounce of Prevention - Training and Technical** - This program accounts for the proceeds of a grant from the Illinois State Board of Education to train people in Prevention Initiative program through the Baby Talk Model.

**Regional Safe Schools** - This program accounts for the proceeds of a grant from the Illinois State Board of Education to remove violent and unproductive youths from a public school setting and place them in a program where they can receive individualized attention.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

**1. Governmental Funds** (Continued)

**Special Revenue Funds** (Continued)

**Education Fund** (Continued)

**Early Childhood Block Grant** - This program accounts for the proceeds of a grant awarded by the Illinois State Board of Education for the systematic identification and recruitment of teen moms and dads and the delivery of culturally appropriate education in order to engage them in their child's learning.

**Not on Tobacco** - This program accounts for a grant awarded to Futures Unlimited for students to learn the hazards of tobacco products.

**Title I - School Improvement and Accountability** - This program accounts for grant proceeds to meet Illinois State Board of Education requirements for continuous improvement planning, new Illinois learning standards, and training presentations.

**Early Childhood Block Grant - Continuing Three to Five** - This program accounts for the proceeds of a grant from the Illinois State Board of Education for early childhood and family education programs and services that help young children enter school ready to learn.

**Homeless Children Youth Program** - This program accounts for the proceeds of a grant from the Illinois State Board of Education for identification, referral, and enrollment of homeless and displaced youth in Macon County schools.

**Regional Safe School Cooperative Education Program** - The program assists suspended or expelled students in completing their education by participating in career-related classrooms and structured cooperative work experiences provided by the private sector.

**Nonmajor Special Revenue Funds** - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are legally restricted or committed for specific purposes other than debt service or capital projects. Included among these funds are:

**Institute** – This fund accounts for the stewardship of the assets held for the benefit of the Regional Office of Education No. 39's teachers. Fees are collected from registration of teachers' licenses. Monies are expended to conduct teachers' institutes, conferences, and workshops. All funds generated remain restricted until expended only on the aforementioned activities.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

**1. Governmental Funds** (Continued)

**Nonmajor Special Revenue Funds** (Continued)

**General Education Development (GED)** - This program accounts for monies received from students who participate in the high school equivalency programs. These proceeds are used to pay the administrative expenses incurred to administer the GED program.

**Bus Permit** - Experienced bus drivers must take a two-hour refresher course annually, while all new drivers must take an eight-hour course in bus driver safety and first aid prescribed by the Illinois State Board of Education and administered by the Regional Office. These monies are used to pay the administrative expenses incurred to ensure compliance with 105 ILCS 5/3-14.23 (school bus driver permits).

**2. Proprietary Fund**

Enterprise funds 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 financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes.

The Regional Office of Education No. 39 reports the following nonmajor proprietary fund:

**Workshop Reimbursement** - This program provides workshops for professional development presented by Regional Office of Education No. 39 employees.

**3. Fiduciary Funds**

Fiduciary funds are used to account for assets held by the Regional Office of Education No. 39 in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

**Agency Funds** - Agency funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations.

**Distributive Fund** – This prior fund distributed monies from the State to school districts and other entities. The Regional Office of Education No. 39 has agreements with all entities that receives distributions from this fund to keep all accumulated interest.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

**3. Fiduciary Funds** (Continued)

**Agency Funds** (Continued)

**Heartland Region Fund** - This fund accounts for the assets held for the benefit of Heartland Region, an intergovernmental agreement between school districts that provides quality and efficient delivery of orientation and skill level vocational programs accessible to all residents in member districts.

**Regional Board of Trustees** - This fund accounts for monies received from individuals filing petitions requesting change of boundary hearings with the Regional Board of School Trustees. Monies are expended to cover hearing expenses.

**School Occupation Facility Tax** - This fund accounts for assets held by the Regional Office of Education No. 39 to be distributed to local school districts. Monies are received from the State Comptroller for the School Facility Occupation Tax and are forwarded directly to the school districts.

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance**

**1. Deposits and Investments**

The Regional Office of Education No. 39 considers cash on hand, checking accounts, savings accounts, and investments held with an original maturity date of 90 days or less to be cash and cash equivalents. State regulations require that Regional Office of Education No. 39 deposit funds under its control into accounts insured by the federal governments, accounts secured by substantial collateral, or pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

Statutes authorize the Regional Office of Education No. 39 to make deposits or invest in obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund.

**2. Interfund Transactions**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” in the fund financial statements. Balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance** (Continued)

**3. Capital Assets**

Capital assets are reported in the applicable columns in the government-wide financial statements. Capital assets, such as equipment, are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Leasehold improvements	3
Equipment and furniture	4

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

**4. Deferred Outflows of Resources and Deferred Inflows of Resources**

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

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

Deferred inflows of resources on the governmental funds Balance Sheet consist of grant receivables not collected within sixty days after the year end.

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

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance** (Continued)

**5. Compensated Absences**

After one year of employment, noncertified and certified employees who have a 261-day contract can earn up to 20 vacation days per year, prorated based on the number of days worked. Employees with less than full-year contracts do not earn vacation days. The Regional Office currently employs five individuals eligible to carry forward a maximum of five days of unused vacation time to the next year with director's approval, but the previous year's unused vacation time is forfeited if unused by the end of the next year. Unused vacation time is paid on termination of employment. Management has determined that the current year accrual for vacation time is immaterial to the financial statements; therefore, this amount has not been accrued.

Employees who have at least a 182-day contract receive two personal days per year. Unused personal days are allowed to accrue as sick leave. Employees earn up to 15 sick days per year, depending on the length of their annual contract, and the unused portion accumulates indefinitely. Employee sick leave is recorded when paid. Upon retirement, unused sick leave may be used as service credits toward the employee's retirement fund. Upon termination, employees do not receive any accumulated sick leave pay, and therefore no liability is accrued.

**6. Equity Classifications**

**Government-wide and Proprietary Fund Statements**

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.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued))**

**6. Equity Classifications (Continued)**

**Governmental Fund Statements**

Governmental fund equity is classified as fund balance. Fund balance is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in a governmental fund. The following types of fund balances may be presented on the Governmental Funds Balance Sheet, the General Fund and Education Fund Combining Schedules of Accounts, and the Nonmajor Special Revenue Funds Combining Balance Sheet:

**Nonspendable Fund Balance** - The portion of a governmental fund's fund balance that is not available to be spent, either short term or long term, in either form or through legal restrictions. There are no funds presenting a nonspendable fund balance.

**Restricted Fund Balance** - The portion of a governmental fund's fund balance that is subject to external enforceable legal restrictions. Not on Tobacco's fund balance is restricted by grant agreements or contracts. The following funds are restricted by Illinois Statute: Institute, General Education Development, and Bus Permit.

**Committed Fund Balance** - The portion of a governmental fund's fund balance with self-imposed constraints or limitations that have been placed at the highest level of decision-making. There are no accounts presenting a committed fund balance.

**Assigned Fund Balance** - The portion of a governmental fund's fund balance to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following accounts comprise assigned fund balance: Junior Achievement, Futures Pop Fund, Student Council, and Futures Foundation.

**Unassigned Fund Balance** - Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following accounts comprise unassigned fund balance: General, Business Office, Water Street Pop Fund, Adult Education, ADA State Aid, St. Mary's Hospital School, Teachers' Exchange, General State Aid & Lunch & Breakfast, School Improvement, Truants Alternative/Optional Education, Ounce of Prevention - Training and Technical, Regional Safe Schools, and Regional Safe School Cooperative Education Program.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. New Accounting Pronouncements**

In 2017, the Regional Office of Education No. 39 implemented Governmental Accounting Standards Board (GASB) Statement No. 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, GASB Statement No. 77 – *Tax Abatement Disclosures*, GASB Statement No. 78 – *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, GASB Statement No. 80 – *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, and GASB Statement No. 82 – *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*. These Statements had no significant impact on the financial statements of the Regional Office of Education No. 39.

**2. BUDGETS AND BUDGETARY ACCOUNTING**

The Regional Office of Education No. 39 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 granting agency as part of the grant awards process. The granting agency 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: Truants Alternative/Optional Education, ROE/ISC Operations, Title II Teacher Quality, Title II Teacher Quality Leadership, Ounce of Prevention - Training and Technical, Regional Safe Schools, Early Childhood Block Grant, Title I - School Improvement and Accountability, Early Childhood Block Grant - Continuing Three to Five, Homeless Children Youth Program, and Regional Safe School Cooperative Education Program.

**3. USE OF ESTIMATES**

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

The Regional Office of Education No. 39's Teachers' Retirement System of the State of Illinois net pension liability is an estimate based upon actuary reports. Management has allocated a portion of the net pension liability to the Heartland Region Fund, an agency fund, in order to reasonably associate the liabilities with the employees of each of the entities. For the year ended June 30, 2017, management has elected to change the allocation method from employee salaries to employer contributions. This change in estimate altered the pension benefit (expense) amounts, as computed by the actuary.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**4. DEPOSITS AND INVESTMENTS**

**A. Deposits**

At June 30, 2017, the carrying amount of the Regional Office of Education No. 39's governmental activities, business-type activities, and fiduciary fund's deposits were \$1,216,313, \$37,441, and \$1,346, respectively. The bank balances totaled \$1,392,991 all of which was secured by federal depository insurance or collateralized with securities held by the pledging financial institution's trust department in the Regional Office of Education No. 39's name, and were, therefore, not exposed to custodial credit risk.

**B. Investments**

At June 30, 2017, the carrying amount of the Regional Office of Education No. 39's deposits in the Illinois Funds Money Market Fund for the governmental activities was \$32,526. The bank balance invested in the Illinois Funds Money Market Fund was \$32,526. This fund enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. These deposits are included in cash and cash equivalents in the Regional Office of Education No. 39's governmental activities.

**Credit Risk**

At June 30, 2017, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside, independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the 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 General Assembly, enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. The investment policy of the Illinois Funds Money Market Fund states that, unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years maturity.

**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.

**5. RISK MANAGEMENT - CLAIMS AND JUDGMENTS**

The Regional Office of Education No. 39 is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation; and natural disasters. The Regional Office of Education No. 39 is covered by commercial insurance to cover these risks of loss. No settlements have exceeded insurance coverage in the current or three previous years.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**6. CONTINGENCIES**

The Regional Office of Education No. 39 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 No. 39 believes any adjustments that may arise will be insignificant to the Regional Office of Education No. 39's operations.

**7. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>June 30, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2017</u>
<b>Governmental activities:</b>				
Capital assets being depreciated:				
Leasehold improvements	\$ 45,000	\$ -	\$ -	\$ 45,000
Equipment and furniture	<u>499,517</u>	<u>8,008</u>	<u>-</u>	<u>507,525</u>
Total assets	<u>544,517</u>	<u>8,008</u>	<u>-</u>	<u>552,525</u>
Less accumulated depreciation for:				
Leasehold improvements	(45,000)	-	-	(45,000)
Equipment and furniture	<u>(475,004)</u>	<u>(10,858)</u>	<u>-</u>	<u>(485,862)</u>
Total accumulated depreciation	<u>(520,004)</u>	<u>(10,858)</u>	<u>-</u>	<u>(530,862)</u>
Governmental activities capital assets, net	<u>\$ 24,513</u>	<u>\$ (2,850)</u>	<u>\$ -</u>	<u>\$ 21,663</u>
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Equipment	\$ 5,555	\$ -	\$ -	\$ 5,555
Less accumulated depreciation for:				
Equipment	<u>(5,555)</u>	<u>-</u>	<u>-</u>	<u>(5,555)</u>
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense was charged to functions/programs of the Regional Office of Education No. 39 as follows:

Governmental activities:	
Instructional services	<u>\$ 10,858</u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**8. RETIREMENT FUND COMMITMENTS**

**A. Teachers' Retirement System of the State of Illinois**

**Plan Description**

The Regional Office of Education No. 39 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

**Benefits Provided**

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

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

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

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**8. RETIREMENT FUND COMMITMENTS** (Continued)

**A. Teachers' Retirement System of the State of Illinois** (Continued)

**Contributions**

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016, was 9.4 percent of creditable earnings. On July 1, 2016, the rate dropped to 9.0 percent of pay due to the expiration of the Early Retirement Option (ERO). The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education No. 39.

**On behalf contributions to TRS** - The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 39. For the year ended June 30, 2017, State of Illinois contributions recognized by the Regional Office of Education No. 39 were based on the State's proportionate share of the collective net pension liability associated with the Regional Office of Education No. 39, and the Regional Office of Education No. 39 recognized revenue and expenditures of \$885,732 in pension contributions from the State of Illinois.

**2.2 formula contributions** - Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2017, were \$7,307, and are deferred because they were paid after the June 30, 2016 measurement date.

**Federal and special trust fund contributions** - When TRS members are paid from federal and special trust funds administered by the Regional Office of Education No. 39, there is a statutory requirement for the Regional Office of Education No. 39 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, 2017, the employer pension contribution was 38.54 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$298,667 were paid from federal and special trust funds that required employer contributions of \$115,106. These contributions are deferred because they were paid after the June 30, 2016 measurement date.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**8. RETIREMENT FUND COMMITMENTS** (Continued)

**A. Teachers' Retirement System of the State of Illinois** (Continued)

**Contributions** (Continued)

**Employer retirement cost contributions** – Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education No. 39 is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the Regional Office of Education No. 39 made no payments to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

The Regional Office of Education No. 39 is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2017, the Regional Office of Education No. 39 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent or for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2017, the Regional Office of Education No. 39 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's proportionate share of the net pension liability	\$ 697,874
State's proportionate share of the net pension liability associated with the employer	9,019,113
Total	\$ 9,716,987

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward to June 30, 2016. The Regional Office of Education No. 39's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2016, the Regional Office of Education No. 39's proportion was 0.0014413435 percent, which was an increase of 0.0003860586 percent from its proportion measured as of June 30, 2015.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**8. RETIREMENT FUND COMMITMENTS** (Continued)

**A. Teachers' Retirement System of the State of Illinois** (Continued)

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

For the year ended June 30, 2017, the Regional Office of Education No. 39 recognized pension expense of \$885,732 and revenue of \$885,732 for support provided by the State. For the year ended June 30, 2017, the Regional Office of Education No. 39 recognized a pension benefit of \$1,006,137. At June 30, 2017, the Regional Office of Education No. 39 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b><u>Deferred Amounts Related to Pensions</u></b>	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
<b>Deferred Amounts to be Recognized in Pension Expense in Future Periods</b>		
Differences between expected and actual experience	\$ 5,159	\$ 474
Net difference between projected and actual earnings on pension plan investments	19,716	-
Change in assumptions	59,937	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>125,620</u>	<u>769,684</u>
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	210,432	770,158
<b>Employer Contributions Made Subsequent to the Measurement Date</b>	<u>122,413</u>	<u>-</u>
<b>Total Deferred Amounts Related to Pensions</b>	<u><u>\$ 332,845</u></u>	<u><u>\$ 770,158</u></u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**8. RETIREMENT FUND COMMITMENTS** (Continued)

**A. Teachers' Retirement System of the State of Illinois** (Continued)

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

\$122,413 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30,</b>	<b>Net Deferred Inflows of of Resources</b>
2018	\$ 291,983
2019	291,983
2020	34,988
2021	(50,007)
2022	(9,221)
Total	\$ 559,726

**Actuarial assumptions**

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**8. RETIREMENT FUND COMMITMENTS** (Continued)

**A. Teachers' Retirement System of the State of Illinois** (Continued)

**Actuarial assumptions** (Continued)

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.50 percent to 7.0 percent. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	14.4%	6.94%
U.S. equities small/mid cap	3.6%	8.09%
International equities developed	14.4%	7.46%
Emerging market equities	3.6%	10.15%
U.S bond core	10.7%	2.44%
International debt developed	5.3%	1.70%
Real estate	15.0%	5.44%
Commodities (real return)	11.0%	4.28%
Hedge funds (absolute return)	8.0%	4.16%
Private equity	14.0%	10.63%
Total	100%	

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**8. RETIREMENT FUND COMMITMENTS** (Continued)

**A. Teachers' Retirement System of the State of Illinois** (Continued)

**Discount Rate**

At June 30, 2016, the discount rate used to measure the total pension liability was a blended rate of 6.83 percent, which was a change from the June 30, 2015 rate of 7.47 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2016 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2015, the discount rate used to measure the total pension liability was 7.47 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year as well because TRS's fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

**Sensitivity of the Regional Office of Education No. 39's proportionate share of the net pension liability to changes in the discount rate**

The following presents the Regional Office of Education No. 39's proportionate share of the net pension liability calculated using the discount rate of 6.83 percent, as well as what the Regional Office of Education No. 39's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.83 percent) or 1-percentage-point higher (7.83 percent) than the current rate.

	<b>1% Lower (5.83%)</b>	<b>Current Discount Rate (6.83%)</b>	<b>1% Higher (7.83%)</b>
Employer's proportionate share of the net pension liability	<u>\$ 853,547</u>	<u>\$ 697,874</u>	<u>\$ 570,758</u>

**TRS Fiduciary Net Position**

Detailed information about the TRS's fiduciary net position as of June 30, 2016 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**8. RETIREMENT FUND COMMITMENTS** (Continued)

**B. Illinois Municipal Retirement Fund**

**IMRF Plan Description**

The Regional Office of Education No. 39's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education No. 39's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**Benefits Provided**

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

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

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

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

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**8. RETIREMENT FUND COMMITMENTS (Continued)**

**B. Illinois Municipal Retirement Fund (Continued)**

**Employees Covered by Benefit Terms**

As of December 31, 2016, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	33
Inactive plan members entitled to but not yet receiving benefits	44
Active plan members	35
Total	112

**Contributions**

As set by statute, the Regional Office of Education No. 39's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education No. 39's annual contribution rate for calendar year 2016 was 11.57%. For the fiscal year 2017 the Regional Office of Education No. 39 contributed \$149,957 to the plan. The Regional Office of Education No. 39 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability**

The Regional Office of Education No. 39's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.75%.
- Salary Increases were expected to be 3.75% to 14.50%, including inflation.
- The Investment Rate of Return was assumed to be 7.50%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**8. RETIREMENT FUND COMMITMENTS** (Continued)

**B. Illinois Municipal Retirement Fund** (Continued)

**Actuarial Assumptions** (Continued)

- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2016:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	38%	6.85%
International equity	17%	6.75%
Fixed income	27%	3.00%
Real estate	8%	5.75%
Alternative investments	9%	2.65-7.35%
Cash equivalents	1%	2.25%
Total	<u>100%</u>	

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**8. RETIREMENT FUND COMMITMENTS** (Continued)

**B. Illinois Municipal Retirement Fund** (Continued)

**Single Discount Rate**

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

**Changes in the Net Pension Liability**

	<b>Total Pension Liability (A)</b>	<b>Plan Fiduciary Net Position (B)</b>	<b>Net Pension Liability (Asset) (A) - (B)</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Balances at December 31, 2015</b>	\$ 5,034,807	\$ 4,518,427	\$ 516,380
<b>Changes for the year:</b>			
Service Cost	113,496	-	113,496
Interest on the total pension liability	374,591	-	374,591
Differences between expected and actual experience of the total pension liability	(72,459)	-	(72,459)
Contributions - employer	-	133,490	(133,490)
Contributions - employees	-	65,002	(65,002)
Net investment income	-	194,384	(194,384)
Benefit payments, including refunds of employee contributions	(203,593)	(203,592)	(1)
Other (net transfer)	-	(3,440)	3,440
Net changes	<u>212,035</u>	<u>185,844</u>	<u>26,191</u>
<b>Balances at December 31, 2016</b>	<u>\$ 5,246,842</u>	<u>\$ 4,704,271</u>	<u>\$ 542,571</u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**8. RETIREMENT FUND COMMITMENTS** (Continued)

**B. Illinois Municipal Retirement Fund** (Continued)

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

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

	<b>1% Lower (6.5%)</b>	<b>Current Discount Rate (7.5%)</b>	<b>1% Higher (8.5%)</b>
Net Pension Liability	\$ 1,227,217	\$ 542,571	\$ (8,044)

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

For the year ended June 30, 2017, the Regional Office of Education No. 39 recognized a pension expense of \$273,738. At June 30, 2017, the Regional Office of Education No. 39 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b><u>Deferred Amounts Related to Pensions</u></b>		
<b>Deferred Amounts to be Recognized in Pension Expense in Future Periods</b>		
Differences between expected and actual experience	\$ 33,578	\$ 44,978
Net difference between projected and actual earnings on pension plan investments	370,742	-
Total Deferred Amount to be Recognized in Pension Expense in Future Periods	404,320	44,978
<b>Pension Contributions Made Subsequent to the Measurement Date</b>		
	79,382	-
<b>Total Deferred Amounts Related to Pensions</b>	<b>\$ 483,702</b>	<b>\$ 44,978</b>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**8. RETIREMENT FUND COMMITMENTS** (Continued)

**B. Illinois Municipal Retirement Fund** (Continued)

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

\$79,382 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<b>Year Ending December 31,</b>	<b>Net Deferred Outflows of Resources</b>
2017	\$ 128,645
2018	105,051
2019	98,294
2020	27,352
Total	\$ 359,342

**C. Social Security**

Employees not qualifying for coverage under the Illinois Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered “nonparticipating employees”. These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security.

**9. OTHER POST-EMPLOYMENT BENEFITS**

**A. Teacher Health Insurance Security Fund**

The Regional Office of Education No. 39 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the State-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**9. OTHER POST-EMPLOYMENT BENEFITS** (Continued)

**A. Teacher Health Insurance Security Fund** (Continued)

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

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

**On behalf contributions to the THIS Fund** - The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 39. State contributions are intended to match contributions to the THIS Fund from active members, which were 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$23,002, and the Regional Office of Education No. 39 recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2016 and June 30, 2015 were 1.07 and 1.02 percent of pay, respectively. State contributions on behalf of Regional Office of Education No. 39 employees were \$19,820 and \$18,852, respectively.

**Employer contributions to the THIS Fund** - The Regional Office of Education No. 39 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.84 percent during the year ended June 30, 2017, and 0.80 and 0.76 percent during the years ended June 30, 2016 and June 30, 2015, respectively. For the year ended June 30, 2017, the Regional Office of Education No. 39 paid \$17,252 to the THIS Fund. For the years ended June 30, 2016 and June 30, 2015, the Regional Office of Education No. 39 paid \$14,819 and \$14,047 to the THIS Fund, respectively, which was 100 percent of the required contribution.

**Further information on the THIS Fund** - The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>. The current reports are listed under "Central Management Services:" <http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>. Prior reports are available under "Healthcare and Family Services:" <http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>.

**B. Other Postemployment Benefits**

The Regional Office of Education No. 39 allows employees, who retire through the Regional Office of Education No. 39's plan disclosed in Note 8B, the option to continue in the Regional Office of Education No. 39's health insurance plan as required by the Illinois Compiled Statutes, but the retiree pays the full premium for the health insurance. The plan includes an implicit rate subsidy until the individual reaches the age of 65 (sixty-five). After age 65, no implicit rate subsidy is assumed. Management has determined that the current year accrual for postemployment benefit liability is immaterial to the financial statements; therefore, this amount has not been accrued.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**10. BOND**

The Illinois School Code (105 ILCS 5/3-2) directs the Regional Office of Education No. 39 to execute a bond of not less than \$100,000 on the Regional Superintendent. The Regional Office of Education No. 39 has secured and maintained such a bond with coverage of \$100,000 on the Regional Superintendent.

**11. INTERFUND RECEIVABLES AND PAYABLES**

At June 30, 2017, interfund receivables and payables were as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 958,078	\$ -
Education Fund	-	958,078
Totals	\$ 958,078	\$ 958,078

All of the interfund balances due to the General Fund from the Education Fund consisted of loans between individual funds. The loans were used to cover cash shortages in these individual funds.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**12. DUE TO/DUE FROM OTHER GOVERNMENTS**

The Regional Office of Education No. 39's General Fund, Education Fund, Nonmajor Special Revenue Funds, Enterprise Funds, and Agency Funds had funds due from/to various other governmental units, which consisted of the following at June 30, 2017:

Due from Other Governments:

General Fund:	
Local Governments	\$ 524,388
	524,388
Education Fund:	
Illinois State Board of Education	1,002,934
Ounce of Prevention Fund	105,000
Regional Office of Education No. 11	9,946
Regional Office of Education No. 32	1,666
	1,119,546
Nonmajor Special Revenue Funds:	
Illinois State Board of Education	400
	400
Workshop Reimbursement Fund:	
Local Governments	1,875
	\$ 1,646,209
Agency Funds:	
Illinois State Board of Education	\$ 544,363
Illinois Comptroller	2,579,567
Receivable related to pension activity	894,081
	\$ 4,018,011

Due to Other Governments:

General Fund:	
Local Governments	\$ 4,780
Eastern Illinois University	4,153
	8,933
Education Fund:	
Illinois State Board of Education	3,862
Nonmajor Special Revenue Funds:	
Local Governments	2,000
	\$ 14,795
Agency Funds:	
Local Governments	\$ 3,159,129
	\$ 3,159,129

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**13. ON-BEHALF PAYMENTS**

The Regional Office of Education No. 39 received on-behalf payments for employee salaries and benefits from the State of Illinois for the following items:

State of Illinois:	
Regional Superintendent - salary	\$ 112,800
Regional Superintendent - benefits (includes State paid insurance)	36,397
Assistant Regional Superintendent - salary	101,520
Assistant Regional Superintendent - benefits (includes State paid insurance)	35,714
THIS contributions	23,002
	\$ 309,433

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. The on-behalf payments are reflected as revenues and expenditures of the General Fund.

The Regional Office of Education No. 39 also recorded \$885,732 in revenue and expenses as on-behalf payments from ISBE for the Regional Office's share of the State's Teachers' Retirement System (TRS) pension expense in the Statement of Activities. In addition, the Regional Office of Education No. 39 has not included any on-behalf payments related to the State's TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois on-behalf payments	\$ 309,433
On-behalf payments for the Regional Office of Education's share of TRS pension expense	885,732
Total	\$ 1,195,165

**14. OPERATING LEASES**

The Regional Office of Education No. 39 leased the first floor of the Tech Academy Building located at 300 East Eldorado Street, Decatur, Illinois. The monthly rental payments were \$4,167. The lease also called for the Regional Office to pay all utilities and liability insurance. The Regional Office was committed through June 30, 2017 under this lease agreement.

The Regional Office of Education No. 39 was committed through July 31, 2016 under a lease agreement for the ground and second floor of a building located at 250 East William Street, Decatur, Illinois. This lease called for monthly rental payments of \$7,073. The lease also called for the Regional Office to pay all utilities and liability insurance.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**14. OPERATING LEASES** (Continued)

The Regional Office of Education No. 39 is committed through September 30, 2018 under a lease agreement for the copier located at the administrative office. The lease calls for monthly rental payments of \$221.

The Regional Office of Education No. 39 is committed through September 30, 2018 under a lease agreement for the building located at 1690 Huston Drive, Decatur, Illinois. The lease calls for monthly rental payments of \$4,200.

The Regional Office of Education No. 39 is committed through April 30, 2022 under a lease agreement for the copier located at the administrative office. The lease calls for monthly rental payments of \$188.

The counties served by the Regional Office of Education No. 39 are required by statute to provide the Regional Superintendents of Schools with office space. Therefore, Macon and Piatt Counties share a portion of the facility costs associated with the office space and reimburse the Regional Office of Education No. 39 for the rent, building maintenance and utilities expense incurred as a result of the lease for this office space.

Total lease expense for the year ended June 30, 2017 was \$110,502. The following is a schedule of future minimum lease payments required under the above operating leases:

Year Ending June 30,	
2018	55,309
2019	15,519
2020	2,256
2021	2,256
2022	<u>1,880</u>
	<u>\$ 77,220</u>

**15. CAPITAL LEASE**

During the fiscal year ended June 30, 2015, the Regional Office of Education No. 39 entered into a lease agreement to finance the acquisition of a copier. This lease agreement qualified as a capital lease for accounting purposes. The gross amount of assets recorded under the capital lease is \$11,023 and the accumulated depreciation as of June 30, 2017 was \$7,578. The lease includes an end of term purchase option of \$1.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**NOTES TO FINANCIAL STATEMENTS**

**15. CAPITAL LEASE (Continued)**

The future minimum lease obligations and the net present value of these payments as of June 30, 2017 was as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	2,276	160	2,436
2019	2,368	68	2,436
2020	404	2	406
Total payments	<u>\$ 5,048</u>	<u>\$ 230</u>	<u>\$ 5,278</u>

The long term liability activity associated with the capital leases for the year ended June 30, 2017 was as follows:

	<u>June 30, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2017</u>
Governmental Funds	<u>\$ 7,234</u>	<u>\$ -</u>	<u>\$ 2,186</u>	<u>\$ 5,048</u>

**16. DEFICIT FUND BALANCE**

The following individual funds had negative fund balances as of June 30, 2017:

School Improvement	\$ 156,244
Truants Alternative/Optional Education	\$ 100,082
Ounce of Prevention - Training and Technical	\$ 18,142
Regional Safe Schools	\$ 46,048
Regional Safe Schools Cooperative Education	\$ 38,097

The Regional Office of Education No. 39 intends to reduce these deficits by collecting revenues that did not meet the criteria of "available."

**REQUIRED SUPPLEMENTARY INFORMATION**

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY  
AND RELATED RATIOS  
(UNAUDITED)**

**For the year ended June 30, 2017**

**(Amounts presented are for the calendar years ended December 31, 2016, 2015 and 2014)**

<b>Total Pension Liability</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Service cost	\$ 113,496	\$ 112,435	\$ 126,812
Interest on the total pension liability	374,591	343,318	313,188
Differences between expected and actual experience of the total pension liability	(72,459)	145,770	(41,927)
Changes of assumptions	-	-	166,432
Benefit payments, including refunds of employee contributions	(203,593)	(166,549)	(149,424)
<b>Net change in total pension liability</b>	<b>212,035</b>	<b>434,974</b>	<b>415,081</b>
<b>Total pension liability - beginning</b>	<b>5,034,807</b>	<b>4,599,833</b>	<b>4,184,752</b>
<b>Total pension liability - ending (A)</b>	<b>5,246,842</b>	<b>5,034,807</b>	<b>4,599,833</b>
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	133,490	113,014	117,065
Contributions - employees	65,002	61,047	61,488
Net investment income	194,384	(17,686)	199,279
Benefit payments, including refunds of employee contributions	(203,592)	(166,549)	(149,424)
Other (net transfer)	(3,440)	2,489	(2,632)
<b>Net change in plan fiduciary net position</b>	<b>185,844</b>	<b>(7,685)</b>	<b>225,776</b>
<b>Plan fiduciary net position - beginning</b>	<b>4,518,427</b>	<b>4,526,112</b>	<b>4,300,336</b>
<b>Plan fiduciary net position - ending (B)</b>	<b>4,704,271</b>	<b>4,518,427</b>	<b>4,526,112</b>
<b>Net pension liability - ending (A) - (B)</b>	<b>\$ 542,571</b>	<b>\$ 516,380</b>	<b>\$ 73,721</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>89.66%</b>	<b>89.74%</b>	<b>98.40%</b>
<b>Covered Valuation Payroll</b>	<b>\$ 1,153,762</b>	<b>\$ 1,039,682</b>	<b>\$ 1,040,578</b>
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	<b>47.03%</b>	<b>49.67%</b>	<b>7.08%</b>

**Notes to Schedule:**

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

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**ILLINOIS MUNICIPAL RETIREMENT FUND -  
SCHEDULES OF EMPLOYER CONTRIBUTIONS  
(UNAUDITED)**

**For the year ended June 30, 2017**

**(Amounts presented are for the calendar years ended December 31, 2016, 2015 and 2014)**

<b>Calendar Year Ended December 31,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Valuation Payroll</b>	<b>Actual Contribution as a Percentage of Covered Valuation Payroll</b>
2016	\$ 133,490	\$ 133,490	\$ -	\$ 1,153,762	11.57%
2015	113,013	113,014	(1)	1,039,682	10.87%
2014	110,614	117,065	(6,451)	1,040,578	11.25%

**Notes to Schedule:**

**Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2016 Contribution Rate**

***Valuation Date:***

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

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**ILLINOIS MUNICIPAL RETIREMENT FUND -  
SCHEDULES OF EMPLOYER CONTRIBUTIONS  
(UNAUDITED)**

**For the year ended June 30, 2017**

**(Amounts presented are for the calendar years ended December 31, 2016, 2015 and 2014)**

**Methods and Assumptions Used to Determine 2016 Contribution Rates:**

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	27-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.5%
Price Inflation:	2.75%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	3.75% to 14.50%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.
Mortality:	RP-2014 Blue Collar Health Annuitant Mortality Table, adjusted to match current IMRF experience. For disabled lives, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information:**

There were no benefit changes during the year.

Based on Valuation Assumptions used in the December 31, 2014, actuarial valuation; note two year lag between valuation and rate setting.

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

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**TEACHERS' RETIREMENT SYSTEM  
OF THE STATE OF ILLINOIS -  
SCHEDULES OF EMPLOYERS' PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
(UNAUDITED)**

**For the years ended June 30, 2017, 2016, and 2015  
(Amounts presented are for the years ended June 30 2016, 2015, and 2014)**

	<u>2016*</u>	<u>2015*</u>	<u>2014*</u>
Employer's proportion of the net pension liability	0.0014413435%	0.0010552849%	0.0018134081%
Employer's proportionate share of the net pension liability	\$ 697,874	\$ 639,772	\$ 740,498
State's proportionate share of the net pension liability associated with the employer	<u>9,019,113</u>	<u>11,074,789</u>	<u>12,732,768</u>
Total	<u>\$ 9,716,987</u>	<u>\$ 11,714,561</u>	<u>\$ 13,473,266</u>
Employer's covered-employee payroll	\$ 1,780,774	\$ 1,676,185	\$ 2,092,479
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	39%	38%	35%
Plan fiduciary net position as a percentage of the total pension liability	36.4%	41.5%	43.0%

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

**Notes to Schedule:**

**Changes of Assumptions**

Amounts reported in 2016 reflect an investment rate of return of 7.0 percent, an inflation rate of 2.5 percent and real return of 4.5 percent, and salary increases that vary by service credit. In 2015, assumptions used were an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases that vary by service credit. In 2014, assumptions used were an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases of 5.75 percent.

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**TEACHERS' RETIREMENT SYSTEM  
OF THE STATE OF ILLINOIS -  
SCHEDULES OF EMPLOYERS CONTRIBUTIONS  
(UNAUDITED)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily-required contribution	122,413	\$ 51,654	\$ 33,460	\$ 58,543
Contributions in relation to the statutorily-required contribution	<u>122,413</u>	<u>51,654</u>	<u>33,460</u>	<u>58,543</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered-employee payroll	\$ 1,259,756	\$ 1,780,774	\$ 1,676,185	\$ 2,092,479
Contributions as a percentage of covered-employee payroll	9.7%	2.9%	2.0%	2.8%

\*The information on both TRS schedules will accumulate until a full 10 year trend is presented as required by GASB Statement No. 68. C

**SUPPLEMENTARY INFORMATION**

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
June 30, 2017**

	<u>General</u>	<u>Business Office</u>	<u>Water Street Pop Fund</u>	<u>Adult Education</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,514	\$ 692,216	\$ 195	\$ 134,254
Accounts receivable	-	74	-	-
Due from other funds	-	78,535	-	-
Due from other governments	-	18,039	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 10,514</u>	<u>\$ 788,864</u>	<u>\$ 195</u>	<u>\$ 134,254</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 2,809	\$ -	\$ -
Accrued payroll and benefits	-	5,004	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>7,813</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES (DEFICITS)</b>				
Assigned	-	-	-	-
Unassigned	10,514	781,051	195	134,254
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances (deficits)	<u>10,514</u>	<u>781,051</u>	<u>195</u>	<u>134,254</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 10,514</u>	<u>\$ 788,864</u>	<u>\$ 195</u>	<u>\$ 134,254</u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)  
GENERAL FUND  
June 30, 2017**

	Junior Achievement	ADA State Aid	Futures Pop Fund	St. Mary's Hospital School
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,483	\$ -	\$ 492	\$ 174,039
Accounts receivable	-	-	-	-
Due from other funds	-	1,143,770	-	-
Due from other governments	-	200,947	-	14,040
	<u>3,483</u>	<u>1,344,717</u>	<u>492</u>	<u>188,079</u>
Total assets	<u>\$ 3,483</u>	<u>\$ 1,344,717</u>	<u>\$ 492</u>	<u>\$ 188,079</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 1,471	\$ -	\$ -
Accrued payroll and benefits	-	36,321	-	337
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
	<u>-</u>	<u>37,792</u>	<u>-</u>	<u>337</u>
Total liabilities	<u>-</u>	<u>37,792</u>	<u>-</u>	<u>337</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>				
Assigned	3,483	-	492	-
Unassigned	-	1,306,925	-	187,742
	<u>3,483</u>	<u>1,306,925</u>	<u>492</u>	<u>187,742</u>
Total fund balances (deficits)	<u>3,483</u>	<u>1,306,925</u>	<u>492</u>	<u>187,742</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 3,483</u>	<u>\$ 1,344,717</u>	<u>\$ 492</u>	<u>\$ 188,079</u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)  
GENERAL FUND  
June 30, 2017**

	Student Council	Recycling and Energy	Teachers' Exchange
<b>ASSETS</b>			
Cash and cash equivalents	\$ 119	\$ 494	\$ 3,340
Accounts receivable	-	-	4,233
Due from other funds	-	-	-
Due from other governments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 119</u>	<u>\$ 494</u>	<u>\$ 7,573</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	4,153
Unearned revenue	-	494	-
	<u>-</u>	<u>494</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>494</u>	<u>4,153</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>			
Assigned	119	-	-
Unassigned	-	-	3,420
	<u>-</u>	<u>-</u>	<u>3,420</u>
Total fund balances (deficits)	<u>119</u>	<u>-</u>	<u>3,420</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 119</u>	<u>\$ 494</u>	<u>\$ 7,573</u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)  
GENERAL FUND  
June 30, 2017**

	General State Aid & Lunch & Breakfast	Baby Talk	Futures Foundation
<b>ASSETS</b>			
Cash and cash equivalents	\$ 104,049	\$ -	\$ 1,075
Accounts receivable	-	17,603	38,184
Due from other funds	-	-	-
Due from other governments	29,740	-	-
	<u>\$ 133,789</u>	<u>\$ 17,603</u>	<u>\$ 39,259</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 340	\$ -	\$ -
Accrued payroll and benefits	24,340	2,781	-
Due to other funds	-	14,822	-
Due to other governments	-	-	-
Unearned revenue	-	-	-
	<u>24,680</u>	<u>17,603</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	-	-	-
<b>FUND BALANCES (DEFICITS)</b>			
Assigned	-	-	39,259
Unassigned	109,109	-	-
	<u>109,109</u>	<u>-</u>	<u>39,259</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 133,789</u>	<u>\$ 17,603</u>	<u>\$ 39,259</u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF ACCOUNTS (Concluded)  
GENERAL FUND  
June 30, 2017**

	<u>Spelling Bee</u>	<u>School Improvement</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,124,270
Accounts receivable	-	-	-	60,094
Due from other funds	-	-	(264,227)	958,078
Due from other governments	-	261,622	-	524,388
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ -</u>	<u>\$ 261,622</u>	<u>\$ (264,227)</u>	<u>\$ 2,666,830</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 35	\$ -	\$ 4,655
Accrued payroll and benefits	-	5,207	-	73,990
Due to other funds	-	249,405	(264,227)	-
Due to other governments	-	4,780	-	8,933
Unearned revenue	-	-	-	494
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>259,427</u>	<u>(264,227)</u>	<u>88,072</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	158,439	-	158,439
	<hr/>	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES (DEFICITS)</b>				
Assigned	-	-	-	43,353
Unassigned	-	(156,244)	-	2,376,966
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances (deficits)	<u>-</u>	<u>(156,244)</u>	<u>-</u>	<u>2,420,319</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ -</u>	<u>\$ 261,622</u>	<u>\$ (264,227)</u>	<u>\$ 2,666,830</u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS  
For the year ended June 30, 2017**

	General	Business Office	Water Street Pop Fund	Adult Education
<b>Revenues:</b>				
Local sources	\$ -	\$ 202,890	\$ 501	\$ -
State sources	-	-	-	-
On-behalf payments	309,433	-	-	-
Interest	94	1,460	-	-
Total revenues	<u>309,527</u>	<u>204,350</u>	<u>501</u>	<u>-</u>
<b>Expenditures:</b>				
Salaries and benefits	-	80,153	-	-
Purchased services	-	43,467	-	-
Supplies and materials	-	9,053	351	-
Other objects	-	1,460	-	-
Pension expense	-	29,439	-	-
On-behalf payments	309,433	-	-	-
Total expenditures	<u>309,433</u>	<u>163,572</u>	<u>351</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>94</u>	<u>40,778</u>	<u>150</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Repayment of long term lease payable	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	(100,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
Net change in fund balance	94	40,778	150	(100,000)
Fund balances (deficits), beginning of year	<u>10,420</u>	<u>740,273</u>	<u>45</u>	<u>234,254</u>
Fund balances (deficits), end of year	<u><u>\$ 10,514</u></u>	<u><u>\$ 781,051</u></u>	<u><u>\$ 195</u></u>	<u><u>\$ 134,254</u></u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (Continued)  
GENERAL FUND ACCOUNTS  
For the year ended June 30, 2017**

	Junior Achievement	ADA State Aid	Futures Pop Fund	St. Mary's Hospital School
<b>Revenues:</b>				
Local sources	\$ -	\$ 2,919	\$ 3,419	\$ 85,410
State sources	-	707,638	-	-
On-behalf payments	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>-</u>	<u>710,557</u>	<u>3,419</u>	<u>85,410</u>
<b>Expenditures:</b>				
Salaries and benefits	-	455,446	-	59,873
Purchased services	-	118,073	-	7,318
Supplies and materials	-	5,115	4,161	20
Other objects	-	-	-	-
Pension expense	-	7,692	-	709
On-behalf payments	-	-	-	-
Total expenditures	<u>-</u>	<u>586,326</u>	<u>4,161</u>	<u>67,920</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>124,231</u>	<u>(742)</u>	<u>17,490</u>
<b>Other financing sources (uses):</b>				
Repayment of long term lease payable	-	-	-	-
Transfers in	-	-	-	6,524
Transfers out	-	(6,524)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(6,524)</u>	<u>-</u>	<u>6,524</u>
Net change in fund balance	-	117,707	(742)	24,014
Fund balances (deficits), beginning of year	<u>3,483</u>	<u>1,189,218</u>	<u>1,234</u>	<u>163,728</u>
Fund balances (deficits), end of year	<u>\$ 3,483</u>	<u>\$ 1,306,925</u>	<u>\$ 492</u>	<u>\$ 187,742</u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (Continued)  
GENERAL FUND ACCOUNTS  
For the year ended June 30, 2017**

	<u>Student Council</u>	<u>Recycling and Energy</u>	<u>Teachers' Exchange</u>
Revenues:			
Local sources	\$ -	\$ -	\$ 59,904
State sources	-	-	-
On-behalf payments	-	-	-
Interest	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>59,904</u>
Expenditures:			
Salaries and benefits	-	-	-
Purchased services	-	-	59,904
Supplies and materials	-	-	-
Other objects	-	-	-
Pension expense	-	-	-
On-behalf payments	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>59,904</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):			
Repayment of long term lease payable	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balances (deficits), beginning of year	<u>119</u>	<u>-</u>	<u>3,420</u>
Fund balances (deficits), end of year	<u>\$ 119</u>	<u>\$ -</u>	<u>\$ 3,420</u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (Continued)  
GENERAL FUND ACCOUNTS  
For the year ended June 30, 2017**

	General State Aid & Lunch & Breakfast	Baby Talk	Futures Foundation
<b>Revenues:</b>			
Local sources	\$ 197,480	\$ 237,778	\$ -
State sources	205,537	-	-
On-behalf payments	-	-	-
Interest	-	-	3,344
Total revenues	<u>403,017</u>	<u>237,778</u>	<u>3,344</u>
<b>Expenditures:</b>			
Salaries and benefits	377,373	212,197	-
Purchased services	54,960	13,765	-
Supplies and materials	6,025	-	-
Other objects	2,438	-	-
Pension expense	15,541	11,816	-
On-behalf payments	-	-	-
Total expenditures	<u>456,337</u>	<u>237,778</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(53,320)</u>	<u>-</u>	<u>3,344</u>
<b>Other financing sources (uses):</b>			
Repayment of long term lease payable	(2,186)	-	-
Transfers in	100,000	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>97,814</u>	<u>-</u>	<u>-</u>
Net change in fund balance	44,494	-	3,344
Fund balances (deficits), beginning of year	<u>64,615</u>	<u>-</u>	<u>35,915</u>
Fund balances (deficits), end of year	<u>\$ 109,109</u>	<u>\$ -</u>	<u>\$ 39,259</u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (Concluded)  
GENERAL FUND ACCOUNTS  
For the year ended June 30, 2017**

	Spelling Bee	School Improvement	Total
<b>Revenues:</b>			
Local sources	\$ 2,653	\$ 1,154,307	\$ 1,947,261
State sources	-	-	913,175
On-behalf payments	-	-	309,433
Interest	-	-	4,898
<b>Total revenues</b>	<b>2,653</b>	<b>1,154,307</b>	<b>3,174,767</b>
<b>Expenditures:</b>			
Salaries and benefits	-	588,194	1,773,236
Purchased services	2,735	550,317	850,539
Supplies and materials	772	2,426	27,923
Other objects	449	-	4,347
Pension expense	-	135,455	200,652
On-behalf payments	-	-	309,433
<b>Total expenditures</b>	<b>3,956</b>	<b>1,276,392</b>	<b>3,166,130</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,303)</b>	<b>(122,085)</b>	<b>8,637</b>
<b>Other financing sources (uses):</b>			
Repayment of long term lease payable	-	-	(2,186)
Transfers in	-	-	106,524
Transfers out	-	-	(106,524)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(2,186)</b>
<b>Net change in fund balance</b>	<b>(1,303)</b>	<b>(122,085)</b>	<b>6,451</b>
<b>Fund balances (deficits), beginning of year</b>	<b>1,303</b>	<b>(34,159)</b>	<b>2,413,868</b>
<b>Fund balances (deficits), end of year</b>	<b>\$ -</b>	<b>\$ (156,244)</b>	<b>\$ 2,420,319</b>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2017**

	Truants Alternative/ Optional Education	ROE/ISC Operations	Title II Teacher Quality	Title II Teacher Quality Leadership
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 1,577	\$ -	\$ -
Due from other governments	200,174	-	274	-
<b>Total assets</b>	<b>\$ 200,174</b>	<b>\$ 1,577</b>	<b>\$ 274</b>	<b>\$ -</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 495	\$ -	\$ -
Accrued payroll and benefits	17,667	1,082	-	-
Due to other funds	182,507	-	274	-
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>200,174</b>	<b>1,577</b>	<b>274</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	100,082	-	-	-
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	-	-	-	-
Unassigned	(100,082)	-	-	-
<b>Total fund balances (deficits)</b>	<b>(100,082)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 200,174</b>	<b>\$ 1,577</b>	<b>\$ 274</b>	<b>\$ -</b>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)  
EDUCATION FUND  
June 30, 2017**

	<u>Ounce of Prevention - Training and Technical</u>	<u>Regional Safe Schools</u>	<u>Early Childhood Block Grant</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Due from other governments	105,000	69,109	667,452
	<u>105,000</u>	<u>69,109</u>	<u>667,452</u>
Total assets	<u>\$ 105,000</u>	<u>\$ 69,109</u>	<u>\$ 667,452</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 754	\$ -	\$ 14,911
Accrued payroll and benefits	2,043	5,337	10,875
Due to other funds	78,678	63,772	561,239
Due to other governments	-	-	3,862
Unearned revenue	-	-	76,565
	<u>81,475</u>	<u>69,109</u>	<u>667,452</u>
Total liabilities	<u>81,475</u>	<u>69,109</u>	<u>667,452</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	41,667	46,048	-
	<u>41,667</u>	<u>46,048</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>			
Restricted	-	-	-
Unassigned	(18,142)	(46,048)	-
	<u>(18,142)</u>	<u>(46,048)</u>	<u>-</u>
Total fund balances (deficits)	<u>(18,142)</u>	<u>(46,048)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 105,000</u>	<u>\$ 69,109</u>	<u>\$ 667,452</u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF ACCOUNTS (Continued)  
EDUCATION FUND  
June 30, 2017**

	Not on Tobacco	Title I - School Improvement and Accountability	Early Childhood Block Grant- Continuing Three to Five
<b>ASSETS</b>			
Cash and cash equivalents	\$ 394	\$ -	\$ -
Due from other governments	-	1,666	27,321
	<u>394</u>	<u>1,666</u>	<u>27,321</u>
Total assets	<u>\$ 394</u>	<u>\$ 1,666</u>	<u>\$ 27,321</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ 1,428
Accrued payroll and benefits	-	-	324
Due to other funds	-	1,666	25,569
Due to other governments	-	-	-
Unearned revenue	-	-	-
	<u>-</u>	<u>1,666</u>	<u>27,321</u>
Total liabilities	<u>-</u>	<u>1,666</u>	<u>27,321</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>			
Restricted	394	-	-
Unassigned	-	-	-
	<u>394</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>394</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 394</u>	<u>\$ 1,666</u>	<u>\$ 27,321</u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF ACCOUNTS (Concluded)  
EDUCATION FUND  
June 30, 2017**

	Homeless Children Youth Program	Regional Safe School Cooperative Education Program	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 1,971
Due from other governments	9,946	38,604	1,119,546
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 9,946</u>	<u>\$ 38,604</u>	<u>\$ 1,121,517</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 279	\$ 167	\$ 18,034
Accrued payroll and benefits	270	2,954	40,552
Due to other funds	9,397	34,976	958,078
Due to other governments	-	-	3,862
Unearned revenue	-	-	76,565
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>9,946</u>	<u>38,097</u>	<u>1,097,091</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	-	38,604	226,401
	<u>          </u>	<u>          </u>	<u>          </u>
<b>FUND BALANCES (DEFICITS)</b>			
Restricted	-	-	394
Unassigned	-	(38,097)	(202,369)
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances (deficits)	<u>-</u>	<u>(38,097)</u>	<u>(201,975)</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 9,946</u>	<u>\$ 38,604</u>	<u>\$ 1,121,517</u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
For the year ended June 30, 2017**

	Truants Alternative/ Optional Education	ROE/ISC Operations	Title II Teacher Quality	Title II Teacher Quality Leadership
<b>Revenues:</b>				
State sources	\$ 116,764	\$ 112,716	\$ -	\$ -
Federal sources	-	-	2,044	3,100
<b>Total revenues</b>	<b>116,764</b>	<b>112,716</b>	<b>2,044</b>	<b>3,100</b>
<b>Expenditures:</b>				
Salaries and benefits	171,956	46,509	-	-
Purchased services	16,851	51,513	2,044	3,100
Supplies and materials	177	7,702	-	-
Capital outlay	-	5,156	-	-
Payments to other governments	-	1,000	-	-
Pension expense	11,190	836	-	-
<b>Total expenditures</b>	<b>200,174</b>	<b>112,716</b>	<b>2,044</b>	<b>3,100</b>
Net change in fund balance	(83,410)	-	-	-
Fund balances (deficits), beginning of year	(16,672)	-	-	-
Fund balances (deficits), end of year	<u>\$ (100,082)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (Continued)  
EDUCATION FUND ACCOUNTS  
For the year ended June 30, 2017**

	Ounce of Prevention - Training and Technical	Regional Safe Schools	Early Childhood Block Grant
Revenues:			
State sources	\$ 174,167	\$ 38,291	\$ 1,280,577
Federal sources	-	-	-
Total revenues	174,167	38,291	1,280,577
Expenditures:			
Salaries and benefits	125,711	74,305	667,217
Purchased services	30,308	1,513	457,229
Supplies and materials	13,782	-	27,845
Capital outlay	-	-	2,852
Payments to other governments	-	-	-
Pension expense	6,674	978	45,977
Total expenditures	176,475	76,796	1,201,120
Net change in fund balance	(2,308)	(38,505)	79,457
Fund balances (deficits), beginning of year	(15,834)	(7,543)	(79,457)
Fund balances (deficits), end of year	\$ (18,142)	\$ (46,048)	\$ -

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (Continued)  
EDUCATION FUND ACCOUNTS  
For the year ended June 30, 2017**

	Not on Tobacco	Title I - School Improvement and Accountability	Early Childhood Block Grant- Continuing Three to Five
Revenues:			
State sources	\$ -	\$ -	\$ 70,722
Federal sources	-	5,993	-
Total revenues	<u>-</u>	<u>5,993</u>	<u>70,722</u>
Expenditures:			
Salaries and benefits	-	5,517	50,003
Purchased services	-	410	10,133
Supplies and materials	-	-	3,917
Capital outlay	-	-	-
Payments to other governments	-	-	-
Pension expense	-	66	1,523
Total expenditures	<u>-</u>	<u>5,993</u>	<u>65,576</u>
Net change in fund balance	-	-	5,146
Fund balances (deficits), beginning of year	<u>394</u>	<u>-</u>	<u>(5,146)</u>
Fund balances (deficits), end of year	<u>\$ 394</u>	<u>\$ -</u>	<u>\$ -</u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (Concluded)  
EDUCATION FUND ACCOUNTS  
For the year ended June 30, 2017**

	Homeless Children Youth Program	Regional Safe School Cooperative Education Program	Total
<b>Revenues:</b>			
State sources	\$ -	\$ -	\$ 1,793,237
Federal sources	22,633	-	33,770
<b>Total revenues</b>	<b>22,633</b>	<b>-</b>	<b>1,827,007</b>
<b>Expenditures:</b>			
Salaries and benefits	18,364	26,057	1,185,639
Purchased services	370	5,467	578,938
Supplies and materials	2,116	6,573	62,112
Capital outlay	-	-	8,008
Payments to other governments	-	-	1,000
Pension expense	1,783	-	69,027
<b>Total expenditures</b>	<b>22,633</b>	<b>38,097</b>	<b>1,904,724</b>
Net change in fund balance	-	(38,097)	(77,717)
Fund balances (deficits), beginning of year	-	-	(124,258)
Fund balances (deficits), end of year	<u>\$ -</u>	<u>\$ (38,097)</u>	<u>\$ (201,975)</u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION, FY16  
For the year ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues:			
State sources	<u>\$ 200,174</u>	<u>\$ 200,174</u>	<u>\$ 16,672</u>
Expenditures:			
Salaries and benefits	186,276	182,148	-
Purchased services	13,721	17,849	-
Supplies and materials	<u>177</u>	<u>177</u>	<u>-</u>
Total expenditures	<u>200,174</u>	<u>200,174</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	16,672
Fund balance (deficits), beginning of year			<u>(16,672)</u>
Fund balance, July 1, 2016			<u>\$ -</u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION, FY17  
For the year ended June 30, 2017**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
State sources	\$ 200,174	\$ 200,174	\$ 100,092
Expenditures:			
Salaries and benefits	182,148	182,148	171,956
Purchased services	17,849	17,849	16,851
Supplies and materials	177	177	177
Pension expense	-	-	11,190
Total expenditures	200,174	200,174	200,174
Net change in fund balance	\$ -	\$ -	(100,082)
Fund balance, July 1, 2016			-
Fund balance (deficit), end of year			\$ (100,082)

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
ROE/ISC OPERATIONS  
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 112,715	\$ 112,715	\$ 112,716
Expenditures:			
Salaries and benefits	57,167	47,333	46,509
Purchased services	43,048	51,186	51,513
Supplies and materials	8,800	7,486	7,702
Capital outlay	2,000	5,710	5,156
Payments to other governments	1,700	1,000	1,000
Pension Expense	-	-	836
Total expenditures	112,715	112,715	112,716
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
TITLE II TEACHER QUALITY  
For the year ended June 30, 2017**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
Federal sources	\$ 6,117	\$ 6,120	\$ 2,044
Expenditures:			
Purchased services	5,000	5,000	2,044
Supplies and materials	1,117	1,120	-
Total expenditures	6,117	6,120	2,044
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
TITLE II TEACHER QUALITY LEADERSHIP  
For the year ended June 30, 2017**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
Federal sources	\$ 3,256	\$ 3,256	\$ 3,100
Expenditures:			
Purchased services	3,256	3,256	3,100
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
OUNCE OF PREVENTION - TRAINING AND TECHNICAL, FY16  
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 190,000	\$ 190,000	\$ 15,834
Expenditures:			
Salaries and benefits	135,165	135,165	-
Purchased services	41,902	41,902	-
Supplies and materials	12,233	12,233	-
Capital outlay	700	700	-
Total expenditures	190,000	190,000	-
Net change in fund balance	\$ -	\$ -	15,834
Fund balance (deficit), beginning of year			(15,834)
Fund balance, July 1, 2016			\$ -

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
OUNCE OF PREVENTION - TRAINING AND TECHNICAL, FY17  
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 190,000	\$ 200,000	\$ 158,333
Expenditures:			
Salaries and benefits	135,713	131,866	125,711
Purchased services	40,822	52,003	30,308
Supplies and materials	11,965	16,131	13,782
Capital outlay	1,500	-	-
Pension expense	-	-	6,674
Total expenditures	190,000	200,000	176,475
Net change in fund balance	\$ -	\$ -	(18,142)
Fund balance, July 1, 2016			-
Fund balance (deficit), end of year			\$ (18,142)

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
REGIONAL SAFE SCHOOLS, FY16  
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 76,726	\$ 76,726	\$ 7,543
Expenditures:			
Salaries and benefits	75,118	75,118	-
Purchased services	1,608	1,608	-
Total expenditures	76,726	76,726	-
Net change in fund balance	\$ -	\$ -	7,543
Fund balance (deficits), beginning of year			(7,543)
Fund balance, July 1, 2016			\$ -

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
REGIONAL SAFE SCHOOLS, FY17  
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 76,796	\$ 76,796	\$ 30,748
Expenditures:			
Salaries and benefits	74,792	74,792	74,305
Purchased services	2,004	2,004	1,513
Pension expense	-	-	978
Total expenditures	76,796	76,796	76,796
Net change in fund balance	\$ -	\$ -	(46,048)
Fund balance, July 1, 2016			-
Fund balance (deficit), end of year			\$ (46,048)

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
EARLY CHILDHOOD BLOCK GRANT, FY16  
For the year ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues:			
State sources	<u>\$ 953,485</u>	<u>\$ 953,485</u>	<u>\$ 79,457</u>
Expenditures:			
Salaries and benefits	610,232	594,527	-
Purchased services	315,404	321,458	-
Supplies and materials	25,349	31,200	-
Capital outlay	<u>2,500</u>	<u>6,300</u>	<u>-</u>
Total expenditures	<u>953,485</u>	<u>953,485</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	79,457
Fund balance (deficits), beginning of year			<u>(79,457)</u>
Fund balance, July 1, 2016			<u>\$ -</u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
EARLY CHILDHOOD BLOCK GRANT, FY17  
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 953,485	\$ 1,277,685	\$ 1,201,120
Expenditures:			
Salaries and benefits	673,443	713,195	667,217
Purchased services	261,041	533,745	457,229
Supplies and materials	18,501	27,892	27,845
Capital outlay	500	2,853	2,852
Pension expense	-	-	45,977
Total expenditures	953,485	1,277,685	1,201,120
Net change in fund balance	-	-	-
Fund balance (deficit), July 1, 2016			-
Fund balance (deficit), end of year			\$ -

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
TITLE I - SCHOOL IMPROVEMENT AND ACCOUNTABILITY  
For the year ended June 30, 2017**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
Federal sources	\$ 68,335	\$ 68,335	\$ 5,993
Expenditures:			
Salaries and benefits	54,432	54,432	5,517
Purchased services	12,145	12,145	410
Supplies and materials	1,758	1,758	-
Pension expense	-	-	66
Total expenditures	68,335	68,335	5,993
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
EARLY CHILDHOOD BLOCK GRANT - CONTINUING THREE TO FIVE, FY16  
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 61,756	\$ 61,756	\$ 5,146
Expenditures:			
Salaries and benefits	51,443	50,908	-
Purchased services	6,605	7,065	-
Supplies and materials	3,708	3,783	-
Total expenditures	61,756	61,756	-
Net change in fund balance	\$ -	\$ -	5,146
Fund balance (deficit), beginning of year			(5,146)
Fund balance, July 1, 2016			\$ -

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
EARLY CHILDHOOD BLOCK GRANT - CONTINUING THREE TO FIVE, FY17  
For the year ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues:			
State sources	<u>\$ 65,576</u>	<u>\$ 65,576</u>	<u>\$ 65,576</u>
Expenditures:			
Salaries and benefits	52,061	52,061	50,003
Purchased services	8,259	9,566	10,133
Supplies and materials	5,256	3,949	3,917
Pension expense	<u>-</u>	<u>-</u>	<u>1,523</u>
Total expenditures	<u>65,576</u>	<u>65,576</u>	<u>65,576</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	-
Fund balance, July 1, 2016			<u>-</u>
Fund balance, end of year			<u><u>\$ -</u></u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
HOMELESS CHILDREN YOUTH PROGRAM  
For the year ended June 30, 2017**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
Federal sources	\$ 13,122	\$ 22,633	\$ 22,633
Expenditures:			
Salaries and benefits	13,038	20,250	18,364
Purchased services	84	371	370
Supplies and materials	-	2,012	2,116
Pension expense	-	-	1,783
Total expenditures	13,122	22,633	22,633
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
REGIONAL SAFE SCHOOL COOPERATIVE EDUCATION PROGRAM  
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 38,604	\$ 38,604	\$ -
Expenditures:			
Salaries and benefits	23,789	23,789	26,057
Purchased services	7,682	7,682	5,467
Supplies and materials	7,133	7,133	6,573
Total expenditures	38,604	38,604	38,097
Net change in fund balance	\$ -	\$ -	(38,097)
Fund balance, beginning of year			-
Fund balance (deficit), end of year			\$ (38,097)

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2017**

	Institute	General Education Development	Bus Permit	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 101,178	\$ 4,128	\$ 17,292	\$ 122,598
Due from other governments	-	-	400	400
<b>Total assets</b>	<b>\$ 101,178</b>	<b>\$ 4,128</b>	<b>\$ 17,692</b>	<b>\$ 122,998</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 505	\$ 505	\$ 74	\$ 1,084
Due to other governments	2,000	-	-	2,000
Accrued payroll and benefits	137	68	68	273
<b>Total liabilities</b>	<b>2,642</b>	<b>573</b>	<b>142</b>	<b>3,357</b>
<b>FUND BALANCE</b>				
Restricted	98,536	3,555	17,550	119,641
<b>Total fund balance</b>	<b>98,536</b>	<b>3,555</b>	<b>17,550</b>	<b>119,641</b>
<b>Total liabilities and fund balances</b>	<b>\$ 101,178</b>	<b>\$ 4,128</b>	<b>\$ 17,692</b>	<b>\$ 122,998</b>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the year ended June 30, 2017**

	Institute	General Education Development	Bus Permit	Total
Revenues:				
Local sources	\$ 33,053	\$ 3,275	\$ 3,889	\$ 40,217
State sources	-	-	1,460	1,460
Total revenues	<u>33,053</u>	<u>3,275</u>	<u>5,349</u>	<u>41,677</u>
Expenditures:				
Salaries and benefits	16,757	5,370	5,317	27,444
Purchased services	26,588	2,655	1,382	30,625
Supplies and materials	-	76	111	187
Pension expense	1,643	547	501	2,691
Total expenditures	<u>44,988</u>	<u>8,648</u>	<u>7,311</u>	<u>60,947</u>
Net change in fund balances	(11,935)	(5,373)	(1,962)	(19,270)
Fund balances, beginning of the year	<u>110,471</u>	<u>8,928</u>	<u>19,512</u>	<u>138,911</u>
Fund balances, end of the year	<u><u>\$ 98,536</u></u>	<u><u>\$ 3,555</u></u>	<u><u>\$ 17,550</u></u>	<u><u>\$ 119,641</u></u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS  
June 30, 2017**

	Distributive Fund	Heartland Region Fund	Regional Board of Trustees	School Occupation Facility Tax	Total
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ -	\$ -	\$ 1,346	\$ -	\$ 1,346
Due from other governments	-	1,438,444	-	2,579,567	4,018,011
Total current assets	-	1,438,444	1,346	2,579,567	4,019,357
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	-	137,239	-	-	137,239
Total assets and deferred outflows	\$ -	\$ 1,575,683	\$ 1,346	\$ 2,579,567	\$ 4,156,596
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ -	\$ 72,176	\$ -	\$ -	\$ 72,176
Due to other governments	-	578,216	1,346	2,579,567	3,159,129
Total current liabilities	-	650,392	1,346	2,579,567	3,231,305
Noncurrent liabilities:					
Net pension liability	-	439,866	-	-	439,866
Total liabilities	-	1,090,258	1,346	2,579,567	3,671,171
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pensions	-	485,425	-	-	485,425
Total liabilities and deferred inflows	\$ -	\$ 1,575,683	\$ 1,346	\$ 2,579,567	\$ 4,156,596

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS**

**For the year ended June 30, 2017**

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<b><u>DISTRIBUTIVE FUND</u></b>				
<b>ASSETS</b>				
Current assets:				
Due from other governments	\$ 369,318	\$ -	\$ 369,318	\$ -
Total assets	<u>\$ 369,318</u>	<u>\$ -</u>	<u>\$ 369,318</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Current liabilities:				
Due to other governments	\$ 369,318	\$ -	\$ 369,318	\$ -
Total Liabilities	<u>\$ 369,318</u>	<u>\$ -</u>	<u>\$ 369,318</u>	<u>\$ -</u>
<b><u>HEARTLAND REGION FUND</u></b>				
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 231,317	954,953	\$ 1,186,270	\$ -
Due from other governments	140,978	1,438,444	140,978	1,438,444
Total current assets	<u>372,295</u>	<u>2,393,397</u>	<u>1,327,248</u>	<u>1,438,444</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	5,915	131,324	-	137,239
Total assets and deferred outflows	<u>\$ 378,210</u>	<u>\$ 2,524,721</u>	<u>\$ 1,327,248</u>	<u>\$ 1,575,683</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 72,919	\$ 72,176	\$ 72,919	\$ 72,176
Due to other governments	116,987	461,229	-	578,216
Total current liabilities	<u>189,906</u>	<u>533,405</u>	<u>72,919</u>	<u>650,392</u>
Noncurrent liabilities:				
Net pension liability	51,546	1,642,649	1,254,329	439,866
Total liabilities	<u>241,452</u>	<u>2,176,054</u>	<u>1,327,248</u>	<u>1,090,258</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	136,758	348,667	-	485,425
Total liabilities and deferred inflows	<u>\$ 378,210</u>	<u>\$ 2,524,721</u>	<u>\$ 1,327,248</u>	<u>\$ 1,575,683</u>

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)  
AGENCY FUNDS  
For the year ended June 30, 2017**

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<u>REGIONAL BOARD OF TRUSTEES</u>				
ASSETS				
Cash and cash equivalents	\$ 1,345	\$ 1	\$ -	\$ 1,346
LIABILITIES				
Due to other governments	\$ 1,345	\$ 1	\$ -	\$ 1,346
<u>SCHOOL OCCUPATION FACILITY TAX</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 7,377,798	\$ 7,377,798	\$ -
Due from other governments	2,552,718	2,579,567	2,552,718	2,579,567
Total assets	\$ 2,552,718	\$ 9,957,365	\$ 9,930,516	\$ 2,579,567
LIABILITIES				
Due to other governments	\$ 2,552,718	\$ 9,957,365	\$ 9,930,516	\$ 2,579,567

**MACON AND PIATT COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 39**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Concluded)  
AGENCY FUNDS  
For the year ended June 30, 2017**

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 232,662	\$ 8,332,752	\$ 8,564,068	\$ 1,346
Due from other governments	3,063,014	4,018,011	3,063,014	4,018,011
Total assets	<u>3,295,676</u>	<u>12,350,763</u>	<u>11,627,082</u>	<u>4,019,357</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	5,915	131,324	-	137,239
Total assets and deferred outflows	<u>\$ 3,301,591</u>	<u>\$ 12,482,087</u>	<u>\$ 11,627,082</u>	<u>\$ 4,156,596</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 72,919	\$ 72,176	\$ 72,919	\$ 72,176
Due to other governments	3,040,368	10,418,595	10,299,834	3,159,129
Total current liabilities	<u>3,113,287</u>	<u>10,490,771</u>	<u>10,372,753</u>	<u>3,231,305</u>
Noncurrent liabilities:				
Net pension liability	51,546	1,642,649	1,254,329	439,866
Total liabilities	<u>3,164,833</u>	<u>12,133,420</u>	<u>11,627,082</u>	<u>3,671,171</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	136,758	348,667	-	485,425
Total liabilities and deferred inflows	<u>\$ 3,301,591</u>	<u>\$ 12,482,087</u>	<u>\$ 11,627,082</u>	<u>\$ 4,156,596</u>