

**STATE OF ILLINOIS
MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

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

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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REGIONAL OFFICE OF EDUCATION NO. 45**

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**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

OFFICIALS

Regional Superintendent (Current and during the audit period) Mr. Kelton J.V. Davis

Assistant Regional Superintendent (Current and during the audit period) Mr. William C. Diddlebock

Offices are located at:

107 East Mill Street
Waterloo, Illinois 62298

Randolph County Courthouse
#1 Taylor Street
Chester, Illinois 62233

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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	-	-
Repeated audit findings	-	-
Prior recommendations implemented or not repeated	-	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)

There were no findings for the year ended June 30, 2016.

EXIT CONFERENCE

The Monroe and Randolph Counties Regional Office of Education No. 45 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 officials to discuss matters contained in this audit report.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Monroe and Randolph Counties Regional Office of Education No. 45 was performed by West & Company, LLC.

Based on their audit, the auditors expressed an unmodified opinion on the Monroe and Randolph Counties Regional Office of Education No. 45'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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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 Monroe and Randolph Counties Regional Office of Education No. 45, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Monroe and Randolph Counties Regional Office of Education No. 45'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 Monroe and Randolph Counties Regional Office of Education No. 45, 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 Management's Discussion and Analysis, on pages 13A - 13H, and the Illinois Municipal Retirement Fund - Schedules of Changes in the Net Pension Liability and Related Ratios, Illinois Municipal Retirement Fund - Schedule of Employer Contributions, Teachers' Retirement System of the State of Illinois - Schedules of Employer's Proportionate Share of the Net Pension Liability, and Teachers' Retirement System of the State of Illinois - Schedules of Employer Contributions on pages 58 - 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Monroe and Randolph Counties Regional Office of Education No. 45's basic financial statements. The combining schedules of accounts, budgetary comparison schedules, combining fund financial statements, and Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2018, on our consideration of the Monroe and Randolph Counties Regional Office of Education No. 45'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 the Monroe and Randolph Counties Regional Office of Education No. 45'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 the Monroe and Randolph Counties Regional Office of Education No. 45's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Mattoon, Illinois
April 10, 2018

MEMBERS

BRIAN E. DANIELL
JANICE K. ROMACK
DIANA R. SMITH
D. RAIF PERRY
JOHN H. VOGT
JOSHUA D. LOWE
DAVID W. FALLER
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**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 Monroe and Randolph Counties Regional Office of Education No. 45, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Monroe and Randolph Counties Regional Office of Education No. 45's basic financial statements, and have issued our report thereon dated April 10, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Monroe and Randolph Counties Regional Office of Education No. 45'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 Monroe and Randolph Counties Regional Office of Education No. 45's internal control. Accordingly, we do not express an opinion on the effectiveness of the Monroe and Randolph Counties Regional Office of Education No. 45'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 Monroe and Randolph Counties Regional Office of Education No. 45'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 Monroe and Randolph Counties Regional Office of Education No. 45'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 Monroe and Randolph Counties Regional Office of Education No. 45's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Mattoon, Illinois
April 10, 2018

SCHEDULE OF FINDINGS AND RESPONSES

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

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

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

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

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

Corrective Action Plan

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

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

Not applicable in the current year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2017**

As management of Monroe and Randolph Counties Regional Office of Education No. 45 (ROE No. 45), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the ROE No. 45 for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with ROE No. 45's financial statements, which follow this section.

2017 Financial Highlights

- The assets and deferred outflows of resources of Regional Office of Education No. 45 exceeded its liabilities and deferred inflows of resources by \$25,122 (net position). Of this amount, \$67,295 is restricted. Capital assets account for \$30,615 with no related debt.
- The Regional Office of Education No. 45's total net position decreased by \$114,278. This change was mostly attributable to a decrease in the net position of the governmental activities. The expenses of the governmental activities exceeded the revenue by \$129,539. The net position decrease is primarily due to an increase in pension expense.
- The capital assets (net) of Regional Office of Education No. 45 decreased by \$3,932 due to total depreciation expense of \$10,796, offset by capital asset additions of \$8,452 and loss on disposal of capital assets of \$1,588. See Note 7 to the financial statements for further details.

Overview of the Financial Statements

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Agency's financial activities.
- The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These financial statements provide information about the activities of ROE No. 45 as a whole and present an overall view of the Agency's finances in a manner similar to private sector businesses.
- The Fund Financial Statements illustrate how governmental services were financed in the short term, as well as what remains for future spending. Fund financial statements report ROE No. 45's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- Required Supplementary Information further explains and supports the financial statements.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2017**

Overview of the Financial Statements (Continued)

- Other information includes combining financial statements and budgetary information for certain general fund accounts, education fund accounts, and other non-major accounts.

Government-Wide Financial Statements - The *government-wide financial statements* are designed to provide readers with a broad overview of ROE No. 45's finances, in a manner similar to private-sector businesses.

The *Statement of Net Position* presents information on all of ROE No. 45's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of ROE No. 45 is improving or deteriorating.

The *Statement of Activities* presents information showing how ROE No. 45's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for certain items that will only result in cash flows in future fiscal periods.

In the government-wide financial statements, ROE No. 45's activities are divided into two categories:

- *Governmental activities*: Most of ROE No. 45's basic services are included here, such as regular and special education improvement of instruction, instructional staff support services, and administration. Federal, State, and local grants and contributions finance many of these activities.
- *Business-type activities*: ROE No. 45 charges fees to help cover the costs of certain services it provides, such as workshops and conferences.

The government-wide financial statements can be found on pages 14-15 of this report.

Fund Financial Statements - The *fund financial statements* provide detailed information about ROE No. 45's funds, focusing on its most significant or "major" funds, not ROE No. 45 as a whole. Funds are accounting devices ROE No. 45 uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law. ROE No. 45 establishes other funds to control and manage money for particular purposes, such as educational instruction in specific areas or in order to show that it is properly using certain revenues, such as federal grants. All of the funds of ROE No. 45 can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2017**

Overview of the Financial Statements (Continued)

Governmental funds - *Governmental funds* account for most of ROE No. 45's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. Because the governmental fund information does not encompass the additional long-term focus of the government-wide statements, it is useful to compare the statements. By so doing, the readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

ROE No. 45 maintains 5 individual governmental funds: the general fund, education fund, bus driver permit fund, general education development fund, and teachers' institute fund. Information is presented separately in the governmental fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances for the general fund and education fund, both considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16-19 of this report.

Proprietary funds - ROE No. 45 maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide statements. ROE No. 45 uses enterprise funds to account for educational services for which it charges a fee. Proprietary fund statements provide the same type of information as the government-wide financial statements, but with more detail and additional information, such as cash flows. The proprietary fund financial statements provide separate information for the Registration fund, and it is considered a major fund.

The proprietary fund required financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows. The basic proprietary fund financial statements can be found on pages 20-22 of this report.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support ROE No. 45's own programs.

The basic fiduciary fund statement can be found on page 23 of this report.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2017**

Overview of the Financial Statements (Concluded)

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-57 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning ROE No. 45. Overall budgeting is not a legal requirement for ROE No. 45. Accordingly, formal budgets are not adopted; and therefore, budgetary comparison schedules are not included in the required supplementary information (RSI). However, ROE No. 45 is the recipient of monies from the Illinois State Board of Education (ISBE) for most accounts within the education fund on which ISBE requires budgetary comparison to actual results. Budgetary comparison schedules have been provided for the ISBE accounts to demonstrate compliance. In addition, budgetary comparison schedules have been provided for the grants received from the Illinois Community College Board (ICCB). Budgetary comparison schedules have been included on pages 72-79 and 86-96 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and combining schedules for the general and education funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 63-71, 80-85, and 97-102 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position. In the case of ROE No. 45, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$25,122 at the close of fiscal year 2017.

ROE No. 45's net position is split between governmental activities and business-type activities. The governmental activities' net position was a negative \$227,917, offset by the business-type activities' net position of \$253,039.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2017**

Government-wide Financial Analysis (Continued)

	ROE NO. 45's Net Position					
	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 747,219	\$ 708,374	\$ 247,393	\$ 237,809	\$ 994,612	\$ 946,183
Capital assets	24,890	27,629	5,725	6,918	30,615	34,547
Total assets	<u>772,109</u>	<u>736,003</u>	<u>253,118</u>	<u>244,727</u>	<u>1,025,227</u>	<u>980,730</u>
Deferred outflows of resources	<u>640,753</u>	<u>238,840</u>	<u>-</u>	<u>-</u>	<u>640,753</u>	<u>238,840</u>
Current liabilities	44,510	33,558	79	6,949	44,589	40,507
Net pension liability	1,531,494	930,240	-	-	1,531,494	930,240
Total liabilities	<u>1,576,004</u>	<u>963,798</u>	<u>79</u>	<u>6,949</u>	<u>1,576,083</u>	<u>970,747</u>
Deferred inflows of resources	<u>64,775</u>	<u>109,423</u>	<u>-</u>	<u>-</u>	<u>64,775</u>	<u>109,423</u>
Net position:						
Net investment in capital assets	24,890	27,629	5,725	6,918	30,615	34,547
Restricted	67,295	62,530	-	-	67,295	62,530
Unrestricted	(320,102)	(188,537)	247,314	230,860	(72,788)	42,323
Total net position	<u>\$ (227,917)</u>	<u>\$ (98,378)</u>	<u>\$ 253,039</u>	<u>\$ 237,778</u>	<u>\$ 25,122</u>	<u>\$ 139,400</u>

At June 30, 2017, current assets, comprised predominately of cash and receivables, increased \$48,429 due mainly to an increase in grant funding. There was a minimal decrease of \$3,932 for capital assets. The net position of the business-type activities increased by \$15,261. A portion of the increase in the net position of the business-type activities is attributed to a decrease in salary expense and purchased services.

As indicated above, ROE No. 45 reported negative net position for the governmental activities and a positive net position for the business-type activities. The assets and deferred outflows of resources of ROE No. 45 exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$25,122 (total net position). The negative position for the governmental activities can be attributed to the reporting requirement for the pension related balances, such as the net pension liability and deferred inflows and outflows of resources. The investment in net capital assets was \$30,615 at June 30, 2017. ROE No. 45 uses these capital assets in providing services to its constituents; consequently, these assets are not available for future spending.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2017**

Government-wide Financial Analysis (Concluded)

Net position of ROE No. 45 decreased by \$114,278 from the FY16 balance. Governmental activities contributed a decrease of \$129,539 and business-type activities increased by \$15,261. Key elements of the change are as follows:

	ROE NO. 45's Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 30,298	\$ 38,133	\$ 30,298	\$ 38,133
Operating grants & contributions	1,147,734	1,227,649	-	-	1,147,734	1,227,649
General revenues:						
Local sources	454,268	468,961	-	-	454,268	468,961
On-behalf payments	563,746	402,572	-	-	563,746	402,572
Loss on asset disposal	(1,588)	-	-	-	(1,588)	-
Interest	1,705	1,214	446	435	2,151	1,649
Total revenues	<u>2,165,865</u>	<u>2,100,396</u>	<u>30,744</u>	<u>38,568</u>	<u>2,196,609</u>	<u>2,138,964</u>
Expenses:						
Salaries and benefits	848,445	854,422	2,587	9,943	851,032	864,365
Purchased services	229,337	258,274	6,771	12,802	236,108	271,076
Supplies and materials	71,583	84,317	1,352	2,614	72,935	86,931
Payments to Govts	274,460	320,216	3,580	3,480	278,040	323,696
Other	21,292	8,496	-	-	21,292	8,496
Depreciation	9,603	10,606	1,193	1,194	10,796	11,800
Pension expense	276,938	160,659	-	-	276,938	160,659
On-behalf payments	563,746	402,572	-	-	563,746	402,572
Total expenses	<u>2,295,404</u>	<u>2,099,562</u>	<u>15,483</u>	<u>30,033</u>	<u>2,310,887</u>	<u>2,129,595</u>
Change in net position	(129,539)	834	15,261	8,535	(114,278)	9,369
Net position-beginning	<u>(98,378)</u>	<u>(99,212)</u>	<u>237,778</u>	<u>229,243</u>	<u>139,400</u>	<u>130,031</u>
Net position-ending	<u>\$ (227,917)</u>	<u>\$ (98,378)</u>	<u>\$ 253,039</u>	<u>\$ 237,778</u>	<u>\$ 25,122</u>	<u>\$ 139,400</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2017**

Governmental Activities

Revenues for governmental activities were \$2,165,865 and expenses were \$2,295,404. Revenues increased \$65,469 due mostly to an increase in on-behalf payments offset by a decrease in grant revenue and local revenue.

With the increase in revenues, we could expect to see an increase in expenses as well. Overall governmental expenses increased approximately \$34,668 (exclusive of on-behalf payments) consisting of a decrease of approximately \$5,977 in salaries and benefits, \$28,937 in purchased services and \$12,734 in supplies and materials. Payments to other governments also decreased by \$45,756. Other expenses increased by \$12,796 and pension expense increased by \$116,279. Depreciation expense decreased by \$1,003.

Business-Type Activities

The charges for services decreased by \$7,835 when compared to 2016. The decrease in revenue was primarily due to less activities of professional development not associated with grant funding. Overall expenses decreased by \$14,550 when compared to 2016. Salaries and benefits decreased by \$7,356, purchased services decreased by \$6,031 and supplies and materials decreased by \$1,262. Payments to other governments increased by \$100 and depreciation expense decreased by \$1. The decrease of salaries and benefits was a direct result of fewer activities. Supporting services for professional development also decreased.

Financial Analysis of ROE No. 45's Funds

Governmental funds - As previously noted, ROE No. 45 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. ROE No. 45's governmental funds reported combined fund balances of \$588,223 representing a decrease of \$86,593 from last year's ending fund balance of \$674,816. The majority of the difference is from a decrease in the Education Fund. The decrease in the Education Fund is a result of the Truants Alternative Optional Education, Regional Safe Schools and Pilot Regional Safe Schools Cooperative Education Program grants having combined unavailable revenue of \$102,820. Expenditures for that amount have been reported but related revenue was not since it was not considered available (received within 60 days of year-end).

The general fund is the chief operating fund of ROE No. 45. At the end of the current fiscal year, the nonspendable and unassigned fund balances of the general fund increased by \$11,462.

Proprietary funds - ROE No. 45's proprietary funds consist of enterprise funds. The enterprise fund activity is the same type of information found in the government-wide financial statements, but in more detail. Aspects concerning the finances have already been addressed in the discussion of ROE No. 45's business-type activities.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
For the year ended June 30, 2017**

Budgetary Highlights

Presenting an overall budget is not a legal requirement of ROE No. 45. Formal budgets are not adopted for all funds; therefore budgetary comparison schedules are not included in the required supplementary information.

ROE No. 45 acts as the administrative agent for certain grant programs that are accounted for within the special revenue funds. These programs have separate budgets and are required to be reported to the Illinois State Board of Education. In addition, budgetary comparison schedules have been provided for the grants received from the Illinois Community College Board (ICCB). Comparison of budgeted and actual results for various programs are presented as supplementary information.

Capital Assets

ROE 45's Capital Assets						
Net of Accumulated Depreciation						
	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Equipment	\$ 24,890	\$ 27,629	\$ 5,725	\$ 6,918	\$ 30,615	\$ 34,547

At June 30, 2017 and June 30, 2016, ROE No. 45 had invested \$145,594 and \$156,808 respectively, in a broad range of capital assets, including office equipment, computers and audio-visual equipment.

ROE No. 45 had depreciation expense of \$10,796 and \$11,800 in FY17 and FY16, respectively, with accumulated depreciation of \$114,979 and \$122,261 at June 30, 2017 and 2016, respectively. More detailed information about capital assets is available in Note 7 to the financial statements.

Economic Factors and Next Year's Budget

At this time ROE No. 45 has received all grant funding for the fiscal year 2017. We are diligently pursuing opportunities to acquire new funding through governmental and business-type activities. We anticipate some delay of grant and other state payments due to state budgetary issues. We will be in our final year of two multiyear Illinois Math and Science Partnerships grants and in year one of the multiyear Truants Alternative Optional Education Program grant.

Contacting ROE No. 45's Financial Management

This financial report is designed to provide ROE No. 45’s citizens, taxpayers and clients, with a general overview of ROE No. 45’s finances and to demonstrate ROE No. 45’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Regional Superintendent’s Office of Monroe/Randolph Counties, ROE No. 45, 107 East Mill Street, Waterloo, Illinois 62298.

BASIC FINANCIAL STATEMENTS

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 327,122	\$ 242,714	\$ 569,836
Accounts receivable	6,013	40	6,053
Due from other governments	407,511	4,639	412,150
Prepaid items	6,573	-	6,573
Total current assets	<u>747,219</u>	<u>247,393</u>	<u>994,612</u>
Noncurrent assets:			
Capital assets, net	24,890	5,725	30,615
Total noncurrent assets	<u>24,890</u>	<u>5,725</u>	<u>30,615</u>
Total assets	<u>772,109</u>	<u>253,118</u>	<u>1,025,227</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	640,753	-	640,753
LIABILITIES			
Current liabilities:			
Accounts payable	8,510	-	8,510
Due to other governments	21,760	79	21,839
Unearned revenue	14,240	-	14,240
Total current liabilities	<u>44,510</u>	<u>79</u>	<u>44,589</u>
Noncurrent liabilities:			
Net pension liability	1,531,494	-	1,531,494
Total noncurrent liabilities	<u>1,531,494</u>	<u>-</u>	<u>1,531,494</u>
Total liabilities	<u>1,576,004</u>	<u>79</u>	<u>1,576,083</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	64,775	-	64,775
NET POSITION			
Net investment in capital assets	24,890	5,725	30,615
Restricted - other	67,295	-	67,295
Unrestricted	(320,102)	247,314	(72,788)
Total net position	<u>\$ (227,917)</u>	<u>\$ 253,039</u>	<u>\$ 25,122</u>

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

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
FUNCTIONS/PROGRAMS						
Governmental activities:						
Instructional services:						
Salaries	\$ 735,839	\$ -	\$ 505,704	\$ (230,135)	\$ -	\$ (230,135)
Benefits	112,606	-	156,382	43,776	-	43,776
Purchased services	229,337	-	135,807	(93,530)	-	(93,530)
Supplies and materials	71,583	-	60,465	(11,118)	-	(11,118)
Capital outlay	-	-	2,958	2,958	-	2,958
Other	21,292	-	11,958	(9,334)	-	(9,334)
Payments to other governments	274,460	-	274,460	-	-	-
Depreciation	9,603	-	-	(9,603)	-	(9,603)
Pension expense	276,938	-	-	(276,938)	-	(276,938)
Administrative:						
On-behalf payments - State	563,746	-	-	(563,746)	-	(563,746)
Total governmental activities	<u>2,295,404</u>	<u>-</u>	<u>1,147,734</u>	<u>(1,147,670)</u>	<u>-</u>	<u>(1,147,670)</u>
Business-type activities:						
Registration services	15,483	30,298	-	-	14,815	14,815
Total primary government	<u>\$ 2,310,887</u>	<u>\$ 30,298</u>	<u>\$ 1,147,734</u>	<u>(1,147,670)</u>	<u>14,815</u>	<u>(1,132,855)</u>
General revenues:						
Local sources				454,268	-	454,268
On-behalf payments - State				563,746	-	563,746
Interest				1,705	446	2,151
Loss on disposal of capital assets				(1,588)	-	(1,588)
Total general revenues				<u>1,018,131</u>	<u>446</u>	<u>1,018,577</u>
Change in net position				(129,539)	15,261	(114,278)
Net position - beginning of year				<u>(98,378)</u>	<u>237,778</u>	<u>139,400</u>
Net position - end of year				<u>\$ (227,917)</u>	<u>\$ 253,039</u>	<u>\$ 25,122</u>

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

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	General Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 254,271	\$ 5,698	\$ 67,153	\$ 327,122
Accounts receivable	5,871	-	142	6,013
Due from other funds	311,350	-	-	311,350
Due from other governments	80,999	326,512	-	407,511
Prepaid items	5,673	900	-	6,573
 Total assets	 \$ 658,164	 \$ 333,110	 \$ 67,295	 \$ 1,058,569
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts payable	\$ 8,510	\$ -	\$ -	\$ 8,510
Due to other funds	-	311,350	-	311,350
Due to other governments	-	21,760	-	21,760
Unearned revenue	14,240	-	-	14,240
 Total liabilities	 22,750	 333,110	 -	 355,860
 DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	11,666	102,820	-	114,486
 FUND BALANCES (DEFICITS)				
Nonspendable	5,673	900	-	6,573
Restricted	-	-	67,295	67,295
Unassigned	618,075	(103,720)	-	514,355
 Total fund balances (deficits)	 623,748	 (102,820)	 67,295	 588,223
 Total liabilities, deferred inflows of resources, and fund balances (deficits)	 \$ 658,164	 \$ 333,110	 \$ 67,295	 \$ 1,058,569

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

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

Total fund balances - governmental funds	\$	588,223
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		24,890
<p>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.</p>		114,486
<p>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.</p>		
Deferred outflows of resources	\$ 640,753	
Deferred inflows of resources	<u>(64,775)</u>	575,978
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Net pension liability		<u>(1,531,494)</u>
Net position of governmental activities	\$	<u><u>(227,917)</u></u>

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

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**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
Revenues:				
Local sources	\$ 418,811	\$ -	\$ 23,880	\$ 442,691
State sources	84,807	268,068	1,242	354,117
Federal sources	11,095	679,613	-	690,708
On-behalf payments	267,837	-	-	267,837
Interest	1,560	24	121	1,705
Total revenues	784,110	947,705	25,243	1,757,058
Expenditures:				
Instructional services:				
Salaries	283,804	444,674	7,361	735,839
Benefits	54,682	56,634	1,290	112,606
Purchased services	100,227	121,538	7,572	229,337
Supplies and materials	11,605	58,524	1,454	71,583
Other	8,318	11,147	1,827	21,292
Payments to other governments	-	274,460	-	274,460
Pension expense	40,401	80,870	974	122,245
On-behalf payments	267,837	-	-	267,837
Capital outlay	5,774	2,678	-	8,452
Total expenditures	772,648	1,050,525	20,478	1,843,651
Net change in fund balances	11,462	(102,820)	4,765	(86,593)
Fund balances, beginning of year	612,286	-	62,530	674,816
Fund balances (deficits), end of year	\$ 623,748	\$ (102,820)	\$ 67,295	\$ 588,223

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

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**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	\$	(86,593)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Some revenues will not be collected for several months after the Regional Office's fiscal year ends. They are not considered "available" revenues and are deferred in the governmental funds.		114,486
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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	\$	8,452	
Depreciation expense		<u>(9,603)</u>	(1,151)

Governmental funds report capital outlays as expenditures at the time of purchase; therefore, when an asset is disposed of in a noncash transaction it is not reflected in the governmental funds financial statements at the time of disposal. However, in the Statement of Activities gains and losses arising from noncash transactions are reported as a gain or loss on the disposition of those assets.

Loss on disposal of capital assets		(1,588)
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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 expense		<u>(154,693)</u>
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Changes in net position of governmental activities	\$	<u><u>(129,539)</u></u>
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The notes to the financial statements are an integral part of this statement.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	<u>Business-Type Activities</u> <u>Enterprise Fund</u> <u>Registration</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 242,714
Accounts receivable	40
Due from other governments	<u>4,639</u>
Total current assets	247,393
Noncurrent assets:	
Capital assets, net	<u>5,725</u>
Total assets	<u>253,118</u>
LIABILITIES	
Current liabilities:	
Due to other governments	<u>79</u>
Total current liabilities	<u>79</u>
NET POSITION	
Net investment in capital assets	5,725
Unrestricted	<u>247,314</u>
Total net position	<u><u>\$ 253,039</u></u>

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

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUND
For the year ended June 30, 2017**

	Business-Type Activities
	Enterprise Fund
	Registration
Operating revenues:	
Charges for services	\$ 30,298
Operating expenses:	
Salaries	2,550
Benefits	37
Purchased services	6,771
Supplies and materials	1,352
Depreciation	1,193
Payments to other governments	3,580
Total operating expenses	15,483
Operating income	14,815
Nonoperating revenues:	
Interest income	446
Change in net position	15,261
Net position - beginning of year	237,778
Net position - end of year	\$ 253,039

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

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	Business-Type Activities
	Enterprise Fund
	Registration
Cash flows from operating activities:	
Collection of fees	\$ 30,330
Payments to suppliers and providers of goods and services	(14,993)
Payments to employees	(2,587)
Payments to other governments	(3,580)
Net cash provided by operating activities	9,170
Cash flows from investing activities:	
Interest received on investments	446
Net cash provided by investing activities	446
Net increase in cash and cash equivalents	9,616
Cash and cash equivalents - beginning of year	233,098
Cash and cash equivalents - end of year	\$ 242,714
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 14,815
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,193
Increase in accounts receivable	(40)
Decrease in due from other governments	72
Decrease in accounts payable	(88)
Decrease in due to other governments	(6,782)
Net cash provided by operating activities	\$ 9,170

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

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 570,351
Due from other governments	<u>1,808,798</u>
Total assets	<u><u>\$2,379,149</u></u>
LIABILITIES	
Due to other governments	<u>\$2,379,149</u>
Total liabilities	<u><u>\$2,379,149</u></u>

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

NOTES TO FINANCIAL STATEMENTS

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education No. 45'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. 45 was created by Illinois Public Act 76-735, as amended, effective August 7, 1995. The Regional Office operates under the School Code (105 ILCS 5/3 and 5/3A). The region encompasses Monroe and Randolph 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 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. 45 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. 45 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. 45's financial statements. In addition, the Regional Office of Education No. 45 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education No. 45 being considered a component unit of the entity.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The Statement of Net Position includes all of the Regional Office of Education No. 45'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 transfers in/out 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.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 the major proprietary fund.

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.

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. 45 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 items and 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 are reported as deferred inflows of resources - unavailable revenue in the fund statements and are reported as current revenues in the Statement of Activities.

**MONROE AND RANDOLPH COUNTIES
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NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(Continued)

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. 45's enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

It is the Regional Office of Education No. 45'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. 45 reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Regional Office of Education No. 45. It 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. 45. Included in this fund are:

Chester Office Account – This fund is used for general operations of the Chester office of the Regional Office of Education. It is used to account for all financial resources, except those required to be accounted for in another fund.

Waterloo Office Account – This fund is used for general operations of the Waterloo office of the Regional Office of Education. It is used to account for all financial resources, except those required to be accounted for in another fund.

General State Aid – This fund accounts for General State Aid used for the general operations of the Regional Safe Schools program.

County Account – The Regional Office of Education No. 45 receives a tax appropriation from Monroe and Randolph counties for operation purposes. These appropriations are requested on a yearly basis.

**MONROE AND RANDOLPH COUNTIES
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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)

Education – This fund is used to account for and report the proceeds of specific revenue sources that are restricted by grant agreements or contracts to expenditures for specific purposes supporting education enhancement programs as follows:

Adult Education – This group of funds accounts for monies received from the Illinois Community College Board (ICCB) for academic and vocational adult education programs including the following:

Federal Basic – This fund accounts for federal monies received from the ICCB which provide for adult basic education (GED) services for adult education clients.

State Basic – This fund accounts for State funds received from the ICCB for vocational training for adult education clients including computer and certified nurse assistant classes.

State Performance – This fund accounts for State monies received from the ICCB that can be used for any purpose that supports the adult education program.

Regional Safe Schools – This program provides funding for an alternative school program for students removed from the regular school setting due to disruptive behavior.

Pilot Regional Safe Schools Cooperative Education Program – This program serves eligible students and enhances the educational opportunity with highly structured private sector work experience and job training programs which follows State course description for Cooperative Education.

Mathematics and Science Partnerships (Making Math Connections) – This program provides teachers in Southern Illinois with opportunities to increase their own knowledge in math and experience with the new IL Learning Standards, math practices, and curriculum development.

Mathematics and Science Partnerships (Making Science Connections) – This program provides teachers in Southern Illinois with opportunities to increase their own knowledge in science and experience with the new IL Learning Standards, science practices, and curriculum development.

**MONROE AND RANDOLPH COUNTIES
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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)

Education (Continued)

Title I School Improvement System of Support – Grant monies in this fund are used to provide professional development activities to schools identified as Priority schools, Focus schools, and all schools under Foundational Services.

McKinney Vento Education for Homeless Children – This fund provides educational services and strives to heighten community awareness of the need to serve the homeless population.

Multi-Tiered System of Support Network (previously Area-Wide I-RTI Network Instructional Leader) – This fund provides an area-wide instructional leader, area-wide assistant, and lead coach for the Area V Regional Offices of Education.

ROE/ISC Operations – This account is used for general operation of the Regional Office of Education office.

Title II Teacher Quality Leadership – The purpose of this program is to provide training and professional development for the improvement of teacher and principal performance evaluations.

Truants Alternative Optional Education – This program provides alternative educational program services to truant, chronic truant, potential dropout, and dropout students referred from local schools to the Regional Office of Education No. 45.

Mathematics and Science Partnerships (Math) – This program provides teachers in Southern Illinois with opportunities to increase their own knowledge in math and experience with the new IL Learning Standards.

Mathematics and Science Partnerships (Science) – This program provides teachers in Southern Illinois with opportunities to increase their own knowledge in science and experience with the new IL Learning Standards.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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)

Additionally, the Regional Office of Education No. 45 reports the following nonmajor governmental funds:

Nonmajor Special Revenue Funds – Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (other than fiduciary or major capital projects) that are restricted to expenditures for specified purposes. Nonmajor special revenue funds include the following:

Teacher’s Institute Fund – The Teacher’s Institute Fund is authorized by Section 3-12 of the School Code. Teachers' license fees are paid into the Teacher’s Institute Fund. The monies are used to defray administrative expenses incidental to teacher’s institutes, workshops, or meetings of a professional nature. All funds generated remain restricted until expended only on the aforementioned activities.

Bus Driver Permit Fund – This fund is used to account for the issuance of school bus driver permits and to sponsor instructional training courses for school bus drivers.

General Education Development Fund – This fund was established to administer the high school level test of General Educational Development.

2. Proprietary Funds

Enterprise Funds – 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. 45 reports the following major enterprise fund:

Registration – The purpose of the Registration fund is to support professional development workshops for educators and enrichment programs for students. Educators/students pay registration fees for programs presented by the office. Presenter fees, supplies, room rental, and food costs are examples of expenses paid out of the registration fund.

**MONROE AND RANDOLPH COUNTIES
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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

Agency Funds - Agency Funds are used to account for assets held by the Regional Office of Education No. 45 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Regional Office of Education No. 45 reports the following agency funds:

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

Area V Trail – This fund receives and disburses monies for workshops provided and paid for by all the Area V Regional Offices of Education.

State Trail – This fund receives and disburses monies for workshops provided and paid for by the Regional Offices of Education State-wide.

Connecting Conference – This fund receives and disburses monies for workshops provided and paid for by the Illinois Association of Regional Superintendent of Schools.

The Maidez Center – This fund receives and disburses monies for The Maidez Center, a 501(c)(3) organization that provides charitable support to other organizations serving at-risk youth and families.

School Facility Sales Tax – Voters in both of the Regional Office’s counties approved the use of a 1% sales tax to be used exclusively for school facility capital projects. Regional Office of Education No. 45 is the fiscal agent for processing payments from the State of Illinois to the school districts.

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

1. Cash and Investments

The Regional Office of Education No. 45 considers cash on hand, checking accounts, savings accounts, money market accounts, and investments held with an original maturity date of less than 90 days to be cash and cash equivalents. State regulations require that the Regional Office of Education No. 45 deposit funds under its control into accounts insured by the federal government, accounts secured by substantial collateral, or pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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)

1. Cash and Investments (Continued)

Statutes authorize the Regional Office of Education No. 45 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 are 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 the business-type activities are reported in the government-wide financial statements as “internal balances.”

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Capital Assets

Capital assets are reported in the applicable columns in the government-wide and proprietary fund financial statements. Capital assets purchased or acquired with an original cost of \$500 or more and estimated useful lives of greater than one year are recorded at historical cost or estimated historical cost. Contributed assets are recorded at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Equipment and Furniture	5-10 years
Office Equipment	3-7 years

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

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

6. Compensated Absences

Vacation pay is considered an expenditure in the year it is paid. All vacation has to be used before fiscal year end, so no accrual is required.

Accumulated sick pay benefits are available to all full-time employees to use in future years. However, upon termination, the employees are not compensated for any unused sick days; therefore, no accruals or reserves have been established.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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)

7. 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, if any, 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.

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:

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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)

7. Equity Classifications (Continued)

Governmental Fund Statements (Continued)

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. The General Fund’s Waterloo Office Account and the Education Fund’s Mathematics and Science Partnerships (Math 2017) Account have nonspendable fund balances related to prepaid items, as these are not available to be spent.

Restricted Fund Balance – The portion of a governmental fund’s fund balance that is subject to external enforceable legal restrictions. The following funds are restricted by Illinois Statute: Teacher’s Institute Fund, Bus Driver Permit Fund, and General Education Development Fund.

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. The Regional Office of Education No. 45 has no committed fund balances.

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 Regional Office of Education No. 45 has no assigned fund balances.

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following General Fund accounts have unassigned fund balances: Chester Office Account, Waterloo Office Account, General State Aid, and County Account. The following Education Fund accounts have unassigned fund balances: Regional Safe Schools, Pilot Regional Safe Schools Cooperative Education Program, Mathematics and Science Partnerships (Math 2017) and Truants Alternative Optional Education.

**MONROE AND RANDOLPH COUNTIES
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NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. New Accounting Pronouncement

In 2017, the Regional Office of Education No. 45 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 impact on the financial statements of the Regional Office of Education No. 45.

2. BUDGETS AND BUDGETARY ACCOUNTING INFORMATION

The Regional Office of Education No. 45 was not legally required to adopt annual budgets for all funds under its control, and some annual budgets prepared were not based upon the same operating period. Therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

Budgets relating to programs funded by grants from the Illinois State Board of Education are prepared and submitted to the State Board as part of the grant awards process. The State Board must also approve amendments to these budgets. Grant project budgets are based on the award period. Budgets relating to programs funded by grants from the Illinois Community College Board must be prepared and submitted for approval. Budgets are also prepared for certain grants awarded through other pass-through entities. Budgetary Comparison Schedules have been presented for the following grants: Adult Education and Family Literacy - Federal Basic, Adult Education and Family Literacy - State Basic, Adult Education and Family Literacy - State Performance, Regional Safe Schools, Pilot Regional Safe Schools Cooperative Education Program, Mathematics and Science Partnerships (Making Math Connections), Mathematics and Science Partnerships (Making Science Connections), Title I School Improvement System of Support, McKinney Vento Education for Homeless Children, Area-Wide I-RTI Network Instructional Leader (Multi-Tiered System of Support Network), Multi-Tiered System of Support Network, ROE/ISC Operations, Title II Teacher Quality - Leadership Grant, Truants Alternative/Optional Education, Mathematics and Science Partnerships (Math), and Mathematics and Science Partnerships (Science).

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

NOTES TO FINANCIAL STATEMENTS

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.

4. DEPOSITS

At June 30, 2017, the carrying amount of the Regional Office of Education No. 45's deposits, which do not include Illinois Funds Money Market Fund accounts, for the governmental activities, business-type activities, and fiduciary funds were \$327,122, \$242,714, and \$570,351, respectively. The bank balances for the governmental activities, business-type activities, and fiduciary funds totaled \$1,312,235 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. 45's name, and were, therefore, not exposed to custodial credit risk. The Illinois Funds Money Market Fund accounts had no carrying value and a total bank balance of \$2,390 at June 30, 2017. This amount is fully collateralized and not subject to credit risk.

5. 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	\$ 311,350	\$ -
Education Fund	-	311,350
	\$ 311,350	\$ 311,350
Totals		

At June 30, 2017, amounts receivable to the General Fund primarily consisted of loans to various Education Fund accounts to cover cash shortages. These funds utilize the same pooled cash account.

**MONROE AND RANDOLPH COUNTIES
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NOTES TO FINANCIAL STATEMENTS

6. DUE TO/DUE FROM OTHER GOVERNMENTS

At June 30, 2017, the Regional Office of Education No. 45's General Fund, Education Fund, Registration Fund, and Agency Funds had amounts due to and due from various other governmental units which consisted of the following:

Due from Other Governments:

General Fund:	
Local Governments	\$ 80,904
Illinois State Board of Education	95
	80,999
Education Fund:	
Illinois State Board of Education	284,591
Illinois Community College Board	6,249
Regional Office of Education No. 47	3,415
Regional Office of Education No. 51	32,257
	326,512
Registration Fund:	
Local Governments	4,639
	\$ 412,150
Agency Funds:	
Local Governments	\$ 6,759
Illinois State Board of Education	551,490
Illinois Comptroller	1,242,899
Regional Office of Education No. 3	7,650
	\$ 1,808,798

Due to Other Governments:

Education Fund:	
Local Governments	\$ 21,000
Regional Office of Education No. 26	760
	21,760
Registration Fund:	
Local Governments	79
	\$ 21,839
Agency Funds:	
Local Governments	\$ 2,379,149

**MONROE AND RANDOLPH COUNTIES
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NOTES TO FINANCIAL STATEMENTS

7. CAPITAL ASSETS

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

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
Governmental activities:				
Capital assets being depreciated:				
Equipment and furniture	\$ 145,936	\$ 8,452	\$ 19,666	\$ 134,722
Less accumulated depreciation for:				
Equipment and furniture	(118,307)	(9,603)	(18,078)	(109,832)
Governmental activities capital assets, net	\$ 27,629	\$ (1,151)	\$ 1,588	\$ 24,890
 Business-type activities:				
Capital assets being depreciated:				
Equipment and furniture	\$ 10,872	\$ -	\$ -	\$ 10,872
Less accumulated depreciation for:				
Equipment and furniture	(3,954)	(1,193)	-	(5,147)
Business-type activities capital assets, net	\$ 6,918	\$ (1,193)	\$ -	\$ 5,725

Depreciation expense was charged to Instructional Services (functions/programs) of the Regional Office of Education No. 45 as follows:

Governmental activities:	
Instructional services	\$ 9,603

Depreciation expense was charged to Registration Services (functions/programs) of the Regional Office of Education No. 45 as follows:

Business-type activities:	
Registration services	\$ 1,193

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS

A. Teachers' Retirement System of the State of Illinois

Plan Description

The employer 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.

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.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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. 45.

On behalf contributions to TRS - The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 45. For the year ended June 30, 2017, State of Illinois contributions recognized by the Regional Office of Education No. 45 were based on the State's proportionate share of the collective net pension liability associated with the Regional Office of Education No. 45, and the Regional Office of Education No. 45 recognized revenue and expenditures of \$295,909 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 \$2,058 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. 45, there is a statutory requirement for the Regional Office of Education No. 45 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 \$127,574 were paid from federal and special trust funds that required employer contributions of \$49,167. These contributions are deferred because they were paid after the June 30, 2016 measurement date.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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. 45 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. 45 paid no employer ERO contributions to TRS for retirements that occurred before July 1, 2016.

The Regional Office of Education No. 45 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. 45 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. 45 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	\$ 1,207,408
State's proportionate share of the net pension liability associated with the employer	3,013,143
	3,013,143
Total	\$ 4,220,551
	4,220,551

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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)

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. 45'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. 45's proportion was 0.0015296022 percent, which was an increase of 0.0007082267 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Regional Office of Education No. 45 recognized pension expense of \$295,909 and revenue of \$295,909 for support provided by the State. For the year ended June 30, 2017, the Regional Office of Education No. 45 recognized pension expense of \$179,775. At June 30, 2017, the Regional Office of Education No. 45 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 8,928	\$ 819
Net difference between projected and actual earnings on pension plan investments	34,111	-
Changes of assumptions	103,698	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>375,699</u>	<u>63,956</u>
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	522,436	64,775
Employer Contributions Made Subsequent to the Measurement Date	<u>51,225</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 573,661</u></u>	<u><u>\$ 64,775</u></u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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)

\$51,225 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 ending 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 in these reporting years:

Year Ending June 30,	Net Deferred Outflows of of Resources
2018	\$ 94,728
2019	94,728
2020	120,241
2021	124,132
2022	23,832
Total	\$ 457,661

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.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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 bonds 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	<u>100%</u>	

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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. 45's proportionate share of the net pension liability to changes in the discount rate

The following presents the Regional Office of Education No. 45'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. 45'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.

	1% Lower (5.83%)	Current Discount Rate (6.83%)	1% Higher (7.83%)
Employer's proportionate share of the net pension liability	\$ 1,476,708	\$ 1,207,408	\$ 987,460

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*.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund

IMRF Plan Description

The Regional Office of Education No. 45'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. 45's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

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

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund (Continued)

Benefits Provided (Continued)

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.

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	29
Inactive plan members entitled to but not yet receiving benefits	15
Active plan members	11
Total	55

Contributions

As set by statute, the Regional Office of Education No. 45'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. 45's annual contribution rate for calendar year 2016 was 22.26%. For the calendar year 2016, the Regional Office of Education No. 45 contributed \$83,223 to the plan. The Regional Office of Education No. 45 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.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund (Continued)

Net Pension Liability

The Regional Office of Education No. 45'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.
- 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:

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

<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>	

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%.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

NOTES TO FINANCIAL STATEMENTS

8. RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2015	\$ 3,030,239	\$ 2,638,083	\$ 392,156
Changes for the year:			
Service Cost	41,466	-	41,466
Interest on the total pension liability	222,175	-	222,175
Differences between expected and actual experience of the total pension liability	34,294	-	34,294
Contributions - employer	-	83,223	(83,223)
Contributions - employees	-	16,784	(16,784)
Net investment income	-	269,564	(269,564)
Benefit payments, including refunds of employee contributions	(177,282)	(177,282)	-
Other (net transfer)	-	(3,566)	3,566
Net changes	<u>120,653</u>	<u>188,723</u>	<u>(68,070)</u>
Balances at December 31, 2016	<u>\$ 3,150,892</u>	<u>\$ 2,826,806</u>	<u>\$ 324,086</u>

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

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

	1% Lower (6.5%)	Current Discount Rate (7.5%)	1% Higher (8.5%)
Net Pension Liability	<u>\$ 699,041</u>	<u>\$ 324,086</u>	<u>\$ 11,896</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

For the year ended June 30, 2017, the Regional Office of Education No. 45 recognized pension expense of \$97,163. At June 30, 2017, the Regional Office of Education No. 45 reported deferred outflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods	
Differences between expected and actual experience	\$ 16,361
Net difference between projected and actual earnings on pension plan investments	<u>21,302</u>
Total Deferred Amount to be Recognized in Pension Expense in Future Periods	37,663
Pension Contributions Made Subsequent to the Measurement Date	<u>29,429</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 67,092</u></u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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)

\$29,429 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 ending June 30, 2018. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31,	Net Deferred Outflows of Resources
2017	\$ 29,390
2018	13,029
2019	9,565
2020	(14,321)
Total	\$ 37,663

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 POSTEMPLOYMENT BENEFITS

A. Teacher Health Insurance Security Fund

The Regional Office of Education No. 45 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.

**MONROE AND RANDOLPH COUNTIES
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NOTES TO FINANCIAL STATEMENTS

9. OTHER POSTEMPLOYMENT 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. 45. 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 \$3,973, and the Regional Office of Education No. 45 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 2015 were 1.07 and 1.02 percent of pay, respectively. State contributions on behalf of Regional Office of Education No. 45 employees were \$4,062 and \$2,607, respectively.

Employer Contributions to the THIS Fund

The Regional Office of Education No. 45 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. 45 paid \$2,980 to the THIS Fund which was 100 percent of the required contribution. For the years ended June 30, 2016 and June 30, 2015, the Regional Office of Education No. 45 paid \$3,037 and \$1,942 to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further Information on the THIS Fund

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General (<http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>). The current reports are listed under "Central Management Services" (<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>).

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

NOTES TO FINANCIAL STATEMENTS

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

B. Other Postemployment Benefits

The Regional Office of Education No. 45 allows employees, who retire through the Regional Office of Education No. 45's plan disclosed in Note 8B, the option to continue in the Regional Office of Education No. 45's health insurance plan as required by the Illinois Compiled Statutes, but the retiree pays the full premium for the health insurance. This has not created an implicit subsidy as defined by GASB Statement No. 45 (GASB S-45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* as the Regional Office of Education No. 45's health insurance plan is considered a community rated plan. In addition, the Regional Office of Education No. 45 has no explicit subsidy as defined in GASB S-45.

10. DISTRIBUTIVE FUND AND SCHOOL FACILITY SALES TAX INTEREST

A written agreement between the Regional Office of Education No. 45's school boards, which receive funds through the Regional Office of Education No. 45, provides for the retention of interest earned on the Distributive Fund and School Facility Sales Tax bank accounts by the Regional Superintendent to be used for the benefit of all of the districts in the region.

11. ON-BEHALF PAYMENTS

The State of Illinois paid the following salaries, benefits, and contributions on behalf of the Regional Office of Education No. 45:

State of Illinois:	
Regional Superintendent - salary	\$ 107,952
Regional Superintendent - benefits (includes State paid insurance)	36,100
Assistant Regional Superintendent - salary	97,152
Assistant Regional Superintendent - benefits (includes State paid insurance)	22,660
THIS contributions	<u>3,973</u>
	<u>\$ 267,837</u>

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education (ISBE). The on-behalf payments are reflected as revenues and expenditures of the General Fund.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

NOTES TO FINANCIAL STATEMENTS

11. ON-BEHALF PAYMENTS (Continued)

The Regional Office of Education No. 45 also recorded \$295,909 (based on figures for the fiscal year ended June 30, 2016) 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. 45 has not included any on-behalf payments related to the State's TRS pension expenses for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois on-behalf payments	\$ 267,837
On-behalf payments for the Regional Office of Education's share of TRS pension expense	<u>295,909</u>
Total	<u>\$ 563,746</u>

12. OPERATING LEASES

The Regional Office of Education No. 45 has the following operating leases:

The Regional Office of Education No. 45 entered into a one year lease agreement for rental of 107 East Mill Street, Waterloo (Waterloo Regional Office building) beginning December 1, 2015 and terminating November 30, 2016. The Regional Office of Education No. 45 renewed the lease starting December 1, 2016 and terminating November 30, 2017. The lease is payable in monthly installments of \$1,800. Lease expense for the office building for the fiscal year ended June 30, 2017 was \$21,600.

The Regional Office of Education No. 45 entered into a lease agreement for rental of the building known as "Red Brick School" for three years beginning July 1, 2016 and terminating June 30, 2019. However, the lease agreement was canceled as of June 30, 2017. The lease was payable in monthly installments of \$875 per month. Lease expense for the "Red Brick School" for the fiscal year ended June 30, 2017 was \$10,500.

13. RISK MANAGEMENT

The Regional Office of Education No. 45 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. 45 is covered by commercial insurance to cover these risks. No settlements have exceeded insurance coverage in the current or three previous years.

**MONROE AND RANDOLPH COUNTIES
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NOTES TO FINANCIAL STATEMENTS

14. BOND

The Illinois School Code (105 ILCS 5/3-2) directs the Regional Office of Education No. 45 to execute a bond of not less than \$100,000 on the Regional Superintendent. The Regional Office of Education No. 45 has secured and maintained such a bond with coverage of \$100,000 on the Regional Superintendent.

15. CONTINGENCIES

The Regional Office of Education No. 45 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. 45 believes any adjustments that may arise will be insignificant to the Regional Office of Education No. 45's operations.

16. DEFICIT FUND BALANCES

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

Regional Safe Schools	\$ 27,580
Pilot Regional Safe Schools Cooperative Education Program	20,677
Truants Alternative Optional Education	54,563

The deficit fund balances will be eliminated during the fiscal year ending June 30, 2018 when unavailable revenue is recognized as revenue.

**REQUIRED SUPPLEMENTARY INFORMATION
(OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS)**

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

For the years ended June 30, 2017, 2016, and 2015

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

Total Pension Liability	2016	2015	2014
Service cost	\$ 41,466	\$ 37,862	\$ 44,199
Interest on the total pension liability	222,175	214,000	200,487
Differences between expected and actual experience of the total pension liability	34,294	29,763	(15,402)
Changes of assumptions	-	-	121,901
Benefit payments, including refunds of employee contributions	<u>(177,282)</u>	<u>(171,568)</u>	<u>(164,114)</u>
Net change in total pension liability	120,653	110,057	187,071
Total pension liability - beginning	<u>3,030,239</u>	<u>2,920,182</u>	<u>2,733,111</u>
Total pension liability - ending (A)	<u>3,150,892</u>	<u>3,030,239</u>	<u>2,920,182</u>
Plan Fiduciary Net Position			
Contributions - employer	83,223	74,683	74,093
Contributions - employees	16,784	16,491	14,865
Net investment income	269,564	78,694	171,708
Benefit payments, including refunds of employee contributions	(177,282)	(171,568)	(164,114)
Other (net transfer)	<u>(3,566)</u>	<u>(16,436)</u>	<u>(2,267)</u>
Net change in plan fiduciary net position	188,723	(18,136)	94,285
Plan fiduciary net position - beginning	<u>2,638,083</u>	<u>2,656,219</u>	<u>2,561,934</u>
Plan fiduciary net position - ending (B)	<u>2,826,806</u>	<u>2,638,083</u>	<u>2,656,219</u>
Net pension liability - ending (A) - (B)	<u>\$ 324,086</u>	<u>\$ 392,156</u>	<u>\$ 263,963</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			
	89.71%	87.06%	90.96%
Covered Valuation Payroll	\$ 373,806	\$ 366,453	\$ 330,328
Net Pension Liability as a Percentage of Covered Valuation Payroll			
	86.70%	107.01%	79.91%

Notes to Schedules:

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.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

For the years ended June 30, 2017, 2016, and 2015

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

<u>Calendar Year Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a Percentage of Covered Valuation Payroll</u>
2016	\$ 83,396	\$ 83,223	\$ 173	\$ 373,806	22.26%
2015	74,683	74,683	-	366,453	20.38%
2014	72,044	74,093	(2,049)	330,328	22.43%

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.

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.

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:	3.50%
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.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

For the years ended June 30, 2017, 2016, and 2015

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

Methods and Assumptions Used to Determine 2016 Contribution Rates: (Concluded):

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 2012). 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.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**TEACHERS' RETIREMENT SYSTEM
OF THE STATE OF ILLINOIS -
SCHEDULES OF THE EMPLOYER'S 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)**

	2016	2015	2014
Employer's proportion of the net pension liability	0.0015296022%	0.0008213755%	0.0009048518%
Employer's proportionate share of the net pension liability	\$ 1,207,408	\$ 538,084	\$ 550,677
State's proportionate share of the net pension liability associated with the employer	3,013,143	1,654,931	1,246,578
Total	\$ 4,220,551	\$ 2,193,015	\$ 1,797,255
Employer's covered-employee payroll	\$ 379,610	\$ 255,558	\$ 237,694
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	318%	211%	232%
Plan fiduciary net position as a percentage of the total pension liability	36.4%	41.5%	43.0%

Notes to Schedules:

Changes of assumptions

For the 2016 measurement year, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. However, salary increases were assumed to vary by age.

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**TEACHERS' RETIREMENT SYSTEM
OF THE STATE OF ILLINOIS -
SCHEDULES OF EMPLOYER CONTRIBUTIONS
(UNAUDITED)
For the years ended June 30,**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily-required contribution	\$ 51,225	\$ 59,238	\$ 28,920	\$ 32,285
Contributions in relation to the statutorily-required contribution	<u>51,225</u>	<u>59,238</u>	<u>28,920</u>	<u>32,285</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered-employee payroll	\$ 354,736	\$ 379,610	\$ 255,558	\$ 237,694
Contributions as a percentage of covered-employee payroll	14.4%	15.6%	11.3%	13.6%

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

SUPPLEMENTARY INFORMATION

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	Office Account		General State Aid
	Chester	Waterloo	Chester
ASSETS			
Cash and cash equivalents	\$ 13,897	\$ 19,367	\$ 134,056
Accounts receivable	-	271	-
Due from other funds	55,428	198,555	57,647
Due from other governments	1,983	46,642	9,220
Prepaid items	-	5,673	-
	<u>71,308</u>	<u>270,508</u>	<u>200,923</u>
Total assets	<u>\$ 71,308</u>	<u>\$ 270,508</u>	<u>\$ 200,923</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ 3,980	\$ -
Due to other funds	-	-	280
Unearned revenue	-	-	-
	<u>-</u>	<u>3,980</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>3,980</u>	<u>280</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	89
	<u>-</u>	<u>-</u>	<u>89</u>
FUND BALANCES			
Nonspendable	-	5,673	-
Unassigned	71,308	260,855	200,554
	<u>71,308</u>	<u>266,528</u>	<u>200,554</u>
Total fund balances	<u>71,308</u>	<u>266,528</u>	<u>200,554</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 71,308</u>	<u>\$ 270,508</u>	<u>\$ 200,923</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	County Account		Total
	Waterloo	Eliminations	
ASSETS			
Cash and cash equivalents	\$ 86,951	\$ -	\$ 254,271
Accounts receivable	5,600	-	5,871
Due from other funds	-	(280)	311,350
Due from other governments	23,154	-	80,999
Prepaid items	-	-	5,673
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 115,705</u>	<u>\$ (280)</u>	<u>\$ 658,164</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 4,530	\$ -	\$ 8,510
Due to other funds	-	(280)	-
Unearned revenue	14,240	-	14,240
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>18,770</u>	<u>(280)</u>	<u>22,750</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>11,577</u>	<u>-</u>	<u>11,666</u>
FUND BALANCES			
Nonspendable	-	-	5,673
Unassigned	85,358	-	618,075
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>85,358</u>	<u>-</u>	<u>623,748</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 115,705</u>	<u>\$ (280)</u>	<u>\$ 658,164</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	Office Account		General State Aid	County Account	Total
	Chester	Waterloo	Chester	Waterloo	
Revenues:					
Local sources	\$ -	\$ 169,086	\$ 52,575	\$ 197,150	\$ 418,811
State sources	-	-	84,807	-	84,807
Federal sources	-	-	11,095	-	11,095
On-behalf payments	-	267,837	-	-	267,837
Interest	1,013	367	80	100	1,560
Total revenue	1,013	437,290	148,557	197,250	784,110
Expenditures:					
Salaries	-	84,875	98,251	100,678	283,804
Benefits	-	7,086	18,828	28,768	54,682
Purchased services	552	38,685	22,331	38,659	100,227
Supplies and materials	171	91	3,111	8,232	11,605
Capital outlay	-	-	280	5,494	5,774
Other	-	-	-	8,318	8,318
Pension expense	-	11,644	11,563	17,194	40,401
On-behalf payments	-	267,837	-	-	267,837
Total expenditures	723	410,218	154,364	207,343	772,648
Net change in fund balances	290	27,072	(5,807)	(10,093)	11,462
Fund balances, beginning of year	71,018	239,456	206,361	95,451	612,286
Fund balances, end of year	<u>\$ 71,308</u>	<u>\$ 266,528</u>	<u>\$ 200,554</u>	<u>\$ 85,358</u>	<u>\$ 623,748</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	Education Fund		
	Chester	Waterloo	Total
ASSETS			
Cash and cash equivalents	\$ 5,698	\$ -	\$ 5,698
Due from other governments	134,835	191,677	326,512
Prepaid items	-	900	900
	<u>140,533</u>	<u>192,577</u>	<u>333,110</u>
Total assets	<u>\$ 140,533</u>	<u>\$ 192,577</u>	<u>\$ 333,110</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)			
LIABILITIES			
Due to other funds	\$ 118,773	\$ 192,577	\$ 311,350
Due to other governments	21,760	-	21,760
	<u>140,533</u>	<u>192,577</u>	<u>333,110</u>
Total liabilities	<u>140,533</u>	<u>192,577</u>	<u>333,110</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	48,257	54,563	102,820
	<u>48,257</u>	<u>54,563</u>	<u>102,820</u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	900	900
Unassigned	(48,257)	(55,463)	(103,720)
	<u>(48,257)</u>	<u>(55,463)</u>	<u>(103,720)</u>
Total fund balances (deficits)	<u>(48,257)</u>	<u>(54,563)</u>	<u>(102,820)</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 140,533</u>	<u>\$ 192,577</u>	<u>\$ 333,110</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	<u>Education Fund</u>		
	<u>Chester</u>	<u>Waterloo</u>	<u>Total</u>
Revenues:			
State sources	\$ 102,552	\$ 165,516	\$ 268,068
Federal sources	74,149	605,464	679,613
Interest	3	21	24
	<u>176,704</u>	<u>771,001</u>	<u>947,705</u>
Expenditures:			
Salaries	107,472	337,202	444,674
Benefits	13,396	43,238	56,634
Purchased services	36,412	85,126	121,538
Supplies and materials	32,415	26,109	58,524
Capital outlay	2,078	600	2,678
Other	5	11,142	11,147
Pension expense	11,423	69,447	80,870
Payments to other governments	21,760	252,700	274,460
	<u>224,961</u>	<u>825,564</u>	<u>1,050,525</u>
Net change in fund balances	(48,257)	(54,563)	(102,820)
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), end of year	<u>\$ (48,257)</u>	<u>\$ (54,563)</u>	<u>\$ (102,820)</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	Adult Education and Family Literacy			Regional Safe Schools
	Federal Basic	State Basic	State Performance	
ASSETS				
Cash and cash equivalents	\$ 2,078	\$ -	\$ -	\$ -
Due from other governments	6,249	-	-	42,580
Total assets	\$ 8,327	\$ -	\$ -	\$ 42,580
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Due to other funds	\$ 8,327	\$ -	\$ -	\$ 42,580
Due to other governments	-	-	-	-
Total liabilities	8,327	-	-	42,580
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	27,580
FUND BALANCES (DEFICITS)				
Unassigned	-	-	-	(27,580)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 8,327	\$ -	\$ -	\$ 42,580

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	Pilot Regional Safe Schools Cooperative Education Program	Mathematics and Science Partnerships (Making Math Connections)	Mathematics and Science Partnerships (Making Science Connections)	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 1,810	\$ 1,810	\$ 5,698
Due from other governments	36,827	25,041	24,138	134,835
Total assets	\$ 36,827	\$ 26,851	\$ 25,948	\$ 140,533
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Due to other funds	\$ 15,067	\$ 26,851	\$ 25,948	\$ 118,773
Due to other governments	21,760	-	-	21,760
Total liabilities	36,827	26,851	25,948	140,533
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	20,677	-	-	48,257
FUND BALANCES (DEFICITS)				
Unassigned	(20,677)	-	-	(48,257)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 36,827	\$ 26,851	\$ 25,948	\$ 140,533

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	<u>Adult Education and Family Literacy</u>			<u>Regional Safe Schools</u>
	<u>Federal Basic</u>	<u>State Basic</u>	<u>State Performance</u>	
Revenues:				
State sources	\$ -	\$ 25,659	\$ 20,795	\$ 26,000
Federal sources	24,970	-	-	-
Interest	-	1	1	-
	<u>24,970</u>	<u>25,660</u>	<u>20,796</u>	<u>26,000</u>
Total revenues				
	<u>24,970</u>	<u>25,660</u>	<u>20,796</u>	<u>26,000</u>
Expenditures:				
Salaries	17,684	17,091	14,012	38,461
Benefits	620	1,690	1,123	7,134
Purchased services	1,869	1,219	2,694	4,626
Supplies and materials	13	755	885	2,813
Capital outlay	2,078	-	-	-
Other	-	1	1	-
Pension expense	2,706	4,904	2,081	546
Payments to other governments	-	-	-	-
	<u>24,970</u>	<u>25,660</u>	<u>20,796</u>	<u>53,580</u>
Total expenditures				
	<u>24,970</u>	<u>25,660</u>	<u>20,796</u>	<u>53,580</u>
Net change in fund balances	-	-	-	(27,580)
Fund balances, beginning of year	-	-	-	-
Fund balances (deficits), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (27,580)</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	Pilot Regional Safe Schools Cooperative Education Program	Mathematics and Science Partnerships (Making Math Connections)	Mathematics and Science Partnerships (Making Science Connections)	Total
Revenues:				
State sources	\$ 30,098	\$ -	\$ -	\$ 102,552
Federal sources	-	25,041	24,138	74,149
Interest	1	-	-	3
Total revenues	30,099	25,041	24,138	176,704
Expenditures:				
Salaries	17,042	2,001	1,181	107,472
Benefits	2,464	214	151	13,396
Purchased services	750	12,637	12,617	36,412
Supplies and materials	8,515	9,717	9,717	32,415
Capital outlay	-	-	-	2,078
Other	3	-	-	5
Pension expense	242	472	472	11,423
Payments to other governments	21,760	-	-	21,760
Total expenditures	50,776	25,041	24,138	224,961
Net change in fund balances	(20,677)	-	-	(48,257)
Fund balances, beginning of year	-	-	-	-
Fund balances (deficits), end of year	\$ (20,677)	\$ -	\$ -	\$ (48,257)

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
CHESTER OFFICE
ADULT EDUCATION AND FAMILY LITERACY - FEDERAL BASIC
For the year ended June 30, 2017**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
Federal sources	\$ 24,970	\$ 24,970	\$ 24,970
Expenditures:			
Salaries	16,900	16,900	17,684
Benefits	5,013	5,013	620
Purchased services	1,350	1,350	1,869
Supplies and materials	1,707	1,707	13
Capital outlay	-	-	2,078
Pension expense	-	-	2,706
Total expenditures	24,970	24,970	24,970
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
CHESTER OFFICE
ADULT EDUCATION AND FAMILY LITERACY - STATE BASIC
For the year ended June 30, 2017**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
State sources	\$ 25,659	\$ 25,659	\$ 25,659
Interest	-	-	1
	25,659	25,659	25,660
Expenditures:			
Salaries	17,091	17,091	17,091
Benefits	5,885	5,885	1,690
Purchased services	1,883	1,883	1,219
Supplies and materials	800	800	755
Other	-	-	1
Pension expense	-	-	4,904
	25,659	25,659	25,660
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
CHESTER OFFICE**

**ADULT EDUCATION AND FAMILY LITERACY - STATE PERFORMANCE
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 20,795	\$ 20,795	\$ 20,795
Interest	-	-	1
	20,795	20,795	20,796
Expenditures:			
Salaries	16,141	16,141	14,012
Benefits	1,844	1,844	1,123
Purchased services	2,610	2,610	2,694
Supplies and materials	200	200	885
Other	-	-	1
Pension expense	-	-	2,081
	20,795	20,795	20,796
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
CHESTER OFFICE
REGIONAL SAFE SCHOOLS PROGRAM - PROJECT #17-3696-00
For the year ended June 30, 2017**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
State sources	\$ 53,580	\$ 53,580	\$ 26,000
Expenditures:			
Salaries	38,220	38,220	38,461
Benefits	8,022	8,022	7,134
Purchased services	4,439	4,439	4,626
Supplies and materials	2,899	2,899	2,813
Pension expense	-	-	546
Total expenditures	53,580	53,580	53,580
Net change in fund balances	\$ -	\$ -	(27,580)
Fund balance, beginning of year			-
Fund balance (deficit), end of year			\$ (27,580)

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS**

CHESTER OFFICE

PILOT REGIONAL SAFE SCHOOLS COOPERATIVE EDUCATION PROGRAM –

PROJECT #16-3999-RS

For the year ended June 30, 2017

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 36,563	\$ 36,563	\$ 13,948
Interest	-	-	1
	36,563	36,563	13,949
Total revenues	36,563	36,563	13,949
Expenditures:			
Salaries	26,000	24,200	4,504
Benefits	3,663	3,559	657
Purchased services	2,900	853	206
Supplies and materials	4,000	7,951	8,515
Other	-	-	3
Pension expense	-	-	64
	36,563	36,563	13,949
Total expenditures	36,563	36,563	13,949
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, August 31, 2016			\$ -

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
CHESTER OFFICE
PILOT REGIONAL SAFE SCHOOLS COOPERATIVE EDUCATION PROGRAM –
PROJECT #17-3999-RS
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	\$ 36,832	\$ 36,832	\$ 16,150
Expenditures:			
Salaries	24,200	12,550	12,538
Benefits	3,559	2,014	1,807
Purchased services	2,000	560	544
Supplies and materials	7,073	108	-
Pension expense	-	-	178
Payments to other governments	-	21,600	21,760
Total expenditures	<u>36,832</u>	<u>36,832</u>	<u>36,827</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(20,677)
Fund balance, September 1, 2016			<u>-</u>
Fund balance (deficit), end of year			<u>\$ (20,677)</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
CHESTER OFFICE
MATHEMATICS AND SCIENCE PARTNERSHIPS
(MAKING MATH CONNECTIONS) – PROJECT #17-4936-7M
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 250,000	\$ 250,000	\$ 25,041
Expenditures:			
Salaries	18,600	18,600	2,001
Benefits	9,435	9,435	214
Purchased services	60,425	60,425	12,637
Supplies and materials	12,035	12,035	9,717
Pension expense	-	-	472
Payments to other governments	149,505	149,505	-
Total expenditures	250,000	250,000	25,041
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
CHESTER OFFICE
MATHEMATICS AND SCIENCE PARTNERSHIPS
(MAKING SCIENCE CONNECTIONS) – PROJECT #17-4936-7S
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 250,000	\$ 250,000	\$ 24,138
Expenditures:			
Salaries	15,540	15,540	1,181
Benefits	7,647	7,647	151
Purchased services	88,925	88,925	12,617
Supplies and materials	14,383	14,383	9,717
Pension expense	-	-	472
Payments to other governments	123,505	123,505	-
Total expenditures	250,000	250,000	24,138
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	<u>Title I School Improvement System of Support</u>	<u>McKinney Vento Education for Homeless Children</u>	<u>Multi-Tiered System of Support Network</u>
ASSETS			
Due from other governments	\$ 32,257	\$ 3,639	\$ 3,415
Prepaid items	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 32,257</u>	<u>\$ 3,639</u>	<u>\$ 3,415</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)			
LIABILITIES			
Due to other funds	<u>\$ 32,257</u>	<u>\$ 3,639</u>	<u>\$ 3,415</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 32,257</u>	<u>\$ 3,639</u>	<u>\$ 3,415</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	ROE/ISC Operations	Title II Teacher Quality Leadership	Truants Alternative Optional Education	Mathematics and Science Partnerships (Math 2016)
ASSETS				
Due from other governments	\$ -	\$ 1,967	\$ 125,363	\$ -
Prepaid items	-	-	-	-
Total assets	\$ -	\$ 1,967	\$ 125,363	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Due to other funds	\$ -	\$ 1,967	\$ 125,363	\$ -
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	54,563	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Unassigned	-	-	(54,563)	-
Total fund balances (deficits)	-	-	(54,563)	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ -	\$ 1,967	\$ 125,363	\$ -

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	<u>Mathematics and Science Partnerships (Math 2017)</u>	<u>Mathematics and Science Partnerships (Science 2016)</u>	<u>Mathematics and Science Partnerships (Science 2017)</u>	<u>Total</u>
ASSETS				
Due from other governments	\$ 14,620	\$ -	\$ 10,416	\$ 191,677
Prepaid items	<u>900</u>	<u>-</u>	<u>-</u>	<u>900</u>
Total assets	<u><u>\$ 15,520</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,416</u></u>	<u><u>\$ 192,577</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Due to other funds	<u>\$ 15,520</u>	<u>\$ -</u>	<u>\$ 10,416</u>	<u>\$ 192,577</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,563</u>
FUND BALANCES (DEFICITS)				
Nonspendable	900	-	-	900
Unassigned	<u>(900)</u>	<u>-</u>	<u>-</u>	<u>(55,463)</u>
Total fund balances (deficits)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,563)</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u><u>\$ 15,520</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,416</u></u>	<u><u>\$ 192,577</u></u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	Title I School Improvement System of Support	McKinney Vento Education for Homeless Children	Multi-Tiered System of Support Network
Revenues:			
State sources	\$ -	\$ -	\$ -
Federal sources	48,167	16,668	28,490
Interest	-	-	-
	48,167	16,668	28,490
Total revenues			
Expenditures:			
Salaries	26,985	13,455	24,105
Benefits	2,752	236	1,256
Purchased services	1,359	1,719	2,264
Supplies and materials	436	1,158	27
Capital outlay	-	-	-
Other	-	-	-
Pension expense	7,315	100	838
Payments to other governments	9,320	-	-
	48,167	16,668	28,490
Total expenditures			
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances (deficits), end of year	\$ -	\$ -	\$ -

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	ROE/ISC Operations	Title II Teacher Quality Leadership	Truants Alternative Optional Education	Mathematics and Science Partnerships (Math 2016)
Revenues:				
State sources	\$ 94,716	\$ -	\$ 70,800	\$ -
Federal sources	-	1,967	-	143,654
Interest	21	-	-	-
	<u>94,737</u>	<u>1,967</u>	<u>70,800</u>	<u>143,654</u>
Total revenues				
	<u>94,737</u>	<u>1,967</u>	<u>70,800</u>	<u>143,654</u>
Expenditures:				
Salaries	49,269	51	78,578	19,912
Benefits	9,102	7	10,744	2,736
Purchased services	17,915	1,900	6,317	15,165
Supplies and materials	636	-	44	6,054
Capital outlay	600	-	-	-
Other	11,142	-	-	-
Pension expense	6,073	9	4,180	6,987
Payments to other governments	-	-	25,500	92,800
	<u>94,737</u>	<u>1,967</u>	<u>125,363</u>	<u>143,654</u>
Total expenditures				
	<u>94,737</u>	<u>1,967</u>	<u>125,363</u>	<u>143,654</u>
Net change in fund balances	-	-	(54,563)	-
Fund balances, beginning of year	-	-	-	-
Fund balances (deficits), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (54,563)</u>	<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	Mathematics and Science Partnerships (Math 2017)	Mathematics and Science Partnerships (Science 2016)	Mathematics and Science Partnerships (Science 2017)	Total
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ 165,516
Federal sources	113,812	143,521	109,185	605,464
Interest	-	-	-	21
	<u>113,812</u>	<u>143,521</u>	<u>109,185</u>	<u>771,001</u>
Expenditures:				
Salaries	53,600	22,788	48,459	337,202
Benefits	6,650	3,500	6,255	43,238
Purchased services	8,043	19,625	10,819	85,126
Supplies and materials	2,527	11,271	3,956	26,109
Capital outlay	-	-	-	600
Other	-	-	-	11,142
Pension expense	18,961	7,842	17,142	69,447
Payments to other governments	24,031	78,495	22,554	252,700
	<u>113,812</u>	<u>143,521</u>	<u>109,185</u>	<u>825,564</u>
Net change in fund balances	-	-	-	(54,563)
Fund balances, beginning of year	-	-	-	-
Fund balances (deficits), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (54,563)</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
WATERLOO OFFICE
TITLE I SCHOOL IMPROVEMENT SYSTEM OF SUPPORT
For the year ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues:			
Federal sources	\$ 70,000	\$ 70,000	\$ 48,167
Expenditures:			
Salaries	33,514	33,514	26,985
Benefits	13,773	13,773	2,752
Purchased services	4,928	4,928	1,359
Supplies and materials	1,785	1,785	436
Pension expense	-	-	7,315
Payments to other governments	16,000	16,000	9,320
Total expenditures	<u>70,000</u>	<u>70,000</u>	<u>48,167</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
WATERLOO OFFICE
MCKINNEY VENTO EDUCATION FOR HOMELESS CHILDREN
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 15,000	\$ 17,899	\$ 16,668
Expenditures:			
Salaries	11,160	13,710	13,455
Benefits	315	352	236
Purchased services	1,693	2,005	1,719
Supplies and materials	1,832	1,832	1,158
Pension expense	-	-	100
Total expenditures	<u>15,000</u>	<u>17,899</u>	<u>16,668</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
WATERLOO OFFICE
AREA-WIDE I-RTI NETWORK INSTRUCTIONAL LEADER
(MULTI-TIERED SYSTEM OF SUPPORT NETWORK)
For the year ended June 30, 2017**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
Federal sources	\$ 187,575	\$ 237,536	\$ 2,048
Expenditures:			
Salaries	120,377	157,753	1,800
Benefits	46,611	53,804	26
Purchased services	19,783	25,040	222
Supplies and materials	804	939	-
Total expenditures	187,575	237,536	2,048
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, September 30, 2016			\$ -

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
WATERLOO OFFICE
MULTI-TIERED SYSTEM OF SUPPORT NETWORK
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 40,135	\$ 40,135	\$ 26,442
Expenditures:			
Salaries	30,615	30,615	22,305
Benefits	4,153	4,153	1,230
Purchased services	5,117	5,117	2,042
Supplies and materials	250	250	27
Pension expense	-	-	838
Total expenditures	40,135	40,135	26,442
Net change in fund balances	\$ -	\$ -	-
Fund balance, October 1, 2016			-
Fund balance, end of year			\$ -

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
WATERLOO OFFICE
ROE/ISC OPERATIONS - PROJECT #17-3730-00
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 94,716	\$ 94,716	\$ 94,716
Interest	-	-	21
	94,716	94,716	94,737
Expenditures:			
Salaries	45,599	49,599	49,269
Benefits	21,685	16,685	9,102
Purchased services	16,200	17,200	17,915
Supplies and materials	658	658	636
Capital outlay	560	560	600
Other	10,014	10,014	11,142
Pension expense	-	-	6,073
	94,716	94,716	94,737
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
WATERLOO OFFICE**

**TITLE II TEACHER QUALITY - LEADERSHIP GRANT - PROJECT #17-4935-02
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 1,967	\$ 1,967	\$ 1,967
Expenditures:			
Salaries	50	50	51
Benefits	17	17	7
Purchased services	1,900	1,900	1,900
Pension expense	-	-	9
Total expenditures	1,967	1,967	1,967
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
WATERLOO OFFICE**

**TRUANTS ALTERNATIVE/OPTIONAL EDUCATION - PROJECT #17-3695-15
For the year ended June 30, 2017**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
State sources	\$ 141,399	\$ 141,399	\$ 70,800
Expenditures:			
Salaries	88,100	88,100	78,578
Benefits	16,818	16,818	10,744
Purchased services	8,303	8,303	6,317
Supplies and materials	583	583	44
Pension expense	-	-	4,180
Payments to other governments	27,595	27,595	25,500
Total expenditures	141,399	141,399	125,363
Net change in fund balances	\$ -	\$ -	(54,563)
Fund balance, beginning of year			-
Fund balance (deficit), end of year			\$ (54,563)

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
WATERLOO OFFICE**

**MATHEMATICS AND SCIENCE PARTNERSHIPS (MATH 2016) - PROJECT #16-4936-MA
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 250,000	\$ 250,000	\$ 143,654
Expenditures:			
Salaries	67,568	70,630	19,912
Benefits	31,745	32,662	2,736
Purchased services	18,101	27,080	15,165
Supplies and materials	2,556	6,898	6,054
Pension expense	-	-	6,987
Payments to other governments	130,030	112,730	92,800
Total expenditures	250,000	250,000	143,654
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
WATERLOO OFFICE**

**MATHEMATICS AND SCIENCE PARTNERSHIPS (MATH 2017) - PROJECT #17-4936-MA
For the year ended June 30, 2017**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
Federal sources	\$ 250,000	\$ 250,000	\$ 113,812
Expenditures:			
Salaries	68,926	69,726	53,600
Benefits	34,165	34,403	6,650
Purchased services	16,887	19,590	8,043
Supplies and materials	1,722	4,071	2,527
Pension expense	-	-	18,961
Payments to other governments	128,300	122,210	24,031
Total expenditures	250,000	250,000	113,812
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
WATERLOO OFFICE**

**MATHEMATICS AND SCIENCE PARTNERSHIPS (SCIENCE 2016) - PROJECT #16-4936-SA
For the year ended June 30, 2017**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
Federal sources	\$ 250,000	\$ 250,000	\$ 143,521
Expenditures:			
Salaries	62,898	67,398	22,788
Benefits	29,452	30,985	3,500
Purchased services	44,466	35,799	19,625
Supplies and materials	2,954	12,988	11,271
Pension expense	-	-	7,842
Payments to other governments	110,230	102,830	78,495
Total expenditures	250,000	250,000	143,521
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
WATERLOO OFFICE**

**MATHEMATICS AND SCIENCE PARTNERSHIPS (SCIENCE 2017) - PROJECT #17-4936-SA
For the year ended June 30, 2017**

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
Federal sources	\$ 250,000	\$ 250,000	\$ 109,185
Expenditures:			
Salaries	69,529	73,029	48,459
Benefits	34,715	37,377	6,255
Purchased services	33,186	29,594	10,819
Supplies and materials	1,350	5,080	3,956
Pension expense	-	-	17,142
Payments to other governments	111,220	104,920	22,554
Total expenditures	250,000	250,000	109,185
Net change in fund balances	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	Teacher's Institute Fund	Bus Driver Permit Fund	General Education Development Fund	Total
ASSETS				
Cash and cash equivalents	\$ 40,849	\$ 6,783	\$ 19,521	\$ 67,153
Accounts receivable	-	-	142	142
Total assets	<u>\$ 40,849</u>	<u>\$ 6,783</u>	<u>\$ 19,663</u>	<u>\$ 67,295</u>
LIABILITIES	\$ -	\$ -	\$ -	\$ -
FUND BALANCES				
Restricted	40,849	6,783	19,663	67,295
Total liabilities and fund balances	<u>\$ 40,849</u>	<u>\$ 6,783</u>	<u>\$ 19,663</u>	<u>\$ 67,295</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	Teacher's Institute Fund	Bus Driver Permit Fund	General Education Development Fund	Total
Revenues:				
Local sources	\$ 19,155	\$ 2,050	\$ 2,675	\$ 23,880
State sources	-	1,242	-	1,242
Interest	70	13	38	121
	<u>19,225</u>	<u>3,305</u>	<u>2,713</u>	<u>25,243</u>
Total revenues				
	19,225	3,305	2,713	25,243
Expenditures:				
Salaries	5,361	-	2,000	7,361
Benefits	785	-	505	1,290
Purchased services	6,676	806	90	7,572
Supplies and materials	1,436	18	-	1,454
Other	135	1,692	-	1,827
Pension expense	537	-	437	974
	<u>14,930</u>	<u>2,516</u>	<u>3,032</u>	<u>20,478</u>
Total expenditures				
	14,930	2,516	3,032	20,478
Net change in fund balances	4,295	789	(319)	4,765
Fund balances, beginning of year	<u>36,554</u>	<u>5,994</u>	<u>19,982</u>	<u>62,530</u>
Fund balances, end of year	<u>\$ 40,849</u>	<u>\$ 6,783</u>	<u>\$ 19,663</u>	<u>\$ 67,295</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	<u>Distributive Fund</u>	<u>Area V Trail</u>	<u>State Trail</u>	<u>Connecting Conference</u>	<u>The Maidez Center</u>	<u>School Facility Sales Tax</u>	<u>Total</u>
ASSETS							
Cash and cash equivalents	\$ -	\$ 33,097	\$ 27,540	\$ 27,222	\$ 73,792	\$ 408,700	\$ 570,351
Due from other governments	<u>551,490</u>	<u>12,769</u>	<u>1,640</u>	<u>-</u>	<u>-</u>	<u>1,242,899</u>	<u>1,808,798</u>
Total assets	<u>\$ 551,490</u>	<u>\$ 45,866</u>	<u>\$ 29,180</u>	<u>\$ 27,222</u>	<u>\$ 73,792</u>	<u>\$ 1,651,599</u>	<u>\$ 2,379,149</u>
LIABILITIES							
Due to other governments	<u>\$ 551,490</u>	<u>\$ 45,866</u>	<u>\$ 29,180</u>	<u>\$ 27,222</u>	<u>\$ 73,792</u>	<u>\$ 1,651,599</u>	<u>\$ 2,379,149</u>
Total liabilities	<u>\$ 551,490</u>	<u>\$ 45,866</u>	<u>\$ 29,180</u>	<u>\$ 27,222</u>	<u>\$ 73,792</u>	<u>\$ 1,651,599</u>	<u>\$ 2,379,149</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

For the year ended June 30, 2017

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
<u>DISTRIBUTIVE FUND</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 2,110,804	\$ 2,110,804	\$ -
Due from other governments	80,457	551,490	80,457	551,490
Total assets	<u>\$ 80,457</u>	<u>\$ 2,662,294</u>	<u>\$ 2,191,261</u>	<u>\$ 551,490</u>
LIABILITIES				
Due to other governments	\$ 80,457	\$ 2,662,294	\$ 2,191,261	\$ 551,490
Total liabilities	<u>\$ 80,457</u>	<u>\$ 2,662,294</u>	<u>\$ 2,191,261</u>	<u>\$ 551,490</u>
<u>AREA V TRAIL</u>				
ASSETS				
Cash and cash equivalents	\$ 65,172	\$ 108,860	\$ 140,935	\$ 33,097
Accounts receivable	7,814	-	7,814	-
Due from other governments	501	12,769	501	12,769
Total assets	<u>\$ 73,487</u>	<u>\$ 121,629</u>	<u>\$ 149,250</u>	<u>\$ 45,866</u>
LIABILITIES				
Due to other governments	\$ 73,487	\$ 121,629	\$ 149,250	\$ 45,866
Total liabilities	<u>\$ 73,487</u>	<u>\$ 121,629</u>	<u>\$ 149,250</u>	<u>\$ 45,866</u>
<u>STATE TRAIL</u>				
ASSETS				
Cash and cash equivalents	\$ 26,563	\$ 20,768	\$ 19,791	\$ 27,540
Accounts receivable	895	-	895	-
Due from other governments	-	1,640	-	1,640
Total assets	<u>\$ 27,458</u>	<u>\$ 22,408</u>	<u>\$ 20,686</u>	<u>\$ 29,180</u>
LIABILITIES				
Due to other governments	\$ 27,458	\$ 22,408	\$ 20,686	\$ 29,180
Total liabilities	<u>\$ 27,458</u>	<u>\$ 22,408</u>	<u>\$ 20,686</u>	<u>\$ 29,180</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
<u>CONNECTING CONFERENCE</u>				
ASSETS				
Cash and cash equivalents	\$ 29,019	\$ 5,426	\$ 7,223	\$ 27,222
Accounts receivable	435	-	435	-
Total assets	\$ 29,454	\$ 5,426	\$ 7,658	\$ 27,222
LIABILITIES				
Due to other governments	\$ 29,454	\$ 5,426	\$ 7,658	\$ 27,222
Total liabilities	\$ 29,454	\$ 5,426	\$ 7,658	\$ 27,222
<u>THE MAIDEZ CENTER</u>				
ASSETS				
Cash and cash equivalents	\$ 67,048	\$ 137,086	\$ 130,342	\$ 73,792
Due from other governments	5,696	-	5,696	-
Total assets	\$ 72,744	\$ 137,086	\$ 136,038	\$ 73,792
LIABILITIES				
Due to other governments	\$ 72,744	\$ 137,086	\$ 136,038	\$ 73,792
Total liabilities	\$ 72,744	\$ 137,086	\$ 136,038	\$ 73,792
<u>SCHOOL FACILITY</u>				
<u>SALES TAX</u>				
ASSETS				
Cash and cash equivalents	\$ 217,827	\$ 4,465,189	\$ 4,274,316	\$ 408,700
Due from other governments	699,135	1,242,899	699,135	1,242,899
Total assets	\$ 916,962	\$ 5,708,088	\$ 4,973,451	\$ 1,651,599
LIABILITIES				
Due to other governments	\$ 916,962	\$ 5,708,088	\$ 4,973,451	\$ 1,651,599
Total liabilities	\$ 916,962	\$ 5,708,088	\$ 4,973,451	\$ 1,651,599

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

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

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>TOTAL</u>				
ASSETS				
Cash and cash equivalents	\$ 405,629	\$ 6,848,133	\$ 6,683,411	\$ 570,351
Accounts receivable	9,144	-	9,144	-
Due from other governments	<u>785,789</u>	<u>1,808,798</u>	<u>785,789</u>	<u>1,808,798</u>
Total assets	<u>\$ 1,200,562</u>	<u>\$ 8,656,931</u>	<u>\$ 7,478,344</u>	<u>\$ 2,379,149</u>
LIABILITIES				
Due to other governments	<u>\$ 1,200,562</u>	<u>\$ 8,656,931</u>	<u>\$ 7,478,344</u>	<u>\$ 2,379,149</u>
Total liabilities	<u>\$ 1,200,562</u>	<u>\$ 8,656,931</u>	<u>\$ 7,478,344</u>	<u>\$ 2,379,149</u>

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
For the year ended June 30, 2017**

	ROE #45	Career Center of Southern Illinois	Mental Health	Chester NHSD 122	OKAW Regional Voc System-EFE	Total
State Funds						
General State Aid - Sec. 18-8	\$ 84,766	\$ 455,108	\$ -	\$ 145,506	\$ -	\$ 685,380
Funding for Children Requiring Special Education Services	-	-	-	4,382	-	4,382
Career & Technical Education Improvement (CTEI)	-	-	-	-	170,000	170,000
State Free Lunch & Breakfast	61	269	-	-	-	330
Transportation - Regular and Vocational	-	50,420	-	17,002	-	67,422
Transportation - Special Education	-	-	-	4,101	-	4,101
ROE School Bus Driver Training	2,425	-	-	-	-	2,425
Truants Alternative/Optional Education	23,569	-	-	-	-	23,569
Regional Safe Schools	19,800	-	-	-	-	19,800
ROE/ISC Operations	161,989	-	-	-	-	161,989
Other State Programs	3,950	-	-	-	-	3,950
Total State Funds	296,560	505,797	-	170,991	170,000	1,143,348

**MONROE AND RANDOLPH COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 45**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT
TREASURERS AND OTHER ENTITIES (Concluded)
DISTRIBUTIVE FUND
For the year ended June 30, 2017**

	ROE #45	Career Center of Southern Illinois	Mental Health	Chester NHSD 122	OKAW Regional Voc System-EFE	Total
Federal Funds						
National School Lunch Program	6,807	25,384	-	-	-	32,191
School Breakfast Program	4,288	13,756	-	-	-	18,044
Fed. - Sp. Ed. - Pre-School Flow Through	-	-	37,146	-	-	37,146
Fed. - Sp. Ed. - IDEA - Flow Through	-	-	65,594	-	-	65,594
CTE - Perkins - DHS Education	-	-	175,963	-	-	175,963
CTE - Perkins - Secondary	-	-	-	-	122,653	122,653
Title II - Teacher Quality - Leadership	635	-	-	-	-	635
Mathematics & Science Partnerships	515,230	-	-	-	-	515,230
Total Federal Funds	<u>526,960</u>	<u>39,140</u>	<u>278,703</u>	<u>-</u>	<u>122,653</u>	<u>967,456</u>
Total Distributions	<u>\$ 823,520</u>	<u>\$ 544,937</u>	<u>\$ 278,703</u>	<u>\$ 170,991</u>	<u>\$ 292,653</u>	<u>\$ 2,110,804</u>