

**STATE OF ILLINOIS
VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

**FINANCIAL AUDIT
For the Year Ended June 30, 2017**

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

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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REGIONAL OFFICE OF EDUCATION NO. 54**

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REGIONAL OFFICE OF EDUCATION NO. 54**

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REGIONAL OFFICE OF EDUCATION NO. 54**

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**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

OFFICIALS

Regional Superintendent
(current and during the audit period) Ms. Cheryl S. Reifsteck

Assistant Regional Superintendent
(current and during the audit period) Mr. Mark Janesky

Office is located at:

200 South College Street, Suite B
Danville, IL 61832

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

FINANCIAL REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

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

SUMMARY OF FINDINGS AND RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (<i>GOVERNMENT AUDITING STANDARDS</i>)			
2017-001	10-11	Controls Over Financial Statement Preparation	Material weakness

PRIOR FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

There were no prior year findings not repeated.

EXIT CONFERENCE

The Vermilion County Regional Office of Education No. 54 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 auditors and Regional Office officials to discuss matters contained in this audit report. Response to the recommendation was provided by the Regional Office of Education on October 25, 2017.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Vermilion County Regional Office of Education No. 54 was performed by West & Company, LLC.

Based on their audit, the auditors expressed an unmodified opinion on the Vermilion County Regional Office of Education No 54'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

CERTIFIED PUBLIC ACCOUNTANTS
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www.westcpa.com

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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 Vermilion County Regional Office of Education No. 54, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Vermilion County Regional Office of Education No. 54'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 Vermilion County Regional Office of Education No. 54, 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

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Vermilion County Regional Office of Education No. 54's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements and the Schedule of Disbursements to School District Treasurers and Other Entities - Distributive Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 20, 2018, on our consideration of the Vermilion County Regional Office of Education No. 54'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 Vermilion County Regional Office of Education No. 54'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 Vermilion County Regional Office of Education No. 54's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Mattoon, Illinois
February 20, 2018

MEMBERS

BRIAN E. DANIELL
JANICE K. ROMACK
DIANA R. SMITH
D. RAIF PERRY
JOHN H. VOGT
JOSHUA D. LOWE
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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 Vermilion County Regional Office of Education No. 54, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Vermilion County Regional Office of Education No. 54's basic financial statements, and have issued our report thereon dated February 20, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Vermilion County Regional Office of Education No. 54'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 Vermilion County Regional Office of Education No. 54's internal control. Accordingly, we do not express an opinion on the effectiveness of the Vermilion County Regional Office of Education No. 54's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2017-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Vermilion County Regional Office of Education No. 54's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The result of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Regional Office of Education No. 54's Response to the Finding

Vermilion County Regional Office of Education No. 54's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. Vermilion County Regional Office of Education No. 54's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Vermilion County Regional Office of Education No. 54'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 Vermilion County Regional Office of Education No. 54's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Mattoon, Illinois
February 20, 2018

SCHEDULE OF FINDINGS AND RESPONSES

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

Section I – Summary of Auditors' Results

Financial Statements in accordance with GAAP

Type of auditors' report issued UNMODIFIED

Internal Control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

Section II – Financial Statement Findings

Finding No. 2017-001 – Controls Over Financial Statement Preparation (Repeat from Finding 16-001, 15-001, 14-002, 13-002, 12-02, 11-02, and 10-02)

Criteria/Specific Requirement:

The Regional Office of Education No. 54 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The Regional Office's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

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

Condition:

The Regional Office of Education No. 54 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains its accounting records on the cash basis of accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the Regional Office of Education No. 54's financial information prepared by the Regional Office of Education No. 54, auditors noted the Regional Office's financial information required material adjusting entries in order to present its financial statements in accordance with generally accepted accounting principles.

Effect:

Management or employees in the normal course of performing their assigned functions may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

Section II – Financial Statement Findings (Continued)

Finding No. 2017-001 – Controls Over Financial Statement Preparation (Repeat from Finding 16-001, 15-001, 14-002, 13-002, 12-02, 11-02, and 10-02) (Continued)

Cause:

According to Regional Office management, they did not have adequate funding to hire and/or train accounting personnel in order to comply with these requirements.

Auditor’s Recommendation:

As part of internal control over the preparation of financial statements, the Regional Office of Education No. 54 should implement comprehensive preparation procedures to ensure that the financial statements are complete and accurate. These procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable GAAP, GASB pronouncements, and knowledge of the Regional Office of Education No. 54’s activities and operations.

Management’s Response:

The Regional Office of Education #54 accepts the degree of risk associated with this condition because the additional expense to seek outside accounting expertise to prepare and/or review financial statements would take away from the funds available to provide educational services for the schools in the region.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

Corrective Action Plan

Finding No. 2017-001 – Controls Over Financial Statement Preparation (Repeat from Finding 16-001, 15-001, 14-002, 13-002, 12-02, 11-02, and 10-02)

Condition:

The Regional Office of Education No. 54 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains its accounting records on the cash basis of accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the Regional Office of Education No. 54's financial information prepared by the Regional Office of Education No. 54, auditors noted the Regional Office's financial information required material adjusting entries in order to present its financial statements in accordance with generally accepted accounting principles.

Plan:

The Regional Office of Education #54 will continue to work with the other Regional Offices of Education to determine the most effective method of ensuring that our employees possess the knowledge required to compile the necessary GAAP based financial statements.

Anticipated Date of Completion:

Ongoing

Name of Contact Person:

Ms. Cheryl Reifsteck, Regional Superintendent

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

Not applicable in the current year

BASIC FINANCIAL STATEMENTS

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 255,184	\$ 6,467	\$ 261,651
Due from other governments	145,582	-	145,582
Internal balances	(5,082)	5,082	-
Total assets	<u>395,684</u>	<u>11,549</u>	<u>407,233</u>
LIABILITIES			
Current liabilities:			
Accounts payable	119	-	119
Due to other governments	127,261	-	127,261
Unearned revenue	20,372	-	20,372
Total liabilities	<u>147,752</u>	<u>-</u>	<u>147,752</u>
NET POSITION			
Restricted - other	237,543	-	237,543
Unrestricted	10,389	11,549	21,938
Total net position	<u>\$ 247,932</u>	<u>\$ 11,549</u>	<u>\$ 259,481</u>

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

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

FUNCTIONS/PROGRAMS	Net (Expense) Revenue and Changes in Net Position					
	Expenses	Program Revenues		Primary Government		Total
		Charges for Services	Operating Grants	Governmental Activities	Business-Type Activities	
Governmental activities:						
Instructional services:						
Purchased services	37,829	-	32,400	(5,429)	-	(5,429)
Supplies and materials	13,084	-	8,688	(4,396)	-	(4,396)
Other objects	103	-	-	(103)	-	(103)
Payments to other governments	405,189	-	425,938	20,749	-	20,749
Capital outlay	-	-	-	-	-	-
Depreciation	42	-	-	(42)	-	(42)
Administrative:						
On-behalf payments - local	86,773	-	-	(86,773)	-	(86,773)
On-behalf payments - state	267,657	-	-	(267,657)	-	(267,657)
Total governmental activities	<u>810,677</u>	<u>-</u>	<u>467,026</u>	<u>(343,651)</u>	<u>-</u>	<u>(343,651)</u>
Business-type activities:						
Service fees	7,325	3,571	-	-	(3,754)	(3,754)
Total business-type activities	<u>7,325</u>	<u>3,571</u>	<u>-</u>	<u>-</u>	<u>(3,754)</u>	<u>(3,754)</u>
Total primary government	<u>\$ 818,002</u>	<u>\$ 3,571</u>	<u>\$ 467,026</u>	<u>(343,651)</u>	<u>(3,754)</u>	<u>(347,405)</u>
General revenues:						
Local sources				35,311	-	35,311
On-behalf payments - local				86,773	-	86,773
On-behalf payments - state				267,657	-	267,657
Interest				407	8	415
Total general revenues				<u>390,148</u>	<u>8</u>	<u>390,156</u>
Change in net position				46,497	(3,746)	42,751
Net position, beginning of year				<u>201,435</u>	<u>15,295</u>	<u>216,730</u>
Net position, end of year				<u>\$ 247,932</u>	<u>\$ 11,549</u>	<u>\$ 259,481</u>

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

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	<u>General Fund</u>	<u>Institute Fund</u>	<u>Education Fund</u>
ASSETS			
Cash and cash equivalents	\$ 3,717	\$ 168,341	\$ 36,894
Due from other funds	6,672	-	-
Due from other governments	-	-	145,582
	<u>10,389</u>	<u>168,341</u>	<u>182,476</u>
Total assets	<u>\$ 10,389</u>	<u>\$ 168,341</u>	<u>\$ 182,476</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	11,754
Due to other governments	-	-	127,261
Unearned revenue	-	-	20,372
	<u>-</u>	<u>-</u>	<u>159,387</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>159,387</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>-</u>	<u>-</u>	<u>92,274</u>
FUND BALANCES (DEFICITS)			
Restricted	-	168,341	-
Unassigned	10,389	-	(69,185)
	<u>10,389</u>	<u>168,341</u>	<u>(69,185)</u>
Total fund balances (deficits)	<u>10,389</u>	<u>168,341</u>	<u>(69,185)</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 10,389</u>	<u>\$ 168,341</u>	<u>\$ 182,476</u>

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

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

**BALANCE SHEET
GOVERNMENTAL FUNDS (Concluded)
June 30, 2017**

	<u>Other Nonmajor Funds</u>	<u>Eliminations</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 46,232	\$ -	\$ 255,184
Due from other funds	-	(6,672)	-
Due from other governments	-	-	145,582
	<u>\$ 46,232</u>	<u>\$ (6,672)</u>	<u>\$ 400,766</u>
LIABILITIES			
Accounts payable	\$ 119	\$ -	\$ 119
Due to other funds	-	(6,672)	5,082
Due to other governments	-	-	127,261
Unearned revenue	-	-	20,372
	<u>119</u>	<u>(6,672)</u>	<u>152,834</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	92,274
FUND BALANCES (DEFICITS)			
Restricted	46,113	-	214,454
Unassigned	-	-	(58,796)
	<u>46,113</u>	<u>-</u>	<u>155,658</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u><u>\$ 46,232</u></u>	<u><u>\$ (6,672)</u></u>	<u><u>\$ 400,766</u></u>

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

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

Total fund balances - governmental funds	\$ 155,658
--	------------

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

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

Current year unavailable revenue	<u>92,274</u>
----------------------------------	---------------

Net position of governmental activities	<u><u>\$ 247,932</u></u>
---	--------------------------

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

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	General Fund	Institute Fund	Education Fund
Revenues:			
Local sources	\$ 7,207	\$ 23,680	\$ -
State sources	102,277	-	146,318
Federal sources	-	-	124,909
On-behalf payments - local	86,773	-	-
On-behalf payments - state	267,657	-	-
Interest	297	104	-
Total revenues	<u>464,211</u>	<u>23,784</u>	<u>271,227</u>
Expenditures:			
Instructional services:			
Purchased services	3,530	3,178	29,198
Supplies and materials	4,585	-	8,265
Other objects	103	-	-
Payments to other governments	102,277	-	302,912
On-behalf payments - local	86,773	-	-
On-behalf payments - state	267,657	-	-
Total expenditures	<u>464,925</u>	<u>3,178</u>	<u>340,375</u>
Net change in fund balances	(714)	20,606	(69,148)
Fund balance (deficit), beginning of year	<u>11,103</u>	<u>147,735</u>	<u>(37)</u>
Fund balance (deficit), end of year	<u>\$ 10,389</u>	<u>\$ 168,341</u>	<u>\$ (69,185)</u>

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

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	<u>Other Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Revenues:		
Local sources	\$ 4,424	\$ 35,311
State sources	1,248	249,843
Federal sources	-	124,909
On-behalf payments - local	-	86,773
On-behalf payments - state	-	267,657
Interest	6	407
	<u>5,678</u>	<u>764,900</u>
Expenditures:		
Instructional services:		
Purchased services	1,923	37,829
Supplies and materials	234	13,084
Other objects	-	103
Payments to other governments	-	405,189
On-behalf payments - local	-	86,773
On-behalf payments - state	-	267,657
	<u>2,157</u>	<u>810,635</u>
Net change in fund balances	3,521	(45,735)
Fund balance (deficit), beginning of year	<u>42,592</u>	<u>201,393</u>
Fund balance (deficit), end of year	<u>\$ 46,113</u>	<u>\$ 155,658</u>

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

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS**

For the year ended June 30, 2017

Net changes in fund balances - governmental funds \$ (45,735)

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

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

Current year unavailable revenue 92,274

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.

Depreciation expense (42)

Change in net position of governmental activities \$ 46,497

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

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	<u>Business-Type Activities Fingerprinting Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 6,467
Due from other funds	<u>5,082</u>
Total assets	<u>11,549</u>
 NET POSITION	
Unrestricted	<u>11,549</u>
Total net position	<u><u>\$ 11,549</u></u>

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

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	<u>Business-Type Activities Fingerprinting Fund</u>
Operating revenue:	
Charges for services	<u>\$ 3,571</u>
Operating expenses:	
Purchased services	4,932
Supplies and materials	<u>2,393</u>
Total operating expenses	<u>7,325</u>
Operating loss	(3,754)
Nonoperating revenue:	
Interest	<u>8</u>
Change in net position	(3,746)
Net position, beginning of year	<u>15,295</u>
Net position, end of year	<u><u>\$ 11,549</u></u>

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

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	Business-Type Activities <u>Fingerprinting Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 3,571
Payments to suppliers and providers of goods and services	<u>(7,325)</u>
Net cash used for operating activities	<u>(3,754)</u>
Cash flows from noncapital financing activities:	
Increase in interfund borrowing, net	<u>(5,082)</u>
Net cash used for noncapital financing activities	<u>(5,082)</u>
Cash flows from investing activities:	
Interest	<u>8</u>
Net cash provided by investing activities	<u>8</u>
Net decrease in cash and cash equivalents	(8,828)
Cash and cash equivalents, beginning of year	<u>15,295</u>
Cash and cash equivalents, end of year	<u><u>\$ 6,467</u></u>
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	<u>\$ (3,754)</u>
Net cash used for operating activities	<u><u>\$ (3,754)</u></u>

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

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	Private-Purpose Trust Fund <u>DAAPP</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 2,662	\$ 94,133
Accounts receivable	-	11,984
Due from other governments	-	6,141,556
	<u>2,662</u>	<u>6,141,556</u>
Total assets	<u>2,662</u>	<u>\$ 6,247,673</u>
LIABILITIES		
Due to other governments	807	\$ 6,247,673
	<u>807</u>	<u>\$ 6,247,673</u>
NET POSITION		
Held in trust	<u>\$ 1,855</u>	

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

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the year ended June 30, 2017**

	Private-Purpose Trust Fund
	DAAPP
Additions:	
Local sources	\$ 29,289
Interest	2
Total additions	29,291
Deductions:	
Salaries	17,500
Purchased services	11,094
Supplies and materials	6,321
Total deductions	34,915
Change in net position	(5,624)
Net position, beginning of year	7,479
Net position, end of year	\$ 1,855

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

NOTES TO FINANCIAL STATEMENTS

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education No. 54'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. 54 was created by Illinois Public Act 76-735, as amended, effective August 8, 1995. The region encompasses Vermilion County.

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

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

The Regional Office of Education No. 54 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. 54 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. 54's financial statements. In addition, the Regional Office of Education No. 54 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education No. 54 being considered a component unit of the entity.

B. Government-wide and Fund Financial Statements

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

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Statement of Net Position includes all of the Regional Office of Education No. 54's assets and liabilities, including capital assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Certain eliminations have been made as prescribed by governmental accounting standards in regards to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet and the proprietary fund Statement of Net Position, and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and on the proprietary fund Statement of Revenues, Expenses and Changes in Fund Net Position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. All internal balances in the Statement of Net Position have been eliminated.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues from exchange transactions are recognized when they are earned, and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Regional Office of Education No. 54 considers revenues to be available if they are collectible within 60 days after year-end. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable, with the exception of expenditures for prepaid expenses and other long-term obligations, which are recognized as liabilities when due, as well as expenditures related to compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Regional Office of Education No. 54's enterprise funds 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. 54'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. 54 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education No. 54 and is used to account for all financial resources except those required to be accounted for and reported in another fund. This fund is available to pay general and administrative expenditures of the Regional Office of Education No. 54. Included in this fund are:

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE FINANCIAL STATEMENTS

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

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

1. **Governmental Funds** (Continued)

General Fund (Continued)

Direct Services - The Direct Services accounts are used for various programs that benefit the school districts or the regional office, such as the computer consortium and technology hub. Interest from the Distributive Fund is transferred to this program.

Regional Safe School - General State Aid - This program accounts for the general operations of the Regional Safe School.

Institute Fund – This special revenue fund accounts for the Regional Office of Education No. 54’s stewardship of the assets held in trust for the benefit of the Regional Office of Education No. 54’s teachers. Fees are collected from registration of teachers’ licenses. Monies are expended to conduct teachers’ institutes, conferences, and workshops.

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

IDEA - Improvement Grants - Part D - This program accounts for the IDEA Improvement Grants Part D grant monies. The program provides professional development to education personnel to improve intervention results for children with disabilities.

McKinney-Vento Homeless Children and Youth Program - This program accounts for the proceeds of the McKinney-Vento Homeless Children and Youth Program grant. This program is designed to assist in implementing homeless services. The program collaborates with all schools within the region concerning the identification of homeless youth and works with the districts to provide local and State resources to those students.

Regional Safe Schools Program - The program accounts for the Regional Safe Schools grant monies. The program concentrates on the education of students who have been expelled from the school districts served by the Vermilion County Regional Office of Education No. 54. In addition, this program includes State and federal lunch and breakfast programs.

ROE/ISC Operations - This program accounts for grant monies received for and in payment of expenditures for assisting schools in all areas of school improvement.

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

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE 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 Fund (Continued)

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

Other State Programs (Regional Safe School Cooperative Education Program) - This program accounts for the Career Education program from the Illinois State Board of Education and is administered through the Vermilion Association of Special Education.

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

General Education Development Fund - This fund accounts for the receipts and expenses pertaining to the GED/High School Equivalency program for high school dropouts.

Bus Driver Training - This fund accounts for State and local receipts and expenses related to initial and refresher courses of instruction for school bus drivers.

Supervisory Fund - This fund accounts for State receipts provided to the Regional Office of Education to pay day-to-day expenses as approved by the Regional Superintendent.

2. Proprietary 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. 54 reports the following proprietary fund:

Fingerprinting Fund - The Vermilion County Regional Office of Education No. 54 provides fingerprinting services for background checks to schools in Vermilion County for new hires. The fee for the fingerprinting service is paid by each school district.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Fiduciary Funds

Fiduciary funds are used to account for assets held by the Vermilion County Regional Office of Education No. 54 in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Agency Funds - Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds include the following:

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

EIU Courses Fund - This fund accounts for tuition payments received from teachers for coursework offered by Eastern Illinois University (EIU) and remitted to EIU.

Board of School Trustees Fund - The fund accounts for the Regional Board of School Trustees' operating accounts.

Private-Purpose Trust Fund - This fund is used to account for the resources held by the Vermilion County Regional Office of Education No. 54 as a trustee for Vermilion County's Drug and Alcohol Abuse Prevention Program (DAAPP).

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

1. Deposits and Investments

The Regional Office of Education No. 54 considers cash on hand, checking accounts, savings accounts, and investments held with an original maturity date of 90 days or less to be cash and cash equivalents. State regulations require that the Regional Office of Education No. 54 deposit funds under its control into accounts insured by the federal governments, accounts secured by substantial collateral, or pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

The Regional Office of Education No. 54 does not have a formal investment policy. Statutes authorize the Regional Office of Education No. 54 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.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE 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)

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 business-type activities are reported in the government-wide financial statements as “internal balances.”

3. Capital Assets

Capital assets are reported in the applicable columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

<u>Assets</u>	<u>Years</u>
Office equipment	5-7
Computer equipment	3

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

4. Compensated Absences

These financial statements relate information pertaining to the funds administered by the Regional Superintendent. All personnel of the Vermilion County Regional Office of Education No. 54 receive their salaries from other sources. The Superintendent and Assistant Superintendent receive their salaries directly from the Illinois State Board of Education. The other personnel are employees of Vermilion County. There are no compensated absence, pension, or retirement obligations to disclose. Obligations arising from the employment of the Regional Superintendent and Assistant Regional Superintendent are disclosed in the financial statements of the Illinois State Board of Education. Obligations arising from the employment of all other personnel are presented in the Vermilion County annual financial report.

VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54
NOTES TO THE 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. **Equity Classifications**

Government-wide and Proprietary Fund Statements

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

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

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

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

Governmental Fund Statements

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

Nonspendable Fund Balance – the portion of a governmental fund’s fund balance that is not available to be spent, either short term or long term, in either form or through legal restrictions. There are no accounts presenting a nonspendable fund balance.

Restricted Fund Balance – the portion of a governmental fund’s fund balance that is subject to external enforceable legal restrictions. The following funds are restricted by Illinois Statute: Institute Fund, General Education Development Fund, Bus Driver Training, and Supervisory 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. There are no accounts presenting a committed fund balance.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

NOTES TO THE 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. Equity Classifications (Continued)

Governmental Fund Statements (Continued)

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. There are no accounts presenting an assigned fund balance.

Unassigned Fund Balance – available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following accounts’ fund balances make up the unassigned fund balance: Direct Services, Regional Safe Schools, ROE/ISC Operations, Truants Alternative Optional Education, and Other State Programs (RSSCEP).

E. New Accounting Pronouncements

In 2017, the Regional Office of Education No. 54 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*, GASB Statement No. 78 – *Pensions Provided Through Certain Multiple-Employer Defined 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 on the Regional Office of Education No. 54.

2. BUDGETS AND BUDGETARY ACCOUNTING

The Regional Office of Education No. 54 was not legally required to adopt annual budgets for all funds under its control, and some annual budgets prepared were not based upon the same operating period. Therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

Budgets relating to programs funded by grants from the Illinois State Board of Education are prepared and submitted to the granting agency as part of the grant awards process. The granting agency must also approve amendments to these budgets. Grant project budgets are based on the award period. Budgetary Comparison Schedules have been presented for the following grants received from the Illinois State Board of Education: IDEA – Improvement Grants – Part D, McKinney-Vento Homeless Children and Youth Program, Regional Safe Schools Program, ROE/ISC Operations, Truants Alternative Optional Education, Title II – Teacher Quality, and Other State Programs (RSSCEP).

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

NOTES TO THE 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. INTEREST ON DISTRIBUTIVE FUND ACCOUNTS

The Vermilion County Regional Office of Education No. 54 has agreements with all districts in the region whereby the Vermilion County Regional Office of Education No. 54 is allowed to keep the interest on the Distributive Fund for expenditures benefiting all districts.

5. DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 2017, the carrying amount of the Regional Office of Education No. 54's deposits for the governmental activities, business-type activities, and fiduciary funds were \$255,102, \$6,467, and \$96,795, respectively. The bank balances for the governmental funds, business-type activities, and fiduciary funds totaled \$422,606, 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. 54's name, and were, therefore, not exposed to custodial credit risk.

B. Investments

At June 30, 2017, the carrying amount of the Regional Office of Education No. 54's deposits in the Illinois Funds Money Market Fund for the governmental activities was \$82. The bank balance invested in the Illinois Funds Money Market Fund was \$4,275. This fund enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. These deposits are included in cash and cash equivalents in the Regional Office of Education No. 54's governmental activities and fiduciary funds.

Credit Risk

At June 30, 2017, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside, independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provisions of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

Interest Rate Risk

The Illinois Funds Money Market Fund, created by the Illinois General Assembly, enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. The investment policy of the Illinois Funds Money Market Fund states that, unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years maturity.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

NOTES TO THE FINANCIAL STATEMENTS

5. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Concentration of Credit Risk

Unless specifically authorized by the Treasurer, the Illinois Funds Money Market Fund's investment policy limits investment categories to not exceed 25% of the portfolio, with the exception of cash equivalents and U.S. Treasury securities. Further, certificates of deposit cannot exceed 10% of any single financial institution's total deposits.

6. RISK MANAGEMENT - CLAIMS AND JUDGMENTS

The Regional Office of Education No. 54 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. 54 is covered by commercial insurance to cover these risks of loss. No settlements have exceeded insurance coverage in the current or three previous years.

7. CONTINGENCIES

The Regional Office of Education No. 54 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. 54 believes any adjustments that may arise will be insignificant to the Regional Office of Education No. 54's operations.

8. CAPITAL ASSETS

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

	<u>June 30, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2017</u>
Governmental activities:				
Capital assets being depreciated:				
Office equipment	\$ 12,512	\$ -	\$ -	\$ 12,512
Less accumulated depreciation for:				
Office equipment	(12,470)	(42)	-	(12,512)
Governmental activities capital assets, net	<u>\$ 42</u>	<u>\$ (42)</u>	<u>\$ -</u>	<u>\$ -</u>
Business-type activities:				
Capital assets being depreciated:				
Office equipment	\$ 954	\$ -	\$ -	\$ 954
Less accumulated depreciation for:				
Office equipment	(954)	-	-	(954)
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

NOTES TO THE FINANCIAL STATEMENTS

8. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the Regional Office of Education No. 54 as follows:

Governmental activities:	
Instructional services	<u><u>\$ 42</u></u>

9. BOND

The Illinois School Code (105 ILCS 5/3-2) directs the Regional Office of Education No. 54 to execute a bond of not less than \$100,000 on the Regional Superintendent. The Regional Office of Education No. 54 has secured and maintained such a bond with coverage of \$100,000 on the Regional Superintendent.

10. 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	\$ 6,672	\$ -
Education Fund	-	11,754
Fingerprinting Fund	5,082	-
	<u>\$ 11,754</u>	<u>\$ 11,754</u>

At June 30, 2017, all of the interfund balances consist of loans between individual funds within the same pooled cash account. The loans were used to cover cash shortages in these individual funds.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

NOTES TO THE FINANCIAL STATEMENTS

11. DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education No. 54's General Fund, Education Fund, and Fiduciary Funds had funds due to and due from various other governmental units which consisted of the following:

Due From Other Governments:	
Governmental Funds:	
Illinois State Board of Education	\$ 135,326
Regional Office of Education No. 47	4,284
Regional Office of Education No. 11	5,972
	145,582
Agency Funds:	
Illinois State Board of Education	6,141,556
Total	\$ 6,287,138
Due To Other Governments:	
Governmental Funds:	
Local School Districts	\$ 106,753
Local Agencies	20,508
	127,261
Private Purpose Trust Fund:	
Local Agencies	807
Agency Funds:	
Local School Districts	6,238,085
Local Agencies	9,588
	6,247,673
Total	\$ 6,375,741

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

NOTES TO THE FINANCIAL STATEMENTS

12. ON-BEHALF PAYMENTS

The Regional Office of Education No. 54 received on-behalf payments for various expenditures from the following entities for the following items:

Vermilion County:	
Salaries and benefits	\$ 71,946
Purchased services	12,296
Supplies and materials	2,531
	86,773
State of Illinois:	
Regional Superintendent-salary	107,952
Regional Superintendent-benefits (includes State paid insurance)	29,346
Assistant Regional Superintendent-salary	97,152
Assistant Regional Superintendent-benefits (includes State paid insurance)	33,207
	267,657
	\$354,430

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.

13. DEFICIT FUND BALANCE

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

Regional Safe School Program	\$31,177
ROE/ISC Operations	\$ 95
Truants Alternative Optional Education	\$23,526
Other State Programs (RSSCEP)	\$14,387

The Regional Office of Education No. 54 intends to collect monies that are not recognized at year end.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

NOTES TO THE FINANCIAL STATEMENTS

14. RECLASSIFICATIONS

The Regional Office of Education No. 54 reclassified one of its governmental funds from a major fund to a Nonmajor Special Revenue Fund, General Education Development. Therefore, fund balances have been reclassified as follows:

	General Education Development	Other Nonmajor Fund
Fund balance at June 30, 2016	\$ 27,595	\$ 14,997
Reclassification	(27,595)	27,595
Fund balance at June 30, 2016	\$ -	\$ 42,592

SUPPLEMENTARY INFORMATION

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	Direct Services	Regional Safe School - General State Aid	Total
ASSETS			
Cash and cash equivalents	\$ 3,717	\$ -	\$ 3,717
Due from other funds	6,672	-	6,672
Total assets	\$ 10,389	\$ -	\$ 10,389
FUND BALANCES			
Unassigned	\$ 10,389	\$ -	\$ 10,389
Total fund balances	\$ 10,389	\$ -	\$ 10,389

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	Direct Services	Regional Safe School - General State Aid	Total
Revenues:			
Local sources	\$ 7,207	\$ -	\$ 7,207
State sources	-	102,277	102,277
On-behalf payments - local	86,773	-	86,773
On-behalf payments - state	267,657	-	267,657
Interest	297	-	297
Total revenues	361,934	102,277	464,211
Expenditures:			
Purchased services	3,530	-	3,530
Supplies and materials	4,585	-	4,585
Other objects	103	-	103
Payments to other governments	-	102,277	102,277
On-behalf payments - local	86,773	-	86,773
On-behalf payments - state	267,657	-	267,657
Total expenditures	362,648	102,277	464,925
Net change in fund balance	(714)	-	(714)
Fund balances, beginning of year	11,103	-	11,103
Fund balances, end of year	\$ 10,389	\$ -	\$ 10,389

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	IDEA - Improvement Grants - Part D	McKinney-Vento Homeless Children & Youth Program	Regional Safe Schools Program	ROE/ISC Operations
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 36,501
Due from other governments	4,284	5,972	49,956	-
Total assets	\$ 4,284	\$ 5,972	\$ 49,956	\$ 36,501
LIABILITIES				
Due to other funds	\$ -	\$ 5,972	\$ -	\$ -
Due to other governments	4,284	-	49,956	16,224
Unearned revenue	-	-	-	20,372
Total liabilities	4,284	5,972	49,956	36,596
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	31,177	-
FUND BALANCES (DEFICITS)				
Unassigned	-	-	(31,177)	(95)
Total fund balances (deficits)	-	-	(31,177)	(95)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 4,284	\$ 5,972	\$ 49,956	\$ 36,501

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	Truants Alternative Optional Education	Title II - Teacher Quality	Other State Programs (RSSCEP)	Total
ASSETS				
Cash and cash equivalents	\$ 393	\$ -	\$ -	\$ 36,894
Due from other governments	47,157	700	37,513	145,582
Total assets	\$ 47,550	\$ 700	\$ 37,513	\$ 182,476
LIABILITIES				
Due to other funds	\$ 5,082	\$ 700	\$ -	\$ 11,754
Due to other governments	42,410	-	14,387	127,261
Unearned revenue	-	-	-	20,372
Total liabilities	47,492	700	14,387	159,387
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	23,584	-	37,513	92,274
FUND BALANCES (DEFICITS)				
Unassigned	(23,526)	-	(14,387)	(69,185)
Total fund balances (deficits)	(23,526)	-	(14,387)	(69,185)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 47,550	\$ 700	\$ 37,513	\$ 182,476

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	IDEA - Improvement Grants - Part D	McKinney-Vento Homeless Children & Youth Program	Regional Safe Schools Program	ROE/ISC Operations
Revenues:				
State sources	\$ -	\$ -	\$ 31,370	\$ 91,425
Federal sources	66,537	35,563	20,909	-
Total revenues	<u>66,537</u>	<u>35,563</u>	<u>52,279</u>	<u>91,425</u>
Expenditures:				
Purchased services	-	27,298	-	-
Supplies and materials	-	8,265	-	-
Payments to other governments	66,537	-	83,456	91,425
Total expenditures	<u>66,537</u>	<u>35,563</u>	<u>83,456</u>	<u>91,425</u>
Net change in fund balances	-	-	(31,177)	-
Fund balances (deficits), beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(95)</u>
Fund balances (deficits), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (31,177)</u>	<u>\$ (95)</u>

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	Truants Alternative Optional Education	Title II - Teacher Quality	Other State Programs (RSSCEP)	Total
Revenues:				
State sources	\$ 23,523	\$ -	\$ -	\$ 146,318
Federal sources	-	1,900	-	124,909
Total revenues	<u>23,523</u>	<u>1,900</u>	<u>-</u>	<u>271,227</u>
Expenditures:				
Purchased services	-	1,900	-	29,198
Supplies and materials	-	-	-	8,265
Payments to other governments	47,107	-	14,387	302,912
Total expenditures	<u>47,107</u>	<u>1,900</u>	<u>14,387</u>	<u>340,375</u>
Net change in fund balances	(23,584)	-	(14,387)	(69,148)
Fund balances (deficits), beginning of year	<u>58</u>	<u>-</u>	<u>-</u>	<u>(37)</u>
Fund balances (deficits), end of year	<u>\$ (23,526)</u>	<u>\$ -</u>	<u>\$ (14,387)</u>	<u>\$ (69,185)</u>

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
IDEA – IMPROVEMENT GRANTS – PART D, FY2016
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 37,803	\$ 74,232	\$ 2,720
Expenditures:			
Payments to other governments	37,803	74,232	2,720
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, September 30, 2016			\$ -

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
IDEA – IMPROVEMENT GRANTS – PART D, FY2017
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 72,253	\$ 72,253	\$ 63,817
Expenditures:			
Payments to other governments	72,253	72,253	63,817
Net change in fund balance	\$ -	\$ -	-
Fund balance, October 1, 2016			-
Fund balance, end of year			\$ -

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
MCKINNEY-VENTO HOMELESS CHILDREN AND YOUTH PROGRAM
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 35,567	\$ 35,567	\$ 35,563
Expenditures:			
Purchased services	30,830	26,339	27,298
Supplies and materials	4,737	9,228	8,265
Total expenditures	35,567	35,567	35,563
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 62,311	\$ 62,311	\$ 31,370
Federal sources	-	-	20,909
Total revenues	<u>62,311</u>	<u>62,311</u>	<u>52,279</u>
Expenditures:			
Payments to other governments	<u>62,311</u>	<u>62,311</u>	<u>83,456</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(31,177)
Fund balance, beginning of year			<u>-</u>
Fund balance (deficit), end of year			<u>\$ (31,177)</u>

Note: The budget amount for Regional Safe Schools reflects only the amounts pertaining to the Regional Safe Schools Grant. The actual amounts reflect grant funds as well as other State and federal funds which are not subject to grant budget requirements.

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
ROE/ISC OPERATIONS, FY 2016
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	72,124	72,196	10,612
Total revenues	72,124	72,196	10,612
Expenditures:			
Payments to other governments	72,124	72,196	10,612
Total expenditures	72,124	72,196	10,612
Net change in fund balance	\$ -	\$ -	-
Fund balance (deficit), beginning of year			(95)
Fund balance (deficit), July 1, 2016			\$ (95)

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	101,884	101,884	80,813
Total revenues	101,884	101,884	80,813
Expenditures:			
Payments to other governments	101,884	101,884	80,813
Net change in fund balance	\$ -	\$ -	-
Fund balance (deficit), beginning of year			(95)
Fund balance (deficit), end of year			\$ (95)

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues:			
State sources	<u>\$ 47,158</u>	<u>\$ 47,158</u>	<u>\$ 23,523</u>
Expenditures:			
Payments to other governments	<u>47,158</u>	<u>47,158</u>	<u>47,107</u>
Total expenditures	<u>47,158</u>	<u>47,158</u>	<u>47,107</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(23,584)</u>
Fund balance, beginning of year			<u>58</u>
Fund balance (deficit), end of year			<u>\$ (23,526)</u>

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 2,464	\$ 2,464	\$ 1,900
Total revenues	<u>2,464</u>	<u>2,464</u>	<u>1,900</u>
Expenditures:			
Purchased services	<u>2,464</u>	<u>2,464</u>	<u>1,900</u>
Total expenditures	<u>2,464</u>	<u>2,464</u>	<u>1,900</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Fund balance, beginning of year			<u>-</u>
Fund balance, end of year			<u>\$ -</u>

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

**BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
OTHER STATE PROGRAMS (RSSCEP)
For the year ended June 30, 2017**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 37,513	\$ 37,513	\$ -
Expenditures:			
Payments to other governments	37,513	37,513	14,387
Total expenditures	37,513	37,513	14,387
Net change in fund balance	\$ -	\$ -	(14,387)
Fund balance, beginning of year			-
Fund balance (deficit), end of year			\$ (14,387)

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	General Education Development Fund	Bus Driver Training	Supervisory Fund	Total
ASSETS				
Cash and cash equivalents	\$ 29,388	\$ 13,067	\$ 3,777	\$ 46,232
Total assets	<u>\$ 29,388</u>	<u>\$ 13,067</u>	<u>\$ 3,777</u>	<u>\$ 46,232</u>
LIABILITIES				
Accounts payable	\$ -	\$ 119	\$ -	\$ 119
Total liabilities	<u>-</u>	<u>119</u>	<u>-</u>	<u>119</u>
FUND BALANCES				
Restricted	29,388	12,948	3,777	46,113
Total fund balances	<u>29,388</u>	<u>12,948</u>	<u>3,777</u>	<u>46,113</u>
Total liabilities and fund balances	<u>\$ 29,388</u>	<u>\$ 13,067</u>	<u>\$ 3,777</u>	<u>\$ 46,232</u>

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	General Education Development Fund	Bus Driver Training	Supervisory Fund	Total
Revenues:				
Local sources	\$ 2,024	\$ 2,400	\$ -	\$ 4,424
State sources	-	1,248	-	1,248
Interest income	3	1	2	6
Total revenues	<u>2,027</u>	<u>3,649</u>	<u>2</u>	<u>5,678</u>
Expenditures:				
Purchased services	-	1,623	300	1,923
Supplies and materials	234	-	-	234
Total expenditures	<u>234</u>	<u>1,623</u>	<u>300</u>	<u>2,157</u>
Net change in fund balances	1,793	2,026	(298)	3,521
Fund balances, beginning of year	<u>27,595</u>	<u>10,922</u>	<u>4,075</u>	<u>42,592</u>
Fund balances, end of year	<u>\$ 29,388</u>	<u>\$ 12,948</u>	<u>\$ 3,777</u>	<u>\$ 46,113</u>

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	Distributive Fund	EIU Courses Fund	Board of School Trustees Fund	Totals
ASSETS				
Cash and cash equivalents	\$ -	\$ 84,545	\$ 9,588	\$ 94,133
Accounts receivable	-	11,984	-	11,984
Due from other governments	6,141,556	-	-	6,141,556
Total assets	\$ 6,141,556	\$ 96,529	\$ 9,588	\$ 6,247,673
LIABILITIES				
Due to other governments	\$ 6,141,556	\$ 96,529	\$ 9,588	\$ 6,247,673
Total liabilities	\$ 6,141,556	\$ 96,529	\$ 9,588	\$ 6,247,673

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<u>DISTRIBUTIVE FUND</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 73,895,262	\$ 73,895,262	\$ -
Due from other governments	2,066,331	6,141,556	2,066,331	6,141,556
Total assets	\$ 2,066,331	\$ 80,036,818	\$ 75,961,593	\$ 6,141,556
LIABILITIES				
Due to other governments	\$ 2,066,331	\$ 80,036,818	\$ 75,961,593	\$ 6,141,556
<u>EIU COURSES FUND</u>				
ASSETS				
Cash and cash equivalents	\$ 79,625	\$ 184,947	\$ 180,027	\$ 84,545
Accounts receivable	-	11,984	-	11,984
Total assets	\$ 79,625	\$ 196,931	\$ 180,027	\$ 96,529
LIABILITIES				
Due to other governments	\$ 79,625	\$ 196,931	\$ 180,027	\$ 96,529
<u>BOARD OF SCHOOL TRUSTEES FUND</u>				
ASSETS				
Cash and cash equivalents	\$ 9,678	-	\$ 90	\$ 9,588
LIABILITIES				
Due to other governments	\$ 9,678	-	\$ 90	\$ 9,588
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 89,303	\$ 74,080,209	\$ 74,075,379	\$ 94,133
Accounts receivable	-	11,984	-	11,984
Due from other governments	2,066,331	6,141,556	2,066,331	6,141,556
Total assets	\$ 2,155,634	\$ 80,233,749	\$ 76,141,710	\$ 6,247,673
LIABILITIES				
Due to other governments	\$ 2,155,634	\$ 80,233,749	\$ 76,141,710	\$ 6,247,673

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS
AND OTHER ENTITIES
DISTRIBUTIVE FUND**

For the year ended June 30, 2017

	Community Unit School District #1 Bismarck Illinois	Community Unit School District #4 Georgetown- Ridge Farm Illinois	Community Unit School District #7 Rossville Illinois
General State Aid	\$ 2,397,090	\$ 4,967,814	\$ 1,527,217
Special Education:			
Private Facility Tuition	-	19,920	72,476
Extraordinary	102,924	146,126	55,689
Personnel	109,289	197,249	39,346
Orphanage - Individual	-	16,638	-
Summer School	-	568	-
Agriculture Education	-	1,305	-
Bilingual Education - TPI	-	-	-
State Free Lunch & Breakfast	901	5,602	1,041
Driver Education	16,894	12,684	-
Transportation:			
Regular	87,190	152,476	44,375
Special Education	63,637	89,090	27,442
ROE School Bus Driver Training	-	-	-
Truants Alternative/Optional Ed.	-	-	-
Regional Safe Schools	-	-	-
Early Childhood - Block Grant	-	-	-
ROE/ISC Operations	-	-	-
Other State Programs (RSSCEP)	-	-	-
Orphanage Tuition	-	-	-
National School Lunch Program	126,822	374,885	82,871
Special Milk Program	-	-	-
School Breakfast Program	-	118,346	25,390
Title I - Low Income	96,085	438,780	98,827
Title I - Low Income Delinquent	-	-	-
Title I - School Improvement	-	-	-
Fed. - Sp. Ed. - Pre-School Flow Through	-	-	-
Fed. - Sp. Ed. - I.D.E.A. Flow Through	-	-	-
I.D.E.A. Room and Board	2,041	20,263	-
Title III Limited English	-	-	-
Title II - Teacher Quality	12,961	42,263	15,971
Title II - Teacher Quality-Leadership	-	-	-
	<u>\$ 3,015,834</u>	<u>\$ 6,604,009</u>	<u>\$ 1,990,645</u>

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	Community Unit School District #10 Potomac Illinois	Community Unit School District #11 Hoopeston Illinois	Community Unit School District #61 Armstrong- Ellis Illinois	Community Unit School District #76 Oakwood Illinois
General State Aid	\$ 923,644	\$ 5,999,434	\$ 62,773	\$ 3,420,620
Special Education:				
Private Facility Tuition	-	397,417	-	-
Extraordinary	32,154	176,577	9,793	132,047
Personnel	9,681	258,231	17,355	149,267
Orphanage - Individual	-	80,224	-	5,401
Summer School	-	-	-	323
Agriculture Education	-	-	-	2,176
Bilingual Education - TPI	-	-	-	-
State Free Lunch & Breakfast	414	6,099	302	1,672
Driver Education	-	18,024	-	13,839
Transportation:				
Regular	29,346	164,242	3,454	245,837
Special Education	12,882	67,271	23,934	76,533
ROE School Bus Driver Training	-	-	-	-
Truants Alternative/Optional Ed.	-	-	-	-
Regional Safe Schools	-	-	-	-
Early Childhood - Block Grant	-	-	-	-
ROE/ISC Operations	-	-	-	-
Other State Programs (RSSCEP)	-	-	-	-
Orphanage Tuition	-	-	-	-
National School Lunch Program	29,115	464,379	19,175	142,734
Special Milk Program	-	1,737	-	-
School Breakfast Program	11,413	121,000	9,351	32,557
Title I - Low Income	37,308	468,815	35,649	165,708
Title I - Low Income Delinquent	-	-	-	-
Title I - School Improvement	-	-	-	-
Fed. - Sp. Ed. - Pre-School Flow Through	-	-	-	-
Fed. - Sp. Ed. - I.D.E.A. Flow Through	-	-	-	-
I.D.E.A. Room and Board	14,624	10,579	-	10,912
Title III Limited English	-	-	-	-
Title II - Teacher Quality	84	56,634	765	48,570
Title II - Teacher Quality-Leadership	-	-	-	-
	<u>\$ 1,100,665</u>	<u>\$ 8,290,663</u>	<u>\$ 182,551</u>	<u>\$ 4,448,196</u>

**VERMILION COUNTY
REGIONAL OFFICE OF EDUCATION NO. 54**

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

	Community Unit School District #118 Danville Illinois	Armstrong Twp. High School District #225 Armstrong Illinois	Vermilion County ROE #54	Total
General State Aid	\$ 31,593,646	\$ 22,543	\$ 102,277	\$ 51,017,058
Special Education:				
Private Facility Tuition	255,954	-	-	745,767
Extraordinary	847,403	8,801	-	1,511,514
Personnel	1,022,911	18,000	-	1,821,329
Orphanage - Individual	57,119	-	-	159,382
Summer School	19,782	-	-	20,673
Agriculture Education	-	2,176	-	5,657
Bilingual Education - TPI	37,193	-	-	37,193
State Free Lunch & Breakfast	37,353	158	235	53,777
Driver Education	57,612	5,979	-	125,032
Transportation:				
Regular	1,208,980	1,891	-	1,937,791
Special Education	391,490	-	-	752,279
ROE School Bus Driver Training	-	-	2,464	2,464
Truants Alternative/Optional Ed.	-	-	47,158	47,158
Regional Safe Schools	-	-	62,311	62,311
Early Childhood - Block Grant	2,204,087	-	-	2,204,087
ROE/ISC Operations	-	-	173,380	173,380
Other State Programs (RSSCEP)	-	-	37,513	37,513
Orphanage Tuition	226,162	-	-	226,162
National School Lunch Program	2,402,919	20,274	15,583	3,678,757
Special Milk Program	-	-	-	1,737
School Breakfast Program	851,928	-	5,327	1,175,312
Title I - Low Income	3,215,843	47,480	-	4,604,495
Title I - Low Income Delinquent	11,149	-	-	11,149
Title I - School Improvement	1,150,478	-	-	1,150,478
Fed. - Sp. Ed. - Pre-School Flow Through	122,703	-	-	122,703
Fed. - Sp. Ed. - I.D.E.A. Flow Through	1,641,334	-	-	1,641,334
I.D.E.A. Room and Board	88,070	-	-	146,489
Title III Limited English	30,101	-	-	30,101
Title II - Teacher Quality	207,666	4,166	-	389,080
Title II - Teacher Quality-Leadership	-	-	3,100	3,100
	<u>\$ 47,681,883</u>	<u>\$ 131,468</u>	<u>\$ 449,348</u>	<u>\$ 73,895,262</u>