

**State of Illinois  
DEWITT, LIVINGSTON, AND  
MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
FINANCIAL AUDIT  
For the Year Ended June 30, 2012**

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17**

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**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17**

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**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
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**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17**

**OFFICIALS**

Regional Superintendent  
(During the Audit Period and Current)

Mr. Mark Jontry

Assistant Regional Superintendent  
(During the Audit Period and Current)

Ms. Diane Wolf

Office is located at:

200 W. Front Street, Suite 500 D  
Bloomington, Illinois 61701

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17**

**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 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	6	2
Repeated audit findings	2	2
Prior recommendations implemented or not repeated	0	1

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

**SUMMARY OF FINDINGS AND RESPONSES**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
12-1	10	Controls Over Financial Statement Preparation	Material Weakness
12-2	12	Inadequate Internal Controls Over Cash	Material Weakness
12-3	13	Inadequate Internal Controls Over Capital Assets	Material Weakness
12-4	15	Lack of Formal Policies	Significant Deficiency
12-5	18	Inadequate Internal Controls Over Disbursements	Significant Deficiency
12-6	20	Inadequate Internal Controls Over Payroll	Significant Deficiency

FINDINGS AND RESPONSES (FEDERAL COMPLIANCE)

None

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

None

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

None

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17**

**FINANCIAL REPORT SUMMARY**

**EXIT CONFERENCE**

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2012. Throughout the audit, numerous meetings were held between auditors and ROE officials to discuss the matters contained in this audit report. Responses to the recommendations were provided by Honorable Mr. Mark Jontry, Regional Superintendent, on May 17, 2013.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17**

**FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17 was performed by Winkel, Parker & Foster, CPA PC.

Based on their audit, the auditors expressed a qualified opinion on the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's basic financial statements.



## INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17, as of and for the year ended June 30, 2012, which collectively comprise the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's management. Our responsibility is to express opinions on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

During the audit engagement we noted that the capital asset listing was inaccurate and incomplete. Therefore, as explained in Note 8, we were unable to form an opinion regarding capital asset balances at June 30, 2012, and we were unable to satisfy ourselves about the accuracy or completeness of the capital asset balances by means of other auditing procedures. The capital assets balances and activity are included in the Statement of Net Assets and the Statement of Activities. The effect of the scope limitation on these statements is not reasonably determinable as of June 30, 2012.

In our opinion, except for the effects of such adjustments, if any, as might have been determined necessary had records of capital assets been adequate, as described in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 7, 2013 on our consideration of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Illinois Municipal Retirement Fund Schedule of Funding Progress, and Other Postemployment Benefits Schedule of Funding Progress on pages 31 through 43, 83 and 84 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 the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules and the Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Other Entities are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Winkel, Parker & Foster, CPA PC*

Clinton, Iowa  
June 7, 2013



**Winkel, Parker  
& Foster, CPA PC**

Certified Public Accountants & Consultants

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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17, as of and for the year ended June 30, 2012, which collectively comprise the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's basic financial statements and have issued our report thereon dated June 7, 2013. The reports on the Statement of Net Assets and the Statement of Activities were qualified because the DeWitt, Livingston, and McLean Counties Regional Office of Education #17 did not maintain a complete and accurate capital asset listing to allow an opinion on capital assets and depreciation expense. 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.

**Internal Control Over Financial Reporting**

Management of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's internal control over financial reporting as a basis for designing our auditing procedures 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 DeWitt, Livingston, and McLean Counties Regional Office of Education #17's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Responses we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in findings 12-1 12-2, and 12-3 in the accompanying Schedule of Findings and Responses to be material weaknesses.

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. We consider the deficiencies described in findings 12-4, 12-5, and 12-6 in the accompanying Schedule of Findings and Responses to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

DeWitt, Livingston, and McLean Counties Regional Office of Education # 17's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. We did not audit DeWitt, Livingston, and McLean Counties Regional Office of Education # 17's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, others within the entity, and the Illinois State Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

*Winkel, Parker & Foster, CPA PC*

Clinton, Iowa  
June 7, 2013

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2012**

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

**Financial Statements**

Type of auditor's report issued: \_\_\_\_\_ Qualified \_\_\_\_\_

Internal control over financial reporting:

- Material weakness(es) identified?                      x   yes                    \_\_\_\_\_ no
- Significant deficiency(ies) identified?              x   yes                    \_\_\_\_\_ none reported

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2012**

**Section II: Financial Statement Findings:**

**FINDING NO. 12-1 - Controls Over Financial Statement Preparation (Repeat from 2011 - No. 11-1, 2010 - No. 10-1, 2009 - No. 09-1, 2008 - No. 08-1, and 2007 - No. 07-1)**

**Criteria/Specific Requirement:**

The Regional Office of Education #17 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The Regional Office of Education's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

**Condition:**

The Regional Office of Education #17 does not have sufficient internal controls over the financial reporting process. The Regional Office of Education maintains its accounting records on the cash basis of accounting. While the Regional Office of Education 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 and correct financial statement misstatements and disclosure omissions in a timely manner. Auditors, in their review of the Regional Office of Education's accounting records, noted numerous adjustments were required to present 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 and correct financial statement misstatements and disclosure omissions in a timely manner.

**Cause:**

The Regional Office of Education #17 does not have proper controls in place over the preparation of financial statements to ensure that they are presented in accordance with generally accepted accounting principles.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2012**

**Section II: Financial Statement Findings:**

**FINDING NO. 12-1 - Controls Over Financial Statement Preparation (Repeat from 2011 - No. 11-1, 2010 - No. 10-1, 2009 - No. 09-1, 2008 - No. 08-1, and 2007 - No. 07-1)  
(Continued)**

**Recommendation:**

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

**Management's Response:**

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2012**

**Section II: Financial Statement Findings:**

**FINDING NO. 12-2 - Inadequate Internal Controls Over Cash (Repeat from 2011 - No. 11-2 and 2010 - No. 10-2)**

**Criteria/Specific Requirement:**

Adequate internal controls over cash require all cash in the custody of the Regional Office of Education #17 be recorded in the general ledger and each month's bank statement be reconciled to the related general ledger account balance.

**Condition:**

The Regional Office of Education #17's ending adjusted general ledger balances for the distributive cash accounts were not properly reconciled to the bank accounts.

**Effect:**

There is a risk of errors in the expenditures reported in the general ledger, and of misuse, or theft of funding.

**Cause:**

The Regional Office of Education #17 has inadequate internal controls in place to ensure that bank statements are reconciled to the related general ledger cash accounts.

**Recommendation:**

The Regional Office of Education #17's management should review each bank reconciliation to its related general ledger account balances on a monthly basis to ensure the reconciliations are completed in a timely manner and that all reconciling items are reviewed with the appropriate follow-up. The bookkeeper should reconcile all activity that takes place in the account and track reconciling items to ensure proper treatment.

**Management's Response:**

The Regional Office of Education has implemented procedures to ensure that the bank reconciliations are completed on a monthly basis and reviewed in a timely manner to ensure control and accuracy.



**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2012**

**Section II: Financial Statement Findings:**

**FINDING NO. 12-3 - Inadequate Internal Controls Over Capital Assets**

**Criteria/Specific Requirement:**

The Regional Office of Education (ROE) Accounting Manual requires each Regional Office of Education to maintain detailed fixed asset records for both accounting purposes as well as insurance purposes, for fixed assets costing \$500 or more. Generally accepted accounting principles require an inventory of all fixed assets and depreciation schedules for assets meeting the capitalization threshold for reporting be maintained.

The ROE Accounting Manual also states that the fixed asset inventory records should include: the inventory control number (tag number); major asset class; function and activity; reference to the acquisition source document, acquisition date; vendor; a short description of the asset; unit charged with custody; location; fund and account from which purchased; method of acquisition; estimated useful life and method of depreciation; estimated salvage value; and date, method, and authorization of disposal.

In addition, sound internal controls require that policies and procedures on fixed assets cover acquisition and tagging, recording and reporting, depreciation (if applicable), transfers and dispositions, an annual physical inventory, and that they be formally documented and consistently applied.

**Condition:**

An updated fixed asset listing was not properly maintained by the Regional Office of Education #17 during the year. The fixed asset listing that was provided to the auditors was inaccurate and incomplete. The listing included assets that were previously disposed of and excluded assets the Regional Office of Education has in place and is currently utilizing. The information provided was unreliable and auditors were unable to obtain information to accurately reflect fixed assets maintained by the Regional Office.

**Effect:**

The absence of a sound system of internal controls over fixed assets can result in inaccurate reporting of fixed assets and inadequate physical control for equipment items. An incomplete fixed asset listing does not provide an adequate basis for physical control and losses may occur without being detected.

**Cause:**

The fixed asset listing was not accurately updated for purchases or disposals.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2012**

**Section II: Financial Statement Findings:**

**FINDING NO. 12-3 - Inadequate Internal Controls Over Capital Assets (Continued)**

**Recommendation:**

The Regional Office of Education #17 should adhere to the ROE Accounting Manual and should check the fixed asset listing for accuracy and existence through an annual physical inventory. Reconciliations should be performed between the fixed asset listing and the recorded capital outlay expenditures for the year to ensure the accuracy and completeness of the listing.

**Management's Response:**

The Regional Office of Education has updated the fixed assets listing to correctly reflect current capital assets. Policy has been implemented to ensure adherence to the ROE Accounting Manual and maintain accuracy of the listing.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2012**

**Section II: Financial Statement Findings:**

**FINDING NO. 12-4 - Lack of Formal Policies**

**Criteria/Specific Requirement:**

Adequate internal controls should ensure that expenses incurred by the Regional Office of Education #17 are adequately documented, incurred for a business purpose, and represent an economical and effective use of Regional Office of Education resources.

**Condition:**

The Regional Office of Education #17 does not have formal policies in place addressing allowable expenses and travel reimbursements. Auditors noted the following when testing expenses:

- The Regional Office of Education #17 reimbursed an employee for a lunch and mileage to and from the lunch destination without obtaining documentation to show business purpose.
- The Regional Office of Education #17 does not have a formal policy for paying per diem or actual cost reimbursement to employees while on travel status.

While the Regional Office of Education #17 has policies regarding cell phone use, it does not have formal policies in place regarding the purchase of cell phones, charges and reimbursements. Auditors noted the following when testing expenses:

- The Regional Office of Education #17 paid \$1,094 for cell phone purchases. This consisted of 2 cell phone purchases totaling \$850, accessories totaling \$165, and sales tax of \$79 (See Finding 12-5). One of the cell phones purchased was over the \$500 threshold for capital asset purchases but was not included on the fixed asset listing provided to auditors.
- The Regional Office of Education #17 does not have a formal policy for cell phone reimbursements paid on behalf of employees. Some employees have their entire cell phone plan paid in full, some employees have texting reimbursed, and some employees have their calling plan reimbursed.
- The Regional Office of Education #17 does not have a formal policy for cell phone roaming charge reimbursements on behalf of employees. The Regional Office of Education #17 paid \$478 of roaming cell phone charges incurred by the Regional Superintendent while traveling out of the country.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2012**

**Section II: Financial Statement Findings:**

**FINDING NO. 12-4 - Lack of Formal Policies (Continued)**

**Condition:** (Continued)

The Regional Office of Education #17 has established policies for teachers in the area to receive graduate credit assistance through a partnership with Lindenwood University. Additionally, the Regional Office of Education has established educational assistance policies in regards to Regional Office of Education #17 employees working under the Regional Alternative School program. However, the Regional Office of Education #17 does not have formal educational assistance policies in place for all other employees.

- Auditors noted the Regional Office of Education #17 paid tuition and general fees totaling \$10,690 to 2 employees before receiving documentation showing that the employees attended the classes and received passing grades. Neither of these employees were part of the partnership with Lindenwood University or the Regional Alternative School program.

**Effect:**

Lack of formal policies increases the susceptibility of the Regional Office of Education #17 paying unallowable expenses, expenses for which business use is not documented, expenses in excess of intended amounts, or reimbursements for employees who are not meeting expected achievements.

**Cause:**

The Regional Office of Education #17 does not have adequate formal policies in place to address employee reimbursements, travel expenses, cell phone purchases and charges, and educational assistance.

**Recommendation:**

The Regional Office of Education #17 should establish a formal policy for employee reimbursements and travel expenses outlining the allowable types and amounts of expenses that will be reimbursed and requiring that each transaction has adequate documentation showing the business purpose of the expense.

The Regional Office of Education #17 should establish a formal policy to control employee cell phone purchases, and charges and reimbursements. Additionally, all purchases of equipment over the capital asset threshold should be included on the fixed asset listing and returned to the Regional Office of Education upon employee termination.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2012**

**Section II: Financial Statement Findings:**

**FINDING NO. 12-4 - Lack of Formal Policies (Continued)**

**Recommendation: (Continued)**

The Regional Office of Education #17 should establish a comprehensive policy for employee educational assistance that establishes employee eligibility requirements, the amount of monetary assistance to be provided, types of courses or programs that are considered appropriate for reimbursement, and the expected reimbursement period. This policy should include all types of employees employed through the Regional Office of Education #17.

**Management's Response:**

The Regional Office of Education has implemented formal policy that addresses educational assistance for eligible employees, the amount and manner in which reimbursement is provided and for an established period of time.

The Regional Office of Education has implemented a formal policy outlining allowable cell phone reimbursements, expenses and eligible job classifications for cell phone procurement. Reimbursement in the amount of \$478 has been made to the Regional Office of Education for roaming cell phone charges.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2012**

**Section II: Financial Statement Findings:**

**FINDING NO. 12-5 - Inadequate Internal Controls Over Disbursements**

**Criteria/Specific Requirement:**

The Regional Office of Education #17 is responsible for establishing and maintaining an internal control system over disbursements to prevent errors or misuse of funds.

**Condition:**

Auditors noted the following weaknesses in the Regional Office of Education #17's internal control system:

- In 1 of 35 transactions tested, a payment was made on January 27, 2012 for consultant purchased services to be provided during the period of January 19, 2012 - April 18, 2012. It is the Regional Office of Education #17's policy to pay for services upon completion. The listed transaction was paid prior to services being completed.
- In 2 of 35 transactions tested, alcoholic beverages were included in employee reimbursements of business meals.
- In 3 of 35 transactions tested, the Regional Office of Education #17 purchased gifts for Regional Office of Education staff. These included \$1,003 in gift card purchases for retirees, \$118 in candle holders and pillars, and \$73 for mums. No business purpose was documented with the purchases.
- In 1 of 35 transactions tested, a purchase order lacked a signed approval but was paid.
- The Regional Office of Education #17 paid sales taxes on several purchases. The Regional Office of Education is exempt from the payment of sales tax when the appropriate documentation is provided to vendors.

**Effect:**

There is a risk of errors in the expenditures reported in the general ledger and of misuse of funding.

**Cause:**

The Regional Office of Education #17 did not have adequate internal controls in place to detect and correct the items noted above.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2012**

**Section II: Financial Statement Findings:**

**FINDING NO. 12-5 - Inadequate Internal Controls Over Disbursements (Continued)**

**Recommendation:**

The Regional Office of Education #17 should assure that a system of internal controls is maintained to control disbursements and prevent errors or misuse of funds.

**Management's Response:**

The Regional Office of Education has revised the system of internal controls to prevent errors in the disbursements of funds. Policy does presently dictate payment for services upon completion of delivery; policy has been amended to account for pre-payment requirements. The Regional Office of Education has existing policy excluding reimbursement for alcoholic beverages on business meals. Reimbursement has been made to the regional office for the alcoholic beverages in question. Internal controls have been amended to ensure appropriate exclusion of this reimbursement going forward as well as ensure that sales tax is exempted in appropriate purchase orders.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2012**

**Section II: Financial Statement Findings:**

**FINDING NO. 12-6 - Inadequate Internal Controls Over Payroll**

**Criteria/Specific Requirement:**

The Regional Office of Education #17 is responsible for establishing and maintaining an internal control system over payroll to prevent errors.

**Condition:**

Auditors noted the following weaknesses in the Regional Office of Education #17's internal control system over payroll:

- Two part time employees did not have an approved contract showing rate of pay.
- In 1 of 30 transactions tested inconsistencies were noted for an employee's transactions. The employee's original contract was for a period covering 10/10/11 - 6/30/12 at an hourly rate of \$25. However, toward the end of the fiscal year the contract was amended to end as of 5/25/12. A new contract was established with the employee to serve in another position and covered a period of 6/25/12 - 7/31/12. This contract originally had the employee at a pay rate of \$25 per hour for 12 hours a week. This contract was later amended to reduce the pay rate to \$10 per hour and to increase the number of hours per week to 30 hours. Auditors inquired of Regional Office personnel as to why the old contract was ended early and a new one initiated. Auditors also inquired as to why the hourly pay rate was reduced from \$25 per hour to \$10 per hour and why the number of hours per week was increased from 12 hours per week to 30 hours per week in the new contract. Regional Office officials responded that the new contract was for clerical work rather than a teaching position and therefore warranted a lower pay rate per hour and more hours per week. The Regional Office officials also stated they used the contract template for a full-time position and didn't make all the necessary revisions. The timesheet for the first period of the new contract included the original pay rate of \$25 per hour, listed 60 hours (for two weeks work) but was incorrectly totaled to 30 hours, and was not approved by management. The gross amount paid for the period was \$750.

**Effect:**

There is a risk of the Regional Office of Education #17 paying inaccurate payroll expenditures.

**Cause:**

The Regional Office of Education #17 did not have adequate internal controls in place to detect or correct the items noted above.



**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2012**

**Section II: Financial Statement Findings:**

**FINDING NO. 12-6 - Inadequate Internal Controls Over Payroll (Continued)**

**Recommendation:**

The Regional Office of Education #17 should assure that a system of internal controls is maintained to control payroll disbursements and prevent errors.

**Management's Response:**

The Regional Office of Education has implemented revised payroll forms and procedures to ensure that accurate payroll expenditures are identified.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
Year Ended June 30, 2012**

**FINDING NO. 12-1 - Controls Over Financial Statement Preparation (Repeat from 2011 - No. 11-1, 2010 - No. 10-1, 2009 - No. 09-1, 2008 - No. 08-1, and 2007 - No. 07-1)**

**Condition:**

The Regional Office of Education #17 does not have sufficient internal controls over the financial reporting process. The Regional Office of Education maintains its accounting records on the cash basis of accounting. While the Regional Office of Education 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 and correct financial statement misstatements and disclosure omissions in a timely manner. Auditors, in their review of the Regional Office of Education's accounting records, noted numerous adjustments were required to present financial statements in accordance with generally accepted accounting principles.

**Plan:**

Implementation of month's-end close checklist to include account reconciliation, tracking of accounts payable and accounts receivable outstanding and review meeting among Business Manager, Assistant Superintendent and Superintendent. Update accrual reporting.

**Anticipated Completion Date:**

Immediately

**Contact Person Responsible for Corrective Action:**

Honorable Mark Jontry, Regional Superintendent

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
Year Ended June 30, 2012**

**FINDING NO. 12-2 - Inadequate Internal Controls Over Cash (Repeat from 2011 - No. 11-2 and 2010 - No. 10-2)**

**Condition:**

The Regional Office of Education #17's ending adjusted general ledger balances for the distributive cash accounts were not properly reconciled to the bank accounts.

**Plan:**

Additional protocols have been implemented to ensure that cash is recorded in the general ledger on a daily basis and monthly reconciliation will occur in a timely manner. The business manager has implemented procedures approved by the Superintendent.

**Anticipated Completion Date:**

Immediately

**Contact Person Responsible for Corrective Action:**

Honorable Mark Jontry, Regional Superintendent

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
Year Ended June 30, 2012**

**FINDING NO. 12-3 - Inadequate Internal Controls Over Capital Assets**

**Condition:**

An updated fixed asset listing was not properly maintained by the Regional Office of Education #17 during the year. The fixed asset listing that was provided to the auditors was inaccurate and incomplete. The listing included assets that were previously disposed of and excluded assets the Regional Office of Education has in place and is currently utilizing. The information provided was unreliable and auditors were unable to obtain information to accurately reflect fixed assets maintained by the Regional Office.

**Plan:**

Fixed asset listing has been updated and will be reviewed on a monthly basis to ensure current listing is accurate.

**Anticipated Completion Date:**

Immediately

**Contact Person Responsible for Corrective Action:**

Honorable Mark Jontry, Regional Superintendent

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
Year Ended June 30, 2012**

**FINDING NO. 12-4 - Lack of Formal Policies**

**Condition:**

The Regional Office of Education #17 does not have formal policies in place addressing allowable expenses and travel reimbursements. Auditors noted the following when testing expenses:

- The Regional Office of Education #17 reimbursed an employee for a lunch and mileage to and from the lunch destination without obtaining documentation to show business purpose.
- The Regional Office of Education #17 does not have a formal policy for paying per diem or actual cost reimbursement to employees while on travel status.

While the Regional Office of Education #17 has policies regarding cell phone use, it does not have formal policies in place regarding the purchase of cell phones, charges and reimbursements. Auditors noted the following when testing expenses:

- The Regional Office of Education #17 paid \$1,094 for cell phone purchases. This consisted of 2 cell phone purchases totaling \$850, accessories totaling \$165, and sales tax of \$79 (See Finding 12-5). One of the cell phones purchased was over the \$500 threshold for capital asset purchases but was not included on the fixed asset listing provided to auditors.
- The Regional Office of Education #17 does not have a formal policy for cell phone reimbursements paid on behalf of employees. Some employees have their entire cell phone plan paid in full, some employees have texting reimbursed, and some employees have their calling plan reimbursed.
- The Regional Office of Education #17 does not have a formal policy for cell phone roaming charge reimbursements on behalf of employees. The Regional Office of Education #17 paid \$478 of roaming cell phone charges incurred by the Regional Superintendent while traveling out of the country.

The Regional Office of Education #17 has established policies for teachers in the area to receive graduate credit assistance through a partnership with Lindenwood University. Additionally, the Regional Office of Education has established educational assistance policies in regards to Regional Office of Education #17 employees working under the Regional Alternative School program. However, the Regional Office of Education #17 does not have formal educational assistance policies in place for all other employees.

- Auditors noted the Regional Office of Education #17 paid tuition and general fees totaling \$10,690 to 2 employees before receiving documentation showing that the employees attended the classes and received passing grades. Neither of these employees were part of the partnership with Lindenwood University or the Regional Alternative School program.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
Year Ended June 30, 2012**

**FINDING NO. 12-4 - Lack of Formal Policies (Continued)**

**Plan:**

Formal policies have been revised to define per diem cost reimbursement, including acceptable documentation related to business purpose. Formal policies have been enacted to define cell phone/accessories/services reimbursement.

**Anticipated Completion Date:**

Immediately

**Contact Person Responsible for Corrective Action:**

Honorable Mark Jontry, Regional Superintendent

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
Year Ended June 30, 2012**

**FINDING NO. 12-5 - Inadequate Internal Controls Over Disbursements**

**Condition:**

Auditors noted the following weaknesses in the Regional Office of Education #17's internal control system:

- In 1 of 35 transactions tested, a payment was made on January 27, 2012 for consultant purchased services to be provided during the period of January 19, 2012 - April 18, 2012. It is the Regional Office of Education #17's policy to pay for services upon completion. The listed transaction was paid prior to services being completed.
- In 2 of 35 transactions tested, alcoholic beverages were included in employee reimbursements of business meals.
- In 3 of 35 transactions tested, the Regional Office of Education #17 purchased gifts for Regional Office of Education staff. These included \$1,003 in gift card purchases for retirees, \$118 in candle holders and pillars, and \$73 for mums. No business purpose was documented with the purchases.
- In 1 of 35 transactions tested, a purchase order lacked a signed approval but was paid.
- The Regional Office of Education #17 paid sales taxes on several purchases. The Regional Office of Education is exempt from the payment of sales tax when the appropriate documentation is provided to vendors.

**Plan:**

Policy has been amended to account for pre-payment of purchased services as needed. Existing policy prohibiting reimbursement for alcoholic beverages in travel meals has been included on travel reimbursement form. Policy on tax-exempt reimbursement for non-meals has been distributed to all employees and will be highlighted in employee handbook and fiscal policy handbook. Policy on acceptable disbursement for staff recognition has been included in fiscal policy handbook.

**Anticipated Completion Date:**

Immediately

**Contact Person Responsible for Corrective Action:**

Honorable Mark Jontry, Regional Superintendent

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
Year Ended June 30, 2012**

**FINDING NO. 12-6 - Inadequate Internal Controls Over Payroll**

**Condition:**

Auditors noted the following weaknesses in the Regional Office of Education #17's internal control system over payroll:

- Two part time employees did not have an approved contract showing rate of pay.
- In 1 of 30 transactions tested inconsistencies were noted for an employee's transactions. The employee's original contract was for a period covering 10/10/11 - 6/30/12 at an hourly rate of \$25. However, toward the end of the fiscal year the contract was amended to end as of 5/25/12. A new contract was established with the employee to serve in another position and covered a period of 6/25/12 - 7/31/12. This contract originally had the employee at a pay rate of \$25 per hour for 12 hours a week. This contract was later amended to reduce the pay rate to \$10 per hour and to increase the number of hours per week to 30 hours. Auditors inquired of Regional Office personnel as to why the old contract was ended early and a new one initiated. Auditors also inquired as to why the hourly pay rate was reduced from \$25 per hour to \$10 per hour and why the number of hours per week was increased from 12 hours per week to 30 hours per week in the new contract. Regional Office officials responded that the new contract was for clerical work rather than a teaching position and therefore warranted a lower pay rate per hour and more hours per week. The Regional Office officials also stated they used the contract template for a full-time position and didn't make all the necessary revisions. The timesheet for the first period of the new contract included the original pay rate of \$25 per hour, listed 60 hours (for two weeks work) but was incorrectly totaled to 30 hours, and was not approved by management. The gross amount paid for the period was \$750.

**Plan:**

The Regional Office of Education has implemented revised payroll forms and procedures to ensure that accurate payroll expenditures are identified.

**Anticipated Completion Date:**

Immediately

**Contact Person Responsible for Corrective Action:**

Honorable Mark Jontry, Regional Superintendent



**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2012**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
11-1	Controls Over Financial Statement Preparation	Repeated
11-2	Inadequate Internal Controls Over Cash	Repeated

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2012. We encourage readers to consider this information in conjunction with DeWitt, Livingston, and McLean Counties Regional Office of Education #17's financial statements, which follow.

**2012 FINANCIAL HIGHLIGHTS**

- General Fund revenues decreased from \$3,696,682 in 2011 to \$3,538,304 in 2012. The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 showed an increase in General Fund balance from \$2,041,481 in fiscal year 2011 to \$2,184,335 in fiscal year 2012 mostly due to increased general state aid allocation.
- The Institute Fund's fund balance decreased from \$100,289 in 2011 to \$37,545 in 2012. The main reason for the decrease is due to increased workshop expenditures and staff salary.
- The Education Fund's fund balance increased from \$62,046 in 2011 to \$104,459 in 2012 mostly due to fluctuations in grant receipts. The Education Fund is made up of grants that the Regional Office receives and these can vary greatly from year to year as some programs have decreased funding or are discontinued while others see a funding increase.

**USING THIS ANNUAL REPORT**

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 DeWitt, Livingston, and McLean Counties Regional Office of Education #17's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of DeWitt, Livingston, and McLean Counties Regional Office of Education #17 as a whole and present an overall view of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's finances.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

The fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report DeWitt, Livingston, and McLean Counties Regional Office of Education #17's operations in more detail than the government-wide statements by providing information about the most significant funds.

Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplemental Information further explains and supports the financial statements with information about the Illinois Municipal Retirement Fund Schedule of Funding Progress and the Other Postemployment Benefits Schedule of Funding Progress.

Other Supplemental Information provides detailed information about the major and nonmajor funds.

Figure A-1 summarizes the major features of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's financial statements, including the portion of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's activities they cover and the types of information they contain.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

**Figure A-1  
Major Features of the Government-wide and Fund Financial Statements**

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Regional Office of Education #17 (except fiduciary funds)	The activities of Regional Office of Education #17 that are not proprietary or fiduciary, such as grants and statutory funds	Activities Regional Office of Education #17 operates similar to private businesses: workshops	Instances in which Regional Office of Education #17 administers resources on behalf of someone else, such as the distributive fund, Regional Board of School Trustees Fund, and the Cooperative Purchasing Fund
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Assets</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Assets</li> <li>• Statement of Revenues, Expenses, and Changes in Fund Net Assets</li> <li>• Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Assets</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

**REPORTING DEWITT, LIVINGSTON, AND MCLEAN COUNTIES REGIONAL OFFICE OF EDUCATION #17'S FINANCIAL ACTIVITIES**

***Government-wide Financial Statements***

The government-wide financial statements report information about DeWitt, Livingston, and McLean Counties Regional Office of Education #17 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report DeWitt, Livingston, and McLean Counties Regional Office of Education #17's net assets and how they have changed. Net assets, the difference between DeWitt, Livingston, and McLean Counties Regional Office of Education #17's assets and liabilities, are one way to measure DeWitt, Livingston, and McLean Counties Regional Office of Education #17's financial health or financial position. Over time, increases or decreases in DeWitt, Livingston, and McLean Counties Regional Office of Education #17's net assets are an indicator of whether financial position is improving or deteriorating. To assess DeWitt, Livingston, and McLean Counties Regional Office of Education #17's overall health, additional non-financial factors, such as changes in DeWitt, Livingston, and McLean Counties Regional Office of Education #17's grant funding and the condition of facilities need to be considered.

In the government-wide financial statements, DeWitt, Livingston, and McLean Counties Regional Office of Education #17's activities are divided into two categories:

- *Governmental activities:* Most of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's basic services are included here, such as grants and statutory funds. Federal and state grant proceeds finance most of these activities.
- *Business-type activities:* DeWitt, Livingston, and McLean Counties Regional Office of Education #17 charges fees to help cover the costs of certain services it provides. DeWitt, Livingston, and McLean Counties Regional Office of Education #17's Inservice Fund is included here.

***Fund Financial Statements***

The fund financial statements provide more detailed information about DeWitt, Livingston, and McLean Counties Regional Office of Education #17's funds, focusing on its most significant or "major" funds - not DeWitt, Livingston, and McLean Counties Regional Office of Education #17 as a whole. Funds are accounting devices DeWitt, Livingston, and McLean Counties Regional Office of Education #17 uses to keep track of specific sources of funding and spending on particular programs.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

Some funds are required by state law. DeWitt, Livingston, and McLean Counties Regional Office of Education #17 establishes other funds to control and manage money for particular purposes, such as accounting for special revenue funds, or to show that it is properly using certain revenues, such as federal grants.

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 has three kinds of funds:

1) *Governmental funds*: Most of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance DeWitt, Livingston, and McLean Counties Regional Office of Education #17's programs.

DeWitt, Livingston, and McLean Counties Regional Office of Education #17's governmental funds include the General Fund and Special Revenue Funds.

The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances.

2) *Proprietary funds*: Services for which DeWitt, Livingston, and McLean Counties Regional Office of Education #17 charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. DeWitt, Livingston, and McLean Counties Regional Office of Education #17's Enterprise Funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. DeWitt, Livingston, and McLean Counties Regional Office of Education #17 currently has one Enterprise Fund, the Inservice Fund.

The required financial statements for proprietary funds include a Statement of Net Assets; a Statement of Revenues, Expenses, and Changes in Fund Net Assets; and a Statement of Cash Flows.

3) *Fiduciary funds*: DeWitt, Livingston, and McLean Counties Regional Office of Education #17 is the trustee for assets that belong to others. These funds include the Agency Funds.

- Agency Funds - These are funds through which DeWitt, Livingston, and McLean Counties Regional Office of Education #17 administers and accounts for certain federal and/or state grants on behalf of others.

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. DeWitt, Livingston, and McLean Counties Regional Office of Education #17 excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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The required financial statements for fiduciary funds include a Statement of Fiduciary Net Assets.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net assets may serve, over time, as a useful indicator of a government's financial position. In the case of DeWitt, Livingston, and McLean Counties Regional Office of Education #17, assets exceeded liabilities by \$3,285,167 as of June 30, 2012.

A portion of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's net assets (20%) reflects its investment in capital assets (e.g., furniture and equipment), less any related debt used to acquire those assets that are still outstanding. Although DeWitt, Livingston, and McLean Counties Regional Office of Education #17's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

DeWitt, Livingston, and McLean Counties Regional Office of Education #17's financial position is the product of several financial transactions including the net results of activities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's net assets for the fiscal years ended June 30, 2012 and 2011.

<u>2012</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Current assets	\$ 3,176,425	\$ 127,321	\$ 3,303,746
Capital assets, net of accumulated depreciation	<u>663,286</u>	<u>-</u>	<u>663,286</u>
Total assets	<u>3,839,711</u>	<u>127,321</u>	<u>3,967,032</u>
Current liabilities	660,812	16,320	677,132
Noncurrent liabilities	<u>4,733</u>	<u>-</u>	<u>4,733</u>
Total liabilities	<u>665,545</u>	<u>16,320</u>	<u>681,865</u>
Net assets			
Invested in capital assets, net of related debt	663,286	-	663,286
Unrestricted	2,174,877	111,001	2,285,878
Restricted for educational purposes	<u>336,003</u>	<u>-</u>	<u>336,003</u>
<b>Total net assets</b>	<u><b>\$ 3,174,166</b></u>	<u><b>\$ 111,001</b></u>	<u><b>\$ 3,285,167</b></u>



**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

<u>2011</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Current assets	\$ 2,894,073	\$ 124,860	\$ 3,018,933
Capital assets, net of accumulated depreciation	<u>441,443</u>	<u>-</u>	<u>441,443</u>
<b>Total assets</b>	<u>3,335,516</u>	<u>124,860</u>	<u>3,460,376</u>
Current liabilities	363,965	2,626	366,591
Noncurrent liabilities	<u>2,403</u>	<u>-</u>	<u>2,403</u>
<b>Total liabilities</b>	<u>366,368</u>	<u>2,626</u>	<u>368,994</u>
<b>Net assets</b>			
Invested in capital assets, net of related debt	441,443	-	441,443
Unrestricted	2,039,078	122,234	2,161,312
Restricted for educational purposes	<u>488,627</u>	<u>-</u>	<u>488,627</u>
<b>Total net assets</b>	<u>\$ 2,969,148</u>	<u>\$ 122,234</u>	<u>\$ 3,091,382</u>

The largest portion of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's net assets is unrestricted. Unrestricted net assets are the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements. Unrestricted net assets were \$2,285,878 for the year ended June 30, 2012. In addition, net assets related to the Institute Fund, Education Fund, and Non-Major Funds are considered restricted for educational purposes.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Changes in net assets.** DeWitt, Livingston, and McLean Counties Regional Office of Education #17's total revenue for the fiscal year ended June 30, 2012 was \$5,962,573. The total cost of all programs and services was \$5,768,788. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2012 and 2011.

**2012**

	<b><u>Governmental Activities</u></b>	<b><u>Business- Type Activities</u></b>	<b><u>Total</u></b>
<b>Revenues:</b>			
Program revenues			
Charges for services	\$ -	\$ 51,233	\$ 51,233
Operating grants and contributions	3,145,704	-	3,145,704
General revenues			
Local sources	2,226,922	-	2,226,922
On-behalf payments	538,714	-	538,714
Total revenues	<u>5,911,340</u>	<u>51,233</u>	<u>5,962,573</u>
<b>Expenses:</b>			
Instructional services			
Salaries and benefits	2,789,366	17,800	2,807,166
Purchased services	1,454,905	48,980	1,503,885
Supplies and materials	153,686	51,104	204,790
Payments to other governments	649,475	-	649,475
Other objects	5,699	-	5,699
Depreciation and disposition losses	58,585	-	58,585
Capital outlay	474	-	474
Administrative			
On-behalf payments	538,714	-	538,714
Total expenses	<u>5,650,904</u>	<u>117,884</u>	<u>5,768,788</u>
<b>Excess (Deficiency) before transfers</b>	<u>260,436</u>	<u>(66,651)</u>	<u>193,785</u>
Other financing sources (uses)			
Transfer in	-	55,418	55,418
Transfer out	(55,418)	-	(55,418)
Total other financing sources (uses)	<u>(55,418)</u>	<u>55,418</u>	<u>-</u>
<b>Change in net assets</b>	205,018	(11,233)	193,785
<b>Net assets, beginning of year</b>	<u>2,969,148</u>	<u>122,234</u>	<u>3,091,382</u>
<b>Net assets, end of year</b>	<u>\$ 3,174,166</u>	<u>\$ 111,001</u>	<u>\$ 3,285,167</u>

Operating grants and contributions account for 53% of the total revenue. DeWitt, Livingston, and McLean Counties Regional Office of Education #17's expenses primarily relate to instructional services, which account for 91% of the total expenses.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

<u>2011</u>	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>Revenues:</b>			
Program revenues			
Charges for services	\$ -	\$ 39,992	\$ 39,992
Operating grants and contributions	3,603,200	-	3,603,200
General revenues			
Local sources	2,451,121	-	2,451,121
State sources	154,661	-	154,661
On-behalf payments	<u>504,490</u>	<u>-</u>	<u>504,490</u>
Total revenues	<u>6,713,472</u>	<u>39,992</u>	<u>6,753,464</u>
<b>Expenses:</b>			
Instructional services			
Salaries and benefits	3,234,839	6,483	3,241,322
Purchased services	1,681,488	27,477	1,708,965
Supplies and materials	220,856	26,370	247,226
Payments to other governments	660,397	8,016	668,413
Other objects	238	-	238
Depreciation and disposition losses	67,600	-	67,600
Capital outlay	15,477	720	16,197
Administrative			
On-behalf payments	<u>504,490</u>	<u>-</u>	<u>504,490</u>
Total expenses	<u>6,385,385</u>	<u>69,066</u>	<u>6,454,451</u>
<b>Excess (Deficiency) before transfers</b>	<u>328,087</u>	<u>(29,074)</u>	<u>299,013</u>
Other financing sources (uses)			
Transfer in	40	3,037	3,077
Transfer out	<u>(3,037)</u>	<u>(40)</u>	<u>(3,077)</u>
Total other financing sources (uses)	<u>(2,997)</u>	<u>2,997</u>	<u>-</u>
<b>Change in net assets</b>	325,090	(26,077)	299,013
<b>Net assets, beginning of year</b>	<u>2,644,058</u>	<u>148,311</u>	<u>2,792,369</u>
<b>Net assets, end of year</b>	<u>\$ 2,969,148</u>	<u>\$ 122,234</u>	<u>\$ 3,091,382</u>

Operating grants and contributions account for 53% of the total revenue. DeWitt, Livingston, and McLean Counties Regional Office of Education #17's expenses primarily relate to instructional services, which account for 92% of the total expenses.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

**Governmental Activities**

Revenues for governmental activities were \$5,911,340 and \$6,713,472 and expenses were \$5,650,904 and \$6,385,385 for 2012 and 2011, respectively.

The following tables present the cost of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's functional governmental activities. The tables also show each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and DeWitt, Livingston, and McLean Counties Regional Office of Education #17's residents by each of these functions.

<u>2012</u>	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Instructional services:		
Salaries and benefits	\$ 2,789,366	\$ (1,145,015)
Purchased services	1,454,905	(596,511)
Supplies and materials	153,686	(63,011)
Payments to other governments	649,475	(266,285)
Other objects	5,699	(2,337)
Depreciation and disposition losses	58,585	(58,585)
Capital outlay	474	165,258
Administrative:		
On-behalf payments	<u>538,714</u>	<u>(538,714)</u>
<b>Total expenses</b>	<b><u>\$ 5,650,904</u></b>	<b><u>\$ (2,505,200)</u></b>
 <u>2011</u>		
Instructional services:		
Salaries and benefits	\$ 3,234,839	\$ (1,230,729)
Purchased services	1,681,488	(638,965)
Supplies and materials	220,856	(83,925)
Payments to other governments	660,397	(250,951)
Other objects	238	(90)
Depreciation	67,600	(67,600)
Capital outlay	15,477	(5,435)
Administrative:		
On-behalf payments	<u>504,490</u>	<u>(504,490)</u>
<b>Total expenses</b>	<b><u>\$ 6,385,385</u></b>	<b><u>\$ (2,782,185)</u></b>

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

The cost of all governmental activities was \$5,650,904 and \$6,385,385 for 2012 and 2011, respectively.

Federal and state governments subsidized certain governmental activities with grants and contributions of \$3,145,704 and \$3,603,200 for 2012 and 2011, respectively.

Net cost of governmental activities (\$2,505,200), was financed by general revenues, which are made up of primarily local sources (\$2,226,922) and on-behalf payments (\$538,714) for 2012.

Net cost of governmental activities (\$2,782,185), was financed by general revenues, which are made up of primarily local and state sources (\$2,605,782) and on-behalf payments (\$504,490) for 2011.

**Business-Type Activities**

Revenues for business-type activities were \$51,233 and \$39,992 and expenses were \$117,884 and \$69,066 for 2012 and 2011, respectively. DeWitt, Livingston, and McLean Counties Regional Office of Education #17's business-type activities include the Inservice Fund. Revenues of these activities were comprised of charges for service.

**INDIVIDUAL FUND ANALYSIS**

As previously noted, DeWitt, Livingston, and McLean Counties Regional Office of Education #17 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of DeWitt, Livingston, and McLean Counties Regional Office of Education #17 as a whole is reflected in its governmental funds, as well. As DeWitt, Livingston, and McLean Counties Regional Office of Education #17 completed the year, its governmental funds reported a combined fund balance of \$2,384,719, above last year's ending fund balance of \$2,260,772.

**Governmental Fund Highlights**

The General Fund's fund balance increased from \$2,041,481 in 2011 to \$2,184,335 in 2012 mostly due to increased general state aid allocation.

The Institute Fund's fund balance decreased from \$100,289 in 2011 to \$37,545 in 2012. The main reason for the decrease is due to increased workshop expenditures and staff salary.

The Education Fund's fund balance increased from \$62,046 in 2011 to \$104,459 in 2012 mostly due to fluctuations in grant receipts. The Education Fund is made up of grants that the Regional Office receives and these can vary greatly from year to year as some programs are discontinued while others see a funding increase. Over the various programs that make up the fund, total revenues exceeded expenditures by \$42,413.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

**Proprietary Fund Highlights**

Inservice Fund net assets decreased from \$122,234 at June 30, 2011 to \$111,001 at June 30, 2012. The decrease is attributable to expenditures exceeding revenues for fiscal year 2012.

The Inservice Fund revenues have increased from fiscal year 2011 to fiscal year 2012 due to an increase in certificate renewals. The Inservice Fund expenses also increased from fiscal year 2011 to fiscal year 2012 due to increased workshop costs and salary expenditures.

**BUDGETARY HIGHLIGHTS**

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 is not required to create a budget for overall operations. They are required to prepare budgets for most of the grants they receive. Over the course of the year, DeWitt, Livingston, and McLean Counties Regional Office of Education #17 amended several of the grant budgets within the Education Fund. Budgets for grant programs are adjusted because of an increase or decrease in funding due to changes at the State level or to better allocate funds received to meet the needs of the program.

**CAPITAL ASSETS**

As of June 30, 2012, DeWitt, Livingston, and McLean Counties Regional Office of Education #17 had invested \$663,286 in capital assets, including furniture and equipment. This amount was \$221,843 higher when compared to 2011. Total depreciation expense for the year was \$52,739.

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2012.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Furniture and equipment	\$ 91,397	\$ -	\$ 91,397
Leasehold improvements	<u>571,889</u>	<u>-</u>	<u>571,889</u>
	<u>\$ 663,286</u>	<u>\$ -</u>	<u>\$ 663,286</u>

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2011.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Furniture and equipment	\$ 78,486	\$ -	\$ 78,486
Leasehold improvements	<u>362,957</u>	<u>-</u>	<u>362,957</u>
	<u>\$ 441,443</u>	<u>\$ -</u>	<u>\$ 441,443</u>

Additional information on DeWitt, Livingston, and McLean Counties Regional Office of Education #17's capital assets can be found in Note 8 on pages 76 and 77 of this report.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

**ECONOMIC FACTORS BEARING ON DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17'S FUTURE**

At the time these financial statements were prepared and audited, DeWitt, Livingston, and McLean Counties Regional Office of Education #17 was aware of the existing circumstances that could significantly affect its financial health in the future:

The overall economic uncertainty of State of Illinois funding continues to provide uncertainty for Regional Office of Education's future financial health.

**CONTACTING DEWITT, LIVINGSTON, AND MCLEAN COUNTIES REGIONAL OFFICE OF  
EDUCATION #17'S FINANCIAL MANAGEMENT**

This financial report is designed to provide DeWitt, Livingston, and McLean Counties Regional Office of Education #17's citizens, taxpayers, and customers with a general overview of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's finances and to demonstrate DeWitt, Livingston, and McLean Counties Regional Office of Education #17's accountability for the money it receives. If you have questions about this report or need additional financial information, contact DeWitt, Livingston, and McLean Counties Regional Office of Education #17, 200 W. Front Street, Suite 500 D, Bloomington, Illinois 61701.

## **BASIC FINANCIAL STATEMENTS**



**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
STATEMENT OF NET ASSETS  
June 30, 2012**

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 2,517,457	\$ 127,111	\$ 2,644,568
Accounts receivable	-	210	210
Due from other governments	654,243	-	654,243
Prepays	4,725	-	4,725
Total current assets	<u>3,176,425</u>	<u>127,321</u>	<u>3,303,746</u>
Non-current assets:			
Capital assets, being depreciated, net	<u>663,286</u>	<u>-</u>	<u>663,286</u>
Total assets	<u>3,839,711</u>	<u>127,321</u>	<u>3,967,032</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	20,500	16,320	36,820
Accrued expenses	191,797	-	191,797
Due to other governments	448,515	-	448,515
Total current liabilities	<u>660,812</u>	<u>16,320</u>	<u>677,132</u>
Non-current liabilities:			
Net OPEB obligations	<u>4,733</u>	<u>-</u>	<u>4,733</u>
Total liabilities	<u>665,545</u>	<u>16,320</u>	<u>681,865</u>
<b>NET ASSETS</b>			
Investment in capital assets	663,286	-	663,286
Unrestricted	2,174,877	111,001	2,285,878
Restricted for educational purposes	<u>336,003</u>	<u>-</u>	<u>336,003</u>
Total net assets	<u>\$ 3,174,166</u>	<u>\$ 111,001</u>	<u>\$ 3,285,167</u>

The accompanying notes are an integral part of the financial statements.

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2012

EXHIBIT B

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
Instructional services:						
Salaries	\$ 2,200,096	\$ -	\$ 1,296,682	\$ (903,414)	\$ -	\$ (903,414)
Employee benefits	589,270	-	347,669	(241,601)	-	(241,601)
Purchased services	1,454,905	-	858,394	(596,511)	-	(596,511)
Supplies and materials	153,686	-	90,675	(63,011)	-	(63,011)
Payments to other governments	649,475	-	383,190	(266,285)	-	(266,285)
Other objects	5,699	-	3,362	(2,337)	-	(2,337)
Depreciation and disposition losses	58,585	-	-	(58,585)	-	(58,585)
Capital outlay	474	-	165,732	165,258	-	165,258
Administrative:						
On-behalf payments	538,714	-	-	(538,714)	-	(538,714)
Total governmental activities	5,650,904	-	3,145,704	(2,505,200)	-	(2,505,200)
Business-type activities:						
Registration fees	117,884	51,233	-	-	(66,651)	(66,651)
<b>Total primary government</b>	<b>\$ 5,768,788</b>	<b>\$ 51,233</b>	<b>\$ 3,145,704</b>	<b>(2,505,200)</b>	<b>(66,651)</b>	<b>(2,571,851)</b>
General revenues:						
Local sources				2,226,922	-	2,226,922
On-behalf payments				538,714	-	538,714
Transfers				(55,418)	55,418	-
Total general revenues and transfers				2,710,218	55,418	2,765,636
<b>CHANGES IN NET ASSETS</b>				205,018	(11,233)	193,785
<b>NET ASSETS, BEGINNING OF YEAR</b>				2,969,148	122,234	3,091,382
<b>NET ASSETS, END OF YEAR</b>				<b>\$ 3,174,166</b>	<b>\$ 111,001</b>	<b>\$ 3,285,167</b>

The accompanying notes are an integral part of the financial statements.

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 June 30, 2012

	Special Revenue				
	General Fund	Institute Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,807,945	\$ 39,429	\$ 611,703	\$ 58,380	\$ 2,517,457
Due from other governments	340,572	-	313,671	-	654,243
Due from other funds	245,824	-	-	-	245,824
Prepays	4,725	-	-	-	4,725
	<u>\$ 2,399,066</u>	<u>\$ 39,429</u>	<u>\$ 925,374</u>	<u>\$ 58,380</u>	<u>\$ 3,422,249</u>
<b>TOTAL ASSETS</b>					
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 5,904	\$ 1,884	\$ 12,712	\$ -	\$ 20,500
Accrued expenses	191,797	-	-	-	191,797
Due to other governments	-	-	448,515	-	448,515
Due to other funds	7,872	-	237,952	-	245,824
Deferred revenue	9,158	-	121,736	-	130,894
Total liabilities	<u>214,731</u>	<u>1,884</u>	<u>820,915</u>	<u>-</u>	<u>1,037,530</u>
<b>FUND BALANCE</b>					
Nonspendable	4,725	-	-	-	4,725
Restricted	-	37,545	172,151	58,380	268,076
Assigned	13,118	-	-	-	13,118
Unassigned	2,166,492	-	(67,692)	-	2,098,800
Total fund balance	<u>2,184,335</u>	<u>37,545</u>	<u>104,459</u>	<u>58,380</u>	<u>2,384,719</u>
	<u>\$ 2,399,066</u>	<u>\$ 39,429</u>	<u>\$ 925,374</u>	<u>\$ 58,380</u>	<u>\$ 3,422,249</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>					

The accompanying notes are an integral part of the financial statements.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
June 30, 2012**

<b>Total fund balance of governmental funds (page 47)</b>	<b>\$ 2,384,719</b>
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	663,286
Receivables not collected within 60 days of year end are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	130,894
The OPEB obligations resulting from annual required contributions in excess of actual contributions are not due and payable in the current period and therefore, are not reported in the funds.	<u>(4,733)</u>
<b>Net assets of governmental activities (page 45)</b>	<b><u>\$ 3,174,166</u></b>

The accompanying notes are an integral part of the financial statements.

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 Year Ended June 30, 2012

	Special Revenue				Total Governmental Funds
	General Fund	Institute Fund	Education Fund	Other Nonmajor Funds	
<b>REVENUES:</b>					
Local sources	\$ 988,144	\$ 117,953	\$ 1,111,433	\$ 29,364	\$ 2,246,894
State sources	1,977,328	-	730,108	1,546	2,708,982
Federal sources	34,118	-	521,074	-	555,192
On-behalf payments	538,714	-	-	-	538,714
Total revenues	<u>3,538,304</u>	<u>117,953</u>	<u>2,362,615</u>	<u>30,910</u>	<u>6,049,782</u>
<b>EXPENDITURES:</b>					
Instructional services:					
Salaries	1,475,161	30,861	689,334	2,410	2,197,766
Employee benefits	395,665	12,949	180,472	184	589,270
Purchased services	433,154	102,897	896,903	21,951	1,454,905
Supplies and materials	74,187	18,618	60,654	227	153,686
Payments to other governments	176,172	15,372	457,931	-	649,475
Other objects	992	-	-	4,707	5,699
On-behalf payments	538,714	-	-	-	538,714
Capital outlay	265,577	-	15,325	-	280,902
Total expenditures	<u>3,359,622</u>	<u>180,697</u>	<u>2,300,619</u>	<u>29,479</u>	<u>5,870,417</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>178,682</u>	<u>(62,744)</u>	<u>61,996</u>	<u>1,431</u>	<u>179,365</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	106,617	-	108,430	-	215,047
Transfers out	(142,445)	-	(128,013)	(7)	(270,465)
Total other financing sources (uses)	<u>(35,828)</u>	<u>-</u>	<u>(19,583)</u>	<u>(7)</u>	<u>(55,418)</u>
<b>NET CHANGE IN FUND BALANCE</b>	142,854	(62,744)	42,413	1,424	123,947
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>2,041,481</u>	<u>100,289</u>	<u>62,046</u>	<u>56,956</u>	<u>2,260,772</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 2,184,335</u>	<u>\$ 37,545</u>	<u>\$ 104,459</u>	<u>\$ 58,380</u>	<u>\$ 2,384,719</u>

The accompanying notes are an integral part of the financial statements

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2012**

**Net change in fund balance (page 49) \$ 123,947**

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

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

Capital outlay	\$ 280,428	
Depreciation and disposition losses	<u>(58,585)</u>	221,843

Some receivables will not be collected for several months  
after fiscal year end, so they are not considered as  
"available" revenues in the governmental funds, and  
they are instead counted as deferred revenues. They  
are, however, recorded as revenues in the Statement  
of Activities. (138,442)

Some 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.  
These expenses consist of an increase in OPEB expense. (2,330)

**Change in net assets of governmental activities (page 46) \$ 205,018**

The accompanying notes are an integral part of the financial statements.

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 June 30, 2012

	<b>Business-Type Activities - Enterprise Fund <u>Inservice</u></b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 127,111
Accounts receivable	<u>210</u>
Total assets	<u>\$ 127,321</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	<u>\$ 16,320</u>
<b>NET ASSETS</b>	
Unrestricted	<u>\$ 111,001</u>

The accompanying notes are an integral part of the financial statements.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #17**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2012**

	<b>Business-Type Activities - Enterprise Fund <u>Inservice</u></b>
<b>OPERATING REVENUES:</b>	
Local sources	<u>\$ 51,233</u>
<b>OPERATING EXPENSES:</b>	
Salaries	15,500
Employee benefits	2,300
Purchased services	48,980
Supplies and materials	51,104
Total operating expenses	<u>117,884</u>
Operating loss before transfers	<u>(66,651)</u>
<b>TRANSFERS:</b>	
Transfers in	79,286
Transfers out	<u>(23,868)</u>
Total transfers	<u>55,418</u>
<b>CHANGE IN NET ASSETS</b>	<b>(11,233)</b>
<b>TOTAL NET ASSETS, BEGINNING OF YEAR</b>	<u>122,234</u>
<b>TOTAL NET ASSETS, END OF YEAR</b>	<u><u>\$ 111,001</u></u>

The accompanying notes are an integral part of the financial statements.



**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2012**

	<b>Business-Type Activities - Enterprise Fund <u>Inservice</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from workshops	\$ 51,023
Payments to suppliers and providers of goods and services	(86,390)
Payments to employees	<u>(17,800)</u>
Net cash used in operating activities	<u>(53,167)</u>
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Transfers from other funds	79,286
Transfers to other funds	<u>(23,868)</u>
Net cash provided by noncapital financing activities	<u>55,418</u>
 <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	 2,251
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>124,860</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 127,111</u>
 <b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (66,651)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Change in assets and liabilities:	
Increase in accounts receivable	(210)
Increase in accounts payable	16,320
Decrease in due to other governments	<u>(2,626)</u>
 <b>Net cash used in operating activities</b>	 <u>\$ (53,167)</u>

The accompanying notes are an integral part of the financial statements.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
June 30, 2012**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 871,163
Due from other governments	<u>312,148</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,183,311</u>
<b>LIABILITIES</b>	
Due to other governments	<u>\$ 1,183,311</u>

The accompanying notes are an integral part of the financial statements.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 is an entity that is a result of an Educational Service Region becoming a Regional Office of Education as of August 7, 1995. The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 operates under the School Code (105 ILCS 5/3 and 5/3A). The Regional Office of Education #17 encompasses DeWitt, Livingston, and McLean Counties in Illinois. A Regional Superintendent of Schools serves as chief administrative officer and is elected pursuant to 105 ILCS 5/3 and 5/3A of the School Code. The principal financial duty of the Regional Superintendent is to receive and distribute monies due to school districts from general state aid, state categorical grants, and various other sources.

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17's reporting entity includes all related organizations for which the Regional Office of Education #17 exercises oversight responsibility in accordance with Statement No. 14 of the Governmental Accounting Standards Board.

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. Further, the superintendent receives an allocation of school funds from the State Board of Education and apportions these funds to the school districts in accordance with the State Board of Education's formula.

The Superintendent has developed criteria to determine whether outside agencies with activities which benefit the citizens served by the Regional Office of Education #17 should be included within its financial reporting entity. The criteria includes, but is not limited to whether the Superintendent (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (i.e., financial budget approval, management of assets, etc.). The Superintendent has determined that no outside agency meets the above criteria and, therefore, no agency has been included as a component unit in the financial statements. In addition, the Superintendent is not aware of any entity which would exercise such oversight which would result in the Regional Office of Education #17 being considered a component unit of the entity.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation**

**Government-wide Financial Statements** - The Statement of Net Assets and the Statement of Activities report information on all of the activities of DeWitt, Livingston, and McLean Counties Regional Office of Education #17. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by intergovernmental and local revenues.

The Statement of Net Assets presents DeWitt, Livingston, and McLean Counties Regional Office of Education #17's nonfiduciary assets and liabilities, with the difference reported as net 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 clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements** - 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 consolidated into a single column within the governmental funds in the financial section of the basic financial statements and are detailed in the supplemental information.

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 reports the following major governmental funds:

The General Fund is the operating fund of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17. The General Fund accounts for all financial resources except those required to be accounted and reported for in another fund. The following funds are the general funds of the DeWitt, Livingston, and McLean Counties Regional Office of Education #17.

County Fund - this fund accounts for DeWitt, Livingston, and McLean Counties support which helps fund the operation of the Regional Office of Education #17.

Indirect Cost and Interest Fund - this fund accounts for indirect cost allowed by the Adult Education Grants.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Regional Safe Schools - these are alternative programs for disruptive youths in grades 6-12. Students eligible for this program must have been suspended or expelled by a local school district.

Regional Alternative School - this is a state-wide program leading to a high school diploma for students with truancy and discipline problems.

Penny Severns Grant - this is a summer program designed to serve 30 families with children aged 6 weeks to 12 years who are currently enrolled in English as a second language. The families are assisted with reading, writing, and parenting skills.

Partnering No Child Left Behind (NCLB) - this program provides schools within the region with online resources for the use of the students.

Induction Leadership - this program develops educational materials that support a statewide program based on the Illinois State Board of Education initiative "Induction and Mentoring for Education Administrators".

Implementing Math - this program integrates Mathematics Performance Descriptors and Classroom Assessment into the classroom, as well as, preparing training materials for statewide workshops.

Chestnut - this is a contract with a local drug/alcohol rehabilitation center for GED preparation services.

Donations Literacy Inservice - this program is funded by corporate and private sources to facilitate learning projects in literacy, GED, and English as a Second Language classes.

Youthbuild - this program is funded by local organizations dedicated to rehabilitation, education, and development of job skills for students.

Youth Impact - this program is a cooperative between the cities of Normal, Bloomington, and McLean County to prevent and assist individuals in staying away from gang activity.

Scoop Dreams GED - Scoop Dreams, an ice cream parlor, contracts with the Adult Education Department of the Regional Office of Education #17 to provide GED preparation for students.

Ross Grant - this program provides adult education classes in public housing facilities, which may include transportation and childcare for housing residents while taking classes.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Good Neighbor Program - State Farm Companies Foundation provides financial support to our STAR Literacy to enhance volunteer efforts in the community.

Reluctant Learner - this hands-on training engages educators by showing them how to use the entire Internet to search lesson plan databases, directories, and search engines to quickly and systematically capture lesson plans that will motivate their students.

Illinois Educators' Roundtable - this program is for a group of superintendents to meet on emerging issues affecting the education system.

EIU Cohort - this program provides a three semester hour graduate course to teachers in an agreement with Eastern Illinois University.

College Credit - this program provides professional development through colleges.

ISU Cohort - this program serves as a fiscal agent for classes in agreement with Illinois State University.

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

Institute Fund - this fund accounts for teacher certificate registration, issuance, and evaluation fees for processing certificates, and expenses of meetings of a professional nature. All funds generated remain restricted until expended only on the aforementioned activities.

Education Fund - to account for and report monies for grant agreements or contracts, and payment of, administering numerous grant awards and programs which include:

Department of Rehabilitation Services (D.O.R.S.) Program Step Grant - this program is for severely handicapped students making the transition from high school to the work place.

Secretary of State's Literacy Grant - this program supports literacy activities from the Secretary of State.

Truants Alternative/Optional Education - this program assists in prevention of truancy within the Alternative School.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Adult Education Programs - this program is funded by the Illinois Community College Board to assist individuals with literacy, GED prep, and English as a Second Language classes.

SOS Family Literacy - this program serves parents and their children ages 0 to 5 who are enrolled in Evenstart or Heartland Head Start to provide activities that encourage literacy development and enable parents to be their child's first and best teacher through workshops, field trips, and a partnership with the public libraries to provide activities.

ROE/ISC School Improvement - this program provides training and reading workshops for local teachers.

Early Childhood Block Grant - this program offers intensive home visits, drop in and play sessions, parent education, hospital consultations, and referrals for at risk children.

Evenstart Family Literacy - this program provides early childhood education, adult English as a Second Language education, parenting and parent-child interactions for low income and limited English speaking families with children aged 6 weeks to 3 years.

English Language Civics Grant - this program provides immigrants and other limited English proficient persons with skills to understand and navigate governmental workplace systems and key institutions, such as banking and healthcare.

Illinois Violence Prevention Authority - this program assists in prevention of domestic violence.

Title I - Reading First - SEA Part B - this program assists K-2 teachers with professional development and the 5 essential components of early reading instruction.

Continuum of Care - this program assists participants in obtaining and remaining in permanent housing.

Heart of Illinois Low Incidence - this program promotes, establishes, and maintains comprehensive special education services for children with hearing, vision, and physical disabilities.

ROE/ISC Operations Fund - this fund accounts for the State grant that provides the funding for the Regional Office of Education #17.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Title I Neglect - this program provides a teacher for the Juvenile Detention Center for GED preparation classes.

Illinois Reading Grant - this program provides standards aligned for reading teachers.

Standards Aligned Classroom - this program provides standards aligned classroom initiatives, coaching, and support teams.

Teacher Mentoring - this program is used for new teacher training.

Manufacturing Innovation - this program provides assistance to students who need increased basic skills to pass the entrance test to enter Manufacturing Essentials at Heartland Community College.

Title I Migrant Education - this program assists with the educational needs for the agricultural migrant population in the region for the summer.

Respro Title I - this program assists local school districts with school improvement planning and activities related to Title I instruction.

Gifted Education - this program provides professional development for teachers in the gifted areas.

Principal Mentoring - this program provides mentoring for new principals.

SCORE United Way - this program provides assistance to students from United Way.

HUD Technology Grant - this grant is for technology purposes with the City of Bloomington.

McKinney Homeless Grant - this program assists with the federal requirement to provide support to homeless students and their families to remove barriers to attending school while displaced.

Transitional Specialist - this program is administered by Illinois Department of Human Services to provide support for Individualized Education Plan (IEP) students to transition from high school to higher education and/or adult employment.

Illinois Children's Healthcare Foundation - this program provides resources to overcome barriers to address children's mental health issues.

American Recovery and Reinvestment Act (ARRA) Title I - School Improvement - allocations utilized specifically to assist low-performing schools/districts to increase student achievement through school improvement activities.



**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #17**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Regional Office of Education #17 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 legally restricted to expenditures for specified purposes. Nonmajor special revenue funds include the following:

Bus Driver Training - this fund accounts for State and local receipts and expenses as a result of training school district bus drivers.

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

Supervisory - this fund accounts for proceeds provided to the Regional Superintendent by the Illinois State Board of Education to be used for travel and related purposes.

The Regional Office of Education #17 reports the following major proprietary fund:

Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education #17 on a cost reimbursement basis are reported.

Inservice - used to account for the workshop fees and expenses of the Regional Office of Education #17.

The Regional Office of Education #17 also reports the following agency funds:

Agency Funds are used to account for assets held by the Regional Office of Education #17 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. 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 money received from the State out to the school districts and other entities.

Regional Board of School Trustees Fund - this fund accounts for the Regional Office of Education's operating accounts.

Cooperative Purchasing Fund - this fund is used to purchase paper and supplies in quantity as a single unit by participating schools in the Regional Office of Education #17.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus and Basis of Accounting**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end. Revenues received more than 60 days after the end of the current period are deferred in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements.

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the DeWitt, Livingston, and McLean Counties Regional Office of Education #17.

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 records on-behalf payments made by the State to the Teachers' Retirement System as revenue and expenditures.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Capital asset acquisitions are reported as expenditures in governmental funds.

Under the terms of grant agreements, DeWitt, Livingston, and McLean Counties Regional Office of Education #17 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding sources available to finance the program. It is DeWitt, Livingston, and McLean Counties Regional Office of Education #17's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues. It is the Regional Office of Education #17's policy to first apply restricted funds, then unrestricted. For unrestricted fund balance, committed funds are used first, then assigned funds, then unassigned if any.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 DeWitt, Livingston, and McLean Counties Regional Office of Education #17'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.

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 maintains its financial records on the cash basis. The financial statements of DeWitt, Livingston, and McLean Counties Regional Office of Education #17 are prepared by making memorandum adjusting entries to the cash basis financial records.

**Assets, Liabilities and Fund Equity**

The following accounting policies are followed in preparing the balance sheet:

Cash and investments - The cash and investment balances of DeWitt, Livingston, and McLean Counties Regional Office of Education #17 are valued at cost.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Due from other governments - Due from other governments represents amounts due from the Illinois State Board of Education and other local governments.

Capital assets - Capital assets, which include property, furniture and equipment, are reported in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by DeWitt, Livingston, and McLean Counties Regional Office of Education #17 as assets with an initial, individual cost in excess of \$500 and estimated useful lives in excess of two years. Capital assets are depreciated using the straight line method over 3-50 years.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Compensated absences - Non-certified and certified employees who work 12 calendar months earn up to 20 vacation days for a full year of service. The accumulated total of vacation days may never exceed 30 days. In the event that a program terminates, no vacation days will be honored past the ending date of the program. Certified employees who work less than 12 calendar months per year do not earn vacation days. Employees receive up to 12 sick days annually and the unused portion is accumulated up to 180 days and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay and therefore; no liability is accrued. There are no material accumulations of sick pay or vacation pay at June 30, 2012.

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

*Nonspendable Fund Balance* - the portion of a Governmental Fund's net assets that are not available to be spent, either short term or long term, in either form or through legal restrictions. The following funds present a nonspendable fund balance due to prepaid assets: Regional Safe Schools and Regional Alternative School.

*Restricted Fund Balance* - the portion of a Governmental Fund's net assets that are subject to external enforceable legal restrictions. The following accounts fund balances are restricted by grant agreements or contracts: Truants Alternative/Optional Education, Evenstart Family Literacy, Illinois Violence Prevention Authority, Heart of Illinois Low Incidence, ROE/ISC Operations Fund, and SCORE United Way. The following funds are restricted by Illinois Statute: Institute Fund, Bus Driver Training, General Education Development, and Supervisory.

*Committed Fund Balance* - the portion of a Governmental Fund's net assets with self-imposed constraints or limitations that have been placed at the highest level of decision making. There are currently no funds with a committed fund balance.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Assigned Fund Balance* - the portion of a Governmental Fund's net assets 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 Illinois Educators' Roundtable fund balance is currently assigned.

*Unassigned Fund Balance* - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following accounts comprise unassigned fund balance: County Fund, Indirect Cost and Interest Fund, Regional Safe Schools, Regional Alternative School, Chestnut, Donations Literacy Inservice, Youth Impact, D.O.R.S. Program Step Grant, Secretary of State's Literacy Grant, Adult Education Programs, English Language Civics Grant, Respro Title I, McKinney Homeless Grant, and Transitional Specialist.

Net assets present the difference between assets and liabilities in the Statement of Net Assets. Net assets of the Regional Office of Education are classified as follows:

*Invested in Capital Assets* - represents the Regional Office of Education's total investment in capital assets.

*Restricted Net Assets* - represents net assets that are restricted due to constraints placed on the net asset use that are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Assets* - represents resources used for transactions relating to the general operations of the Regional Office of Education and may be used at the discretion of management to meet expenses for any purpose.

**Budgets and Budgetary Accounting**

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 prepares a budget for each of its grants and for the support it receives from its three counties. Some of these budgets cover different periods than the Regional Office of Education #17's fiscal year.

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17's accounting records must be sophisticated enough to both (1) assure and demonstrate compliance with each budget during the period it covers and (2) also permit the reporting of the financial position and results of operations of each fund and fund type in GAAP financial statements covering its fiscal year.

Budgetary comparisons and budgetary compliance are discussed in Note 7 - Budgetary Comparisons and Budgetary Compliance.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Subsequent Events**

Management has evaluated subsequent events through June 7, 2013, the date the financial statements were available to be issued.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

The deposit of DeWitt, Livingston, and McLean Counties Regional Office of Education #17 monies is governed by the provisions of the Illinois Compiled Statutes. -

**Deposits**

At June 30, 2012, the carrying amount of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's deposits was \$3,515,731 and the bank balance was \$4,456,660.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, DeWitt, Livingston, and McLean Counties Regional Office of Education #17's deposits may not be returned. DeWitt, Livingston, and McLean Counties Regional Office of Education #17 does not have a deposit policy for custodial credit risk. As of June 30, 2012, all of DeWitt, Livingston, and McLean Counties Regional Office of Education #17's deposits were covered by FDIC insurance or covered by collateral held by the financial institution in DeWitt, Livingston, and McLean Counties Regional Office of Education #17's name.

A reconciliation of cash as shown on the Statement of Net Assets for the primary government is as follows:

	<b><u>Carrying Amount</u></b>
Cash - Primary Government	\$ 2,644,568
Cash - Agency	<u>871,163</u>
<b>Total</b>	<b><u>\$ 3,515,731</u></b>

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 3 - ON-BEHALF PAYMENTS**

The salaries and fringe benefits of the Regional Superintendent and the Assistant Regional Superintendent are paid by the State of Illinois.

The breakdown of on-behalf payments for the year ended June 30, 2012 is as follows:

Regional Superintendent - salary	\$ 104,616
Regional Superintendent - benefits (includes state paid insurance)	15,719
Assistant Regional Superintendent - salary	94,152
Assistant Regional Superintendent - benefits (includes state paid insurance)	20,873
TRS on-behalf payments	294,693
THIS on-behalf payments	<u>8,661</u>
<b>Total on-behalf payments</b>	<u><u>\$ 538,714</u></u>

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

**NOTE 4 - EMPLOYEE BENEFIT PLAN**

The Regional Office of Education #17's employees are covered under the Illinois Municipal Retirement Fund. Contributions to the Fund are made by DeWitt, Livingston, and McLean Counties and the Regional Office of Education #17 through grant monies on behalf of the DeWitt, Livingston, and McLean Counties Regional Office of Education staff employees and grant coordinators.

DeWitt, Livingston, and McLean Counties are participating members of the Illinois Municipal Retirement Fund whose coverage includes all Regional Office of Education #17 employees who:

- a. Occupy a job normally requiring 1,000 hours or more per year;
- b. are paid on a regular payroll from County or Regional Office of Education #17 funds;
- c. were under age sixty when first entering employment; and
- d. are not covered by another State created retirement system for the same service.

Employees not qualifying above are considered as "nonparticipating employees" and are covered under Social Security.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 4 - EMPLOYEE BENEFIT PLAN (CONTINUED)**

The Regional Superintendent and the Assistant Regional Superintendent of DeWitt, Livingston, and McLean Counties Regional Office of Education #17 are paid by the State of Illinois. Certain staff employees of the Regional Office of Education #17's office are employed and paid by DeWitt, Livingston, and McLean Counties (other support staff and grant coordinators are paid by the Region through grant monies). DeWitt, Livingston, and McLean Counties Regional Office of Education #17 has no separate employee benefit plan.

Illinois Municipal Retirement Fund

*Plan Description.* The Regional Office of Education #17's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #17's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, the Regional Office of Education #17's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2011 used by Regional Office of Education #17 was 14.10 percent of annual covered payroll. The Regional Office of Education #17's annual required contribution rate for calendar year 2011 was 14.89 percent. The Regional Office of Education #17 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* For calendar year ending December 31, 2011, the Regional Office of Education #17's actual contributions for pension cost for the Regular plan were \$159,694. Its required contribution for calendar year 2011 was \$168,642.

**THREE YEAR TREND INFORMATION FOR THE REGULAR PLAN**

<u>Calendar Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/11	\$ 168,642	95%	\$ 8,948
12/31/10	162,771	98%	2,869
12/31/09	125,709	100%	-



**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 4 - EMPLOYEE BENEFIT PLAN (CONTINUED)**

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Regional Office of Education #17's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education #17's Regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 10 year basis.

*Funded Status and Funding Progress.* As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 55.97 percent funded. The actuarial accrued liability for benefits was \$1,775,076 and the actuarial value of assets was \$993,545, resulting in an underfunded actuarial accrued liability (UAAL) of \$781,531. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$1,132,585 and the ratio of the UAAL to the covered payroll was 69 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**NOTE 5 - RETIREMENT PLANS**

Teachers' Retirement System of the State of Illinois

The Regional Office of Education #17 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE 5 - RETIREMENT PLANS (CONTINUED)**

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2012, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after Jan. 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2011 and 2010.

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

- **On behalf contributions to TRS.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #17. For the year ended June 30, 2012, State of Illinois contributions were based on 24.91 percent of creditable earnings not paid from federal funds, and the Regional Office of Education #17 recognized revenue and expenditures of \$294,693 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2011 and June 30, 2010, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.10 percent (\$263,342) and 23.38 percent (\$283,985), respectively.

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

- **2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2012 were \$5,709. Contributions for the years ending June 30, 2011 and June 30, 2010 were \$5,502 and \$5,935, respectively.
- **Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #17, there is a statutory requirement for the Regional Office of Education #17 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in 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 for TRS.

For the year ended June 30, 2012, the employer pension contribution was 24.91 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2011 and 2010, the employer contribution was 23.10 and 23.38 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2012, there were no salaries eligible for federal and special trust funds contributions for employees. For the years ended June 30, 2011 and June 30, 2010, required employer contributions were \$0.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 5 - RETIREMENT PLANS (CONTINUED)**

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

The maximum employer ERO contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the years ended June 30, 2012, June 30, 2011 and June 30, 2010, the Regional Office of Education #17 paid no ERO contributions.

- **Salary increases over 6 percent and excess sick leave.**

If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the years ended June 30, 2012, June 30, 2011, and June 30, 2010, the Regional Office of Education #17 did not make any contributions to TRS for salary increases in excess of 6 percent.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.83 percent of salary during the year ended June 30, 2012).

For the years ended June 30, 2012, June 30, 2011, and June 30, 2010, the Regional Office of Education #17 did not make any contributions to TRS for sick leave days granted in excess of the normal annual allotment.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and State funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2011. The report for the year ended June 30, 2012, is expected to be available in late 2012.

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2012**

**NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS**

Plan Description

The Regional Office of Education #17 provides postemployment health care benefits (OPEB) for eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Regional Office of Education #17 and can be amended by the Regional Office of Education #17 through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and Illinois Compiled Statutes (ILCS). The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Regional Office of Education #17's governmental funds.

Benefits Provided

The Regional Office of Education #17 provides continued health insurance coverage at the blended employer rate to all eligible retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under the Regional Office of Education #17 retirement plan. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan, but can purchase a Medicare supplement plan from the Regional Office of Education #17 insurance provider.

Membership

At June 1, 2011, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	1
Active Employees	38
Total	39
Participating Employers	1

Funding Policy

The Regional Office of Education #17 is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

Annual OPEB Costs and Net OPEB Obligation

The Regional Office of Education #17 first had an actuarial valuation performed for the plan as of June 30, 2011 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended June 30, 2011. The transition liability was set at zero as of June 30, 2010. The Regional Office of Education #17's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal years 2011 and 2012 was as follows (information for the fiscal year 2010 is not available as an actuarial valuation was performed for the first time as of June 30, 2011):

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2011	\$ 9,854	\$ 7,451	75.6%	\$ 2,403
June 30, 2012	9,551	7,221	75.6	4,733

Annual Required Contribution	\$ 9,551
Annual OPEB Cost	9,551
Contributions Made	<u>(7,221)</u>
Increase in Net OPEB Obligation	2,330
Net OPEB Obligation Beginning of Year	<u>2,403</u>
Net OPEB Obligation End of Year	<u>\$ 4,733</u>

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2011, was as follows:

Actuarial Accrued Liability (AAL)	\$125,262
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	125,262
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll (Active Plan Members)	\$1,441,971
UAAL as a Percentage of Covered Payroll	8.7%

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #17**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2011, actuarial valuation, the entry age cost method was used. The actuarial assumptions included a discount rate of 5.00% and an initial healthcare cost trend rate of 8.00% with a ultimate healthcare inflation rate of 6.00% increase for 2015 and later years. Both rates include a 3.00% inflation assumption. The actuarial value of assets was not determined as the Regional Office of Education #17 has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized using a open, level percentage of pay method. The remaining amortization period at June 30, 2011 was 30 years.

Teachers Health Insurance Security Fund

The Regional Office of Education #17 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment 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 may participate in the state administered participating provider option plan or choose from several managed care options.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
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**NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by CMS with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the State to make a contribution to THIS Fund.

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

- **On behalf contributions to THIS Fund.** The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #17. State contributions are intended to match contributions to THIS Fund from active members which were 0.88 percent of pay during the year ended June 30, 2012. State of Illinois contributions were \$8,661, and the Regional Office of Education #17 recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2011 and June 30, 2010 were 0.88 percent and 0.84 percent of pay, respectively. State contributions on behalf of Regional Office of Education #17 employees were \$8,347 and \$10,203, respectively.

- **Employer contributions to THIS Fund.** The Regional Office of Education #17 also makes contributions to THIS Fund. The employer THIS fund contribution was 0.66 percent during the years ended June 30, 2012 and June 30, 2011, and 0.63 percent during the year ended June 30, 2010. For the year ended June 30, 2012, the Regional Office of Education #17 paid \$6,496 to the THIS Fund. For the years ended June 30, 2011 and June 30, 2010, the Regional Office of Education #17 paid \$6,260 and \$6,446 to the THIS Fund, respectively, which was 100 percent of the required contribution.

The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #17**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2012

**NOTE 7 - BUDGETARY COMPARISONS AND BUDGETARY COMPLIANCE**

To demonstrate compliance with applicable budgetary requirements, GAAP financial statements generally include comparisons of actual results of operations to budgeted amounts for individual funds for which a budget is adopted for the period covered by the budget. Regional Office of Education #17 did not formally adopt a budget for the year ended June 30, 2012 and is not legally required to do so. The Illinois State Board of Education requires budgets for certain state and federal programs. Budgets for the Regional Office of Education #17's state and federal grant funds cover various periods. Budgetary comparisons for those periods are presented on page 94 for the Regional Safe Schools and pages 105-107 for the following grants: Secretary of State's Literacy Grant, Truants Alternative/Optional Education, Adult Education Programs, SOS Family Literacy, Early Childhood Block Grant, English Language Civics Grant, ROE/ISC Operations Fund, and McKinney Homeless Grant.

To qualify for reimbursement, grant expenditures must be obligated by the end of the applicable budget period and liquidated within 90 days thereafter.

To qualify for reimbursement, grant expenditures must also not exceed approved budgeted amounts for a particular function (Improvement of Instruction Services, General Administration, Fiscal Services, etc.) and object (Salaries, Employee Benefits, Purchased Services, etc.) account code combinations by the greater of \$1,000 or 20% of the approved budgeted amount. Amendments to shift amounts from one function/object account code combination to another must be submitted to the ISBE for approval by 30 days prior to the end of the applicable budget period.

All grant expenditure amounts for which the Regional Office of Education #17 claimed reimbursement, and for which grant revenue is reported in these financial statements, were obligated and liquidated on a timely basis. All such expenditure amounts were within the function/object account classification limits of final approved amended budgets.

**NOTE 8 - CAPITAL ASSETS**

As discussed in Finding 12-3 on pages 13 and 14, the capital asset listing provided by the Regional Office of Education #17 was inaccurate and incomplete. The effect of the scope limitation on the Statement of Net Assets and the Statement of Activities is not reasonably determinable as of June 30, 2012. Capital assets activity reported for the year ended June 30, 2012 is as follows:

	<u>Balance</u> <u>June 30,</u> <u>2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,</u> <u>2012</u>
Governmental activities:				
Furniture and equipment	\$ 694,595	\$ 62,792	\$ (226,802)	\$ 530,585
Leasehold improvement	429,492	217,636	-	647,128
Less accumulated depreciation	<u>(682,644)</u>	<u>(52,739)</u>	<u>220,956</u>	<u>(514,427)</u>
Total capital assets, net	<u>\$ 441,443</u>	<u>\$ 227,689</u>	<u>\$ (5,846)</u>	<u>\$ 663,286</u>



**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 8 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged as follows:

Governmental activities:

Education:

Depreciation

\$ 52,739

**NOTE 9 - DISPOSITION OF DISTRIBUTIVE FUND INTEREST**

The school district boards within the Regional Office of Education #17 have signed formal agreements that allow the Regional Office of Education #17 to retain any interest earned during the year.

**NOTE 10 - OPERATING LEASES**

The Regional Office of Education #17 entered into a lease for an Alternative School classroom and administrative space. The lease calls for monthly payments of \$7,527 beginning on July 1, 2002 for ten years with five one-year options. Beginning July 1, 2006, an additional 2% increase will occur every 2 years until lease termination. The lease calls for improvements to be made by the landlord and additional payments by the tenant. On January 25, 2012 the Regional Office of Education #17 entered into a new lease for this property that calls for monthly payments of \$9,379 beginning on August 1, 2012 and commencing on July 31, 2017. Total rental expense for the year ended June 30, 2012 was \$95,848.

The Regional Office of Education #17 entered into a lease for the Special Services program office complex. The lease calls for monthly payments of \$1,750 beginning on June 1, 2006 for eight years and then from year to year. Beginning June 1, 2007, the monthly payment increased to \$1,900. The lease calls for improvements to be made by the landlord and additional payments by the tenant. Total rental expense for the year ended June 30, 2012 was \$22,800.

The Regional Office of Education #17 entered into a lease for an Alternative School classroom and administrative space. The lease calls for monthly payments of \$2,000 beginning on August 1, 2007 for five years. The lease calls for improvements to be made by the landlord and additional payments by the tenant. Total rental expense for the year ended June 30, 2012 was \$24,000.

The Regional Office of Education #17 entered into a lease for office space. The lease calls for monthly payments of \$4,205 beginning on January 1, 2011 and terminating on December 31, 2011. A new lease was entered into which calls for monthly payments of \$4,325 beginning on January 1, 2012 and terminating on December 31, 2012. The leases call for improvements to be made by the landlord and additional payments by the tenant. Total rental expense for the year ended June 30, 2012 was \$51,180.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 10 - OPERATING LEASES (CONTINUED)**

The Regional Office of Education #17 entered into a lease for office space for the G.E.D. Adult Education Literacy Program. The lease calls for monthly payments of \$2,280 beginning on January 1, 2011 and terminating on December 31, 2011. A new lease was entered into which calls for monthly payments of \$2,348 beginning on January 1, 2012 and terminating on December 31, 2012. The leases call for improvements to be made by the landlord and additional payments by the tenant. Total rental expense for the year ended June 30, 2012 was \$27,768.

Future lease obligations are as follows:

<u>Year Ended June 30.</u>	
2013	\$ 136,118
2014	133,450
2015	112,550
2016	112,550
2017	112,550
Later	<u>9,379</u>
<b>Total</b>	<b><u>\$ 616,597</u></b>

**NOTE 11 - DUE FROM/TO OTHER GOVERNMENTS**

The DeWitt, Livingston, and McLean Counties Regional Office of Education #17 has funds due from/to various other governmental units which consist of the following:

Due From Other Governments	
<u>General Fund</u>	
Illinois State Board of Education	\$ 19,424
Local governments	321,148
<u>Education Fund</u>	
Illinois State Board of Education	47,478
Local governments	266,193
<u>Agency Fund</u>	
Local governments	312,148
Due To Other Governments	
<u>Education Fund</u>	
Local governments	448,515
<u>Agency Fund</u>	
Local governments	1,183,311

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 12 - DUE FROM/TO FUNDS**

Interfund receivables and payables, primarily made to cover cash deficits within pooled cash accounts, at June 30, 2012 were:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund		
Indirect Cost and Interest Fund	\$ -	\$ 7,872
Regional Alternative School	245,824	-
Education Fund		
D.O.R.S. Program Step Grant	-	16,797
Secretary of State's Literacy Grant	-	1,932
Truants Alternative/Optional Education	-	7,515
Adult Education Programs	-	69,050
Early Childhood Block Grant	-	37,500
English Language Civics Grant	-	2,347
Continuum of Care	-	1,399
Respro Title I	-	85,631
McKinney Homeless Grant	-	6,935
Transitional Specialist	-	6,388
ARRA Title I - School Improvement	-	2,458
<b>Total</b>	<u>\$ 245,824</u>	<u>\$ 245,824</u>

**NOTE 13 - TRANSFERS**

Transfers are generally made to provide supplemental funding or move resources from the fund required to collect the resources to the fund required to expend the resources. The detail of interfund transfers for the year ended June 30, 2012 is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
County Fund	\$ -	\$ 14,860
Indirect Cost and Interest Fund	31,802	23,431
Regional Safe Schools	-	2,374
Regional Alternative School	2,533	2,533
Penny Severns Grant	5,579	5,303
Partnering NCLB	-	4,800
Induction Leadership	-	1,636
Implementing Math	1,452	-
Chestnut	2,815	-
Donations Literacy Inservice	53,966	18,274
Youthbuild	-	14,861

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 13 - TRANSFERS (CONTINUED)**

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund (continued)		
Scoop Dreams GED	\$ -	\$ 2
Ross Grant	5,275	-
Good Neighbor Program	-	12,846
Reluctant Learner	3,195	-
EIU Cohort	-	6,493
College Credit	-	31,178
ISU Cohort	-	3,854
Education Fund		
Secretary of State's Literacy Grant	120	-
Adult Education Programs	31,324	59,046
SOS Family Literacy	-	1,945
ROE/ISC School Improvement	-	140
Early Childhood Block Grant	32,555	31,660
Evenstart Family Literacy	1,524	2,371
English Language Civics Grant	-	1,801
Illinois Violence Prevention Authority	-	1,630
Title I - Reading First - SEA Part B	3	-
Continuum of Care	318	-
ROE/ISC Operations Fund	1	-
Title I Neglect	-	13,135
Illinois Reading Grant	-	2,290
Standards Aligned Classroom	4,631	13,579
Teacher Mentoring	525	337
Manufacturing Innovation	-	79
Title I Migrant Education	311	-
Respro Title I	1,281	-
Gifted Education	616	-
Principal Mentoring	17,106	-
HUD Technology Grant	4,161	-
McKinney Homeless Grant	1	-
Transitional Specialist	13,278	-
Illinois Children's Healthcare Foundation	675	-
Nonmajor Special Revenue Funds		
General Education Development	-	7
Enterprise Fund		
Inservice	<u>79,286</u>	<u>23,868</u>
<b>Total</b>	<b><u>\$ 294,333</u></b>	<b><u>\$ 294,333</u></b>

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 14 - DEFICIT FUND BALANCES**

The following funds had deficit fund balances at June 30, 2012. The deficits will be covered by normal operations or fund transfers.

General Fund	
Indirect Cost and Interest Fund	\$ (8,182)
Education Fund	
D.O.R.S. Program Step Grant	(9,645)
Secretary of State's Literacy Grant	(1,932)
Adult Education Programs	(42,278)
English Language Civics Grant	(2,347)
Respro Title I	(8,250)
McKinney Homeless Grant	(1,132)
Transitional Specialist	(2,108)

**NOTE 15 - RISK MANAGEMENT**

DeWitt, Livingston, and McLean Counties Regional Office of Education #17 is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. DeWitt, Livingston, and McLean Counties Regional Office of Education #17 assumes liability for any deductibles and claims in excess of coverage limitations. There has been no significant reduction in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the year.

**NOTE 16 - SUBSEQUENT EVENT**

The Regional Office of Education #17 entered into a lease for administrative space. The lease calls for monthly payments of \$5,083 beginning on January 1, 2013 for three years. The lease calls for improvements to be made by the landlord and additional payments by the tenant.

**NOTE 17 - NEW PRONOUNCEMENTS**

In 2012, DeWitt, Livingston, and McLean Counties Regional Office of Education #17 adopted the following pronouncements: Governmental Accounting Standards Board (GASB) Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans* and GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*. There was no significant impact on the DeWitt, Livingston, and McLean Counties Regional Office of Education #17's financial statements as a result of adopting the above statements.

This information is an integral part of the accompanying financial statements.

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

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #17**  
**SCHEDULE OF FUNDING PROGRESS -**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
 (Unaudited)  
 June 30, 2012

**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/11	\$ 993,545	\$1,775,076	\$ 781,531	55.97%	\$1,132,585	69.00%
12/31/10	1,629,018	2,440,889	811,871	66.74%	1,247,286	65.09%
12/31/09	1,841,830	2,503,358	661,528	73.57%	1,079,046	61.31%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$884,756.  
 On a market basis, the funded ratio would be 49.84%.

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #17**  
**SCHEDULE OF FUNDING PROGRESS -**  
**OTHER POSTEMPLOYMENT BENEFITS**  
 (Unaudited)  
 June 30, 2012

**OTHER POSTEMPLOYMENT BENEFITS**  
**SCHEDULE OF FUNDING PROGRESS**

Year Ended <u>June 30,</u>	Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Liability (AAL) Entry Age <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
2012	6/30/11	\$ -	\$125,262	\$125,262	0.0%	\$1,441,971	8.7%
2011	6/30/11	-	125,262	125,262	0.0%	1,593,039	7.9%



**SUPPLEMENTAL INFORMATION**

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF ACCOUNTS  
 GENERAL FUND ACCOUNTS  
 June 30, 2012

SCHEDULE 1

	<u>County</u>	<u>Indirect</u> <u>Cost and</u>	<u>Regional</u>	<u>Regional</u>	<u>Penny</u>
	<u>Fund</u>	<u>Interest Fund</u>	<u>Safe Schools</u>	<u>Alternative</u>	<u>Severns</u>
				<u>School</u>	<u>Grant</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 259,281	\$ -	\$ 316,837	\$ 1,121,511	\$ -
Due from other governments	-	-	28,424	312,148	-
Due from other funds	-	-	-	245,824	-
Prepays	-	-	3,125	1,600	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>	<b><u>\$ 259,281</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 348,386</u></b>	<b><u>\$ 1,681,083</u></b>	<b><u>\$ -</u></b>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 292	\$ 310	\$ 527	\$ 3,734	\$ -
Accrued expenses	-	-	86,599	105,198	-
Due to other funds	-	7,872	-	-	-
Deferred revenue	-	-	9,158	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total liabilities</b>	<b><u>292</u></b>	<b><u>8,182</u></b>	<b><u>96,284</u></b>	<b><u>108,932</u></b>	<b><u>-</u></b>
<b>FUND BALANCE (DEFICIT)</b>					
Nonspendable	-	-	3,125	1,600	-
Assigned	-	-	-	-	-
Unassigned	258,989	(8,182)	248,977	1,570,551	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total fund balance (deficit)</b>	<b><u>258,989</u></b>	<b><u>(8,182)</u></b>	<b><u>252,102</u></b>	<b><u>1,572,151</u></b>	<b><u>-</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b><u>\$ 259,281</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 348,386</u></b>	<b><u>\$ 1,681,083</u></b>	<b><u>\$ -</u></b>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF ACCOUNTS  
 GENERAL FUND ACCOUNTS  
 June 30, 2012

SCHEDULE 1  
 (CONTINUED)

	<u>Partnering</u>	<u>Induction</u>	<u>Implementing</u>	<u>Chestnut</u>	<u>Donations</u>
	<u>NCLB</u>	<u>Leadership</u>	<u>Math</u>		<u>Literacy</u>
					<u>Inservice</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 46,839	\$ 48,818
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepays	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 46,839</u></b>	<b><u>\$ 48,818</u></b>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 23	\$ 15
Accrued expenses	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>23</u></b>	<b><u>15</u></b>
<b>FUND BALANCE (DEFICIT)</b>					
Nonspendable	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	46,816	48,803
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total fund balance (deficit)</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>46,816</u></b>	<b><u>48,803</u></b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 46,839</u></b>	<b><u>\$ 48,818</u></b>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF ACCOUNTS  
 GENERAL FUND ACCOUNTS  
 June 30, 2012

SCHEDULE 1  
 (CONTINUED)

	<u>Youthbulld</u>	<u>Youth Impact</u>	<u>Scoop Dreams GED</u>	<u>Ross Grant</u>	<u>Good Neighbor Program</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 538	\$ -	\$ -	\$ 1,003
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepays	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 538</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,003</b>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,003
Accrued expenses	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,003</b>
<b>FUND BALANCE (DEFICIT)</b>					
Nonspendable	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	538	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total fund balance (deficit)</b>	<b>-</b>	<b>538</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ -</b>	<b>\$ 538</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,003</b>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF ACCOUNTS  
 GENERAL FUND ACCOUNTS  
 June 30, 2012

SCHEDULE 1  
 (CONTINUED)

	Reluctant <u>Learner</u>	Illinois Educators' <u>Roundtable</u>	EIU <u>Cohort</u>	College <u>Credit</u>	ISU <u>Cohort</u>	<u>Totals</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 13,118	\$ -	\$ -	\$ -	\$ 1,807,945
Due from other governments	-	-	-	-	-	340,572
Due from other funds	-	-	-	-	-	245,824
Prepays	-	-	-	-	-	4,725
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 13,118</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,399,066</b>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,904
Accrued expenses	-	-	-	-	-	191,797
Due to other funds	-	-	-	-	-	7,872
Deferred revenue	-	-	-	-	-	9,158
Total liabilities	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-	-	214,731
<b>FUND BALANCE (DEFICIT)</b>						
Nonspendable	-	-	-	-	-	4,725
Assigned	-	13,118	-	-	-	13,118
Unassigned	-	-	-	-	-	2,166,492
Total fund balance (deficit)	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	13,118	-	-	-	2,184,335
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ -</b>	<b>\$ 13,118</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,399,066</b>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 GENERAL FUND ACCOUNTS  
 Year Ended June 30, 2012

SCHEDULE 2

	County <u>Fund</u>	Indirect Cost and <u>Interest Fund</u>	Regional <u>Safe Schools</u>	Regional Alternative <u>School</u>	Penny Severns <u>Grant</u>
<b>REVENUES:</b>					
Local sources	\$ 507,984	\$ 3,237	\$ 46,750	\$ 229,353	\$ -
State sources	-	-	907,386	1,069,942	-
Federal sources	-	-	34,118	-	-
On-behalf payments	<u>538,714</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,046,698</u>	<u>3,237</u>	<u>988,254</u>	<u>1,299,295</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Instructional services:					
Salaries	172,892	-	530,220	719,321	-
Employee benefits	94,524	-	90,026	201,628	-
Purchased services	116,014	3,232	153,008	86,754	-
Supplies and materials	4,870	322	42,243	11,294	-
Payments to other governments	-	-	-	176,172	-
Other objects	423	569	-	-	-
On-behalf payments	538,714	-	-	-	-
Capital outlay	<u>-</u>	<u>80</u>	<u>47,861</u>	<u>217,636</u>	<u>-</u>
Total expenditures	<u>927,437</u>	<u>4,203</u>	<u>863,358</u>	<u>1,412,805</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>119,261</u>	<u>(966)</u>	<u>124,896</u>	<u>(113,510)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	31,802	-	2,533	5,579
Transfers out	<u>(14,860)</u>	<u>(23,431)</u>	<u>(2,374)</u>	<u>(2,533)</u>	<u>(5,303)</u>
Total other financing sources (uses)	<u>(14,860)</u>	<u>8,371</u>	<u>(2,374)</u>	<u>-</u>	<u>276</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	104,401	7,405	122,522	(113,510)	276
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	<u>154,588</u>	<u>(15,587)</u>	<u>129,580</u>	<u>1,685,661</u>	<u>(276)</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ 258,989</u>	<u>\$ (8,182)</u>	<u>\$ 252,102</u>	<u>\$ 1,572,151</u>	<u>\$ -</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 GENERAL FUND ACCOUNTS  
 Year Ended June 30, 2012

SCHEDULE 2  
 (CONTINUED)

	<u>Partnering</u>	<u>Induction</u>	<u>Implementing</u>	<u>Chestnut</u>	<u>Donations</u>
	<u>NCLB</u>	<u>Leadership</u>	<u>Math</u>		<u>Literacy</u>
					<u>Inservice</u>
<b>REVENUES:</b>					
Local sources	\$ -	\$ 870	\$ -	\$ 152,261	\$ 200
Slate sources	-	-	-	-	-
Federal sources	-	-	-	-	-
On-behalf payments	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	870	-	152,261	200
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES:</b>					
Instructional services:					
Salaries	-	-	-	42,177	243
Employee benefits	-	-	-	5,821	19
Purchased services	-	-	-	219	3,977
Supplies and materials	-	870	-	353	7,777
Payments to other governments	-	-	-	-	-
Other objects	-	-	-	-	-
On-behalf payments	-	-	-	-	-
Capital outlay	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	870	-	48,570	12,016
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	103,691	(11,816)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	1,452	2,815	53,966
Transfers out	(4,800)	(1,636)	-	-	(18,274)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(4,800)	(1,636)	1,452	2,815	35,692
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	(4,800)	(1,636)	1,452	106,506	23,876
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	4,800	1,636	(1,452)	(59,690)	24,927
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	\$ -	\$ -	\$ -	\$ 46,816	\$ 48,803
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 GENERAL FUND ACCOUNTS  
 Year Ended June 30, 2012

SCHEDULE 2  
 (CONTINUED)

	<u>Youthbuild</u>	<u>Youth Impact</u>	<u>Scoop Dreams GED</u>	<u>Ross Grant</u>	<u>Good Neighbor Program</u>
<b>REVENUES:</b>					
Local sources	\$ -	\$ 20,000	\$ -	\$ -	\$ 7,209
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
On-behalf payments	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	20,000	-	-	7,209
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES:</b>					
Instructional services:					
Salaries	-	-	-	-	10,308
Employee benefits	-	-	-	-	3,647
Purchased services	-	35,015	-	-	1,011
Supplies and materials	-	-	-	-	3,177
Payments to other governments	-	-	-	-	-
Other objects	-	-	-	-	-
On-behalf payments	-	-	-	-	-
Capital outlay	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	35,015	-	-	18,143
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(15,015)	-	-	(10,934)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	5,275	-
Transfers out	(14,861)	-	(2)	-	(12,846)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(14,861)	-	(2)	5,275	(12,846)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	(14,861)	(15,015)	(2)	5,275	(23,780)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	14,861	15,553	2	(5,275)	23,780
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	\$ -	\$ 538	\$ -	\$ -	\$ -
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>



DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 GENERAL FUND ACCOUNTS  
 Year Ended June 30, 2012

SCHEDULE 2  
 (CONTINUED)

	Reluctant <u>Learner</u>	Illinois Educators' <u>Roundtable</u>	EIU <u>Cohort</u>	College <u>Credit</u>	ISU <u>Cohort</u>	<u>Totals</u>
<b>REVENUES:</b>						
Local sources	\$ -	\$ -	\$ -	\$ 20,280	\$ -	\$ 988,144
State sources	-	-	-	-	-	1,977,328
Federal sources	-	-	-	-	-	34,118
On-behalf payments	-	-	-	-	-	538,714
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	-	-	20,280	-	3,538,304
<b>EXPENDITURES:</b>						
Instructional services:						
Salaries	-	-	-	-	-	1,475,161
Employee benefits	-	-	-	-	-	395,665
Purchased services	-	3,441	-	30,483	-	433,154
Supplies and materials	-	3,223	-	58	-	74,187
Payments to other governments	-	-	-	-	-	176,172
Other objects	-	-	-	-	-	992
On-behalf payments	-	-	-	-	-	538,714
Capital outlay	-	-	-	-	-	265,577
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	6,664	-	30,541	-	3,359,622
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>						
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	(6,664)	-	(10,261)	-	178,682
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	3,195	-	-	-	-	106,617
Transfers out	-	-	(6,493)	(31,178)	(3,854)	(142,445)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	3,195	-	(6,493)	(31,178)	(3,854)	(35,828)
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>						
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,195	(6,664)	(6,493)	(41,439)	(3,854)	142,854
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>						
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(3,195)	19,782	6,493	41,439	3,854	2,041,481
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>						
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ -	\$ 13,118	\$ -	\$ -	\$ -	\$ 2,184,335

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND ACCOUNTS  
 Year Ended June 30, 2012

	Regional Safe Schools			Variance with Final Budget
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>REVENUES:</b>				
Local sources	\$ -	\$ -	\$ 46,750	\$ 46,750
State sources	160,502	160,502	907,386	746,884
Federal sources	-	-	34,118	34,118
Total revenues	160,502	160,502	988,254	827,752
<b>EXPENDITURES:</b>				
Instructional services:				
Salaries	72,041	72,041	530,220	(458,179)
Employee benefits	15,325	15,325	90,026	(74,701)
Purchased services	73,136	73,136	153,008	(79,872)
Supplies and materials	-	-	42,243	(42,243)
Capital outlay	-	-	47,861	(47,861)
Total expenditures	160,502	160,502	863,368	(702,856)
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	\$ -	\$ -	124,896	\$ 124,896
<b>OTHER FINANCING USES:</b>				
Transfers out			(2,374)	
<b>NET CHANGE IN FUND BALANCE</b>			122,522	
<b>FUND BALANCE, BEGINNING OF YEAR</b>			129,580	
<b>FUND BALANCE, END OF YEAR</b>			\$ 252,102	

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND ACCOUNTS  
 June 30, 2012

SCHEDULE 4

	<u>D.O.R.S.</u>	<u>Secretary</u>	<u>Truants</u>	<u>Adult</u>	<u>SOS</u>	<u>ROE/ISC</u>
	<u>Program</u>	<u>of State's</u>	<u>Alternative/</u>	<u>Education</u>	<u>Family</u>	<u>School</u>
	<u>Step</u>	<u>Literacy</u>	<u>Optional</u>	<u>Programs</u>	<u>Literacy</u>	<u>Improvement</u>
	<u>Grant</u>	<u>Grant</u>	<u>Education</u>			
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 649	\$ -
Due from other governments	34,915	1,932	7,520	69,061	805	-
	<u>34,915</u>	<u>1,932</u>	<u>7,520</u>	<u>69,061</u>	<u>805</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b>\$ 34,915</b>	<b>\$ 1,932</b>	<b>\$ 7,520</b>	<b>\$ 69,061</b>	<b>\$ 1,454</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 649	\$ -
Due to other governments	-	-	-	-	-	-
Due to other funds	16,797	1,932	7,515	69,050	-	-
Deferred revenue	27,763	1,932	-	42,289	805	-
Total liabilities	<u>44,560</u>	<u>3,864</u>	<u>7,515</u>	<u>111,339</u>	<u>1,454</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT)</b>						
Restricted	-	-	5	-	-	-
Unassigned	(9,645)	(1,932)	-	(42,278)	-	-
Total fund balance (deficit)	<u>(9,645)</u>	<u>(1,932)</u>	<u>5</u>	<u>(42,278)</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 34,915</b>	<b>\$ 1,932</b>	<b>\$ 7,520</b>	<b>\$ 69,061</b>	<b>\$ 1,454</b>	<b>\$ -</b>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND ACCOUNTS  
 June 30, 2012

SCHEDULE 4  
 (CONTINUED)

	<u>Early Childhood Block Grant</u>	<u>Evenstart Family Literacy</u>	<u>English Language Civics Grant</u>	<u>Illinois Violence Prevention Authority</u>	<u>Title I - Reading First - SEA Part B</u>	<u>Continuum of Care</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 759	\$ -	\$ 5,708	\$ -	\$ -
Due from other governments	37,500	-	-	-	-	1,399
<b>TOTAL ASSETS</b>	<b>\$ 37,500</b>	<b>\$ 759</b>	<b>\$ -</b>	<b>\$ 5,708</b>	<b>\$ -</b>	<b>\$ 1,399</b>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 369	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-	-	-
Due to other funds	37,500	-	2,347	-	-	1,399
Deferred revenue	-	-	-	-	-	-
<b>Total liabilities</b>	<b>37,500</b>	<b>369</b>	<b>2,347</b>	<b>-</b>	<b>-</b>	<b>1,399</b>
<b>FUND BALANCE (DEFICIT)</b>						
Restricted	-	390	-	5,708	-	-
Unassigned	-	-	(2,347)	-	-	-
<b>Total fund balance (deficit)</b>	<b>-</b>	<b>390</b>	<b>(2,347)</b>	<b>5,708</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 37,500</b>	<b>\$ 759</b>	<b>\$ -</b>	<b>\$ 5,708</b>	<b>\$ -</b>	<b>\$ 1,399</b>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND ACCOUNTS  
 June 30, 2012

SCHEDULE 4  
 (CONTINUED)

	<u>Heart of Illinois Low Incidence</u>	<u>ROE/ISC Operations Fund</u>	<u>Title I Neglect</u>	<u>Illinois Reading Grant</u>	<u>Standards Aligned Classroom</u>	<u>Teacher Mentoring</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 536,497	\$ 23,412	\$ -	\$ -	\$ -	\$ -
Due from other governments	69,307	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 605,804</b>	<b>\$ 23,412</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	448,515	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deferred revenue	48,224	-	-	-	-	-
<b>Total liabilities</b>	<b>496,739</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (DEFICIT)</b>						
Restricted	109,065	23,412	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>Total fund balance (deficit)</b>	<b>109,065</b>	<b>23,412</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 605,804</b>	<b>\$ 23,412</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
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 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND ACCOUNTS  
 June 30, 2012

SCHEDULE 4  
 (CONTINUED)

	<u>Manufacturing Innovation</u>	<u>Title I Migrant Education</u>	<u>Respro Title I</u>	<u>Gifted Education</u>	<u>Principal Mentoring</u>	<u>SCORE United Way</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,678
Due from other governments	-	-	77,381	-	-	-
	-	-	77,381	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 77,381</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44,678</b>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,107
Due to other governments	-	-	-	-	-	-
Due to other funds	-	-	85,631	-	-	-
Deferred revenue	-	-	-	-	-	-
	-	-	85,631	-	-	11,107
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>85,631</b>	<b>-</b>	<b>-</b>	<b>11,107</b>
<b>FUND BALANCE (DEFICIT)</b>						
Restricted	-	-	-	-	-	33,571
Unassigned	-	-	(8,250)	-	-	-
	-	-	(8,250)	-	-	33,571
<b>Total fund balance (deficit)</b>	<b>-</b>	<b>-</b>	<b>(8,250)</b>	<b>-</b>	<b>-</b>	<b>33,571</b>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 77,381</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44,678</b>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND ACCOUNTS  
 June 30, 2012

SCHEDULE 4  
 (CONTINUED)

	HUD Technology Grant	McKinney Homeless Grant	Transitional Specialist	Illinois Children's Healthcare Foundation	ARRA Title I - School Improvement	Totals
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 611,703
Due from other governments	-	6,526	4,867	-	2,458	313,671
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 6,526</b>	<b>\$ 4,867</b>	<b>\$ -</b>	<b>\$ 2,458</b>	<b>\$ 925,374</b>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 587	\$ -	\$ -	\$ 12,712
Due to other governments	-	-	-	-	-	448,515
Due to other funds	-	6,935	6,388	-	2,458	237,952
Deferred revenue	-	723	-	-	-	121,736
<b>Total liabilities</b>	<b>-</b>	<b>7,658</b>	<b>6,975</b>	<b>-</b>	<b>2,458</b>	<b>820,915</b>
<b>FUND BALANCE (DEFICIT)</b>						
Restricted	-	-	-	-	-	172,151
Unassigned	-	(1,132)	(2,108)	-	-	(67,692)
<b>Total fund balance (deficit)</b>	<b>-</b>	<b>(1,132)</b>	<b>(2,108)</b>	<b>-</b>	<b>-</b>	<b>104,459</b>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ -</b>	<b>\$ 6,526</b>	<b>\$ 4,867</b>	<b>\$ -</b>	<b>\$ 2,458</b>	<b>\$ 925,374</b>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 Year Ended June 30, 2012

SCHEDULE 5

	D.O.R.S. Program Step <u>Grant</u>	Secretary of State's Literacy <u>Grant</u>	Truants Alternative/ Optional Education	Adult Education Programs	SOS Family Literacy	ROE/ISC School Improvement
<b>REVENUES:</b>						
Local sources	\$ 758	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	9,849	65,000	84,552	313,745	30,750	-
Federal sources	27,499	-	-	80,892	-	-
Total revenues	<u>38,106</u>	<u>65,000</u>	<u>84,552</u>	<u>394,637</u>	<u>30,750</u>	<u>-</u>
<b>EXPENDITURES:</b>						
Instructional services:						
Salaries	-	45,007	59,295	185,771	21,496	-
Employee benefits	-	13,652	16,335	49,685	8,075	-
Purchased services	-	2,598	4,761	52,856	40	-
Supplies and materials	-	5,675	-	8,312	1,944	-
Payments to other governments	59,530	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>59,530</u>	<u>66,932</u>	<u>80,391</u>	<u>296,624</u>	<u>31,555</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(21,424)</u>	<u>(1,932)</u>	<u>4,161</u>	<u>98,013</u>	<u>(805)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	120	-	31,324	-	-
Transfers out	-	-	-	(59,046)	(1,945)	(140)
Total other financing sources (uses)	<u>-</u>	<u>120</u>	<u>-</u>	<u>(27,722)</u>	<u>(1,945)</u>	<u>(140)</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	<u>(21,424)</u>	<u>(1,812)</u>	<u>4,161</u>	<u>70,291</u>	<u>(2,750)</u>	<u>(140)</u>
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	<u>11,779</u>	<u>(120)</u>	<u>(4,156)</u>	<u>(112,569)</u>	<u>2,750</u>	<u>140</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ (9,645)</u>	<u>\$ (1,932)</u>	<u>\$ 5</u>	<u>\$ (42,278)</u>	<u>\$ -</u>	<u>\$ -</u>



DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 Year Ended June 30, 2012

SCHEDULE 5  
 (CONTINUED)

	<u>Early Childhood Block Grant</u>	<u>Evenstart Family Literacy</u>	<u>English Language Civics Grant</u>	<u>Illinois Violence Prevention Authority</u>	<u>Title I - Reading First - SEA Part B</u>	<u>Continuum of Care</u>
<b>REVENUES:</b>						
Local sources	\$ -	\$ 921	\$ -	\$ -	\$ -	\$ -
State sources	151,352	-	-	20,439	-	-
Federal sources	-	27,814	104,380	-	-	18,112
Total revenues	151,352	28,735	104,380	20,439	-	18,112
<b>EXPENDITURES:</b>						
Instructional services:						
Salaries	115,959	242	82,678	14,516	-	10,000
Employee benefits	25,965	19	22,042	1,110	-	2,846
Purchased services	9,263	407	1,330	3,951	-	5,266
Supplies and materials	164	8,410	-	469	-	-
Payments to other governments	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	151,351	9,078	106,050	20,046	-	18,112
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	1	19,657	(1,670)	393	-	-
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	32,555	1,524	-	-	3	318
Transfers out	(31,660)	(2,371)	(1,801)	(1,630)	-	-
Total other financing sources (uses)	895	(847)	(1,801)	(1,630)	3	318
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	896	18,810	(3,471)	(1,237)	3	318
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	(896)	(18,420)	1,124	6,945	(3)	(318)
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	\$ -	\$ 390	\$ (2,347)	\$ 5,708	\$ -	\$ -

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 Year Ended June 30, 2012

SCHEDULE 5  
 (CONTINUED)

	Heart of Illinois Low <u>Incidence</u>	ROE/ISC Operations <u>Fund</u>	Title I <u>Neglect</u>	Illinois Reading <u>Grant</u>	Standards Aligned <u>Classroom</u>	Teacher <u>Mentoring</u>
<b>REVENUES:</b>						
Local sources	\$ 1,019,169	\$ 149	\$ -	\$ -	\$ -	\$ -
State sources	-	39,421	-	-	-	-
Federal sources	-	-	2,500	-	-	-
Total revenues	<u>1,019,169</u>	<u>39,570</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>						
Instructional services:						
Salaries	20,597	-	3,083	-	-	-
Employee benefits	9,101	-	663	-	-	-
Purchased services	673,985	39,421	-	-	-	-
Supplies and materials	-	-	-	-	-	-
Payments to other governments	381,476	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>1,085,159</u>	<u>39,421</u>	<u>3,746</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(65,990)</u>	<u>149</u>	<u>(1,246)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	1	-	-	4,631	525
Transfers out	-	-	(13,135)	(2,290)	(13,579)	(337)
Total other financing sources (uses)	<u>-</u>	<u>1</u>	<u>(13,135)</u>	<u>(2,290)</u>	<u>(8,948)</u>	<u>188</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	<u>(65,990)</u>	<u>150</u>	<u>(14,381)</u>	<u>(2,290)</u>	<u>(8,948)</u>	<u>188</u>
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	<u>175,055</u>	<u>23,262</u>	<u>14,381</u>	<u>2,290</u>	<u>8,948</u>	<u>(188)</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ 109,065</u>	<u>\$ 23,412</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 Year Ended June 30, 2012

SCHEDULE 5  
 (CONTINUED)

	Manufacturing <u>Innovation</u>	Title I Migrant <u>Education</u>	Respro <u>Title I</u>	Gifted <u>Education</u>	Principal <u>Mentoring</u>	SCORE United <u>Way</u>
<b>REVENUES:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,837
State sources	-	-	-	-	-	-
Federal sources	-	-	122,425	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>122,425</u>	<u>-</u>	<u>-</u>	<u>71,837</u>
<b>EXPENDITURES:</b>						
Instructional services:						
Salaries	-	-	36,750	-	-	20,200
Employee benefits	-	-	6,731	-	-	580
Purchased services	-	-	46,832	-	-	39,708
Supplies and materials	-	-	24,718	-	-	6,446
Payments to other governments	-	-	16,925	-	-	-
Capital outlay	-	-	-	-	-	14,739
Total expenditures	<u>-</u>	<u>-</u>	<u>131,956</u>	<u>-</u>	<u>-</u>	<u>81,673</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>(9,531)</u>	<u>-</u>	<u>-</u>	<u>(9,836)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	311	1,281	616	17,106	-
Transfers out	(79)	-	-	-	-	-
Total other financing sources (uses)	<u>(79)</u>	<u>311</u>	<u>1,281</u>	<u>616</u>	<u>17,106</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	(79)	311	(8,250)	616	17,106	(9,836)
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	<u>79</u>	<u>(311)</u>	<u>-</u>	<u>(616)</u>	<u>(17,106)</u>	<u>43,407</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,250)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,571</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 Year Ended June 30, 2012

SCHEDULE 5  
 (CONTINUED)

	HUD Technology Grant	McKinney Homeless Grant	Transitional Specialist	Illinois Children's Healthcare Foundation	ARRA Title I - School Improvement	Totals
<b>REVENUES:</b>						
Local sources	\$ -	\$ -	\$ 8,000	\$ 10,599	\$ -	\$ 1,111,433
State sources	-	-	15,000	-	-	730,108
Federal sources	1,933	22,520	44,133	-	68,866	521,074
Total revenues	<u>1,933</u>	<u>22,520</u>	<u>67,133</u>	<u>10,599</u>	<u>68,866</u>	<u>2,362,815</u>
<b>EXPENDITURES:</b>						
Instructional services:						
Salaries	1,796	18,445	53,499	-	-	889,334
Employee benefits	137	1,367	22,164	-	-	180,472
Purchased services	-	1,782	4,162	10,541	-	896,903
Supplies and materials	-	2,058	-	-	2,458	60,654
Payments to other governments	-	-	-	-	-	457,931
Capital outlay	-	-	586	-	-	15,325
Total expenditures	<u>1,933</u>	<u>23,652</u>	<u>80,411</u>	<u>10,541</u>	<u>2,458</u>	<u>2,300,619</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>(1,132)</u>	<u>(13,278)</u>	<u>58</u>	<u>66,408</u>	<u>61,996</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	4,161	1	13,278	675	-	108,430
Transfers out	-	-	-	-	-	(128,013)
Total other financing sources (uses)	<u>4,161</u>	<u>1</u>	<u>13,278</u>	<u>675</u>	<u>-</u>	<u>(19,583)</u>
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	4,161	(1,131)	-	733	66,408	42,413
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	<u>(4,161)</u>	<u>(1)</u>	<u>(2,108)</u>	<u>(733)</u>	<u>(66,408)</u>	<u>62,046</u>
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>	<u>\$ -</u>	<u>\$ (1,132)</u>	<u>\$ (2,108)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,459</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
REGIONAL OFFICE OF EDUCATION #17  
EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE  
Year Ended June 30, 2012

SCHEDULE 6

	Secretary of State's Literacy Grant				Truants Alternative/Optional Education				Adult Education Programs			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>												
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	85,000	66,932	65,000	(1,932)	80,391	80,391	84,552	4,161	216,028	216,028	313,745	97,717
Federal sources	-	-	-	-	-	-	-	-	80,892	80,892	80,892	-
<b>Total revenues</b>	<b>85,000</b>	<b>66,932</b>	<b>65,000</b>	<b>(1,932)</b>	<b>80,391</b>	<b>80,391</b>	<b>84,552</b>	<b>4,161</b>	<b>296,920</b>	<b>296,920</b>	<b>394,637</b>	<b>97,717</b>
<b>EXPENDITURES:</b>												
Instructional services:												
Salaries	45,008	45,166	45,007	159	59,295	59,295	59,295	-	209,251	209,251	185,771	23,480
Employee benefits	12,000	13,662	13,652	10	16,335	16,335	16,335	-	53,546	53,546	49,685	3,861
Purchased services	3,550	2,794	2,598	196	4,761	4,761	4,761	-	29,981	29,981	52,856	(22,875)
Supplies and materials	4,442	5,310	5,675	(365)	-	-	-	-	4,142	4,142	8,312	(4,170)
Payments to other governments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>65,000</b>	<b>66,932</b>	<b>66,932</b>	<b>-</b>	<b>80,391</b>	<b>80,391</b>	<b>80,391</b>	<b>-</b>	<b>296,920</b>	<b>296,920</b>	<b>296,624</b>	<b>296</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(1,932)</b>	<b>\$ (1,932)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>4,161</b>	<b>\$ 4,161</b>	<b>\$ -</b>	<b>\$ -</b>	<b>98,013</b>	<b>\$ 98,013</b>
<b>OTHER FINANCING SOURCES (USES):</b>												
Transfers in			120				-				31,324	
Transfers out			-				-				(59,046)	
<b>Total other financing sources (uses)</b>			<b>120</b>				<b>-</b>				<b>(27,722)</b>	
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>			<b>(1,812)</b>				<b>4,161</b>				<b>70,291</b>	
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>			<b>(120)</b>				<b>(4,156)</b>				<b>(112,569)</b>	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>			<b>\$ (1,932)</b>				<b>\$ 5</b>				<b>\$ (42,278)</b>	

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE  
 Year Ended June 30, 2012

SCHEDULE 6  
 (CONTINUED)

	SOS Family Literacy				Early Childhood Block Grant				English Language Civics Grant			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final			Original	Final		
<b>REVENUES:</b>												
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	30,750	31,555	30,750	(805)	150,000	150,000	151,352	1,352	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	104,380	104,380	104,380	-
<b>Total revenues</b>	<b>30,750</b>	<b>31,555</b>	<b>30,750</b>	<b>(805)</b>	<b>150,000</b>	<b>150,000</b>	<b>151,352</b>	<b>1,352</b>	<b>104,380</b>	<b>104,380</b>	<b>104,380</b>	<b>-</b>
<b>EXPENDITURES:</b>												
Instructional services:												
Salaries	21,496	21,496	21,496	-	114,246	114,246	115,959	(1,713)	80,500	80,500	82,678	(2,178)
Employee benefits	6,500	6,075	6,075	-	24,712	24,712	25,965	(1,253)	23,880	23,880	22,042	1,838
Purchased services	242	40	40	-	10,342	10,342	9,263	1,079	-	-	1,350	(1,350)
Supplies and materials	2,512	1,944	1,944	-	700	700	164	536	-	-	-	-
Payments to other governments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>30,750</b>	<b>31,555</b>	<b>31,555</b>	<b>-</b>	<b>150,000</b>	<b>150,000</b>	<b>151,351</b>	<b>(1,351)</b>	<b>104,380</b>	<b>104,380</b>	<b>106,050</b>	<b>(1,670)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(805)</b>	<b>\$ (805)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(1,670)</b>	<b>\$ (1,670)</b>
<b>OTHER FINANCING SOURCES (USES):</b>												
Transfers in							32,555					-
Transfers out			(1,945)				(31,660)				(1,801)	
<b>Total other financing sources (uses)</b>			<b>(1,945)</b>				<b>895</b>				<b>(1,801)</b>	
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>			<b>(2,750)</b>				<b>896</b>				<b>(3,471)</b>	
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>			<b>2,750</b>				<b>(896)</b>				<b>1,124</b>	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>			<b>\$ -</b>				<b>\$ -</b>				<b>\$ (2,347)</b>	

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 EDUCATION FUND ACCOUNTS - BUDGETARY COMPARISON SCHEDULE  
 Year Ended June 30, 2012

SCHEDULE 6  
 (CONTINUED)

	<u>ROE/ISC Operations Fund</u>				<u>McKinney Homeless Grant</u>			
	<u>Budgeted Amounts</u>		Actual	Variance with	<u>Budgeted Amounts</u>		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>REVENUES:</b>								
Local sources	\$ -	\$ -	\$ 149	\$ 149	\$ -	\$ -	\$ -	\$ -
State sources	39,421	39,421	39,421	-	-	-	-	-
Federal sources	-	-	-	-	20,443	23,243	22,520	(723)
<b>Total revenues</b>	<u>39,421</u>	<u>39,421</u>	<u>39,570</u>	<u>149</u>	<u>20,443</u>	<u>23,243</u>	<u>22,520</u>	<u>(723)</u>
<b>EXPENDITURES:</b>								
Instructional services:								
Salaries	-	-	-	-	18,243	19,812	18,445	1,367
Employee benefits	-	-	-	-	-	-	1,367	(1,367)
Purchased services	39,421	39,421	39,421	-	1,600	1,836	1,782	54
Supplies and materials	-	-	-	-	600	1,595	2,058	(463)
Payments to other governments	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>39,421</u>	<u>39,421</u>	<u>39,421</u>	<u>-</u>	<u>20,443</u>	<u>23,243</u>	<u>23,652</u>	<u>(409)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>149</u>	<u>\$ 149</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,132)</u>	<u>\$ (1,132)</u>
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers in			1				1	
Transfers out			-				-	
<b>Total other financing sources (uses)</b>			<u>1</u>				<u>1</u>	
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>			150				(1,131)	
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>			<u>23,262</u>				<u>(1)</u>	
<b>FUND BALANCE (DEFICIT), END OF YEAR</b>			<u>\$ 23,412</u>				<u>\$ (1,132)</u>	

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 June 30, 2012

SCHEDULE 7

ASSETS	<u>Bus Driver Training</u>	<u>General Education Development</u>	<u>Supervisory</u>	<u>Totals</u>
Cash and cash equivalents	\$ 8,914	\$ 46,013	\$ 3,453	\$ 58,380
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
None	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCE</b>				
Restricted	<u>8,914</u>	<u>46,013</u>	<u>3,453</u>	<u>58,380</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 8,914</u>	<u>\$ 46,013</u>	<u>\$ 3,453</u>	<u>\$ 58,380</u>



DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 Year Ended June 30, 2012

	Bus Driver Training	General Education Development	Supervisory	Totals
<b>REVENUES:</b>				
Local sources	\$ 4,193	\$ 25,171	\$ -	\$ 29,364
State sources	1,546	-	-	1,546
Total revenues	<u>5,739</u>	<u>25,171</u>	<u>-</u>	<u>30,910</u>
<b>EXPENDITURES:</b>				
Instructional services:				
Salaries	-	2,410	-	2,410
Employee benefits	-	184	-	184
Purchased services	2,492	15,814	3,645	21,951
Supplies and materials	-	227	-	227
Other objects	-	4,707	-	4,707
Total expenditures	<u>2,492</u>	<u>23,342</u>	<u>3,645</u>	<u>29,479</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	3,247	1,829	(3,645)	1,431
<b>OTHER FINANCING USES:</b>				
Transfers out	<u>-</u>	<u>(7)</u>	<u>-</u>	<u>(7)</u>
<b>NET CHANGE IN FUND BALANCE</b>	3,247	1,822	(3,645)	1,424
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>5,667</u>	<u>44,191</u>	<u>7,098</u>	<u>56,956</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 8,914</u>	<u>\$ 46,013</u>	<u>\$ 3,453</u>	<u>\$ 58,380</u>

**DEWITT, LIVINGSTON, AND MCLEAN COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #17**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**AGENCY FUNDS**  
 June 30, 2012

	<u>Distributive Fund</u>	<u>Regional Board of School Trustees Fund</u>	<u>Cooperative Purchasing Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 870,057	\$ 1,106	\$ -	\$ 871,163
Due from other governments	<u>-</u>	<u>-</u>	<u>312,148</u>	<u>312,148</u>
<b>TOTAL ASSETS</b>	<u>\$ 870,057</u>	<u>\$ 1,106</u>	<u>\$ 312,148</u>	<u>\$ 1,183,311</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 870,057</u>	<u>\$ 1,106</u>	<u>\$ 312,148</u>	<u>\$ 1,183,311</u>

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 COMBINING STATEMENT OF CHANGES IN  
 ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 Year Ended June 30, 2012

SCHEDULE 10

	<u>Balance,</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance,</u> <u>June 30, 2012</u>
<b>DISTRIBUTIVE FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 19,277	\$ 10,550,471	\$ 9,699,691	\$ 870,057
<b>LIABILITIES</b>				
Due to other governments	\$ 19,277	\$ 10,550,471	\$ 9,699,691	\$ 870,057
 <b>REGIONAL BOARD OF SCHOOL TRUSTEES FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,106	\$ -	\$ -	\$ 1,106
<b>LIABILITIES</b>				
Due to other governments	\$ 1,106	\$ -	\$ -	\$ 1,106
 <b>COOPERATIVE PURCHASING FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 875,144	\$ 875,144	\$ -
Due from other governments	315,484	312,148	315,484	312,148
<b>TOTAL ASSETS</b>	<b>\$ 315,484</b>	<b>\$ 1,187,292</b>	<b>\$ 1,190,628</b>	<b>\$ 312,148</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 315,484	\$ 1,187,292	\$ 1,190,628	\$ 312,148
 <b>TOTAL ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 20,383	\$ 11,425,615	\$ 10,574,835	\$ 871,163
Due from other governments	315,484	312,148	315,484	312,148
<b>TOTAL ASSETS</b>	<b>\$ 335,867</b>	<b>\$ 11,737,763</b>	<b>\$ 10,890,319</b>	<b>\$ 1,183,311</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 335,867	\$ 11,737,763	\$ 10,890,319	\$ 1,183,311

DEWITT, LIVINGSTON, AND MCLEAN COUNTIES  
 REGIONAL OFFICE OF EDUCATION #17  
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES  
 Year Ended June 30, 2012

SCHEDULE 11

<u>Program</u>	Cornell District <u>426</u>	Livingston County Special Services	Mackinaw Valley Special Education	Rooks Creek CSD <u>425</u>	Regional Office of Education	<u>Totals</u>
General State Aid	\$ 268,785	\$ -	\$ -	\$ 19,822	\$ 1,695,659	\$ 1,984,266
Special Education Extraordinary	16,847	-	-	6,269	-	23,116
Special Education Personnel	11,250	472,765	9,000	6,923	220,674	720,612
Illinois Free Lunch	815	655	-	103	1,571	3,144
ICCB Adult Education Basic	-	-	-	-	114,979	114,979
ICCB Adult Education Performance	-	-	-	-	110,035	110,035
ICCB Adult Education Public	-	-	-	-	58,438	58,438
Transportation Regular	10,432	-	-	78,451	-	88,883
Transportation Special Education	29,917	6,882	-	3,309	-	40,108
School Bus Driver Training	-	-	-	-	1,546	1,546
Truant Alternative Optional Education	-	-	-	-	147,772	147,772
Regional Safe School Program	-	-	-	-	186,311	186,311
Early Childhood Block Grant	-	-	-	-	178,798	178,798
ROE/ISC Operations	-	-	-	-	74,220	74,220
Medicaid District	-	46,221	-	-	-	46,221
National School Lunch Program	15,460	8,349	-	3,534	24,058	51,401
School Breakfast Program	7,950	5,675	-	900	15,325	29,850
Title I Low Income	19,662	-	-	-	-	19,662
Even Start Family Literacy	-	-	-	-	27,814	27,814
Preschool Special Ed.	-	50,419	81,727	-	-	132,146
IDEA Special Ed. Flow Through	-	893,189	3,160,473	-	-	4,053,662
ICCB Federal Adult Education	-	-	-	-	88,058	88,058
ICCB English Language Civics	-	-	-	-	113,348	113,348
Title I - School Improvement	-	-	-	-	66,408	66,408
ARRA Federal Special Education	-	-	14,704	-	-	14,704
ARRA IDEA	-	68,336	1,235,507	-	-	1,303,843
ARRA Education Jobs	16,959	-	-	-	-	16,959
Title II Teacher Quality	3,093	-	-	294	-	3,387
<b>Totals</b>	<b>\$ 401,170</b>	<b>\$ 1,552,491</b>	<b>\$ 4,501,411</b>	<b>\$ 119,605</b>	<b>\$ 3,125,014</b>	<b>\$ 9,699,691</b>