

**STATE OF ILLINOIS  
GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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**GRUNDY AND KENDALL COUNTIES  
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**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**OFFICIALS**

Regional Superintendent (Current and during the audit period) ..... Mr. Christopher Mehochko

Assistant Regional Superintendent (Current and during the audit period)..... Ms. Michelle Senffner

Offices are located at:

1320 Union Street  
Morris, Illinois 60450

109 W. Ridge Street  
Yorkville, Illinois 60560

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**FINANCIAL REPORT SUMMARY**

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

**AUDITORS' REPORTS**

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

**SUMMARY OF AUDIT FINDINGS**

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	3	1
Repeated audit findings	1	1
Prior recommendations implemented or not repeated	-	-

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

**SUMMARY OF FINDINGS AND RESPONSES**

<u>Item No.</u>	<u>Page(s)</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
2017-001	10-11	Controls Over Financial Statement Preparation	Material Weakness
2017-002	12-13	Inadequate Internal Controls Over Cash and Bank Reconciliations	Material Weakness
2017-003	14	Inadequate Census Data for Illinois Municipal Retirement Fund Employees	Material Weakness

PRIOR AUDIT FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

There were no findings not repeated for the year ended June 30, 2017.

**EXIT CONFERENCE**

The Grundy and Kendall Counties Regional Office of Education No. 24 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2017. Throughout the audit, numerous meetings were held between the auditors and Regional Office to discuss matters contained in this audit report.

Responses to the recommendations were provided by Christopher Mehochko, Regional Superintendent, via email on March 18, 2018.

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the Grundy and Kendall Counties Regional Office of Education No. 24 was performed by West & Company, LLC.

Based on their audit, the auditors expressed a qualified opinion on the Grundy and Kendall Counties Regional Office of Education No. 24's basic financial statements.

MEMBERS

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

CERTIFIED PUBLIC ACCOUNTANTS  
&  
CONSULTANTS

613 BROADWAY AVENUE  
P.O. BOX 945  
MATTOON, ILLINOIS 61938

(217) 235-4747  
www.westcpa.com

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**INDEPENDENT AUDITORS' REPORT**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

**Report on the Financial Statements**

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Grundy and Kendall Counties Regional Office of Education No. 24, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Grundy and Kendall Counties Regional Office of Education No. 24's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



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

***Basis for Qualified Opinion on Governmental Activities***

The Grundy and Kendall Counties Regional Office of Education No. 24 did not recognize Illinois Municipal Retirement Fund (IMRF) pension activity in the governmental activities or disclose the necessary information in the notes to the financial statements. Accounting principles generally accepted in the United States of America require local government employers to record net pension liability/asset, deferred outflow of resources and/or deferred inflow of resources, and pension expenses/benefit for its pensions. In addition, disclosures are required. The effects of departure from U.S. generally accepted accounting principles on assets, liabilities, revenues/expenses, deferred outflows of resources, deferred inflows of resources, and net position are not reasonably determined.

***Qualified Opinion on Governmental Activities***

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph on the governmental activities, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Grundy and Kendall Counties Regional Office of Education No. 24, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Unmodified Opinions on the Business-Type Activities, Major Funds, and Aggregate Remaining Fund Information***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information for Grundy and Kendall Counties Regional Office of Education No. 24, as of June 30, 2017, and respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Teachers' Retirement System of the State of Illinois - Schedules of the Employer's Proportionate Share of the Net Pension Liability, Teachers' Retirement System of the State of Illinois - Schedule of Employer Contributions, and Other Post Employment Benefits – Health Insurance – Schedule of Funding Progress on pages 66 - 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grundy and Kendall Counties Regional Office of Education No. 24's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, and Schedule of Disbursements to School District Treasurers and Other Entities – Distributive Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2018, on our consideration of the Grundy and Kendall Counties Regional Office of Education No. 24's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Grundy and Kendall Counties Regional Office of Education No. 24's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Grundy and Kendall Counties Regional Office of Education No. 24's internal control over financial reporting and compliance.

**SIGNED ORIGINAL ON FILE**

Mattoon, Illinois  
June 6, 2018

MEMBERS

BRIAN E. DANIELL  
JANICE K. ROMACK  
DIANA R. SMITH  
D. RAIF PERRY  
JOHN H. VOGT  
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Grundy and Kendall Counties Regional Office of Education No. 24, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Grundy and Kendall Counties Regional Office of Education No. 24's basic financial statements, and have issued our report thereon dated June 6, 2018. Our opinion was qualified because the Grundy and Kendall Counties Regional Office of Education No. 24 did not recognize and disclose IMRF pension activity in their financial statements as required by Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. Disclosure of that information is required to conform with accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Grundy and Kendall Counties Regional Office of Education No. 24's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Grundy and Kendall Counties Regional Office of Education No. 24's internal control. Accordingly, we do not express an opinion on the effectiveness of Grundy and Kendall Counties Regional Office of Education No. 24's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control described in the accompanying Schedule of Findings and Responses as findings 2017-001, 2017-002, and 2017-003 that we consider to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Grundy and Kendall Counties Regional Office of Education No. 24'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*.

### **Regional Office of Education No. 24's Responses to Findings**

Grundy and Kendall Counties Regional Office of Education No. 24's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Grundy and Kendall Counties Regional Office of Education No. 24's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Grundy and Kendall Counties Regional Office of Education No. 24's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Grundy and Kendall Counties Regional Office of Education No. 24's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**SIGNED ORIGINAL ON FILE**

Mattoon, Illinois  
June 6, 2018

## **SCHEDULE OF FINDINGS AND RESPONSES**

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

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

**Financial statements in accordance with GAAP**

Type of auditors' report issued:

                      
**QUALIFIED**  
                    

Internal control over financial reporting:

- Material weakness(es) identified?

    X     yes               no

- Significant deficiency(ies) identified?

           yes        X     none reported

Noncompliance material to financial  
statements noted?

           yes        X     no

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

**Section II – Financial Statement Findings**

**FINDING NO. 2017-001 – Controls Over Financial Statement Preparation** (Repeat of Prior Year Findings 16-001, 15-001, 14-001, 13-001, 12-2, 11-2, and 10-2)

**Criteria/Specific Requirement:**

The Regional Office of Education No. 24 (ROE) is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The ROE's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

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

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

**Condition:**

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

During review of the Regional Office of Education No. 24's financial information prepared by the Regional Office, auditors noted the Regional Office's financial information required material adjusting entries to cash, accounts receivable, accounts payable, operating lease obligation, and capital assets in order to present its financial statements in accordance with generally accepted accounting principles. Through inquiries and discussions with the ROE's accounting personnel and Regional Superintendent, auditors noted that the ROE did not have adequate controls to record and report the ROE's net accrued pension liabilities/assets, deferred outflows of resources, deferred inflows of resources, and pension expenses in accordance with GAAP. Proposed adjusting entries were approved and accepted by Regional Office management.

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

**Section II – Financial Statement Findings** (Continued)

**FINDING NO. 2017-001 – Controls Over Financial Statement Preparation** (Repeat of Prior Year Findings 16-001, 15-001, 14-001, 13-001, 12-2, 11-2 and 10-2) (Concluded)

**Effect:**

The Regional Office of Education No. 24’s management or its employees, in the normal course of performing their assigned functions, may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

**Cause:**

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

Additionally, the complex requirements of GASB Statements No. 68 and No. 71 were implemented in fiscal year 2015 and will require additional time and training before the ROE can fully implement the requirements on its own.

**Recommendation:**

As part of internal control over the preparation of financial statements, the Regional Office of Education No. 24 should implement comprehensive preparation procedures to ensure that the financial statements are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of the applicable GAAP, GASB pronouncements, and knowledge of the Regional Office of Education No. 24’s activities and operations.

**Management’s Response:**

The Regional Office of Education will continue to address this finding using the limited resources that we have.



**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

**Section II – Financial Statement Findings** (Continued)

**FINDING NO. 2017–002 – Inadequate Internal Controls Over Cash and Bank Reconciliations**

**Criteria/Specific Requirement:**

The Regional Office of Education No. 24 (ROE) is responsible for establishing and maintaining an internal control system over general ledger cash balances, bank reconciliations and expenditures.

Additionally, the Public Funds Deposit Act (30 ILCS 225/1) gives the authorization for deposits in excess of the federally insured limit to be covered by pledged collateral held by the financial institutions' trust departments in the Regional Office of Education No. 24's name.

**Condition:**

During our audit of the Regional Office, we noted the following deficiencies related to its internal control:

- The ROE did not have accurate general ledger cash balances for multiple bank accounts as of June 30, 2017. Additionally, monthly bank reconciliations performed for these bank accounts did not agree to the related general ledger cash balances.
- The Regional Superintendent's signature stamp was being stored in an unlocked drawer.
- Payroll checks to be paid in July were written on June 30, 2017 and held instead of being accrued. This was recorded in the ROE general ledger as a reduction of cash and increase in an expenditure.
- During the year, the amount on deposit at a financial institution exceeded both the Federal Deposit Insurance Corporation (FDIC) limit and the amount pledged as collateral by \$119,121.

**Effect:**

Without effective internal controls in place, assets can be misappropriated and used for unauthorized purposes. Bank statements not properly reconciled to the general ledger could result in unintentional or intentional errors or fraud, which could be material to the financial statements and may not be detected and corrected in a timely manner by employees in the normal course of performing their assigned duties. Additionally, payroll checks written and held were recorded as outstanding checks instead of accrued payroll, understating cash and liabilities. Finally, uninsured deposits could cause a loss of funds to the Regional Office of Education No. 24 (ROE) if the bank failed.

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

**Section II – Financial Statement Findings** (Continued)

**FINDING NO. 2017-002 – Inadequate Internal Controls Over Cash and Bank Reconciliations** (Continued)

**Cause:**

According to Regional Office officials:

- A transfer was recorded improperly during the year ended June 30, 2016 which caused the general ledger cash balance to be inaccurate for the full year ended June 30, 2017. Adjusting journal entries from the June 30, 2016 audit were not recorded properly so this error was not corrected. Additionally, adequate internal controls were not in place to ensure bank statements are properly reconciled to the related general ledger cash accounts.
- The administrative assistant was hired late in the year and was unaware that it was necessary to keep the signature stamp in a locked enclosure.
- The Regional Office was unaware that it was not good business practice to write and hold checks.
- The Regional Office believed they were adequately collateralized at the financial institution; however a coding error at the bank caused the Regional Office to be under collateralized.

**Recommendation:**

The Regional Office should implement proper controls for the safeguarding of assets and maintain an adequate system of internal controls over accounting transactions and bank reconciliations to prevent error or fraud.

- The ROE should ensure all cash account balances per the general ledger are accurate and properly reconciled to the related bank accounts. Bank reconciliations should be prepared monthly and all differences between the bank balance and the general ledger balance should be investigated and resolved.
- If a signature stamp is considered necessary, it should be stored in a secure enclosure.
- The ROE should only write checks when payments are intended to be disbursed.
- The ROE should periodically monitor the amount of collateral held on deposits to ensure an adequate amount is maintained. The ROE should also seek an agreement with the bank to provide sufficient collateral in the Regional Office of Education No. 24's name for all bank deposits.

**Management's Response:**

The Regional Office of Education will continue to address this finding using an outside CPA firm to assist.

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

**Section II – Financial Statement Findings** (Continued)

**FINDING NO. 2017–003 – Inadequate Census Data for Illinois Municipal Retirement Fund (IMRF) Employees**

**Criteria/Specific Requirement:**

Management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud. Management of cost-sharing plans is also responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework, including completeness and accuracy of census data.

**Condition:**

During our audit of the Regional Office, we noted the actuarially determined pension report for the ROE Illinois Municipal Retirement Fund (IMRF) had census data that could not be confirmed as reasonably accurate.

**Effect:**

Without effective internal controls in place over pension related census data, pension related balances for the IMRF Plan could be materially misstated. Inadequate census data could also alter the amount of pension contributions required to be deposited on a monthly basis due to erroneous pension assets/liabilities.

**Cause:**

According to Regional Office officials, a local special education cooperative (cooperative) and the Regional Office previously paid IMRF contributions using the same IMRF employer number. This arrangement was agreed upon several years ago by previous governing bodies. Upon the cooperative obtaining its own employer number in June of 2016, IMRF, with cooperation from the Regional Office, transferred the active employees of the cooperative to the new employer number. However, it cannot be determined at this time if the inactive and retired employees of the cooperative have been properly transferred to the new IMRF employer.

**Recommendation:**

The Regional Office should work with IMRF to determine all employees associated with the Regional Office's IMRF account are actually employees of the Regional Office.

**Management's Response:**

The Regional Office of Education has and continues to work with IMRF regarding this finding.

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

**Section II – Financial Statement Findings** (Continued)

**Corrective Action Plan**

**FINDING NO. 2017-001 – Controls Over Financial Statement Preparation** (Repeat of Prior Year Findings 16-001, 15-001, 14-001, 13-001, 12-2, 11-2, and 10-2)

**Condition:**

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

During review of the Regional Office of Education No. 24's financial information prepared by the Regional Office, auditors noted the Regional Office's financial information required material adjusting entries to cash, accounts receivable, accounts payable, operating lease obligation, and capital assets in order to present its financial statements in accordance with generally accepted accounting principles. Through inquiries and discussions with the ROE's accounting personnel and Regional Superintendent, auditors noted that the ROE did not have adequate controls to record and report the ROE's net accrued pension liabilities/assets, deferred outflows of resources, deferred inflows of resources, and pension expenses in accordance with GAAP. Proposed adjusting entries were approved and accepted by Regional Office management.

**Plan:**

The Regional Office of Education has, and will continue to, take the following steps to address this finding:

1. Implemented a new software system five years ago.
2. Provided, and will continue to provide, professional development opportunities to personnel.
3. Contracted with an outside CPA Firm to review our books and offer assistance in addressing this finding.

**Anticipated date of completion:**

Contracted CPA firm has completed their work and final fund balances have been reported to the CPA firm conducting this audit. Training for ROE personnel is ongoing.

**Name of contact person:**

Honorable Christopher Mehochko, Regional Superintendent of Schools

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

**Section II – Financial Statement Findings** (Continued)

**Corrective Action Plan** (Continued)

**FINDING NO. 2017–002 – Inadequate Internal Controls Over Cash and Bank Reconciliations**

**Condition:**

During our audit of the Regional Office, we noted the following deficiencies related to its internal control:

- The ROE did not have accurate general ledger cash balances for multiple bank accounts as of June 30, 2017. Additionally, monthly bank reconciliations performed for these bank accounts did not agree to the related general ledger cash balances.
- The Regional Superintendent’s signature stamp was being stored in an unlocked drawer.
- Payroll checks to be paid in July were written on June 30, 2017 and held instead of being accrued. This was recorded in the ROE general ledger as a reduction of cash and increase in an expenditure.
- During the year, the amount on deposit at a financial institution exceeded both the Federal Deposit Insurance Corporation (FDIC) limit and the amount pledged as collateral by \$119,121.

**Plan:**

The Regional Office of Education has, and will continue to, take the following steps to address this finding:

1. Implemented a new software system five years ago.
2. Provided, and will continue to provide, professional development opportunities to personnel.
3. Contracted with an outside CPA Firm to review our books and offer assistance in addressing this finding.

**Anticipated date of completion:**

Contracted CPA firm has completed their work and final fund balances have been reported to the CPA firm conducting this audit. Training for ROE personnel is ongoing.

**Name of contact person:**

Honorable Christopher Mehochko, Regional Superintendent of Schools

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

**Section II – Financial Statement Findings** (Continued)

**Corrective Action Plan** (Continued)

**FINDING NO. 2017–003 – Inadequate Census Data for Illinois Municipal Retirement Fund (IMRF) Employees**

**Condition:**

During our audit of the Regional Office, we noted the actuarially determined pension report for the ROE Illinois Municipal Retirement Fund (IMRF) had census data that could not be confirmed as reasonably accurate.

**Plan:**

The Regional office of Education continues to work with IMRF regarding this finding.

**Anticipated date of completion:**

June 30, 2018

**Name of contact person:**

Honorable Christopher Mehochko, Regional Superintendent of Schools

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

During the fiscal year 17 the Regional Office of Education had findings that were either new or had been repeated from the prior year. There were no findings from the prior year that did not repeat in the current year.

## **BASIC FINANCIAL STATEMENTS**



**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,196,185	\$ 51,029	\$ 1,247,214
Investments	103,471	-	103,471
Accounts receivable	2,175	410	2,585
Due from other governments	244,798	-	244,798
Prepaid expenses	40,469	-	40,469
Total current assets	<u>1,587,098</u>	<u>51,439</u>	<u>1,638,537</u>
Noncurrent assets:			
Capital assets, net of depreciation	<u>354,626</u>	<u>-</u>	<u>354,626</u>
Total noncurrent assets	<u>354,626</u>	<u>-</u>	<u>354,626</u>
Total assets	<u>1,941,724</u>	<u>51,439</u>	<u>1,993,163</u>
Deferred outflows of resources:			
Deferred outflows of resources - pension	<u>8,321</u>	<u>-</u>	<u>8,321</u>
Liabilities:			
Current liabilities:			
Accounts payable	5,865	-	5,865
Accrued payroll	39,913	-	39,913
Due to other governments	767	-	767
Unearned revenue	1,069	-	1,069
Current portion of accrued rent	28,347	-	28,347
Current portion of note payable	26,592	-	26,592
Total current liabilities	<u>102,553</u>	<u>-</u>	<u>102,553</u>
Noncurrent liabilities:			
Other postemployment benefit obligations	4,994	-	4,994
Accrued rent	141,732	-	141,732
Note payable	75,846	-	75,846
Net pension liability	45,287	-	45,287
Total noncurrent liabilities	<u>267,859</u>	<u>-</u>	<u>267,859</u>
Total liabilities	<u>370,412</u>	<u>-</u>	<u>370,412</u>
Deferred inflows of resources:			
Deferred inflows of resources - pension	<u>7,472</u>	<u>-</u>	<u>7,472</u>
Net position:			
Net investment in capital assets	252,188	-	252,188
Restricted - for educational purposes	251,656	-	251,656
Unrestricted	<u>1,068,317</u>	<u>51,439</u>	<u>1,119,756</u>
Total net position	<u>\$ 1,572,161</u>	<u>\$ 51,439</u>	<u>\$ 1,623,600</u>

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

Functions/Programs:	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Governmental Activities:						
Instructional services:						
Salaries and benefits	\$ 1,033,397	\$ -	\$ 965,643	\$ (67,754)	\$ -	\$ (67,754)
Purchased services	316,304	-	325,799	9,495	-	9,495
Supplies and materials	90,680	-	84,725	(5,955)	-	(5,955)
Capital outlay	34,831	-	32,543	(2,288)	-	(2,288)
Payments to other governments	332,286	-	310,461	(21,825)	-	(21,825)
Other objects	1,067	-	846	(221)	-	(221)
Depreciation	62,914	-	-	(62,914)	-	(62,914)
Pension expense	1,839	-	-	(1,839)	-	(1,839)
Interest on long-term lease liability	6,388	-	-	(6,388)	-	(6,388)
Administrative:						
On-behalf payments	560,298	-	-	(560,298)	-	(560,298)
Total governmental activities	2,440,004	-	1,720,017	(719,987)	-	(719,987)
Business-type activities:						
Registration fees	28,177	27,790	-	-	(387)	(387)
Tuition	10,028	9,890	-	-	(138)	(138)
Total Business-type Activities	38,205	37,680	-	-	(525)	(525)
Total Primary Government	\$ 2,478,209	\$ 37,680	\$ 1,720,017	(719,987)	(525)	(720,512)
General revenues:						
Local sources				279,528	-	279,528
On-behalf payments				560,298	-	560,298
Interest				585	-	585
Total general revenues				840,411	-	840,411
Change in net position				120,424	(525)	119,899
Net position - beginning of year, restated				1,451,737	51,964	1,503,701
Net position - ending				\$ 1,572,161	\$ 51,439	\$ 1,623,600

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	General Fund	Education Fund	Institute Fund
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 1,042,387	\$ 12,522	\$ 126,529
Investments	-	-	77,718
Accounts receivable	2,175	-	-
Due from other funds	232,614	-	-
Due from other governments	-	244,598	-
Prepaid expenses	37,221	3,248	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 1,314,397</u>	<u>\$ 260,368</u>	<u>\$ 204,247</u>
<b>Liabilities:</b>			
Accounts payable	\$ 5,246	\$ 619	\$ -
Accrued payroll and employee benefits	21,323	18,590	-
Due to other funds	-	233,545	-
Due to other governments	-	-	-
Unearned revenue	-	1,069	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>26,569</u>	<u>253,823</u>	<u>-</u>
<b>Deferred inflows of resources:</b>			
Unavailable revenue	<u>-</u>	<u>144,468</u>	<u>-</u>
<b>Fund balances (deficits):</b>			
Nonspendable	151,899	3,248	-
Restricted	-	6,889	204,247
Assigned	499,122	-	-
Unassigned	636,807	(148,060)	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances (deficits)	<u>1,287,828</u>	<u>(137,923)</u>	<u>204,247</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>			
	<u>\$ 1,314,397</u>	<u>\$ 260,368</u>	<u>\$ 204,247</u>

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	<u>Nonmajor Special Revenue Funds</u>	<u>Eliminations</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 14,747	\$ -	\$ 1,196,185
Investments	25,753	-	103,471
Accounts receivable	-	-	2,175
Due from other funds	931	(233,545)	-
Due from other governments	200	-	244,798
Prepaid expenses	-	-	40,469
Total assets	<u>\$ 41,631</u>	<u>\$ (233,545)</u>	<u>\$ 1,587,098</u>
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ 5,865
Accrued payroll and employee benefits	-	-	39,913
Due to other funds	-	(233,545)	-
Due to other governments	767	-	767
Unearned revenue	-	-	1,069
Total liabilities	<u>767</u>	<u>(233,545)</u>	<u>47,614</u>
<b>Deferred inflows of resources:</b>			
Unavailable revenue	-	-	144,468
<b>Fund balances (deficits):</b>			
Nonspendable	-	-	155,147
Restricted	40,864	-	252,000
Assigned	-	-	499,122
Unassigned	-	-	488,747
Total fund balances (deficits)	<u>40,864</u>	<u>-</u>	<u>1,395,016</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 41,631</u>	<u>\$ (233,545)</u>	<u>\$ 1,587,098</u>

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS**

**June 30, 2017**

Total fund balance - governmental funds	\$	1,395,016
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		354,626
Accrued rent reflects rent expense in excess of rental payments that are recognized as an expense when paid in the fund financial statements. The Statement of Activities amortizes the total payments over the life of the rental agreement.		(170,079)
Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are not considered "available" revenues and are deferred in the governmental funds.		144,468
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore are not reported in the governmental funds as follows:		
Deferred outflows of resources	8,321	
Deferred inflows of resources	<u>(7,472)</u>	849
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Other postemployment benefit obligations	(4,994)	
Note payable	(102,438)	
Net pension liability	<u>(45,287)</u>	<u>(152,719)</u>
Net position of governmental activities	\$	<u><u>1,572,161</u></u>

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	General Fund	Education Fund	Institute Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
Revenues:					
Local sources	\$ 178,685	\$ 20,000	\$ 72,563	\$ 8,280	\$ 279,528
State sources	1,125,361	294,553	-	1,682	1,421,596
Federal sources	-	177,837	-	-	177,837
On-behalf payments	261,685	-	-	-	261,685
Interest	204	-	361	20	585
<b>Total revenues</b>	<b>1,565,935</b>	<b>492,390</b>	<b>72,924</b>	<b>9,982</b>	<b>2,141,231</b>
Expenditures:					
Instructional services:					
Salaries and benefits	635,034	398,492	-	-	1,033,526
Purchased services	283,379	60,973	27,662	4,350	376,364
Supplies and materials	74,665	3,045	-	12,970	90,680
Payments to other governments	182,000	150,286	-	-	332,286
Other objects	906	-	161	-	1,067
Pension expense	-	2,349	-	-	2,349
On-behalf payments	261,685	-	-	-	261,685
Capital outlay	34,831	-	-	-	34,831
<b>Total expenditures</b>	<b>1,472,500</b>	<b>615,145</b>	<b>27,823</b>	<b>17,320</b>	<b>2,132,788</b>
<b>Net change in fund balances</b>	<b>93,435</b>	<b>(122,755)</b>	<b>45,101</b>	<b>(7,338)</b>	<b>8,443</b>
Fund balances (deficit), beginning of year	1,194,393	(15,168)	159,146	48,202	1,386,573
<b>Fund balances (deficit), end of year</b>	<b>\$ 1,287,828</b>	<b>\$ (137,923)</b>	<b>\$ 204,247</b>	<b>\$ 40,864</b>	<b>\$ 1,395,016</b>

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

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

Net change in fund balances		\$ 8,443
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.		
Depreciation expense		(62,914)
Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are not considered "available" revenues and are deferred in the governmental funds.		
Current year unavailable revenue	\$ 144,468	
Prior year unavailable revenue	<u>(23,884)</u>	120,584
Certain expenses in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.		
Cash paid to lessor	\$ 119,714	
Amortization of prepaid expense	12,000	
Amortization of rent expense	(71,654)	
Interest on long-term lease liability	<u>(6,388)</u>	<u>53,672</u>
The decrease in OPEB obligations resulting from annual required contributions in excess of the actual contributions did not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.		
		129
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense (benefit).		
Pension contributions	\$ 2,349	
Cost of benefits earned, net	<u>(1,839)</u>	<u>510</u>
Change in net position of governmental activities		<u><u>\$ 120,424</u></u>

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	Business-type Activities - Nonmajor Enterprise Funds	
	Criminal Backgrounds	Grundy County Summer School
Assets:		
Current assets:		
Cash and cash equivalents	\$ 28,232	\$ 9,698
Accounts receivable	410	-
	28,642	9,698
Total assets	28,642	9,698
Net position:		
Unrestricted	28,642	9,698
Total net position	\$ 28,642	\$ 9,698

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



**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	Business-type Activities - Nonmajor Enterprise Funds		
	Will County Summer School	Professional Teaching and Training Center	Totals
Assets:			
Current assets:			
Cash and cash equivalents	\$ 348	\$ 12,751	\$ 51,029
Accounts receivable	-	-	410
	348	12,751	51,439
Total assets	348	12,751	51,439
Net position:			
Unrestricted	348	12,751	51,439
Total net position	\$ 348	\$ 12,751	\$ 51,439

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	Business-type Activities -	
	Nonmajor Enterprise Funds	
	Criminal Backgrounds	Grundy County Summer School
Operating revenues:		
Charges for services:		
Tuition	\$ -	\$ 9,890
Registration fees	16,265	-
Total operating revenues	16,265	9,890
Operating expenses:		
Salaries and benefits	-	6,562
Purchased services	19,141	72
Depreciation	3,140	-
Total operating expenses	22,281	6,634
Change in net position	(6,016)	3,256
Net position - beginning of year	34,658	6,442
Net position - end of year	\$ 28,642	\$ 9,698

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	Business-type Activities - Nonmajor Enterprise Funds		Totals
	Will County Summer School	Professional Teaching and Training Center	
Operating revenues:			
Charges for services:			
Tuition	\$ -	\$ -	\$ 9,890
Registration fees	-	11,525	27,790
Total operating revenues	-	11,525	37,680
Operating expenses:			
Salaries and benefits	-	-	6,562
Purchased services	-	9,290	28,503
Depreciation	-	-	3,140
Total operating expenses	-	9,290	38,205
Change in net position	-	2,235	(525)
Net position - beginning of year	348	10,516	51,964
Net position - end of year	\$ 348	\$ 12,751	\$ 51,439

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	Business-type Activities -	
	Nonmajor Criminal Backgrounds	Enterprise Funds Grundy County Summer School
Cash flows from operating activities:		
Receipts from customers	\$ 15,905	\$ 9,890
Payments to suppliers and providers of goods and services	(19,141)	(72)
Payments to employees	-	(6,562)
Net cash provided by (used for) operating activities	<u>(3,236)</u>	<u>3,256</u>
Cash flows from noncapital financing activities:		
Decrease in interfund borrowing, net	-	-
Net cash used for noncapital financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(3,236)	3,256
Cash and cash equivalents - beginning of year	<u>31,468</u>	<u>6,442</u>
Cash and cash equivalents - end of year	<u>\$ 28,232</u>	<u>\$ 9,698</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (6,016)	\$ 3,256
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	3,140	-
Increase in:		
Accounts receivable	<u>(360)</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>\$ (3,236)</u>	<u>\$ 3,256</u>

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	Business-type Activities -		Totals
	Nonmajor Will County Summer School	Enterprise Funds Professional Teaching and Training Center	
Cash flows from operating activities:			
Receipts from customers	\$ -	\$ 11,525	\$ 37,320
Payments to suppliers and providers of goods and services	-	(9,290)	(28,503)
Payments to employees	-	-	(6,562)
Net cash provided by (used for) operating activities	-	2,235	2,255
Cash flows from noncapital financing activities:			
Decrease in interfund borrowing, net	-	(524)	(524)
Net cash used for noncapital financing activities	-	(524)	(524)
Net increase (decrease) in cash and cash equivalents	-	1,711	1,731
Cash and cash equivalents - beginning of year	348	11,040	49,298
Cash and cash equivalents - end of year	\$ 348	\$ 12,751	\$ 51,029
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ -	\$ 2,235	\$ (525)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	-	-	3,140
Increase in:			
Accounts receivable	-	-	(360)
Net cash provided by (used for) operating activities	\$ -	\$ 2,235	\$ 2,255

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	<u>Private-Purpose Scholarship Funds</u>			<u>Agency Funds</u>
	<u>Martha Slyther Scholarship Fund</u>	<u>Community Foundation Scholarship Fund</u>	<u>Total</u>	
Assets:				
Cash and cash equivalents	\$ 15,308	\$ 500	\$ 15,808	\$ 67,229
Due from other governments	-	-	-	2,107,345
Total assets	<u>\$ 15,308</u>	<u>\$ 500</u>	<u>\$ 15,808</u>	<u>\$ 2,174,574</u>
Liabilities:				
Due to other governments	\$ -	\$ -	\$ -	\$ 2,174,574
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 2,174,574</u>
Net position:				
Reserved for scholarships	<u>\$ 15,308</u>	<u>\$ 500</u>	<u>\$ 15,808</u>	

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	<u>Private-Purpose Scholarship Funds</u>		<u>Total</u>
	<u>Martha Slyther Scholarship Fund</u>	<u>Community Foundation Scholarship Fund</u>	
Additions:			
Interest	\$ 20	\$ -	\$ 20
Total Additions	<u>20</u>	<u>-</u>	<u>20</u>
Deductions:			
Service charges	65	-	65
Total Deductions	<u>65</u>	<u>-</u>	<u>65</u>
Change in net position	<u>(45)</u>	<u>-</u>	<u>(45)</u>
Net position, beginning of year	<u>15,353</u>	<u>500</u>	<u>15,853</u>
Net position, end of year	<u>\$ 15,308</u>	<u>\$ 500</u>	<u>\$ 15,808</u>

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

**NOTES TO FINANCIAL STATEMENTS**



**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Regional Office of Education No. 24's accounting policies conform to generally accepted accounting principles which are appropriate to local governmental units of this type.

**A. Reporting Entity**

The Regional Office of Education No. 24 was created by Illinois Public Act 76-735, as amended, effective August 8, 1995. The region encompasses Grundy and Kendall counties.

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

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

The Regional Office of Education No. 24 derives its oversight power and authority over the school districts from the School Code and is responsible for its own fiscal and budgetary matters. The Regional Office of Education No. 24 exercises no oversight responsibility on financial interdependency, selection of governing authority, designation of management or the ability to significantly influence the operations of any other outside agencies. Control or dependency is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing order. Therefore, no other agency has been included as a component unit in the Regional Office of Education No. 24's financial statements. In addition, the Regional Office of Education No. 24 is not aware of any entity that would exercise oversight as to result in the Regional Office of Education No. 24 being considered a component unit of the entity.

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

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

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

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

The Statement of Net Position includes all of the Regional Office of Education No. 24's assets, including capital assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

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

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

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

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

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Regional Office of Education No. 24 considers revenues to be available if they are collectible within 60 days after year-end. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable, with the exception of expenditures for prepaid expenses and other long-term obligations, which are recognized as liabilities when due, as well as expenditures related to compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Regional Office of Education No. 24's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

It is the Regional Office of Education No. 24's policy to first apply restricted resources when an expenditure or expense is incurred for which both restricted and unrestricted resources are available. For unrestricted fund balances, committed fund balances are used first, then assigned fund balances, then unassigned, if any.

**1. Governmental Funds**

The Regional Office of Education No. 24 reports the following major governmental funds:

**General Fund** – The General Fund is the general operating fund of the Regional Office of Education No. 24 and is used to account for all financial resources except those required to be accounted for and reported in another fund. This fund is available to pay general and administrative expenditures of the Regional Office of Education No. 24. Included in this fund are:

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**1. Governmental Funds** (Continued)

**General Fund** (Continued)

**General School Fund** – To account for the general operating fund. It has been used to record transactions in connection with general administrative activities.

**Payroll** – To account for income received for and expenses paid for the payroll for certain employees who are paid by Grundy and Kendall Counties.

**Interest** – This fund accounts for interest revenue earned on the Regional Office’s bank accounts.

**Illinois Tobacco** – This fund accounts for revenues and expenditures associated with the curriculum and materials for tobacco prevention for youth and incentives for the stop smoking program for youth.

**Grundy County Health Department** – This fund accounts for local revenues and expenditures associated with a contract the Regional Office has with the Grundy County Health Department.

**Grundy/Kendall Counties State Aid** – To account for grant monies received for, and payment of expenditures for the unrestricted State grant-in aid to school districts which are directly received from the Illinois State Board of Education.

**Premier Local Revenue** – To account for funds collected from students at the Morris campus to pay to take those students bowling.

**No Tolerance Task Force** – This fund accounts for donations received from individuals for the No Tolerance Task Force program.

**In Touch Local** – This fund accounts for revenues and expenditures related to a youth group fundraiser that was held in fiscal year 2009.

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**1. Governmental Funds** (Continued)

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

**Workforce Investment Act (WIA) Grant** – To account for federal monies received and payment of expenditures for the Workforce Investment Act passed through Kane County. Training programs include tutoring, mentoring, and study skills training for underprivileged youth.

**Truants Alternative Optional Education Program (TAOEP)** – To account for grant monies received for, and payment of expenditures for TAOEP. This program provides assistance to students and families when students have excessive absenteeism.

**Will County Truants Alternative Optional Education Program** – To account for State grant monies received from Will County for payment of expenditures for the TAOEP.

**No Tolerance Task Force** – To account for monies received for, and payment of expenditures for the No Tolerance Task Force. This program is a community partnership for zero tolerance against drug abuse and gangs.

**McKinney–Vento Education for Homeless Children and Youth** – To account for grant monies received for and payment of expenditures associated with a federal program designed to provide counseling and educational support to homeless children and their families. The programs are funded by a Federal Stewart B. McKinney Education for Homeless Children and Youth Grant passed through the Will County Regional Office of Education No. 56.

**ROE/ISC Operations** – To account for monies passed through to the Professional Development Alliance.

**Fairmont Literacy Program** – To account for grant monies received for and payment of expenses to improve the students' reading and literacy achievements in the Fairmont School District.

**Title II – Teacher Quality – Leadership Grant** – To account for monies received from the State (federal dollars) to support school improvement services for schools in academic difficulty.

**Regional Safe School** – To account for the administration of monies to be used for the Regional Safe Schools Program Fund received from the Illinois State Board of Education. This fund is an alternative schooling program for disruptive youth, creating alternative placement for those students who are suspended and/or are deemed ineligible.

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**1. Governmental Funds** (Continued)

**Institute Fund** – This special revenue fund accounts for teacher licenses registration, issuance, and evaluation fees for processing licenses, and expenses of meetings of a professional nature. All funds generated remain restricted until expended only on the aforementioned activities.

The Regional Office of Education No. 24 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 that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. Included among these funds are:

**School Bus Driver Training** – This fund accounts for bus drivers’ permit fees which may be expended for bus drivers’ refresher courses.

**General Education Development** – To account for the Regional Office of Education’s administration of the GED Testing Program. Revenues are received from testing and diploma fees.

**2. Proprietary Fund**

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

The Regional Office of Education No. 24 reports the following nonmajor proprietary funds:

**Criminal Backgrounds** – This fund accounts for revenues and expenditures associated with criminal background checks conducted by the Regional Office.

**Grundy County Summer School** – This fund accounts for revenues and expenditures associated with summer school programs conducted by the Grundy and Kendall Counties Regional Office of Education No. 24.

**Will County Summer School** – This fund accounts for revenues and expenditures associated with Will County summer school programs conducted by the Grundy and Kendall Counties Regional Office of Education No. 24.

**Professional Training and Teaching Center (PTTC)** – This fund accounts for revenues and expenditures associated with professional exams.

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**3. Fiduciary Funds**

Fiduciary funds are used to account for assets held by the Regional Office of Education No. 24 in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

**Private Purpose Scholarship Funds** – Private purpose scholarship funds are used to account for assets held by Regional Office of Education No. 24 under trust agreements which require income earned to be used to benefit individuals through scholarship awards. Private purpose scholarship funds include the following:

**Martha Slyther Scholarship Fund** – To account for the Martha Slyther Scholarship Fund which was received from an estate to be used for the purpose of providing scholarships to students in Kendall County.

**Community Foundation Scholarship Fund** – To account for the Community Foundation Scholarship Fund which was received from an individual to be used for the purpose of providing scholarships to students going into the medical field.

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

**Distributive Fund** – To account for funds received and disbursed as a result of the Superintendent's responsibility to receive and distribute to treasurers of school districts and other agencies, monies due them from general State aid, State categorical grants, and various other sources. Interest earned on Distributive Fund assets is used to fund existing programs.

**Outdoor Education Cooperative** – To account for funds received and disbursed for the Outdoor Education Cooperative.

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**1. Deposits and Investments**

The Regional Office of Education No. 24 considers cash on hand, checking accounts, savings accounts, and investments held with an original maturity date of 90 days or less to be cash and cash equivalents. State regulations require that Regional Office of Education No. 24 deposit funds under its control into accounts insured by the federal governments, accounts secured by substantial collateral, or pooled investment trusts. All funds not needed for immediate disbursement are maintained in interest bearing accounts.

Statutes authorize the Regional Office of Education No. 24 to make deposits or invest in obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund.

**2. Interfund Transactions**

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

**3. Capital assets**

Capital assets are reported in the applicable columns in the government-wide financial statements. Capital assets, such as equipment, are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

<u>Assets</u>	<u>Years</u>
Office equipment and furniture	5-10
Leasehold improvements	15

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



**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

**5. Equity Classifications**

**Government-wide and Proprietary Fund Statements**

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

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

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

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**5. Equity Classifications (Continued)**

**Governmental Fund Statements**

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

**Nonspendable Fund Balance** - the portion of a governmental fund's fund balance that is not available to be spent, either short term or long term, in either form or through legal restrictions. A portion of the fund balance for the WIA Grant, Truants Alternative Optional Education Program, No Tolerance Task Force, McKinney–Vento Education for Homeless Children and Youth, and Regional Safe School are presented as nonspendable. These nonspendable fund balances are for prepaid expenses. In addition, a portion of the fund balance for Grundy/Kendall Counties State Aid is presented as nonspendable. This nonspendable fund balance is to be maintained in a separate Strict Joint Order Escrow bank account as required by a lease the Regional Office entered into during fiscal year 2012.

**Restricted Fund Balance** - the portion of a governmental fund's fund balance that is subject to external enforceable legal restrictions. The following accounts' fund balances are restricted by grant agreements or contracts: Will County Truants Alternative Optional Education Program, No Tolerance Task Force, Fairmont Literacy Program, and Title II – Teacher Quality – Leadership Grant. The following funds are restricted by Illinois Statute: Institute, School Bus Driver Training, and General Education Development.

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

**Assigned Fund Balance** - the portion of a governmental fund's fund balance to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following accounts comprise assigned fund balance: Illinois Tobacco, Grundy/Kendall Counties State Aid, Premier Local Revenue, and No Tolerance Task Force.

**Unassigned Fund Balance** - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of General School Fund, Payroll, Interest, Grundy County Health Department, In Touch Local, Truants Alternative Optional Education Program, McKinney–Vento Education for Homeless Children and Youth, and Regional Safe School.

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**6. 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, and therefore, no liability is accrued.

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.

**E. New Accounting Pronouncements**

In 2017, the Regional Office of Education No. 24 implemented Governmental Accounting Standards Board (GASB) Statement No. 74 - *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, GASB Statement No. 77 - *Tax Abatement Disclosures*, GASB Statement No. 78 - *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, GASB Statement No. 80 - *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*, and GASB Statement No. 82 - *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*. These Statements had no significant impact on the financial statements of the Regional Office of Education No. 24.

**2. BUDGETS AND BUDGETARY ACCOUNTING**

The Regional Office of Education No. 24 was not legally required to adopt annual budgets for all funds under its control, and some annual budgets prepared were not based upon the same operating period. Therefore, budgetary reports comparing budgeted to actual expenditures are not presented.

Budgets relating to programs funded by grants from State and federal agencies, primarily the Illinois State Board of Education, are prepared and submitted to the granting agencies for approval as part of the grant awards process. The granting agencies must also approve amendments to these budgets. Grant project budgets are based on the award period. Budgetary Comparison Schedules have been presented for the following grants: WIA Grant, Truants Alternative Optional Education Program, McKinney - Vento Education for Homeless Children and Youth, ROE/ISC Operations, Title II - Teacher Quality Leadership Grant, and Regional Safe School.

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

**3. USE OF ESTIMATES**

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

**4. INTEREST ON DISTRIBUTIVE FUND ACCOUNTS**

The Regional Office of Education No. 24 has agreements with all districts in the region whereby the Regional Office of Education No. 24 is allowed to keep the interest received on Distributive Fund receipts for expenditures benefiting all districts.

**5. DEPOSITS AND INVESTMENTS**

**A. Deposits**

At June 30, 2017, the carrying amount of the Regional Office of Education No. 24's governmental activities, business-type activities, and fiduciary funds were \$1,260,278, \$51,029, and \$83,037, respectively. The bank balances totaled \$1,543,205, of which \$518,996 was covered by FDIC insurance, \$905,088 was fully collateralized and \$119,121 was uncollateralized and uninsured.

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the Regional Office of Education No. 24's deposits may not be returned to it. The Regional Office of Education No. 24 does not have a deposit policy for custodial risk.

**B. Investments**

The Regional Office of Education No. 24's investments consisted of certificates of deposit with original maturity dates of more than three months. Certificates of deposit comprised the \$103,471 shown as investments for governmental activities. Certificates of deposit are considered deposits and, as such, are included in the deposits note (5A) above.

At June 30, 2017, the carrying amount of the Regional Office of Education No. 24's deposits in the Illinois Funds Money Market Fund for the governmental activities was \$39,378. The bank balance invested in the Illinois Funds Money Market Fund was \$39,378. This fund enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. These deposits are included in cash and cash equivalents in the Regional Office of Education No. 24's governmental activities.

**Credit Risk**

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

**5. DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments (Continued)**

**Interest Rate Risk**

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

**Concentration of Credit Risk**

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

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

The Regional Office of Education No. 24 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers' compensation; and natural disasters. The Regional Office of Education No. 24 is covered by commercial insurance to cover these risks of loss. No settlements have exceeded insurance coverage in the current or three previous years.

**7. CONTINGENCIES**

The Regional Office of Education No. 24 has received funding from Federal and State grants in the current and prior years which are subject to audits by granting agencies. The Regional Office of Education No. 24 believes any adjustments that may arise will be insignificant to the Regional Office of Education No. 24's operations.

**8. BOND**

The Illinois School Code (105 ILCS 5/3-2) directs the Regional Office of Education No. 24 to execute a bond of not less than \$100,000 on the Regional Superintendent. The Regional Office of Education No. 24 has secured and maintained such a bond with coverage of \$100,000 on the Regional Superintendent.

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

**9. CAPITAL ASSETS**

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

	<u>June 30, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2017</u>
<b>Governmental Activities:</b>				
Capital assets being depreciated:				
Equipment	\$ 35,688	\$ -	\$ -	\$ 35,688
Leasehold improvements	450,000	-	-	450,000
Building improvements	<u>146,949</u>	<u>-</u>	<u>-</u>	<u>146,949</u>
Total assets	<u>632,637</u>	<u>-</u>	<u>-</u>	<u>632,637</u>
Less accumulated depreciation for:				
Equipment	(14,677)	(4,050)	-	(18,727)
Leasehold improvements	(152,362)	(42,519)	-	(194,881)
Building improvements	<u>(48,058)</u>	<u>(16,345)</u>	<u>-</u>	<u>(64,403)</u>
Total accumulated depreciation	<u>(215,097)</u>	<u>(62,914)</u>	<u>-</u>	<u>(278,011)</u>
Governmental activities capital assets, net	<u>\$ 417,540</u>	<u>\$ (62,914)</u>	<u>\$ -</u>	<u>\$ 354,626</u>
<b>Business-type Activities:</b>				
Capital assets being depreciated:				
Equipment	\$ 15,706	\$ -	\$ -	\$ 15,706
Less accumulated depreciation for:				
Equipment	<u>(12,566)</u>	<u>(3,140)</u>	<u>-</u>	<u>(15,706)</u>
Business-type activities capital assets, net	<u>\$ 3,140</u>	<u>\$ (3,140)</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense was charged to functions/programs of the Regional Office of Education No. 24 as follows:

Governmental Activities:	
Instructional services	<u>\$ 62,914</u>
Business-type activities:	
Registration fees	<u>\$ 3,140</u>

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

**10. RETIREMENT FUND COMMITMENTS**

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

**Plan Description**

The employer participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

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

**Benefits Provided**

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

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

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

**Contributions**

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

**GRUNDY AND KENDALL COUNTIES  
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**NOTES TO FINANCIAL STATEMENTS**

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

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

**Contributions** (Continued)

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016, was 9.4 percent of creditable earnings. On July 1, 2016, the rate dropped to 9.0 percent of pay due to the expiration of the Early Retirement Option (ERO). The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education No. 24.

*On behalf contributions to TRS* – The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 24. For the year ended June 30, 2017, State of Illinois contributions recognized by the Regional Office of Education No. 24 were based on the State's proportionate share of the collective net pension liability associated with the Regional Office of Education No. 24, and the Regional Office of Education No. 24 recognized revenue and expenditures of \$298,613 in pension contributions from the State of Illinois.

*2.2 formula contributions* – Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2017, were \$2,349, and are deferred because they were paid after the June 30, 2016 measurement date.

*Federal and special trust fund contributions* – When TRS members are paid from federal and special trust funds administered by the Regional Office of Education No. 24, there is a statutory requirement for the Regional Office of Education No. 24 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the State contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2017, the employer pension contribution was 38.54 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2017, there were no salaries paid from federal and special trust funds that required employer contributions.

*Employer retirement cost contributions* – Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education No. 24 is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the Regional Office of Education No. 24 made no payments to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.



**GRUNDY AND KENDALL COUNTIES  
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**NOTES TO FINANCIAL STATEMENTS**

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

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

**Contributions** (Continued)

The Regional Office of Education No. 24 is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2017, the Regional Office of Education No. 24 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent or for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2017, the Regional Office of Education No. 24 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's proportionate share of the net pension liability	\$ 45,287
State's proportionate share of the net pension liability associated with the employer	<u>3,040,677</u>
 Total	 <u><u>\$3,085,964</u></u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward to June 30, 2016. The Regional Office of Education No. 24's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2016, the Regional Office of Education No. 24's proportion was 0.0000573723 percent, which was an decrease of 0.0000065821 percent from its proportion measured as of June 30, 2015.

**GRUNDY AND KENDALL COUNTIES  
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**NOTES TO FINANCIAL STATEMENTS**

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

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

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

For the year ended June 30, 2017, the Regional Office of Education No. 24 recognized pension expense of \$298,613 and revenue of \$298,613 for support provided by the State. For the year ended June 30, 2017, the Regional Office of Education No. 24 recognized a pension expense of \$1,839. At June 30, 2017, the Regional Office of Education No. 24 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Amounts Related to Pensions</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>Deferred Amounts to be Recognized in Pension Expense in Future Periods</b>		
Differences between expected and actual experience	\$ 335	\$ 31
Changes of assumptions	3,890	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	468	7,441
Net difference between projected and actual earnings on pension plan investments	1,279	-
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	5,972	7,472
<b>Pension Contributions made Subsequent to the Measurement Date</b>	2,349	-
<b>Total Deferred Amounts Related to Pensions</b>	\$ 8,321	\$ 7,472

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

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

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

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

\$2,349 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

<u>Year Ended June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2018	\$ (1,350)
2019	(1,350)
2020	704
2021	479
2022	<u>17</u>
Total	<u>\$ (1,500)</u>

**Actuarial Assumptions**

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

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

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**Actuarial Assumptions** (Continued)

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

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

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

**GRUNDY AND KENDALL COUNTIES  
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**NOTES TO FINANCIAL STATEMENTS**

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

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

**Discount Rate**

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

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

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

**Sensitivity of the Regional Office of Education No. 24's proportionate share of the net pension liability to changes in the discount rate**

The following presents the Regional Office of Education's proportionate share of the net pension liability calculated using the discount rate of 6.83 percent, as well as what the Regional Office of Education No. 24's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.83 percent) or 1-percentage-point higher (7.83 percent) than the current rate.

	1% Lower (5.83%)	Current Discount (6.83%)	1% Higher (7.83%)
Employer's proportionate share of net pension liability	\$ 55,388	\$ 45,287	\$ 37,038

**TRS Fiduciary Net Position**

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

**GRUNDY AND KENDALL COUNTIES  
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**NOTES TO FINANCIAL STATEMENTS**

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

**B. Illinois Municipal Retirement Fund**

**Change in Employer Demographics**

The Regional Office of Education has not reported the full amount of the actuarially provided balances for pension activity related to the Illinois Municipal Retirement Fund (IMRF). In previous years, the Kendall County Special Ed Co-op had employees that were included on the Illinois Municipal Retirement Fund actuary report for the Regional Office of Education No. 24. During the current fiscal year, the Kendall County Special Ed Co-op obtained its own IMRF account number and all of its employees were transferred to the new account number. These employees were included in the actuary report for the Regional Office as inactive employees.

**IMRF Plan Description**

The Regional Office of Education No. 24's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education No. 24's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**Benefits Provided**

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

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**Benefits Provided** (Continued)

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

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

**Contributions**

As set by statute, the Regional Office of Education No. 24's Regular Plan Members are required to contribute 4.5 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 Regional Office of Education No. 24's annual contribution rate for calendar year 2016 was 8.59 percent. For the fiscal year ended June 30, 2017, the Regional Office of Education No. 24 contributed \$18,445 to the plan. The Regional Office of Education No. 24 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**C. Social Security**

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

**11. OTHER POSTEMPLOYMENT BENEFITS**

**A. Teacher Health Insurance Security Fund**

The Regional Office of Education No. 24 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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

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

*On behalf contributions to the THIS Fund* - The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 24. State contributions are intended to match contributions to the THIS Fund from active members which were 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$4,535, and the Regional Office of Education No. 24 recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2016 and June 30, 2015 were 1.07 and 1.02 percent of pay, respectively. State contributions on behalf of Regional Office of Education No. 24 employees were \$4,099 and \$3,942, respectively.

*Employer contributions to the THIS Fund* - The Regional Office of Education No. 24 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.84 percent during the year end June 30, 2017 and 0.80 and 0.76 percent during the years ended June 30, 2016 and June 30, 2015, respectively. For the year ended June 30, 2017, the Regional Office of Education No. 24 paid \$3,402 to the THIS Fund which was 100 percent of required contribution. For the years ended June 30, 2016 and June 30, 2015, the Regional Office of Education No. 24 paid \$3,065 and \$2,936 to the THIS Fund, respectively, which was 100 percent of the required contribution.

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



**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

**11. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**B. Other Postemployment Benefits – Health Insurance**

**Plan Description**

In addition to providing the pension benefits described, the Regional Office of Education No. 24 provides postemployment health care benefits (OPEB) for 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 No. 24 and can be amended by the Regional Office of Education No. 24 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 No. 24 governmental funds.

**Benefits Provided**

The Regional Office of Education No. 24 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 No. 24 retirement plan. Upon a retiree reaching 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 No. 24 insurance provider.

**Membership**

At June 30, 2017 membership consisted of:

Retirees and beneficiaries currently receiving benefits	2
Terminated employees entitled to benefits but not yet receiving them	-
Active vested plan members	1
Active nonvested plan members	8
Total	11
Number of participating employers	1

**Funding Policy**

The Regional Office of Education No. 24 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.

**GRUNDY AND KENDALL COUNTIES  
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**NOTES TO FINANCIAL STATEMENTS**

**11. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**B. Other Postemployment Benefits – Health Insurance (Continued)**

**Annual OPEB Costs and net OPEB Obligation**

The Regional Office of Education No. 24 had an actuarial valuation performed for the plan as of June 30, 2016 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, 2017. The Regional Office of Education No. 24's annual OPEB cost (expense) of \$366 was equal to the ARC for the fiscal year, as the transition liability was set at zero as of July 1, 2009. The Regional Office of Education No. 24's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal years 2017, 2016, 2015, and 2014 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2014	\$ 2,835	\$ -	0%	\$ 5,097
June 30, 2015	2,835	-	0%	7,932
June 30, 2016	372	3,181	855%	5,123
June 30, 2017	366	495	135%	4,994

The net OPEB obligation as of June 30, 2017, was calculated as follows:

Annual required contribution	\$ 332
Interest on net OPEB obligation	205
Adjustment to annual required contribution	<u>(171)</u>
Annual OPEB cost	366
Contributions made	<u>(495)</u>
Decrease in net OPEB obligation	(129)
Net OPEB obligation, beginning of year	<u>5,123</u>
Net OPEB obligation, end of year	<u><u>\$ 4,994</u></u>

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

**11. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**B. Other Postemployment Benefits – Health Insurance (Continued)**

**Funded Status and Funding Progress**

The funded status of the plan was as follows:

	<b>Fiscal Year</b>	
	<b>2017</b>	<b>2016</b>
Actuarial Accrued Liability (AAL)	\$ 8,086	\$ 8,086
Actuarial Value of Plan Assets	-	-
Unfunded Actuarial Accrued Liability (UAAL)	8,086	8,086
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%	0%
Covered Payroll (Active Plan Members)	\$ 801,602	\$ 801,602
UAAL as a Percentage of Covered Payroll	1.01%	1.01%

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, 2017 and 2016, actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a discount rate of 4.00% and initial healthcare cost trend rates of 7.80% for PPO plans and 6.80% for HMO plans grading uniformly over 10 years to an ultimate healthcare inflation rate of 5.00%. Both rates include a 2.50% inflation assumption. The actuarial value of assets was not determined as the Regional Office of Education No. 24 has not advance funded its obligation. The plan’s unfunded actuarial accrued liability is being amortized using a level-percent-of-pay method. The remaining amortization period at June 30, 2017 and 2016 was 30 years.

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

**12. INTERFUND RECEIVABLES AND PAYABLES**

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

	Due From Other Funds	Due To Other Funds
General Fund	\$ 232,614	\$ -
Education Fund	-	233,545
Nonmajor Special Revenue	931	-
	\$ 233,545	\$ 233,545

All of the interfund balances due to the General Fund from the Education Fund consisted of loans between individual funds. The loans were used to cover cash shortages in these individual funds. The remaining balances consist of funds that were collected at one Regional Office location and have yet to be remitted to the other Regional Office location.

**13. OPERATING LEASE/ACCRUED RENT**

On June 25, 2012, the Regional Office entered into a lease agreement for a new alternative school location. The lease term is July 1, 2015 through June 30, 2023. The agreement provides for a four-year extension and the landlord is to make certain leasehold improvements to the structure. The agreement required the Regional Office to place the sum of \$494,802 into a Strict Joint Order Escrow investment account upon execution of the lease. This amount will be decreased by base rent of \$131,714 each year. During fiscal year 2017, there was an additional rental payment of \$100,000. This will increase each year by the Consumer Price Index for all Urban Consumers (CPI-U).

Rental expense for the year ended June 30, 2017 was \$131,714.

Future minimum rentals for the year ending June 30 are:

For the Year Ending June 30,	Amount
2018	\$ 131,714
2019	131,714
2020	131,714
2021	119,536
2022	100,000
2023	100,000
	\$ 714,678

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

**13. OPERATING LEASE/ACCRUED RENT (Continued)**

According to GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, if an operating lease contains payment requirements in a particular year that are artificially low (for example, to ease the lessee’s near-term cash flow requirements), governmental entities should measure the operating lease transactions either on a straight-line basis over the lease term or based on the estimated fair value of the rental.

The Regional Office of Education No. 24 entered into a lease transaction on June 25, 2012 that did not require a rental payment until the fiscal year ended June 30, 2016. This rental agreement does not meet the criteria of systematic and rational. An accrued rent has been recorded to account for the excess rent expense incurred greater than the cash paid. This is accounted for in the government-wide Statement of Net Position and Statement of Activities.

The accrued rental activity associated with this operating lease for the year ended June 30, 2017 was as follows:

	<u>June 30, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2017</u>
Governmental Funds	\$ 198,425	\$ 71,653	\$ 99,999	\$ 170,079

**14. NOTE PAYABLE**

The Regional Office of Education No. 24 had the following loan at June 30, 2017:

Governmental Activities:

Loan from the landlord of the above mentioned lease dated June 25, 2012 in the amount of \$450,000 to finance the leasehold improvements at the alternative school location. It is payable in annual installments of \$31,714 with a maturity date of December 31, 2020.

\$ 102,438

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

**14. NOTE PAYABLE** (Continued)

Debt service requirements to maturity for governmental activities are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 26,592	\$ 5,122	\$ 31,714
2019	27,922	3,792	31,714
2020	29,318	2,396	31,714
2021	18,606	930	19,536
Total Payments	<u>\$ 102,438</u>	<u>\$ 12,240</u>	<u>\$ 114,678</u>

Long-term liability activity for the Regional Office of Education for the year ended June 30, 2017 was as follows:

	<u>June 30, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2017</u>
Governmental Funds	<u>\$ 127,764</u>	<u>\$ -</u>	<u>\$ 25,326</u>	<u>\$ 102,438</u>

**15. DEFICIT FUND BALANCES/NET POSITION**

The following individual funds carried the following deficit balances as of June 30, 2017:

Truants Alternative Optional Education Program	\$73,434
Regional Safe School	\$71,899

The Regional Office of Education No. 24 anticipates collecting revenue not yet “available” to reduce the deficit fund balance.

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

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

The Regional Office of Education No. 24 had funds due from/to various other governmental units which consisted of the following at June 30, 2017:

Due From Other Governments:

Education Fund:

Illinois State Board of Education	\$ 244,598
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Nonmajor Special Revenue Funds:

Local governments	\$ 200
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Agency Fund:

Illinois State Board of Education	\$ 2,107,345
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Due To Other Governments:

Nonmajor Special Revenue Funds:

Local governments	\$ 767
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Agency Fund:

Local governments	\$ 2,174,574
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**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**NOTES TO FINANCIAL STATEMENTS**

**17. ON-BEHALF PAYMENTS**

The Regional Office of Education No. 24 received on-behalf payments for employee salaries and benefits from the State of Illinois for the following items:

State of Illinois	
Regional Superintendent - salary	\$ 112,800
Assistant Regional Superintendent - salary	101,520
Regional Superintendent Fringe Benefit (includes State paid insurance)	36,401
Assistant Regional Superintendent Fringe Benefit (includes State paid insurance)	6,429
THIS contributions	<u>4,535</u>
Total	<u><u>\$ 261,685</u></u>

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

The Regional Office of Education No. 24 also recorded \$298,613 in revenue and expenses as on-behalf payments from ISBE for the Regional Office's share of the State's Teachers' Retirement System (TRS) pension expense in the Statement of Activities. In addition, the Regional Office of Education No. 24 has not included any on-behalf payments related to the State's TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois on-behalf payments	\$ 261,685
ROE No. 24's share of TRS pension expense	<u>298,613</u>
Total	<u><u>\$ 560,298</u></u>

**18. RESTATEMENT**

The Regional Office of Education #24 reclassified net position from the Governmental Activities for the year ended June 30, 2017. An adjustment of \$368,333 was made to beginning Governmental Activities net position due to the Regional Office of Education #24 not implementing GASB 68 for the year ended June 30, 2016 for the Illinois Municipal Retirement Fund. The auditor's report has been modified as a result of this matter.

Governmental Activities

Net Position — July 1, 2016	\$ 1,820,070
Effect of not implementing GASB 68	<u>(368,333)</u>
Net Position, restated — July 1, 2016	<u><u>\$ 1,451,737</u></u>



**REQUIRED SUPPLEMENTARY INFORMATION**

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

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

	2016	2015	2014
Employer's proportion of the net pension liability	0.00005737%	0.0000639544%	0.0000627223%
Employer's proportionate share of the net pension liability	\$ 45,287	\$ 41,897	\$ 38,172
State's proportionate share of the net pension liability associated with the employer	3,040,677	2,501,777	2,380,426
<b>Total</b>	\$ 3,085,964	\$ 2,543,674	\$ 2,418,598
Employer's covered-employee payroll	\$ 424,773	\$ 386,370	\$ 385,853
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.7%	10.8%	9.9%
Plan fiduciary net position as a percentage of the total pension liability	36.4%	41.5%	43.0%

**Notes to Schedule:**

**Changes of Assumptions**

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

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

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**TEACHERS' RETIREMENT SYSTEM  
OF THE STATE OF ILLINOIS—  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
(UNAUDITED)**

**For the year ended June 30,**

<b>Year Ended June 30,</b>	<b>Statutorily Required Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Valuation Payroll</b>	<b>Actual Contribution as a % of Covered Valuation Payroll</b>
2017	\$ 2,349	\$ 2,349	\$ -	\$ 407,116	0.58%
2016	2,222	2,222	-	424,773	0.52%
2015	2,241	2,241	-	386,370	0.58%
2014	2,238	2,238	-	385,853	0.58%

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

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE  
SCHEDULE OF FUNDING PROGRESS  
(UNAUDITED)  
June 30, 2017**

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 )
6/30/17	\$ -	\$ 8,086	\$ 8,086	0.00%	\$801,602	1.01%
6/30/16	-	8,086	8,086	0.00%	801,602	1.01%
6/30/15	-	24,454	24,454	0.00%	537,315	4.55%
6/30/14	-	24,454	24,454	0.00%	344,844	7.09%

**SUPPLEMENTARY INFORMATION**

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	General School Fund	Payroll	Interest
	<u>          </u>	<u>          </u>	<u>          </u>
Assets:			
Cash and cash equivalents	\$ 394,700	\$ 8,586	\$ 58
Accounts receivable	2,175	-	-
Due from other funds	232,614	-	-
Prepaid expenses	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 629,489</u>	<u>\$ 8,586</u>	<u>\$ 58</u>
Liabilities:			
Accounts payable	\$ 1,377	\$ -	\$ -
Accrued payroll	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>1,377</u>	<u>-</u>	<u>-</u>
Fund balances:			
Nonspendable	-	-	-
Assigned	-	-	-
Unassigned	628,112	8,586	58
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>628,112</u>	<u>8,586</u>	<u>58</u>
Total liabilities and fund balances	<u>\$ 629,489</u>	<u>\$ 8,586</u>	<u>\$ 58</u>

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	Illinois Tobacco	Grundy County Health Department	Grundy/Kendall Counties State Aid
<b>Assets:</b>			
Cash and cash equivalents	\$ 3,745	\$ 45	\$ 618,477
Accounts receivable	-	-	-
Due from other funds	-	-	-
Prepaid expenses	-	-	37,221
<b>Total assets</b>	<b>\$ 3,745</b>	<b>\$ 45</b>	<b>\$ 655,698</b>
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ 3,869
Accrued payroll	-	-	21,323
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>25,192</b>
<b>Fund balances:</b>			
Nonspendable	-	-	151,899
Assigned	3,745	-	478,607
Unassigned	-	45	-
<b>Total fund balances</b>	<b>3,745</b>	<b>45</b>	<b>630,506</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,745</b>	<b>\$ 45</b>	<b>\$ 655,698</b>

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	Premier Local Revenue	No Tolerance Task Force	In Touch Local	Totals
<b>Assets:</b>				
Cash and cash equivalents	\$ 12,358	\$ 4,412	\$ 6	\$ 1,042,387
Accounts receivable	-	-	-	2,175
Due from other funds	-	-	-	232,614
Prepaid expenses	-	-	-	37,221
<b>Total assets</b>	<b>\$ 12,358</b>	<b>\$ 4,412</b>	<b>\$ 6</b>	<b>\$ 1,314,397</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 5,246
Accrued payroll	-	-	-	21,323
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,569</b>
<b>Fund balances:</b>				
Nonspendable	-	-	-	151,899
Assigned	12,358	4,412	-	499,122
Unassigned	-	-	6	636,807
<b>Total fund balances</b>	<b>12,358</b>	<b>4,412</b>	<b>6</b>	<b>1,287,828</b>
<b>Total liabilities and fund balances</b>	<b>\$ 12,358</b>	<b>\$ 4,412</b>	<b>\$ 6</b>	<b>\$ 1,314,397</b>



**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	General School Fund	Payroll	Interest
Revenues:			
Local sources	\$ 45,874	\$ 128,285	\$ -
State sources	-	-	-
On-behalf payments	261,685	-	-
Interest	204	-	-
Total revenues	<u>307,763</u>	<u>128,285</u>	<u>-</u>
Expenditures:			
Salaries and benefits	-	126,758	-
Purchased services	30,703	1,371	-
Supplies and materials	2,075	-	-
Payments to other governments	-	-	-
Other objects	-	-	-
On-behalf payments	261,685	-	-
Capital outlay	1,319	-	-
Total expenditures	<u>295,782</u>	<u>128,129</u>	<u>-</u>
Net change in fund balances	<u>11,981</u>	<u>156</u>	<u>-</u>
Fund balances, beginning of year	<u>616,131</u>	<u>8,430</u>	<u>58</u>
Fund balances, end of year	<u>\$ 628,112</u>	<u>\$ 8,586</u>	<u>\$ 58</u>

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	Illinois Tobacco	Grundy County Health Department	Grundy/Kendall Counties State Aid
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	-	4,321	1,121,040
On-behalf payments	-	-	-
Interest	-	-	-
Total revenues	<u>-</u>	<u>4,321</u>	<u>1,121,040</u>
Expenditures:			
Salaries and benefits	-	5,264	503,012
Purchased services	-	98	250,205
Supplies and materials	-	-	71,828
Payments to other governments	-	-	182,000
Other objects	-	-	-
On-behalf payments	-	-	-
Capital outlay	-	-	33,512
Total expenditures	<u>-</u>	<u>5,362</u>	<u>1,040,557</u>
Net change in fund balances	<u>-</u>	<u>(1,041)</u>	<u>80,483</u>
Fund balances, beginning of year	<u>3,745</u>	<u>1,086</u>	<u>550,023</u>
Fund balances, end of year	<u>\$ 3,745</u>	<u>\$ 45</u>	<u>\$ 630,506</u>

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	Premier Local Revenue	No Tolerance Task Force	In Touch Local	Totals
Revenues:				
Local sources	\$ 3,303	\$ 1,223	\$ -	\$ 178,685
State sources	-	-	-	1,125,361
On-behalf payments	-	-	-	261,685
Interest	-	-	-	204
<b>Total revenues</b>	<b>3,303</b>	<b>1,223</b>	<b>-</b>	<b>1,565,935</b>
Expenditures:				
Salaries and benefits	-	-	-	635,034
Purchased services	595	403	4	283,379
Supplies and materials	288	474	-	74,665
Payments to other governments	-	-	-	182,000
Other objects	906	-	-	906
On-behalf payments	-	-	-	261,685
Capital outlay	-	-	-	34,831
<b>Total expenditures</b>	<b>1,789</b>	<b>877</b>	<b>4</b>	<b>1,472,500</b>
<b>Net change in fund balances</b>	<b>1,514</b>	<b>346</b>	<b>(4)</b>	<b>93,435</b>
Fund balances, beginning of year	10,844	4,066	10	1,194,393
Fund balances, end of year	\$ 12,358	\$ 4,412	\$ 6	\$ 1,287,828

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	WIA Grant	Truants Alternative Optional Education Program	Will County Truants Alternative Optional Education Program
<b>Assets:</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 204
Due from other governments	27,800	109,377	-
Prepaid expenses	517	1,273	-
<b>Total assets</b>	<b>\$ 28,317</b>	<b>\$ 110,650</b>	<b>\$ 204</b>
<b>Liabilities:</b>			
Accounts payable	\$ 520	\$ -	\$ -
Accrued payroll	-	6,844	-
Due to other funds	27,280	104,322	-
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>27,800</b>	<b>111,166</b>	<b>-</b>
<b>Deferred inflows of resources:</b>			
Unavailable revenue	-	72,918	-
<b>Fund balances (deficits):</b>			
Nonspendable	517	1,273	-
Restricted	-	-	204
Unassigned	-	(74,707)	-
<b>Total fund balances (deficits)</b>	<b>517</b>	<b>(73,434)</b>	<b>204</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 28,317</b>	<b>\$ 110,650</b>	<b>\$ 204</b>

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	No Tolerance Task Force	McKinney - Vento Education for Homeless Children and Youth	ROE/ISC Operations
<b>Assets:</b>			
Cash and cash equivalents	\$ 3,797	\$ 3,237	\$ -
Due from other governments	-	-	-
Prepaid expenses	4	413	-
<b>Total assets</b>	<b>\$ 3,801</b>	<b>\$ 3,650</b>	<b>\$ -</b>
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	2,396	2,581	-
Due to other funds	-	-	-
Unearned revenue	-	1,069	-
<b>Total liabilities</b>	<b>2,396</b>	<b>3,650</b>	<b>-</b>
<b>Deferred inflows of resources:</b>			
Unavailable revenue	-	-	-
<b>Fund balances (deficits):</b>			
Nonspendable	4	413	-
Restricted	1,401	-	-
Unassigned	-	(413)	-
<b>Total fund balances (deficits)</b>	<b>1,405</b>	<b>-</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 3,801</b>	<b>\$ 3,650</b>	<b>\$ -</b>

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	Fairmont Literacy Program	Title II - Teacher Quality - Leadership Grant	Regional Safe School	Totals
<b>Assets:</b>				
Cash and cash equivalents	\$ 1,442	\$ 3,842	\$ -	\$ 12,522
Due from other governments	-	99	107,322	244,598
Prepaid expenses	-	-	1,041	3,248
<b>Total assets</b>	<b>\$ 1,442</b>	<b>\$ 3,941</b>	<b>\$ 108,363</b>	<b>\$ 260,368</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 99	\$ -	\$ 619
Accrued payroll	-	-	6,769	18,590
Due to other funds	-	-	101,943	233,545
Unearned revenue	-	-	-	1,069
<b>Total liabilities</b>	<b>-</b>	<b>99</b>	<b>108,712</b>	<b>253,823</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	-	-	71,550	144,468
<b>Fund balances (deficits):</b>				
Nonspendable	-	-	1,041	3,248
Restricted	1,442	3,842	-	6,889
Unassigned	-	-	(72,940)	(148,060)
<b>Total fund balances (deficits)</b>	<b>1,442</b>	<b>3,842</b>	<b>(71,899)</b>	<b>(137,923)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 1,442</b>	<b>\$ 3,941</b>	<b>\$ 108,363</b>	<b>\$ 260,368</b>

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	WIA Grant	Truants Alternative Optional Education Program	Will County Truants Alternative Optional Education Program
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	-	72,916	-
Federal sources	151,973	-	-
<b>Total revenues</b>	<b>151,973</b>	<b>72,916</b>	<b>-</b>
Expenditures:			
Salaries and benefits	137,756	129,359	-
Purchased services	12,022	3,090	-
Supplies and materials	2,729	-	-
Payments to other governments	-	-	-
Pension expense	-	1,748	-
<b>Total expenditures</b>	<b>152,507</b>	<b>134,197</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(534)</b>	<b>(61,281)</b>	<b>-</b>
Fund balances (deficits), beginning of year	1,051	(12,153)	204
Fund balances (deficits), end of year	<b>\$ 517</b>	<b>\$ (73,434)</b>	<b>\$ 204</b>

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	No Tolerance Task Force	McKinney - Vento Education for Homeless Children and Youth	ROE/ISC Operations
	<u>          </u>	<u>          </u>	<u>          </u>
Revenues:			
Local sources	\$ 20,000	\$ -	\$ -
State sources	-	-	150,286
Federal sources	-	19,465	-
	<u>20,000</u>	<u>19,465</u>	<u>150,286</u>
Total revenues			
Expenditures:			
Salaries and benefits	19,099	14,763	-
Purchased services	1,040	4,386	-
Supplies and materials	-	316	-
Payments to other governments	-	-	150,286
Pension expense	85	-	-
	<u>20,224</u>	<u>19,465</u>	<u>150,286</u>
Total expenditures			
Net change in fund balances	<u>(224)</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), beginning of year	<u>1,629</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), end of year	<u>\$ 1,405</u>	<u>\$ -</u>	<u>\$ -</u>



**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	Fairmont <u>Literacy Program</u>	Title II - <u>Teacher Quality - Leadership Grant</u>	Regional <u>Safe Schools</u>	<u>Totals</u>
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ 20,000
State sources	-	-	71,351	294,553
Federal sources	-	6,399	-	177,837
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	6,399	71,351	492,390
Expenditures:				
Salaries and benefits	-	-	97,515	398,492
Purchased services	-	6,399	34,036	60,973
Supplies and materials	-	-	-	3,045
Payments to other governments	-	-	-	150,286
Pension expense	-	-	516	2,349
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	6,399	132,067	615,145
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	-	(60,716)	(122,755)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficits), beginning of year	1,442	3,842	(11,183)	(15,168)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficits), end of year	\$ 1,442	\$ 3,842	\$ (71,899)	\$ (137,923)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

**BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
WIA GRANT**

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 165,342	\$ 165,342	\$ 151,973
Total revenues	165,342	165,342	151,973
Expenditures:			
Salaries and benefits	139,915	139,539	137,756
Purchased services	16,377	16,307	12,022
Supplies and materials	2,050	2,496	2,729
Indirect costs	7,000	7,000	-
Total expenditures	165,342	165,342	152,507
Net change in fund balance	\$ -	\$ -	(534)
Fund balance, beginning of year			1,051
Fund balance, end of year			\$ 517

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 133,681	\$ 133,681	\$ 72,916
Total revenues	<u>133,681</u>	<u>133,681</u>	<u>72,916</u>
Expenditures:			
Salaries and benefits	131,225	130,572	129,359
Purchased services	2,456	3,109	3,090
Pension expense	<u>-</u>	<u>-</u>	<u>1,748</u>
Total expenditures	<u>133,681</u>	<u>133,681</u>	<u>134,197</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(61,281)
Fund balance (deficit), beginning of year			<u>(12,153)</u>
Fund balance (deficit), end of year			<u>\$ (73,434)</u>

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 18,800	\$ 19,200	\$ 19,465
Total revenues	<u>18,800</u>	<u>19,200</u>	<u>19,465</u>
Expenditures:			
Salaries and benefits	14,289	14,189	14,763
Purchased services	4,011	4,511	4,386
Supplies and materials	<u>500</u>	<u>500</u>	<u>316</u>
Total expenditures	<u>18,800</u>	<u>19,200</u>	<u>19,465</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund balance (deficit), beginning of year			<u>-</u>
Fund balance (deficit), end of year			<u>\$ -</u>

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues:			
State sources	\$ 150,286	\$ 150,286	\$ 150,286
Total revenues	150,286	150,286	150,286
Expenditures:			
Salaries and benefits	90,580	90,580	-
Purchased services	59,706	59,706	-
Payments to other governments	-	-	150,286
Total expenditures	150,286	150,286	150,286
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of year			-
Fund balance, end of year			\$ -

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 6,399	\$ 6,399	\$ 6,399
Total revenues	6,399	6,399	6,399
Expenditures:			
Purchased services	6,399	6,399	6,399
Total expenditures	6,399	6,399	6,399
Net change in fund balance	\$ -	\$ -	-
Fund balance, beginning of year			3,842
Fund balance, end of year			\$ 3,842

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 131,170	\$ 131,170	\$ 71,351
Total revenues	<u>131,170</u>	<u>131,170</u>	<u>71,351</u>
Expenditures:			
Salaries and benefits	94,247	97,119	97,515
Purchased services	36,923	34,051	34,036
Pension expense	<u>-</u>	<u>-</u>	<u>516</u>
Total expenditures	<u>131,170</u>	<u>131,170</u>	<u>132,067</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(60,716)
Fund balance (deficit), beginning of year			<u>(11,183)</u>
Fund balance (deficit), end of year			<u>\$ (71,899)</u>

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	<u>School Bus Driver Training</u>	<u>General Education Development</u>	<u>Totals</u>
Assets:			
Cash and cash equivalents	\$ 8,689	\$ 6,058	\$ 14,747
Investments	25,753	-	25,753
Due from other funds	-	931	931
Due from other governments	200	-	200
Total assets	<u>\$ 34,642</u>	<u>\$ 6,989</u>	<u>\$ 41,631</u>
Liabilities:			
Due to other governments	<u>\$ 767</u>	<u>\$ -</u>	<u>\$ 767</u>
Total liabilities	<u>767</u>	<u>-</u>	<u>767</u>
Fund balances:			
Restricted	<u>33,875</u>	<u>6,989</u>	<u>40,864</u>
Total liabilities and fund balances	<u>\$ 34,642</u>	<u>\$ 6,989</u>	<u>\$ 41,631</u>



**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	<u>School Bus Driver Training</u>	<u>General Education Development</u>	<u>Totals</u>
Revenues:			
Local sources	\$ 7,098	\$ 1,182	\$ 8,280
State sources	1,682	-	1,682
Interest	20	-	20
	<u>8,800</u>	<u>1,182</u>	<u>9,982</u>
Total revenues			
Expenditures:			
Purchased services	3,907	443	4,350
Supplies and materials	12,970	-	12,970
	<u>16,877</u>	<u>443</u>	<u>17,320</u>
Total expenditures			
Net change in fund balances	(8,077)	739	(7,338)
Fund balances, beginning of year	<u>41,952</u>	<u>6,250</u>	<u>48,202</u>
Fund balances, end of year	<u>\$ 33,875</u>	<u>\$ 6,989</u>	<u>\$ 40,864</u>

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	Distributive Fund	Outdoor Education Cooperative	Totals
<b>Assets:</b>			
Cash and cash equivalents	\$ 49,880	\$ 17,349	\$ 67,229
Due from other governments	2,106,673	672	2,107,345
Total assets	\$2,156,553	\$ 18,021	\$2,174,574
<b>Liabilities:</b>			
Due to other governments	\$2,156,553	\$ 18,021	\$2,174,574
Total liabilities	\$2,156,553	\$ 18,021	\$2,174,574

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<u>Distributive Fund</u>				
Assets:				
Cash and cash equivalents	\$ 49,845	\$ 6,316,502	\$ 6,316,467	49,880
Due from other governments	1,040,440	2,106,673	1,040,440	2,106,673
Total assets	\$ 1,090,285	\$ 8,423,175	\$ 7,356,907	\$ 2,156,553
Liabilities:				
Due to other governments	\$ 1,090,285	\$ 8,423,175	\$ 7,356,907	\$ 2,156,553
Total liabilities	\$ 1,090,285	\$ 8,423,175	\$ 7,356,907	\$ 2,156,553
<u>Outdoor Education Cooperative</u>				
Assets:				
Cash and cash equivalents	\$ -	\$ 122,134	\$ 104,785	\$ 17,349
Due from other governments	-	672	-	672
Total assets	\$ -	\$ 122,806	\$ 104,785	\$ 18,021
Liabilities:				
Due to other governments	\$ -	\$ 122,806	\$ 104,785	\$ 18,021
Total liabilities	\$ -	\$ 122,806	\$ 104,785	\$ 18,021
<u>Totals</u>				
Assets:				
Cash and cash equivalents	\$ 49,845	\$ 6,438,636	\$ 6,421,252	\$ 67,229
Due from other governments	1,040,440	2,107,345	1,040,440	2,107,345
Total assets	\$ 1,090,285	\$ 8,545,981	\$ 7,461,692	\$ 2,174,574
Liabilities:				
Due to other governments	\$ 1,090,285	\$ 8,545,981	\$ 7,461,692	\$ 2,174,574
Total liabilities	\$ 1,090,285	\$ 8,545,981	\$ 7,461,692	\$ 2,174,574

**GRUNDY AND KENDALL COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 24**

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

	<b>Regional Office of Education No. 24</b>	<b>Kendall County Special Ed.</b>	<b>Total</b>
Federal Special Education - IDEA Flow Through	\$ -	\$ 870,130	\$ 870,130
Special Education Personnel	-	3,779,915	3,779,915
Lunch and Breakfast	-	61	61
General State Aid	1,121,041	-	1,121,041
ROE/ISC Operations	256,123	-	256,123
Truants Alternative	133,681	-	133,681
Regional Safe School	131,170	-	131,170
Fed. Spec. Ed. Pre School	-	13,422	13,422
Teacher Quality	938	-	938
Teacher Quality - Leadership	6,300	-	6,300
Bus	3,686	-	3,686
Totals	<u>\$ 1,652,939</u>	<u>\$ 4,663,528</u>	<u>\$ 6,316,467</u>