

---

**STATE OF ILLINOIS  
MADISON COUNTY  
REGIONAL OFFICE OF EDUCATION NO. 41**

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

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

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**

**TABLE OF CONTENTS**

Officials . . . . .	1
Financial Report Summary . . . . .	2
Financial Statement Report Summary . . . . .	3

**AUDITORS' REPORTS**

Independent Auditors' Report . . . . .	4-6
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> . . . . .	7-8

**SCHEDULE OF FINDINGS AND RESPONSES**

Section I - Summary of Auditors' Results . . . . .	9
Summary Schedule of Prior Audit Findings Not Repeated . . . . .	10

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management's Discussion and Analysis . . . . .	11a-11g
--	---------

**BASIC FINANCIAL STATEMENTS**

Statement of Net Position . . . . .	EXHIBIT A . . . . .	12
Statement of Activities . . . . .	EXHIBIT B . . . . .	13
Balance Sheet - Governmental Funds . . . . .	EXHIBIT C . . . . .	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position - Governmental Funds . . . . .	EXHIBIT D . . . . .	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds . . . . .	EXHIBIT E . . . . .	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities - Governmental Funds . . . . .	EXHIBIT F . . . . .	17
Statement of Net Position - Proprietary Funds . . . . .	EXHIBIT G . . . . .	18
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds . . . . .	EXHIBIT H . . . . .	19
Statement of Cash Flows - Proprietary Funds . . . . .	EXHIBIT I . . . . .	20
Statement of Fiduciary Net Position - Fiduciary Fund . . . . .	EXHIBIT J . . . . .	21
Notes to the Financial Statements . . . . .		22-47

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**

**TABLE OF CONTENTS (CONTINUED)**

**REQUIRED SUPPLEMENTARY INFORMATION**

Teachers' Retirement System of the State of Illinois – Schedule of the Employer's Proportionate Share of Net Pension Liability . . . . .	48
Teachers' Retirement System of the State of Illinois – Schedule of Employer Contributions . . . . .	48
Postemployment Benefits Other Than Pensions – Schedule of Funding Progress . . . . .	49

**SUPPLEMENTAL INFORMATION**

Combining Schedule of Accounts - General Fund . . . . .	SCHEDULE 1 .	50
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - General Fund Accounts . . . . .	SCHEDULE 2 .	51
Combining Schedule of Accounts - Education Fund . . . . .	SCHEDULE 3 .	52-53
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Education Fund Accounts . . . . .	SCHEDULE 4 .	54-55
Budgetary Comparison Schedules - Education Fund Accounts . . . . .	SCHEDULE 5 .	56-58
Combining Balance Sheet - Nonmajor Special Revenue Funds . . . . .	SCHEDULE 6 .	59
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds . . . . .	SCHEDULE 7 .	60
Statement of Changes in Assets and Liabilities - Agency Fund . . . . .	SCHEDULE 8 .	61

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**

**OFFICIALS**

Regional Superintendent  
(Current and During the Audit Period)

Dr. Robert A. Daiber

Assistant Regional Superintendent  
(Current and During the Audit Period)

Mr. Andrew Reinking

Offices are located at:

157 N. Main Street, Ste 438  
Edwardsville, Illinois 62025-1966

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**

**FINANCIAL REPORT SUMMARY**

The financial audit testing performed during 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	0	0
Repeated audit findings	0	0
Prior recommendations implemented or not repeated	0	0

**SUMMARY OF FINDINGS AND RESPONSES**

Item No.      Page      Description      Finding Type

FINDINGS (GOVERNMENT AUDITING STANDARDS)

None

PRIOR AUDIT FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

There were no prior year audit findings.

**EXIT CONFERENCE**

An informal exit conference was held on September 21, 2017 with the management of the Madison County Regional Office of Education No. 41. Attending were Robert Daiber, Regional Superintendent, Andrew Reinking, Assistant Regional Superintendent; Dennis Brueggemann, Administrative Assistant for Finance; Wanda Stoecklin, Bookkeeper; Dana Ponder, Office Manager; and Kimberly Walker, CPA, Partner, Kemper CPA Group, LLP.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**

**FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the Madison County Regional Office of Education No. 41 was performed by Kemper CPA Group LLP, Certified Public Accountants and Consultants.

Based on their audit, the auditors expressed an unmodified opinion on the Madison County Regional Office of Education No. 41's basic financial statements.

## **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 Madison County Regional Office of Education No. 41, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Madison County Regional Office of Education No. 41'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 of material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Madison County Regional Office of Education No. 41, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Teachers' Retirement System of the State of Illinois Schedule of the Employer's Proportionate Share of the Net Pension Liability, Teachers' Retirement System of the State of Illinois Schedule of Employer Contributions, and Postemployment Benefits Other Than Pensions Schedule of Funding Progress on pages 11a through 11g, 48, and 49, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Madison County Regional Office of Education No. 41's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, and the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2018 on our consideration of the Madison County Regional Office of Education No. 41'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 Madison County Regional Office of Education No 41'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 Madison County Regional Office of Education No. 41's internal control over financial reporting and compliance.

**SIGNED ORIGINAL ON FILE**

KEMPER CPA GROUP LLP  
*Certified Public Accountants and Consultants*

Marion, Illinois  
May 15, 2018

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

Honorable 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 Madison County Regional Office of Education No. 41, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Madison County Regional Office of Education No. 41's basic financial statements, and have issued our report thereon dated May 15, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Madison County Regional Office of Education No. 41's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Madison County Regional Office of Education No. 41's internal control. Accordingly, we do not express an opinion on the effectiveness of the Madison County Regional Office of Education No. 41's internal control.

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Madison County Regional Office of Education No. 41'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*.

### **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 Madison County Regional Office of Education No. 41'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 Madison County Regional Office of Education No. 41's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**SIGNED ORIGINAL ON FILE**

KEMPER CPA GROUP LLP

*Certified Public Accountants and Consultants*

Marion, Illinois

May 15, 2018

## **SCHEDULE OF FINDINGS AND RESPONSES**

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**SECTION I – SUMMARY OF AUDITORS’ RESULTS**  
**JUNE 30, 2017**

**Financial Statements in Accordance with GAAP**

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED  
JUNE 30, 2017**

There were no prior year audit findings.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**MANAGEMENT DISCUSSION & ANALYSIS**  
**JUNE 30, 2017**

As management of Madison County Regional Office of Education No. 41, we offer readers a review of our financial statements and an analysis of the financial activities of the Regional Office of Education No. 41 for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with Regional Office of Education No. 41's financial statements, which follow this section.

**2017 Financial Highlights**

- The assets and deferred outflows of resources of the Regional Office of Education No. 41 exceeded its liabilities and deferred inflows of resources by \$870,580 (total net position).
- Charges for services for the governmental activities decreased by \$149,108 or 20.7% and the business-type activities increased by \$37,971 or 16.8% in FY 2017. During FY 2017 there was a decrease in governmental activities resulting from a decrease in the tuition paid by school districts for students enrolled in the Lighthouse Educational Assistance Program and the Educational Therapy Center Day Program and a decrease in professional development activities. The increase in business-type activities was due to an addition of two programs funded through the ROE Administrative account which was partially offset by a decrease in the Technology Hub Fees in FY 2017.
- Operating grant monies received by Regional Office of Education No. 41 decreased in comparison to the prior year partially due to the decrease in funding for the following grants: Truant Alternative and Optional Education Project, Regional Safe Schools, Foundational Services Grant, McKinney Vento Homeless Children, and Technology Hub. Total revenues from operating grants decreased by \$65,498 or 6.0%.
- Total expenses increased by \$102,099 or 3.0%. The increase was due to the increase in expenses for the two new programs funded through the ROE Administrative (Enterprise) and the increase in state funding for the School Improvement grant.

**Overview of the Financial Statements**

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

- *Management's Discussion and Analysis* introduces financial statements and provides an analytical overview of the Regional Office of Education No. 41's financial activities.
- The *Government-wide financial statements* consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the Regional Office of Education No. 41 as a whole and present an overall view of the Regional Office of Education No. 41's finances.
- *Fund financial statements* illustrate how governmental services were financed in the short-term, as well as what remains for future spending. Fund financial statements report the Regional Office of Education No. 41's operations in more detail than the government-wide statements by providing information about the most significant funds.
- *Notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- *Required supplementary information* further explains and supports the financial statements, and other supplementary information includes combining financial statements and budgetary information for certain General Fund accounts, Education Fund accounts and other non-major funds.



**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**MANAGEMENT DISCUSSION & ANALYSIS**  
**JUNE 30, 2017**

**The Statement of Net Position and the Statement of Activities**

The government-wide financial statements are designed to provide readers with a broad overview of Regional Office of Education No. 41's finances, in a manner similar to private-sector businesses.

The Statement of Net Position presents information on all of Regional Office of Education No. 41's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of Regional Office of Education No. 41 is improving or deteriorating.

The Statement of Activities presents information showing how Regional Office of Education No. 41's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for certain items that will only result in cash flows in future fiscal periods.

In the government-wide financial statements, Regional Office of Education No. 41's activities are divided into two categories:

- *Governmental activities:* Most of Regional Office of Education No. 41's basic services, such as regular and special education instruction, instructional staff support services and administration, are included here. Federal, State, and local grants and contributions finance many of these activities.
- *Business-type activities:* Regional Office of Education No. 41 charges fees to help cover the costs of certain services it provides, such as workshops, conferences and teacher certification.

**Fund Financial Statements**

The fund financial statements provide detailed information about Regional Office of Education No. 41's funds, focusing on its most significant or "major" funds, not Regional Office of Education No. 41 as a whole. Funds are accounting devices Regional Office of Education No. 41 used to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law. Regional Office of Education No. 41 establishes other funds to control and manage money for particular purposes, such as educational instruction in specific areas or in order to show that it is properly using certain revenues, such as federal grants. All of the funds of Regional Office of Education No. 41 can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds account for most of Regional Office of Education No. 41's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. Because the governmental fund information does not encompass the additional long-term focus of the government-wide statements, it is useful to compare the statements. By doing so, the readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**MANAGEMENT DISCUSSION & ANALYSIS**  
**JUNE 30, 2017**

**Fund Financial Statements (Concluded)**

Governmental funds include all general and special revenue funds. The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances.

Proprietary Funds. Regional Office of Education No. 41 maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide statements. Regional Office of Education No. 41 uses enterprise funds to account for educational services for which it charges a fee. Proprietary fund statements provide the same type of information as the government-wide financial statements, but with more detail and additional information, such as cash flows. The proprietary fund financial statements provide separate information for the Technology Hub, SIP Workshop, and ROE Administrative funds.

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

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Regional Office of Education No. 41's own programs. The accounting for fiduciary funds is much like that used for proprietary funds.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of financial position. Regional Office of Education No. 41's net position at the end of FY 2017 totaled \$870,580. The analysis that follows provides a summary of the Regional Office of Education No. 41's net position as of June 30.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT DISCUSSION & ANALYSIS  
JUNE 30, 2017**

**Government-wide Financial Analysis (Continued)**

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>ASSETS</b>						
Current assets	\$ 1,139,319	\$ 1,206,717	\$ 547,034	\$ 540,029	\$ 1,686,353	\$ 1,746,746
Capital assets, net	1,204	3,274	1,872	3,121	3,076	6,395
Other noncurrent assets	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
<b>TOTAL ASSETS</b>	<u>1,141,523</u>	<u>1,210,991</u>	<u>548,906</u>	<u>543,150</u>	<u>1,690,429</u>	<u>1,754,141</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
	<u>16,292</u>	<u>8,274</u>	<u>-</u>	<u>-</u>	<u>16,292</u>	<u>8,274</u>
<b>LIABILITIES</b>						
Current liabilities	122,208	195,692	6,094	14,676	128,302	210,368
Noncurrent liabilities	<u>568,832</u>	<u>529,139</u>	<u>-</u>	<u>-</u>	<u>568,832</u>	<u>529,139</u>
<b>TOTAL LIABILITIES</b>	<u>691,040</u>	<u>724,831</u>	<u>6,094</u>	<u>14,676</u>	<u>697,134</u>	<u>739,507</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	<u>139,007</u>	<u>160,031</u>	<u>-</u>	<u>-</u>	<u>139,007</u>	<u>160,031</u>
<b>NET POSITION</b>						
Net investment in capital assets	1,204	3,274	1,872	3,121	3,076	6,395
Restricted - other	687,336	658,448	-	-	687,336	658,448
Unrestricted	<u>(360,772)</u>	<u>(327,319)</u>	<u>540,940</u>	<u>525,353</u>	<u>180,168</u>	<u>198,034</u>
<b>TOTAL NET POSITION</b>	<u>\$ 327,768</u>	<u>\$ 334,403</u>	<u>\$ 542,812</u>	<u>\$ 528,474</u>	<u>\$ 870,580</u>	<u>\$ 862,877</u>

For FY 2017, total assets and deferred outflows of resources decreased by \$55,694 or 3.2% while total liabilities and deferred inflows of resources had a decrease of \$63,397 or 7.0%. The change in total assets and deferred outflows of resources is mainly due to the decrease in funding received from the federal and State sources leading to a reduction in the Due from ISBE and Due from other governments. Also, the change in total liabilities and deferred inflows of resources is mainly due to decreases in accounts payable, net pension liability, and deferred inflows related to pensions.

As indicated above, Regional Office of Education No. 41 reported positive net position for both the governmental and business-type activities. The assets and deferred outflows of resources of Regional Office of Education No. 41 exceeded its liabilities and deferred inflows of resources at the close of the year by \$870,580 (net position). The net investment in capital assets was \$3,076 at the end of fiscal year 2017. Regional Office of Education No. 41 uses these capital assets in providing services to its citizens, consequently, these assets are not available for future spending. In addition, net position related to educational grants and contracts are considered restricted for educational purposes.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT DISCUSSION & ANALYSIS  
JUNE 30, 2017**

**Government-wide Financial Analysis (Continued)**

CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 572,426	\$ 721,534	\$ 264,598	\$ 226,627	\$ 837,024	\$ 948,161
Operating grants & contributions	<u>1,029,792</u>	<u>1,095,290</u>	-	-	<u>1,029,792</u>	<u>1,095,290</u>
Total program revenues	<u>1,602,218</u>	<u>1,816,824</u>	<u>264,598</u>	<u>226,627</u>	<u>1,866,816</u>	<u>2,043,451</u>
General revenues & gains:						
Interest	6,268	6,372	2,572	2,815	8,840	9,187
Gain on disposal assets	-	-	-	3,000	-	3,000
On-behalf payments - State	885,960	720,902	-	-	885,960	720,902
On-behalf - Local	<u>727,943</u>	<u>737,273</u>	-	-	<u>727,943</u>	<u>737,273</u>
Total general revenues & gains	<u>1,620,171</u>	<u>1,464,547</u>	<u>2,572</u>	<u>5,815</u>	<u>1,622,743</u>	<u>1,470,362</u>
Total Revenues	<u>3,222,389</u>	<u>3,281,371</u>	<u>267,170</u>	<u>232,442</u>	<u>3,489,559</u>	<u>3,513,813</u>
Expenses:						
Salaries	1,034,970	1,113,257	19,012	13,268	1,053,982	1,126,525
Benefits	278,520	268,226	5,675	9,472	284,195	277,698
Pension expense (benefit)	(48,056)	(35,846)	-	-	(48,056)	(35,846)
Purchased services	272,365	287,979	149,737	124,432	422,102	412,411
Supplies and materials	45,445	60,628	10,762	11,439	56,207	72,067
Depreciation	2,070	9,350	1,249	1,252	3,319	10,602
Payments to other governments	29,511	32,500	63,000	21,000	92,511	53,500
Other objects	296	4,625	3,397	-	3,693	4,625
On-behalf payments - State	885,960	720,902	-	-	885,960	720,902
On-behalf - Local	<u>727,943</u>	<u>737,273</u>	-	-	<u>727,943</u>	<u>737,273</u>
Total expenses	<u>3,229,024</u>	<u>3,198,894</u>	<u>252,832</u>	<u>180,863</u>	<u>3,481,856</u>	<u>3,379,757</u>
Change in net position	(6,635)	82,477	14,338	51,579	7,703	134,056
Net Position – beginning	<u>334,403</u>	<u>251,926</u>	<u>528,474</u>	<u>476,895</u>	<u>862,877</u>	<u>728,821</u>
Net Position – ending	<u>\$ 327,768</u>	<u>\$ 334,403</u>	<u>\$ 542,812</u>	<u>\$ 528,474</u>	<u>\$ 870,580</u>	<u>\$ 862,877</u>

**Governmental Activities**

Total revenues for governmental activities decreased by \$58,982 or 1.8% in fiscal year 2017. The decrease in revenue is due to the delayed funding of the Technology Hub, a decrease in the tuition paid by school districts for students enrolled in the Lighthouse Educational Assistance Program and the Educational Therapy Center Day Program, a decrease in professional development activities, and a decrease in grant money for McKinney Vento Homeless Children. These decreases were offset slightly by increases in funding for General State Aid and School Improvement during FY 2017.

Total expenditures for governmental activities increased by \$30,130 or 1.0% in FY 2017. This is mainly due to the increase in expenses in the General State Aid and the School Improvement programs.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT DISCUSSION & ANALYSIS  
JUNE 30, 2017**

**Business-type Activities**

Revenues for this activity are comprised of charges for services. Expenses are for the purchase of services and the costs related to the workshops, conferences and academics conducted by the Regional Office of Education No. 41. The increase in total revenues by \$34,728 or 14.9% was due to an addition of two programs funded through the ROE Administrative account which was partially offset by a decrease in the Technology Hub Fees in FY2017 and the continuation of the fingerprinting and testing services. The increase in the total expenditures by \$71,969 or 39.8% was mainly due to the increase in expenses related to the addition of the two programs funded through the ROE Administrative account FY 2017.

**Financial Analysis of the Regional Office of Education No. 41 Funds**

As previously noted, Regional Office of Education No. 41 uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental Fund Highlights**

The Regional Office of Education No. 41's governmental funds reported combined fund balances of \$890,027. This is a decrease of \$5,458 or 0.6% from last year's ending fund balance of \$895,485. The decrease is mainly due to operating losses being incurred by the Regional Office of Education No. 41 each fiscal year.

**Proprietary Fund Highlights**

The proprietary fund net position increased by \$14,338 or 2.7% from \$528,474 at June 30, 2016, to \$542,812 at June 30, 2017. The increase is mainly due to the increase in revenues received from the fingerprinting and testing fees during the fiscal year.

**Budgetary Highlights**

Presenting an overall budget is not a legal requirement of Regional Office of Education No. 41. Formal budgets are not adopted for all funds, therefore budgetary comparison statements are not included in the financial statements.

Regional Office of Education No. 41 is a subrecipient for certain grant programs that are accounted for within the special revenue funds. These programs have separate budgets and are required to be reported to the Illinois State Board of Education. Comparison of budgeted and actual results for various programs is presented as supplementary information.

**Capital Assets**

At June 30, 2017, the Regional Office of Education No. 41 had invested \$3,076, net of accumulated depreciation, in computers, audio-visual equipment, and other office equipment. This is a net decrease of \$3,319 from last year. This decrease represents depreciation and disposal of equipment of \$3,319 with no equipment additions.

More detailed information about capital assets is available in Note 8 to the financial statements.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**MANAGEMENT DISCUSSION & ANALYSIS**  
**JUNE 30, 2017**

**Economic Factors and Next Years' Budget**

At the time these financial statements were prepared and audited, the ROE was aware of several existing circumstances that could significantly affect its financial health in the future.

- The Regional Office of Education No. 41 has maintained stable enrollment in Regional Safe School Program (RSSP) and in the Educational Therapy Center (ETC) from FY 2017 to FY 2018. A change in enrollment and placement at the Lighthouse Education Assistance Program (LEAP) from ninety-day to sixty-day placement will continue to impact revenues in the next fiscal year.
- The General State Aid (GSA) entitlement for FY 2018 proration will remain at 100%. With the implementation of Evidence-Based Funding (EBF), there could be a change in the funding received for Regional Safe School Programs (RSSP). If there is a proration of EBF similar to past GSA proration, the RSSP programs would receive less funds than the entitlements. A proration of the EBF or GSA entitlement is always a possibility.
- The Regional Office of Education No. 41 anticipates no increase in revenue and corresponding expenditures in the Regional Safe School Program, the Truants Alternative Program, and the School Improvement Program. Any future decreases in revenue will result from the loss of or reduction in other State grants due to the State of Illinois' financial condition.
- The Regional Office of Education No. 41 is expecting to have stable employment expenditures for FY 2018 as there was no need to make significant changes because of the changes made in FY 2016 due to the lack of funds.
- The Regional Office of Education No. 41 does not anticipate a change in revenue in the Bus Driver Training Fund for FY 2018.
- The Regional Office of Education No. 41 does not anticipate a significant change in revenue and expenditures in the General Education Development Fund for FY 2018 since the testing fee will remain the same.
- The Regional Office of Education No. 41 does not anticipate a change in revenue and expenditures in the business-type activities due to the stability of the activity of computer-based testing since the operation of a computer-based testing facility will continue.

**Contacting the Regional Office's Financial Management**

The financial report is designed to provide the Regional Office of Education No. 41's citizens, taxpayers, customers, and constituents with a general overview of the Regional Office of Education No. 41's finances and to demonstrate the Regional Office of Education No. 41's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Administrative Assistant of Finance of the Madison County Regional Office of Education, 157 N. Main Street, Suite 438, Edwardsville, IL 62025.

## **BASIC FINANCIAL STATEMENTS**

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
STATEMENT OF NET POSITION  
JUNE 30, 2017**

**EXHIBIT A**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 504,732	\$ 265,539	\$ 770,271
Certificates of deposit	567,630	100,465	668,095
Accounts receivable	235	2,956	3,191
Due from (to) other funds	(174,029)	174,029	-
Due from ISBE	186,281	-	186,281
Due from other governments	54,470	4,045	58,515
Total current assets	<u>1,139,319</u>	<u>547,034</u>	<u>1,686,353</u>
Noncurrent assets:			
Security deposit	1,000	-	1,000
Capital assets, net	1,204	1,872	3,076
Total noncurrent assets	<u>2,204</u>	<u>1,872</u>	<u>4,076</u>
<b>TOTAL ASSETS</b>	<u>1,141,523</u>	<u>548,906</u>	<u>1,690,429</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	<u>16,292</u>	<u>-</u>	<u>16,292</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued expenses	116,680	2,231	118,911
Due to other governments	5,528	3,863	9,391
Total current liabilities	<u>122,208</u>	<u>6,094</u>	<u>128,302</u>
Noncurrent liabilities			
Compensated absences	33,338	-	33,338
Net pension liability	89,592	-	89,592
Net OPEB obligations	445,902	-	445,902
Total noncurrent liabilities	<u>568,832</u>	<u>-</u>	<u>568,832</u>
<b>TOTAL LIABILITIES</b>	<u>691,040</u>	<u>6,094</u>	<u>697,134</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	<u>139,007</u>	<u>-</u>	<u>139,007</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,204	1,872	3,076
Restricted - other	687,336	-	687,336
Unrestricted	(360,772)	540,940	180,168
<b>TOTAL NET POSITION</b>	<u>\$ 327,768</u>	<u>\$ 542,812</u>	<u>\$ 870,580</u>

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



MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2017

EXHIBIT B

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contribution	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
<b>FUNCTIONS/PROGRAMS</b>							
<b>Primary government</b>							
<b>Governmental Activities</b>							
<b>Instructional Services</b>							
Salaries	\$ 1,034,970	\$ 369,723	\$ 690,106	\$ -	\$ 24,859	\$ -	\$ 24,859
Benefits	278,520	78,525	146,568	-	(53,427)	-	(53,427)
Pension expense (benefit)	(48,056)	-	-	-	48,056	-	48,056
Purchased services	272,365	97,297	147,621	-	(27,447)	-	(27,447)
Supplies and materials	45,445	16,234	30,261	-	1,050	-	1,050
Other objects	296	106	-	-	(190)	-	(190)
Payments to other governments	29,511	10,541	15,236	-	(3,734)	-	(3,734)
Depreciation	2,070	-	-	-	(2,070)	-	(2,070)
<b>Administrative</b>							
On Behalf Payments - State	885,960	-	-	-	(885,960)	-	(885,960)
On-Behalf payments - Local	727,943	-	-	-	(727,943)	-	(727,943)
<b>Total Governmental Activities</b>	<b>3,229,024</b>	<b>572,426</b>	<b>1,029,792</b>	<b>-</b>	<b>(1,626,806)</b>	<b>-</b>	<b>(1,626,806)</b>
<b>Business-type Activities</b>							
Professional development	252,832	264,598	-	-	-	11,766	11,766
<b>Total Business-type Activities</b>	<b>252,832</b>	<b>264,598</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,766</b>	<b>11,766</b>
<b>Total Primary Government</b>	<b>\$ 3,481,856</b>	<b>\$ 837,024</b>	<b>\$ 1,029,792</b>	<b>\$ -</b>	<b>(1,626,806)</b>	<b>11,766</b>	<b>(1,615,040)</b>
<b>General Revenues</b>							
Interest					6,268	2,572	8,840
On-behalf payments - State					885,960	-	885,960
On-behalf payments - Local					727,943	-	727,943
<b>Total General Revenues</b>					<b>1,620,171</b>	<b>2,572</b>	<b>1,622,743</b>
<b>Change in net position</b>					<b>(6,635)</b>	<b>14,338</b>	<b>7,703</b>
<b>Net position - beginning</b>					<b>334,403</b>	<b>528,474</b>	<b>862,877</b>
<b>Net position - ending</b>					<b>\$ 327,768</b>	<b>\$ 542,812</b>	<b>\$ 870,580</b>

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

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017

EXHIBIT C

	General Fund	Education Fund	Institute Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 117,571	\$ 154,578	\$ 140,312	\$ 92,271	\$ -	\$ 504,732
Certificates of deposit	281,303	-	286,327	-	-	567,630
Accounts receivable	-	-	-	235	-	235
Due from ISBE	-	186,281	-	-	-	186,281
Due from other governments	30,633	23,807	-	30	-	54,470
<b>TOTAL ASSETS</b>	<u>429,507</u>	<u>364,666</u>	<u>426,639</u>	<u>92,536</u>	<u>-</u>	<u>1,313,348</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 429,507</u>	<u>\$ 364,666</u>	<u>\$ 426,639</u>	<u>\$ 92,536</u>	<u>\$ -</u>	<u>\$ 1,313,348</u>
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ 98,732	\$ 17,841	\$ -	\$ 107	\$ -	\$ 116,680
Due to other funds	-	174,029	-	-	-	174,029
Due to other governments	-	5,528	-	-	-	5,528
<b>TOTAL LIABILITIES</b>	<u>98,732</u>	<u>197,398</u>	<u>-</u>	<u>107</u>	<u>-</u>	<u>296,237</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>127,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,084</u>
<b>FUND BALANCES (DEFICITS)</b>						
Restricted	-	162,067	426,639	92,429	-	681,135
Assigned	336,311	-	-	-	-	336,311
Unassigned	(5,536)	(121,883)	-	-	-	(127,419)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>330,775</u>	<u>40,184</u>	<u>426,639</u>	<u>92,429</u>	<u>-</u>	<u>890,027</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICITS)</b>	<u>\$ 429,507</u>	<u>\$ 364,666</u>	<u>\$ 426,639</u>	<u>\$ 92,536</u>	<u>\$ -</u>	<u>\$ 1,313,348</u>

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

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
JUNE 30, 2017**

**EXHIBIT D**

Total fund balances - governmental funds	\$	890,027
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		1,204
Security deposits represents payment deferred in the current period and therefore, are not reported in the governmental funds.		1,000
Some revenue will not be collected for several months after the Regional Office fiscal year ends; they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds		
Current year unavailable revenue		127,084
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 related to pensions	\$	16,292
Deferred inflows of resources related to pensions		(139,007)
		<u>(122,715)</u>
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.		
Compensated absences		(33,338)
Net pension liability		(89,592)
Net OPEB obligation		(445,902)
		<u>(568,832)</u>
Net position of governmental activities	\$	<u><u>327,768</u></u>

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

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**EXHIBIT E**

	<b>General Fund</b>	<b>Education Fund</b>	<b>Institute Fund</b>	<b>Nonmajor Special Revenue Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Federal sources	\$ -	\$ 122,797	\$ -	\$ -	\$ 122,797
State sources	362,551	444,201	-	1,813	808,565
Local sources	488,346	86,886	68,813	15,267	659,312
Interest income	2,499	614	2,692	463	6,268
On-behalf payments - State	295,220	-	-	-	295,220
On-behalf payments - Local	727,943	-	-	-	727,943
Total revenues	<u>1,876,559</u>	<u>654,498</u>	<u>71,505</u>	<u>17,543</u>	<u>2,620,105</u>
<b>EXPENDITURES</b>					
Instructional services					
Salaries	663,489	371,481	-	-	1,034,970
Benefits	143,857	70,552	-	-	214,409
Pension	3,977	1,427	-	-	5,404
Purchased services	53,137	156,012	50,973	12,243	272,365
Supplies and materials	11,738	30,929	61	2,717	45,445
Payments to other governments	-	22,850	6,661	-	29,511
Other objects	-	-	296	-	296
On-behalf payments - State	295,220	-	-	-	295,220
On-behalf payments - local	727,943	-	-	-	727,943
Total expenditures	<u>1,899,361</u>	<u>653,251</u>	<u>57,991</u>	<u>14,960</u>	<u>2,625,563</u>
<b>NET CHANGE IN FUND BALANCES</b>	(22,802)	1,247	13,514	2,583	(5,458)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>353,577</u>	<u>38,937</u>	<u>413,125</u>	<u>89,846</u>	<u>895,485</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 330,775</u>	<u>\$ 40,184</u>	<u>\$ 426,639</u>	<u>\$ 92,429</u>	<u>\$ 890,027</u>

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

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

**EXHIBIT F**

Net change in fund balances \$ (5,458)

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

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

Current year unavailable revenue 11,544

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 (2,070)

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

Compensated absences (3,294)

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.

Pension contribution	\$	5,404	
Cost of benefits earned, net		<u>48,056</u>	53,460

The increase in the OPEB obligation resulting from annual required contributions in excess of actual contributions do not require the use of current financial resources and therefore, is not reported as expenditures in governmental funds.

(60,817)

Change in net position of governmental activities \$ (6,635)

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

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2017**

**EXHIBIT G**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>ROE Administrative</b>	<b>SIP-Enterprise Workshop</b>	<b>Technology Hub Fees</b>	<b>Total</b>
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 90,332	\$ 87,503	\$ 87,704	\$ 265,539
Certificates of deposit	-	100,465	-	100,465
Accounts receivable	2,956	-	-	2,956
Due from other funds	136,866	-	37,163	174,029
Due from other governments	2,520	1,525	-	4,045
Total current assets	<u>232,674</u>	<u>189,493</u>	<u>124,867</u>	<u>547,034</u>
Noncurrent assets				
Capital assets, net	-	-	1,872	1,872
Total Assets	<u>232,674</u>	<u>189,493</u>	<u>126,739</u>	<u>548,906</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable and accrued expenses	1,051	1,180	-	2,231
Due to other governments	3,855	8	-	3,863
Total Liabilities	<u>4,906</u>	<u>1,188</u>	<u>-</u>	<u>6,094</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	-	1,872	1,872
Unrestricted	<u>227,768</u>	<u>188,305</u>	<u>124,867</u>	<u>540,940</u>
<b>TOTAL NET POSITION</b>	<u>\$ 227,768</u>	<u>\$ 188,305</u>	<u>\$ 126,739</u>	<u>\$ 542,812</u>

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

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**EXHIBIT H**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Total</b>
	<b>ROE Administrative</b>	<b>SIP-Enterprise Workshop</b>	<b>Technology Hub Fees</b>	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 222,784	\$ 40,404	\$ 1,410	\$ 264,598
<b>OPERATING EXPENSES</b>				
Salaries	-	19,012	-	19,012
Benefits	1	5,674	-	5,675
Purchased services	133,846	15,891	-	149,737
Supplies and materials	5,683	5,079	-	10,762
Other objects	3,397	-	-	3,397
Depreciation	-	-	1,249	1,249
Payment to other governments	63,000	-	-	63,000
Total operating expenses	<u>205,927</u>	<u>45,656</u>	<u>1,249</u>	<u>252,832</u>
<b>OPERATING INCOME</b>	<u>16,857</u>	<u>(5,252)</u>	<u>161</u>	<u>11,766</u>
<b>NONOPERATING REVENUES</b>				
Interest	987	1,142	443	2,572
Total nonoperating revenues (expenses)	<u>987</u>	<u>1,142</u>	<u>443</u>	<u>2,572</u>
<b>CHANGE IN NET POSITION</b>	17,844	(4,110)	604	14,338
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>209,924</u>	<u>192,415</u>	<u>126,135</u>	<u>528,474</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 227,768</u>	<u>\$ 188,305</u>	<u>\$ 126,739</u>	<u>\$ 542,812</u>

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

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

**EXHIBIT I**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Total</b>
	<b>ROE Administration</b>	<b>SIP- Enterprise Workshop</b>	<b>Technology Hub Fees</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts for workshops and services	\$ 227,254	\$ 39,009	\$ 1,410	\$ 267,673
Payments to suppliers and providers of goods and services	(211,094)	(24,384)	-	(235,478)
Payments to employees	(1)	(24,686)	-	(24,687)
Net cash provided by (used for) operating activities	<u>16,159</u>	<u>(10,061)</u>	<u>1,410</u>	<u>7,508</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
(Increase) decrease in interfund borrowings	(92,594)	73,018	71,108	51,532
Cash provided by (used for) noncapital financing activities	<u>(92,594)</u>	<u>73,018</u>	<u>71,108</u>	<u>51,532</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY:</b>				
Purchase of certificates of deposit	-	(100,465)	-	(100,465)
Interest income	987	1,142	443	2,572
Cash provided by (used for) investing activity	<u>987</u>	<u>(99,323)</u>	<u>443</u>	<u>(97,893)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(75,448)</b>	<b>(36,366)</b>	<b>72,961</b>	<b>(38,853)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>165,780</u>	<u>123,869</u>	<u>14,743</u>	<u>304,392</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 90,332</u>	<u>\$ 87,503</u>	<u>\$ 87,704</u>	<u>\$ 265,539</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	\$ 16,857	\$ (5,252)	\$ 161	\$ 11,766
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	-	-	1,249	1,249
Effects of changes in assets and liabilities:				
Accounts receivable	256	-	-	256
Due from other governments	4,214	(1,395)	-	2,819
Accounts payable and accrued expenses	(5,707)	(3,422)	-	(9,129)
Due to other governments	539	8	-	547
Net cash provided by (used for) operating activities	<u>\$ 16,159</u>	<u>\$ (10,061)</u>	<u>\$ 1,410</u>	<u>\$ 7,508</u>

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



**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2017**

**EXHIBIT J**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ -
<b>TOTAL ASSETS</b>	<u>\$ -</u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ -
<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<u>\$ -</u>

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

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

The Regional Office of Education No. 41 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2017, the Regional Office of Education No. 41 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 Pension Plans*; GASB Statement No. 80, *Blending Requirements for Certain Component Units*; and GASB Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The implementation of GASB Statement No. 74 establishes standards for the financial reports of defined benefit OPEB plans administered through trusts that meet specified criteria. The implementation of GASB Statement No. 77 requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. The implementation of GASB Statement No. 78 amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local government employers through cost-sharing multiple-employer defined pension plan and establishes requirements for recognition and measurement of pension expense, expenditures, liabilities, note disclosures, and required supplementary information for pensions. The implementation of GASB Statement No. 80 provides clarity on how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The implementation of GASB Statement No. 82 clarifies the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in the Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee or plan member contribution requirements.

A. Date of Management's Review

Management has evaluated subsequent events through May 15, 2018, the date when the financial statements were available to be issued.

B. Financial Reporting Entity

The Regional Office operates under the School Code (Articles 5/3 and 5/3A of *Illinois Compiled Statutes*, Chapter 105). The Regional Office of Education No. 41 encompasses Madison County. The Regional Superintendent of Schools (Regional Superintendent) serves as chief administrative officer of the Regional Office of Education No. 41 and is elected pursuant to Article 3, *Illinois Compiled Statutes*, Chapter 105.

The Regional Superintendent is charged with the responsibility for township fund lands; registration of the names of applicants for scholarships to State controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers' institutes as well as to aid and encourage the formation of other teachers meetings and assist in their management; evaluate the schools in the region; examine evidence of indebtedness; to file and keep returns of elections required to be returned to the Regional Superintendent's office; and to file and keep the reports and statements returned by school treasurers and trustees.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**B. Financial Reporting Entity (Concluded)**

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education No. 41's districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with State law; to perform and report on annual building inspections; investigating bus drivers for valid bus driver permits and taking related action as may be required; maintaining a list of unfilled teaching positions; and to carrying out other related duties required or permitted by law.

The Regional Superintendent is responsible for inspection and approval or rejection of school treasurer's bonds. The Regional Superintendent is also required to provide the State Board of Education with an affidavit showing that the treasurers of school districts under the Regional Superintendent's control are properly bonded.

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the region, or see 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 Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2017, the Regional Office of Education No. 41 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education No. 41. Such activities are reported as a single major fund (Education Fund).

**C. Scope of Reporting Entity**

The Regional Office of Education No. 41's reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education No. 41 has developed criteria to determine whether outside agencies with activities that benefit the citizens of the region, including districts or joint agreements which serve pupils from numerous regions, should be included in the financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education No. 41 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education No. 41 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education No. 41 is not aware of any entity which would exercise such oversight as to result in the Regional Office of Education No. 41 being considered a component unit of the entity.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**D. Government-Wide and Fund Financial Statements**

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the non-fiduciary activities of the Regional Office of Education No. 41. The effect of interfund activity has been removed from these statements. Governmental activities are supported by intergovernmental revenues and are reported separate from business-type activities, which rely, to a significant extent, on fees and charges for services.

The Statement of Net Position and the Statement of Activities are presented on an “economic resources” measurement focus prescribed by GASB Statement No. 34. All of the Regional Office of Education No. 41’s assets and deferred outflows of resources and liabilities and deferred inflows of resources, including capital assets, are included in the accompanying Statement of Net Position. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 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 proprietary fund Statement of Net Position and as other financing sources and uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and 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. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements.

The purpose of interfund borrowing and permanent transfers is to cover temporary or permanent shortfalls in cash flow within grant programs and funds.

**E. Proprietary Fund Financial Statements**

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

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

E. Proprietary Fund Financial Statements (Concluded)

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and deferred outflows of resources and liabilities and deferred inflows of resources (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues, if any, are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses, if any, are reported as non-operating expenses.

F. Governmental Fund Financial Statements

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 non-major 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when susceptible to accrual, i.e., when both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Regional Office of Education No. 41 considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues received more than 60 days after the end of the current period are deferred inflows of resources in the governmental fund financial statements, but are recognized as current revenues in the government-wide financial statements. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for other long-term obligations, which are recognized when paid.

G. Measurement Focus and Basis of Accounting

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

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

G. Measurement Focus and Basis of Accounting (Concluded)

The governmental funds financial statements focus on the measurement of spending or "financial flow" and the determination of changes in financial position, rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current position) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Madison County Regional Office of Education No. 41; therefore, revenues are considered to be earned to the extent of expenditures made under the provisions of the grant. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Under the terms of grant agreements, Regional Office of Education No. 41 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is Regional Office of Education No. 41's policy to first apply restricted funds, then unrestricted resources as they are needed. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned if any.

H. Fund Accounting

The Regional Office of Education No. 41 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education No. 41 uses governmental, proprietary, and fiduciary funds.

*Governmental Funds*

Governmental funds are those through which most governmental functions of the Regional Office of Education No. 41 are typically reported. Reporting for governmental funds focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as a fund balance.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

H. Fund Accounting (Continued)

*Governmental Funds (Continued)*

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: (1) total assets (including deferred outflows of resources), liabilities (including deferred inflows of resources), revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and (2) total assets (including deferred outflows of resources), liabilities (including deferred inflows of resources), revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education No. 41 has presented all major funds that met the above qualifications.

The Regional Office of Education No. 41 reports the following major governmental funds:

General Fund - The General Fund is used to account for resources traditionally associated with government which are not required, legally or by sound financial management, to be accounted and reported for in another fund. The General Fund is always considered a major fund. General funds include the following:

ROE Administrative - Accounts for monies received for, and payment of, expenditures associated with the operations of the Regional Office of Education No. 41's general administrative activities.

General State Aid - Accounts for monies received for, and payment of, expenditures for regional learning academy supplements.

Lighthouse Educational Assistance Program (LEAP) - Accounts for tuition monies received for, and payment of, expenditures for the administration of an educational facility within a drug rehabilitation center.

ETC Day Program - Accounts for tuition fees received from school districts used for providing special education and therapeutic services to behaviorally disordered and emotionally disturbed students under the Educational Therapy Center (ETC).

ETC Unemployment Reserve - Accounts for local monies received and accumulated to be used to defray unemployment and related expenses in case the ETC cease to exist.

Suspension Temporary Option Program - Accounts for monies received for the administration of the Suspension Temporary Option Program (STOP) serving students in the Collinsville, Highland, and Troy school districts.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

H. Fund Accounting (Continued)

*Governmental Funds (Continued)*

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

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

Truants Alternative and Optional Education Project - Accounts for grant monies received for, and payment of, expenditures for the truancy prevention program including monitoring of truant students.

Vocational Adjustment Counselor - Accounts for grant monies received for, and payment of, expenditures to provide rehabilitation counseling for individuals in secondary work experience and resource materials for families and educators of children who are transitioning from school to post secondary activities.

Regional Safe Schools - Accounts for grant monies received for, and payment of, expenditures to provide alternative school program for at-risk students. The program also provides placement for students who are suspended and/or are ineligible.

Foundational Service Grant - Accounts for grant monies received for, and payment of, expenditures to provide implementation of Common Core English Language Arts (ELA) and Math, the adoption of a Continuous Improvement Planning process, preparation for Balanced Assessments, and incorporation of teacher evaluation for school districts.

Title IIA - Teacher Quality - Accounts for grant monies received for, and payment of, expenditures to improve instructional services in school districts.

McKinney-Vento Homeless Children - Accounts for grant monies received for, and payment of, expenditures associated with counseling and educational support to homeless children and their families.

ETC Lunch Account Program - Accounts for State monies received for, and payment of, expenditures for providing free and reduced priced meals to students under the Educational Therapy Center (ETC).



**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

H. Fund Accounting (Continued)

*Governmental Funds (Concluded)*

Technology Hub - Accounts for monies received for, and payment of, expenditures for the Technology for Success grant. The program provides a coordinated, State-wide support infrastructure which assists school districts in planning, implementing, assessing results, and educating school staff in the use of technology and telecommunications in curricular, instructional, and administrative functions.

School Improvement - Accounts for grant monies received for, and payment of, expenditures for the ROE/ISC Operations grant, as well as transactions associated with the operations of the Regional Office of Education No. 41.

Institute Fund - Accounts for registration and renewal fees related to teachers' certificates. Funds collected from registration and renewal fees are expended to defray costs incidental to teachers' institutes, conferences, and workshops. All funds generated remain restricted until expended only on the aforementioned activities.

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

General Education Development (GED) - Accounts for the administration of the GED Testing Program. Revenues consist of fees collected for testing, diplomas and materials.

Bus Driver Training - Accounts for bus drivers' permit fees which may be expended for bus drivers' refresher courses.

*Proprietary Funds*

Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education No. 41 on a cost reimbursement basis are reported.

ROE Administrative - Enterprise - Accounts for monies received for, and payment of, expenditures associated with other miscellaneous enterprise activities of the Regional Office of Education No. 41. This fund also accounts for reimbursements from other funds for general administrative expenses.

School Improvement Plan (SIP) - Enterprise Workshop - Accounts for workshop fees received for, and payment of, expenses related to various trainings conducted by the Regional Office of Education No. 41.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

H. Fund Accounting (Concluded)

*Proprietary Funds (Concluded)*

Technology Hub Fees - Accounts for the local monies received for, and payment of, expenditures associated with setting up e-mail addresses, conducting workshops, and helping with the creation of technology plans for the schools in Madison County.

*Fiduciary Funds*

Agency Funds are used to account for assets held by the Regional Office of Education No. 41 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds include the following:

Teacher Retirement System (TRS) and Teacher Health Insurance Security (THIS) – Accounts for pension and insurance contributions collected and disbursed to the TRS of the State of Illinois.

I. Governmental Fund Balances

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 in the Governmental Funds Balance Sheet and Governmental Funds Combining Schedule of Accounts:

Non-spendable - the portion of a Governmental Fund's net position that are not available to be spent, either short-term or long-term, in either form or through legal restrictions. There are no accounts presenting a non-spendable fund balance.

Restricted - the portion of a Governmental Fund's net position that are subject to external enforceable legal restrictions. The following fund balances are restricted by grant agreements or contracts: Vocational Adjustment Counselor and ETC Lunch Account Program. The following funds are restricted by Illinois Statute: Institute Fund, General Education Development, and Bus Driver Training.

Committed - the portion of a Governmental Fund's net position 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 - the portion of a Governmental Fund's net position that 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: Lighthouse Educational Assistance Program, ETC Day Program, and ETC Unemployment Reserve.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

I. Governmental Fund Balances (Concluded)

*Unassigned* - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of the General State Aid, Suspension Temporary Option Program, Truants Alternative and Optional Education Project, Regional Safe Schools, and Technology Hub.

J. Net Position

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

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

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

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

K. Cash and Cash Equivalents

The Regional Office of Education No. 41 considers all cash and all highly liquid investments (including restricted assets) with an original maturity of three months or less from the date of acquisition to be cash equivalents.

L. Interfund Receivables and Payables

The recordings of due from and due to other funds are a result of various borrowings between funds during the year.

M. Capital Assets

Capital assets, such as equipment, are recorded in the applicable governmental or business- type activity columns in the government-wide financial statements. Expenditures for the acquisition are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The costs of capital assets are recorded as expenditures in the acquiring fund at the time of purchase and any proceeds from sales are recorded as receipts at the time of disposal in the governmental funds' statements for governmental activities.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are recorded at estimated fair value as of the date received. Capital assets are defined by the Regional Office of Education No. 41 as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

M. Capital Assets (Concluded)

The provision for depreciation on fixed assets is provided on a straight-line basis. Estimated useful lives are as follows:

Equipment	5-10 years
Office equipment	3-7 years

N. 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 consist of grant receivables not collected within sixty days after year end. Deferred inflows of resources in the Statement of Net Position consist of the unamortized portion of components of the net pension liability that will reduce pension expense in future years.

O. Estimates

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

P. Compensated Absences

All Regional Office of Education No. 41 employees must use their annual vacation before November 30, and an accrual for this liability as of June 30, 2017 has been provided in the government-wide financial statements.

Accumulated sick pay benefits are available to all full-time employees to use in future years, up to 480 hours. They are eligible to be compensated for these unused sick days after attaining age 55 and employed for eight years. They will be compensated upon retirement only. If terminated, their unused sick days are forfeited. Per GASB Statement No. 16, the Regional Office of Education No. 41 used the vesting method to calculate the necessary accrual. Under this method, the liability is measured based on those that are eligible to receive retirement payments and those who are expected to become eligible in future years.

As required by GASB Interpretation 6, the accrual for unused vacation and sick time is reflected when incurred in the government-wide financial statements, and is reflected in the governmental funds only when the liability is expected to be liquidated with expendable available financial resources.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)**

Q. Budgetary Data

The Regional Office of Education No. 41 acts as the administrative agent for certain grant programs that are accounted for within the Education Fund. These programs have separate budgets and are required to be reported to the Illinois State Board of Education and Illinois Department of Human Services; however, none of the annual budgets have been legally adopted, nor are they required to do so. Certain programs within the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results for the following programs are presented as supplementary information: Truants Alternative and Optional Education Project, Vocational Adjustment Counselor, Regional Safe Schools, Foundational Service Grant, Title IIA Teacher Quality, McKinney – Vento Homeless Children, Technology Hub, and School Improvement.

R. Revenues – Exchange and Non-exchange Transactions

The revenue resulting from exchange transactions, in which each party gives and receives essentially equal values, is recorded on the accrual basis when the exchange takes place. On modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Non-exchange transactions, in which the Regional Office of Education No. 41 receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Regional Office of Education No. 41 must provide local resources to be used for specific purpose, and expenditure requirements, in which the resources are provided to the Regional Office of Education No. 41 on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

**NOTE 2: CASH AND CASH EQUIVALENTS**

The Regional Office of Education No. 41's investment policy is to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7.

Deposits

At June 30, 2017, the carrying amount of the Regional Office of Education No. 41's government-wide and fiduciary fund deposits, excluding petty cash of \$500, were \$769,771 and \$0, respectively, and the bank balances were \$800,312 and \$0, respectively. The difference between the above amounts primarily represents checks that have been issued but have not yet cleared the bank as of June 30, 2017. At June 30, 2017, \$293,952 of the Regional Office of Education No. 41's cash deposits were insured by the Federal Deposit Insurance Corporation. The remaining \$493,272 was collateralized by securities pledged by the Regional Office of Education No. 41's financial institution in the name of the Regional Office and \$13,088 was invested in the Illinois Money Market Fund.

Investments

The investment policy requires that funds should be invested solely in investments authorized by 30 ILCS 235/2 and 6 and 105 ILCS 5/8-7. As of June 30, 2017, the Regional Office of Education No. 41 had investments with carrying and fair values of \$13,088 invested in the Illinois Funds Money Market Fund and \$668,095 invested in certificates of deposit through the CDARS program insured through FDIC.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 2: CASH AND CASH EQUIVALENTS (CONCLUDED)**

Investments (Concluded)

*Custodial Credit Risk*

Custodial credit risk is the risk that in the event of a bank failure, the Regional Office of Education's deposits may not be returned to it. The Regional Office of Education No. 41 does not have a formal deposit policy for custodial credit risk but follows the Public Funds Investment Act (30 ILCS 235/2 and 6), and Section 8-7 of the School Code.

*Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The Regional Office of Education No. 41 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk*

The Regional Office of Education No. 41 is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235/2 and 6), and Section 8-7 of the School Code. The Regional Office of Education No. 41 has no investment policy that would further limit its investment choices. As of June 30, 2017, the Regional Office of Education No. 41 was in compliance with these guidelines.

**NOTE 3: PENSION AND RETIREMENT COMMITMENTS**

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

**Plan Description**

The Madison County Regional Office of Education No. 41 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 <http://trsil.org>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 3: PENSION AND RETIREMENT COMMITMENTS (CONTINUED)**

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

**Benefits provided**

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

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

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

**Contributions**

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016, was 9.4 percent of creditable earnings. On July 1, 2016, the rate dropped to 9.0 percent of pay due to the expiration of the Early Retirement Option (ERO). The member contribution, which may be paid on behalf of employees by the Regional Office of Education No. 41, is submitted to TRS by the Regional Office of Education No. 41.

**On behalf contributions to TRS.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 41. For the year ended June 30, 2017, State of Illinois contributions recognized by the Regional Office of Education No. 41 were based on the State's proportionate share of the collective net pension liability associated with the ROE No.41, and the Regional Office of Education No. 41 recognized revenue and expenditures of \$590,740 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 \$4,552, and are deferred because they were paid after the June 30, 2016 measurement date.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 3: PENSION AND RETIREMENT COMMITMENTS (CONTINUED)**

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

**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. 41, there is a statutory requirement for the Regional Office of Education No. 41 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, 2016, salaries totaling \$2,212 were paid from federal and special trust funds that required employer contributions of \$852. These contributions are deferred because they were paid after the June 30, 2016 measurement date.

**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. 41 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 current 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. 41 paid \$0 to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

The Regional Office of Education No. 41 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. 41 paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 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. 41 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 Regional Office of Education No. 41. The State's support and total are for disclosure purposes only. The amount recognized by the Regional Office of Education No. 41 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 Regional Office of Education No. 41 were as follows:

Employer's proportionate share of the net pension liability	\$ 89,592
State's proportionate share of the net pension liability associated with the employer	<u>6,015,310</u>
<b>Total</b>	<b><u>\$ 6,104,902</u></b>



**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 3: PENSION AND RETIREMENT COMMITMENTS (CONTINUED)**

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

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

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. 41's proportion of the net pension liability was based on the Regional Office of Education No. 41's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2016, the Regional Office of Education No. 41's proportion was 0.0001134989 percent, which was a decrease of 0.0000605354 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Regional Office of Education No. 41 recognized pension expense of \$590,740 and revenue of \$590,740 for support provided by the State. For the year ended June 30, 2017, Regional Office of Education No. 41 recognized pension income of \$48,056. At June 30, 2017, the Regional Office of Education No. 41 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 662	\$ 61
Net difference between projected and actual earnings on pension plan investments	2,531	-
Change of assumptions	7,695	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	138,946
Employer contributions subsequent to the measurement date	5,404	-
<b>Total</b>	<b>\$ 16,292</b>	<b>\$ 139,007</b>

\$5,404 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized by the Regional Office of Education No. 41 as a reduction of their net pension liabilities in the reporting year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30,</b>		
2018	\$	(54,369)
2019		(54,369)
2020		(13,119)
2021		(5,039)
2022		(1,223)
<b>Total</b>	<b>\$</b>	<b>(128,119)</b>

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 3: PENSION AND RETIREMENT COMMITMENTS (CONTINUED)**

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

**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:

<b>Inflation</b>	2.50 percent
<b>Salary increases</b>	Varies by amount of service credit
<b>Investment rate of return</b>	7.00 percent, 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.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	14.4%	6.94%
U.S. equities small/mid cap	3.6%	8.09%
International equities developed	14.4%	7.46%
Emerging market equities	3.6%	10.15%
U.S. bonds core	10.7%	2.44%
International debt developed	5.3%	1.70%
Real estate	15%	5.44%
Commodities (real return)	11%	4.28%
Hedge funds (absolute return)	8%	4.16%
Private equity	14%	10.63%
<b>Total</b>	<b>100%</b>	

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 3: PENSION AND RETIREMENT COMMITMENTS (CONTINUED)**

A. Teachers' Retirement System of the State of Illinois (TRS) (Concluded)

**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 period of projected benefit payments to determine the total pension liability.

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

**Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate**

The following presents the Regional Office of Education No. 41'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. 41's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (5.83 percent) or 1-percentage-point higher (7.83 percent) than the current rate.

	<b>1% Decrease (5.83%)</b>	<b>Current Discount Rate (6.83%)</b>	<b>1% Increase (7.83%)</b>
Employer's proportionate share of the net pension liability	\$ 109,574	\$ 89,592	\$ 73,271

**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*.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 3: PENSION AND RETIREMENT COMMITMENTS (CONCLUDED)**

**B. Illinois Municipal Retirement Fund**

There are other non-certified employees paid by, and considered employees of, county government. As such, related retirement obligations associated with these employees are the responsibilities of county government. Retirement contributions for non-certified employees made by Madison County to the Illinois Municipal Retirement Fund (IMRF) during the fiscal year 2017 amounted to \$54,633. This amount is included in the local on-behalf revenue and related expense. Moreover, GASB Statement No. 68 in relation to IMRF is not applicable to Regional Office of Education No. 41 since the Madison County bears the cost of salaries, benefits and the payment of future pension liabilities of these non-certified employees.

**NOTE 4: OTHER POST EMPLOYMENT BENEFITS**

**A. Defined Benefit Plan – Madison County Health Plan**

*Plan Description.* The Regional Office of Education No. 41 employees are covered by the Madison County (the County) health insurance plan. The County provides postemployment health care for eligible retired employees and their dependents through a single employer defined benefit plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the County and can be amended by the County Board through its personnel manual and union contracts. An irrevocable trust has not been established by the County to account for the plan and accordingly the plan is not accounted for as a trust fund. The plan does not issue a separate report.

*Benefits Provided.* The Regional Office of Education No. 41 provides postemployment health care for eligible retired employees and their dependents through the County. Employees who terminate after meeting the age and service requirements for retirement are eligible to continue their health care plan coverage with the County by paying the monthly premium rate. The benefit levels are the same as those afforded to active employees. The benefits include general outpatient and inpatient medical services; mental, nervous, and substance abuse care; vision care, dental care; and prescriptions. Because the actuarial cost of health benefits for retirees exceeds the average amount paid by retirees, the additional cost is paid by the County and is the basis for the OPEB obligation accounted for under GASB Statement No. 45. The Regional Office of Education No. 41 reimburses the County for health insurance coverage for active non-administrative ROE No. 41 employees. These non-administrative employees are classified under “Other Education” below.

*Membership.* At November 30, 2016 (the County’s fiscal year end), membership consisted of:

	<b>Education Admin</b>	<b>Other Education</b>	<b>Total</b>
Active participants	10	14	24
Retired participants	1	2	3
<b>Total</b>	11	16	27

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 4: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

A. Defined Benefit Plan – Madison County Health Plan (Continued)

*Funding Policy.* The County negotiates the contribution percentages between the County and employees through the union contracts and the personnel policy. The Regional Office of Education No. 41 employees follow these contracts and policies. All retirees contribute 100% of the blended premium to the plan and the County contributes the remainder to cover the cost of providing the benefits to the retirees via the insured plan (pay-as-you-go). GASB Statement No. 45 requires recognition of the current expense of OPEB based on each governing body’s annual required contribution, but does not require funding of the related liability.

*Annual OPEB Cost and Net OPEB Obligation.* The Regional Office of Education No. 41’s annual OPEB cost is calculated based on the annual required contribution (ARC). The ARC represents the normal cost each year and an amount to amortize the unfunded actuarial liability over a period of thirty years.

*Trend Data.* 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 multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Components of Net OPEB Obligation and Expense**

	Amount as of 11/30/2016		
	Education Admin	Other Education	Total
Annual Required Contribution	\$ 32,480	\$ 40,587	\$ 73,067
Interest on Net OPEB Obligation	4,334	12,995	17,329
Adjustment to Annual Required Contribution	(5,658)	(16,965)	(22,623)
Annual OPEB Cost (Expense)	31,156	36,617	67,773
Contributions Made	(2,291)	(4,665)	(6,956)
Increase in Net OPEB Obligation	28,865	31,952	60,817
Net OPEB Obligation – Beginning of Year	96,317	288,768	385,085
Net OPEB Obligation – End of Year	<u>\$ 125,182</u>	<u>\$ 320,720</u>	<u>\$ 445,902</u>

**Schedule of Contributions, OPEB Costs and Net Obligations**

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
11/30/2016	\$ 67,773	\$ 10.3%	\$ 445,902

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 4: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

A. Defined Benefit Plan – Madison County Health Plan (Concluded)

*Funded Status and Funding Progress.* As of November 30, 2016 (the County’s fiscal year end), the actuarial accrued liability for benefits was \$554,032. The covered payroll was approximately \$1,044,868 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 53.0%.

*Actuarial Method and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members.

In the actuarial valuation for the fiscal year ended November 30, 2016, the entry age normal cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 8.5% initially, reduced to an ultimate rate of 4.5% after eight years. Rates include a 2.5% general inflation assumption. The Unfunded Accrued Actuarial Liability is being amortized as a level dollar amount over 30 years.

**Schedule of Funded Status and Funding Progress**

	Education Admin	Other Education	Total
Actuarial Accrued Liability	\$ 223,460	\$ 330,572	\$ 554,032
Actuarial Value of Assets	-	-	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 223,460	\$ 330,572	\$ 554,032
Funded Ratio	0%	0%	0%
Covered Payroll (Active Plan Members)	\$ 467,418	\$ 577,450	\$ 1,044,868
UAAL as a % of Covered Payroll	47.8%	57.2%	53.0%

B. Teacher Health Insurance Security Fund

The Regional Office of Education No. 41 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the City of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental or life insurance benefits to annuitants of the Teachers’ Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the State administered participating provider option plan or choose from several managed care options. Annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plan.

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

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 4: OTHER POST EMPLOYMENT BENEFITS (CONCLUDED)**

B. Teacher Health Insurance Security Fund (Concluded)

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. 41. State contributions are intended to match contributions to THIS Fund from active members which were 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$8,790, and the Regional Office of Education No. 41 recognized revenue and expenditures of this amount during the year. State contributions intended to match active member contributions during the years ended June 30, 2016 and 2015 were 1.07 and 1.02 percent of pay, respectively. State contributions on behalf of the Regional Office of Education No. 41 were \$8,111 and \$8,258, respectively.

**Employer contributions to the THIS Fund.** The Regional Office of Education No. 41 also makes contributions to THIS Fund. The Regional Office of Education No. 41's THIS Fund contribution was 0.84 percent during the year ended June 30, 2017. For the year ended June 30, 2017, the Regional Office of Education No. 41 paid \$6,593 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2016 and 2015, the Regional Office paid \$6,064 and \$6,153 to the THIS Fund, respectively, which was 100 percent of the required contribution.

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

**NOTE 5: INTERFUND RECEIVABLES AND PAYABLES**

As of June 30, 2017, amounts due from (to) other funds consist of the following:

Fund	Due From Other Funds	Due To Other Funds
Proprietary Fund – Technology Hub Fees	\$ 37,163	\$ -
Proprietary Fund – ROE Administrative	136,866	-
Education Fund – Truant Alternative and Optional Education	-	30,717
Education Fund – Regional Safe Schools	-	95,774
Education Fund – Foundation Services	-	10,210
Education Fund – Title II – Teacher Quality	-	165
Education Fund – Technology Hub	-	37,163
Total	<u>\$ 174,029</u>	<u>\$ 174,029</u>

The amount due to the two proprietary funds from the Education Fund resulted from interfund borrowing to cover short-term cash deficit.

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 6: INTERFUND TRANSFERS**

The composition of interfund transfers during the year ended June 30, 2017 is as follows:

Fund	Transfer In	Transfer Out
General Fund – General State Aid	\$ -	\$ 9,476
General Fund – Suspension Temporary Option Program	9,476	-
Total	<u>\$ 9,476</u>	<u>\$ 9,476</u>

During the year ended June 30, 2017, the Regional Office of Education No. 41 made an interfund transfer to move a portion of unrestricted funds to finance various operating expenditures accounted for in another fund.

**NOTE 7: DUE FROM (TO) OTHER GOVERNMENTS**

The Regional Office of Education No. 41’s General Fund, Special Revenue Funds, and Proprietary Funds have funds due to and due from various governmental units which consist of the following:

Due from Other Governments:	
Illinois State Board of Education	\$ 186,281
Illinois Department of Human Services	11,963
Local school districts	25,164
Other governmental units	<u>21,388</u>
Total	<u>\$ 244,796</u>
Due to Other Governments:	
Illinois State Board of Education	\$ 4,118
Madison County government	1,418
Other governmental units	<u>3,855</u>
Total	<u>\$ 9,391</u>



**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 8: CAPITAL ASSETS**

Capital asset activities for the year ended June 30, 2017 are as follows:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
Governmental Funds				
Total Capital Assets	\$ 301,132	\$ -	\$ 25,605	\$ 275,527
Less: Accumulated Depreciation	<u>297,858</u>	<u>2,070</u>	<u>25,605</u>	<u>274,323</u>
Governmental Funds				
Investment in Capital Assets, Net	<u>\$ 3,274</u>	<u>\$ (2,070)</u>	<u>\$ -</u>	<u>\$ 1,204</u>
	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
Proprietary Funds				
Total Capital Assets	\$ 26,790	\$ -	\$ -	\$ 26,790
Less: Accumulated Depreciation	<u>23,669</u>	<u>1,249</u>	<u>-</u>	<u>24,918</u>
Proprietary Funds				
Investment in Capital Assets, Net	<u>\$ 3,121</u>	<u>\$ (1,249)</u>	<u>\$ -</u>	<u>\$ 1,872</u>
Total				
Investment in Capital Assets, Net	<u>\$ 6,395</u>	<u>\$ (3,319)</u>	<u>\$ -</u>	<u>\$ 3,076</u>

Depreciation expense for the year ended June 30, 2017 amounted to \$2,070 was accounted for in the instructional services function under governmental activities. For the business-type activities, depreciation expense of \$1,249 was charged to Technology Hub Fees.

**NOTE 9: COMPENSATED ABSENCES**

The Regional Office of Education No. 41 records a liability associated with compensated absences. During the year ended June 30, 2017, the amount in this account increased by \$3,294. At June 30, 2017, the balance in this account was \$33,338.

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
Compensated absences	<u>\$ 30,044</u>	<u>\$ 5,997</u>	<u>\$ 2,703</u>	<u>\$ 33,338</u>

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 10: COMMITMENTS AND CONTINGENCIES**

In the normal course of operations, the Regional Office of Education No. 41 receives grant funds from various federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Significant losses are covered by the commercial insurance for all major programs: property, liability, and workman's compensation. During the year ended June 30, 2017, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past four years.

**NOTE 11: ON-BEHALF PAYMENTS**

Salaries of the Regional Superintendent and the Assistant Regional Superintendent are paid by the State of Illinois, and a significant portion of the operating expenditures of the Regional Office of Education No. 41 are paid by Madison County, Illinois, in accordance with the statutes.

The breakdown of the State and County on-behalf payments for the year ended June 30, 2017 is as follows:

Regional Superintendent salary	\$	112,800
Regional Superintendent benefits (includes State paid insurance)		36,399
Assistant Regional Superintendent salary		101,520
Assistant Regional Superintendent benefits (includes State paid insurance)		35,711
THIS OPEB contributions		8,790
Salaries of office workers paid by the Madison County		512,443
Rent of office space		43,560
Consulting services		4,200
Madison County's share in health insurance contributions		74,560
Madison County's share in retirement contributions		93,180
Total	\$	<u>1,023,163</u>

Salary and benefit data for the Regional Superintendent and the Assistant Regional Superintendent was calculated based on data provided by ISBE. The on-behalf payments are reflected as revenues and expenditures in the General Fund.

The Regional Office of Education No. 41 also recorded \$590,740 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. 41 has not included any on-behalf payments related to the State's TRS pension expense for the Regional Superintendent or Assistant Superintendent.

State of Illinois and County on-behalf payments	\$	1,023,163
ROE No. 41's share of TRS pension expense		590,740
Total	\$	<u>1,613,903</u>

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 12: DEFICIT FUND BALANCE**

The General Fund's General State Aid has deficit fund balance totaling \$544 and Suspension Temporary Option Program has a deficit fund balance totaling \$4,992 as of June 30, 2017. The Education Fund's Truant Alternative and Optional Education Project has a deficit fund balance totaling \$17,640, Regional Safe School has a deficit fund balance totaling \$65,718, and Technology Hub has a deficit fund balance totaling \$38,525 as of June 30, 2017.

The above deficit fund balances are expected to be reversed in the next fiscal year through receipts from State and local sources. The deficit balance is due to the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, which require that grant revenue can only be recognized when collected during the fiscal year or collected soon after the end of the fiscal year to be available to pay the liabilities of current fiscal period.

**NOTE 13: OPERATING LEASE**

The Regional Office of Education No. 41 is committed under a lease agreement for an office space for the Regional Office of Education No. 41's GED testing program located in Granite City, Illinois. The lease agreement is considered an operating lease for accounting purposes.

The lease agreement for the office space has a term of 29 months beginning March 1, 2013, and ending on July 31, 2015, with an option for bi-annual renewals. On August 1, 2015, and on August 1, 2017 the option to renew for two years was exercised. This lease will expire on July 31, 2019. The lease is payable in \$1,200 monthly payment for July 2016 through July 2017, and \$1,400 monthly payment from August, 2017, through July, 2019, and \$1,000 security deposit. Lease expense for the year ended June 30, 2017, amounted to \$14,400.

The minimum future rental payments for each of the next applicable years under the non-cancelable school facility lease are:

2018	\$	16,600
2019		16,800
2020		1,400
2021 and thereafter		-
		\$ 34,800

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

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2017**

**Schedule of the Employer's Proportionate Share of the Net Pension Liability  
Teachers' Retirement System of the State of Illinois  
For the Year Ended June 30, 2017†**

	FY16†	FY15†	FY14†
Employer's proportion of the net pension liability	0.0001134989%	0.0001740343%	0.0002005597%
Employer's proportionate share of the net pension liability	\$ 89,592	\$ 114,010	\$ 120,456
State's proportionate share of the net pension liability associated with the employer	6,015,310	5,242,315	5,954,588
<b>Total</b>	<u>\$ 6,104,902</u>	<u>\$ 5,356,325</u>	<u>\$ 6,075,044</u>
Employer's covered payroll	\$ 758,044	\$ 809,619	\$ 1,018,810
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	11.82%	14.08%	11.82%
Plan fiduciary net position as a percentage of the total pension liability	36.40%	41.50%	43.00%

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

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

**Schedule of Employer Contributions  
Teachers' Retirement System of the State of Illinois  
For the Year Ended June 30, 2017**

	2017	2016	2015	2014
Statutorily-required contribution	\$ 5,404	\$ 4,397	\$ 6,018	\$ 6,641
Contributions in relation to the statutorily-required contribution	5,404	4,397	6,018	7,061
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (420)</u>
Employer's covered payroll	\$ 784,844	\$ 758,044	\$ 809,619	\$ 1,018,810
Contributions as a percentage of covered payroll	0.69%	0.58%	0.74%	0.69%

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

**Notes to Required Supplementary Information**

*Changes of assumptions*

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

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

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

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2017**

**Postemployment Benefits Other Than Pensions**  
**Schedule of Funding Progress**  
**June 30, 2017**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
11/30/2016	\$ -	\$ 554,032	\$ 554,032	0%	\$ 1,044,868	53.02%
11/30/2015	\$ -	\$ 527,685	\$ 527,685	0%	\$ 1,359,870	38.80%
11/30/2014	\$ -	\$ 717,733	\$ 717,733	0%	\$ 1,620,978	44.28%
11/30/2013	\$ -	\$ 666,940	\$ 666,940	0%	\$ 1,566,163	42.58%
11/30/2012	\$ -	\$ 776,084	\$ 776,084	0%	\$ 1,694,625	45.80%
11/30/2011	\$ -	\$ 728,190	\$ 728,190	0%	\$ 1,637,319	44.47%
11/30/2010	\$ -	\$ 605,341	\$ 605,341	0%	\$ 1,875,787	32.27%
11/30/2009	\$ -	\$ 554,500	\$ 554,500	0%	\$ 1,812,355	30.60%

**SUPPLEMENTAL INFORMATION**

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
 COMBINING SCHEDULE OF ACCOUNTS  
 GENERAL FUND  
 JUNE 30, 2017

SCHEDULE 1

	<u>ROE Administrative</u>	<u>General State Aid</u>	<u>Lighthouse Educational Assistance Program</u>	<u>ETC Day Program</u>	<u>ETC Unemployment Reserve</u>	<u>Suspension Temporary Option Program</u>	<u>Total</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 42,245	\$ 26,789	\$ 46,616	\$ 1,921	\$ -	\$ 117,571
Certificates of deposit	-	-	100,465	-	180,838	-	281,303
Due from other governments	-	-	18,135	12,424	-	74	30,633
<b>TOTAL ASSETS</b>	<b>-</b>	<b>42,245</b>	<b>145,389</b>	<b>59,040</b>	<b>182,759</b>	<b>74</b>	<b>429,507</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ -</b>	<b>\$ 42,245</b>	<b>\$ 145,389</b>	<b>\$ 59,040</b>	<b>\$ 182,759</b>	<b>\$ 74</b>	<b>\$ 429,507</b>
<b>LIABILITIES</b>							
Accounts payable and accrued expenses	\$ -	\$ 42,789	\$ 16,797	\$ 34,080	\$ -	\$ 5,066	\$ 98,732
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>42,789</b>	<b>16,797</b>	<b>34,080</b>	<b>-</b>	<b>5,066</b>	<b>98,732</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
	-	-	-	-	-	-	-
<b>FUND BALANCES (DEFICITS)</b>							
Assigned	-	-	128,592	24,960	182,759	-	336,311
Unassigned	-	(544)	-	-	-	(4,992)	(5,536)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>-</b>	<b>(544)</b>	<b>128,592</b>	<b>24,960</b>	<b>182,759</b>	<b>(4,992)</b>	<b>330,775</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICITS)</b>	<b>\$ -</b>	<b>\$ 42,245</b>	<b>\$ 145,389</b>	<b>\$ 59,040</b>	<b>\$ 182,759</b>	<b>\$ 74</b>	<b>\$ 429,507</b>



**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GENERAL FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2017**

**SCHEDULE 2**

	<b>ROE Administrative</b>	<b>General State Aid</b>	<b>Lighthouse Educational Assistance Program</b>	<b>ETC Day Program</b>	<b>ETC Unemployment Reserve</b>	<b>Suspension Temporary Option Program</b>	<b>Total</b>
<b>REVENUES</b>							
State sources	\$ -	\$ 362,551	\$ -	\$ -	\$ -	\$ -	\$ 362,551
Local sources	-	3,489	109,285	338,608	-	36,964	488,346
Interest income	-	170	907	127	1,295	-	2,499
On-behalf payments - State	295,220	-	-	-	-	-	295,220
On-behalf payments - Local	692,743	14,814	6,234	14,152	-	-	727,943
Total revenues	<u>987,963</u>	<u>381,024</u>	<u>116,426</u>	<u>352,887</u>	<u>1,295</u>	<u>36,964</u>	<u>1,876,559</u>
<b>EXPENDITURES</b>							
Salaries	-	266,286	111,186	250,469	-	35,548	663,489
Benefits	-	54,466	28,679	52,913	-	7,799	143,857
Pension	-	2,306	450	1,015	-	206	3,977
Purchased services	-	20,638	6,550	24,161	-	1,788	53,137
Supplies and materials	-	5,803	280	5,655	-	-	11,738
On-behalf payments - State	295,220	-	-	-	-	-	295,220
On-behalf payments - Local	692,743	14,814	6,234	14,152	-	-	727,943
Total expenditures	<u>987,963</u>	<u>364,313</u>	<u>153,379</u>	<u>348,365</u>	<u>-</u>	<u>45,341</u>	<u>1,899,361</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>16,711</u>	<u>(36,953)</u>	<u>4,522</u>	<u>1,295</u>	<u>(8,377)</u>	<u>(22,802)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer In(Out)		(9,476)	-	-	-	9,476	-
<b>NET CHANGE IN FUND BALANCES</b>	<u>-</u>	<u>7,235</u>	<u>(36,953)</u>	<u>4,522</u>	<u>1,295</u>	<u>1,099</u>	<u>(22,802)</u>
<b>FUND BALANCES (DEFICITS), BEGINNING OF YEAR</b>	<u>-</u>	<u>(7,779)</u>	<u>165,545</u>	<u>20,438</u>	<u>181,464</u>	<u>(6,091)</u>	<u>353,577</u>
<b>FUND BALANCES (DEFICITS), END OF YEAR</b>	<u>\$ -</u>	<u>\$ (544)</u>	<u>\$ 128,592</u>	<u>\$ 24,960</u>	<u>\$ 182,759</u>	<u>\$ (4,992)</u>	<u>\$ 330,775</u>

MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2017

SCHEDULE 3

	Truants Alternative and Optional Education Project	Vocational Adjustment Counselor	Regional Safe Schools	Foundational Service Grant	Title IIA Teacher Quality
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 148,324	\$ -	\$ -	\$ -
Due from ISBE	34,874	6,201	104,442	-	165
Due from other governments	-	11,963	-	10,647	-
<b>TOTAL ASSETS</b>	<u>34,874</u>	<u>166,488</u>	<u>104,442</u>	<u>10,647</u>	<u>165</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 34,874</u>	<u>\$ 166,488</u>	<u>\$ 104,442</u>	<u>\$ 10,647</u>	<u>\$ 165</u>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ -	\$ 3,852	\$ 8,666	\$ 437	\$ -
Due to other funds	30,717	-	95,774	10,210	165
Due to other governments	4,106	-	2	-	-
<b>TOTAL LIABILITIES</b>	<u>34,823</u>	<u>3,852</u>	<u>104,442</u>	<u>10,647</u>	<u>165</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	17,691	3,100	65,718	-	-
<b>FUND BALANCES (DEFICITS)</b>					
Restricted	-	159,536	-	-	-
Unassigned	(17,640)	-	(65,718)	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>(17,640)</u>	<u>159,536</u>	<u>(65,718)</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICITS)</b>	<u>\$ 34,874</u>	<u>\$ 166,488</u>	<u>\$ 104,442</u>	<u>\$ 10,647</u>	<u>\$ 165</u>

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2017**

**SCHEDULE 3**

	<b>McKinney - Vento Homeless Children</b>	<b>ETC Lunch Account Program</b>	<b>Technology Hub</b>	<b>School Improvement</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 13	\$ 2,507	\$ 189	\$ 3,545	\$ 154,578
Due from ISBE	-	288	40,311	-	186,281
Due from other governments	1,197	-	-	-	23,807
<b>TOTAL ASSETS</b>	<b>1,210</b>	<b>2,795</b>	<b>40,500</b>	<b>3,545</b>	<b>364,666</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
	<b>\$ 1,210</b>	<b>\$ 2,795</b>	<b>\$ 40,500</b>	<b>\$ 3,545</b>	<b>\$ 364,666</b>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 1,210	\$ -	\$ 1,541	\$ 2,135	\$ 17,841
Due to other funds	-	-	37,163	-	174,029
Due to other governments	-	-	10	1,410	5,528
<b>TOTAL LIABILITIES</b>	<b>1,210</b>	<b>-</b>	<b>38,714</b>	<b>3,545</b>	<b>197,398</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	264	40,311	-	127,084
<b>FUND BALANCES (DEFICITS)</b>					
Restricted	-	2,531	-	-	162,067
Unassigned	-	-	(38,525)	-	(121,883)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>-</b>	<b>2,531</b>	<b>(38,525)</b>	<b>-</b>	<b>40,184</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICITS)</b>					
	<b>\$ 1,210</b>	<b>\$ 2,795</b>	<b>\$ 40,500</b>	<b>\$ 3,545</b>	<b>\$ 364,666</b>

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2017**

**SCHEDULE 4**

	<b>Truants Alternative and Optional Education Project</b>	<b>Vocational Adjustment Counselor</b>	<b>Regional Safe Schools</b>	<b>Foundational Service Grant</b>	<b>Title IIA Teacher Quality</b>
<b>REVENUES</b>					
Federal sources	\$ -	\$ -	\$ -	\$ 44,199	\$ 165
State sources	21,797	95,960	65,712	-	-
Local sources	-	81,210	-	-	-
Interest income	-	571	-	-	-
Total revenues	<u>21,797</u>	<u>177,741</u>	<u>65,712</u>	<u>44,199</u>	<u>165</u>
<b>EXPENDITURES</b>					
Salaries	33,938	117,041	110,657	3,450	-
Benefits	777	22,915	17,461	263	-
Pension	197	464	584	-	-
Purchased services	4,576	13,777	2,728	29,604	165
Supplies and materials	-	1,747	-	12	-
Payments to other governments	-	-	-	10,870	-
Total expenditures	<u>39,488</u>	<u>155,944</u>	<u>131,430</u>	<u>44,199</u>	<u>165</u>
<b>NET CHANGE IN FUND BALANCES</b>	(17,691)	21,797	(65,718)	-	-
<b>FUND BALANCES (DEFICITS), BEGINNING OF YEAR</b>	<u>51</u>	<u>137,739</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS), END OF YEAR</b>	<u>\$ (17,640)</u>	<u>\$ 159,536</u>	<u>\$ (65,718)</u>	<u>\$ -</u>	<u>\$ -</u>

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2017**

**SCHEDULE 4**

	<b>McKinney - Vento Homeless Children</b>	<b>ETC Lunch Account Program</b>	<b>Technology Hub</b>	<b>School Improvement</b>	<b>Total</b>
<b>REVENUES</b>					
Federal sources	\$ 48,149	\$ 30,284	\$ -	\$ -	\$ 122,797
State sources	-	208	110,057	150,467	444,201
Local sources	-	5,676	-	-	86,886
Interest income	-	43	-	-	614
Total revenues	<u>48,149</u>	<u>36,211</u>	<u>110,057</u>	<u>150,467</u>	<u>654,498</u>
<b>EXPENDITURES</b>					
Salaries	22,509	5,696	31,417	46,773	371,481
Benefits	8,197	3,276	3,648	14,015	70,552
Pension	-	-	182	-	1,427
Purchased services	2,986	34,126	4,723	63,327	156,012
Supplies and materials	12,477	-	341	16,352	30,929
Payments to other governments	1,980	-	-	10,000	22,850
Total expenditures	<u>48,149</u>	<u>43,098</u>	<u>40,311</u>	<u>150,467</u>	<u>653,251</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	(6,887)	69,746	-	1,247
<b>FUND BALANCES (DEFICITS), BEGINNING OF YEAR</b>	<u>-</u>	<u>9,418</u>	<u>(108,271)</u>	<u>-</u>	<u>38,937</u>
<b>FUND BALANCES (DEFICITS), END OF YEAR</b>	<u>\$ -</u>	<u>\$ 2,531</u>	<u>\$ (38,525)</u>	<u>\$ -</u>	<u>\$ 40,184</u>

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
 BUDGETARY COMPARISON SCHEDULES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2017**

**SCHEDULE 5**

	<b>Truants Alternative and Optional Education Project</b>			<b>Vocational Adjustment Counselor</b>			<b>Regional Safe Schools</b>		
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>
	<b>Original</b>	<b>Final</b>		<b>Original</b>	<b>Final</b>		<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>									
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	43,594	43,594	21,797	157,969	157,969	95,960	131,430	131,430	65,712
Local sources	-	-	-	80,000	80,000	81,210	-	-	-
Interest income	-	-	-	-	-	571	-	-	-
Total revenues	<u>43,594</u>	<u>43,594</u>	<u>21,797</u>	<u>237,969</u>	<u>237,969</u>	<u>177,741</u>	<u>131,430</u>	<u>131,430</u>	<u>65,712</u>
<b>EXPENDITURES</b>									
Salaries	37,710	37,710	33,938	149,921	142,658	117,041	108,789	110,461	110,657
Benefits	1,068	1,068	777	47,092	45,760	22,915	19,930	18,241	17,461
Pension	-	-	197	-	-	464	-	-	584
Purchased services	4,816	4,816	4,576	15,056	13,275	13,777	2,711	2,728	2,728
Supplies and materials	-	-	-	3,000	5,000	1,747	-	-	-
Other objects	-	-	-	1,500	1,500	-	-	-	-
Payments to other governments	-	-	-	-	-	-	-	-	-
Total expenditures	<u>43,594</u>	<u>43,594</u>	<u>39,488</u>	<u>216,569</u>	<u>208,193</u>	<u>155,944</u>	<u>131,430</u>	<u>131,430</u>	<u>131,430</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(17,691)	21,400	29,776	21,797	-	-	(65,718)
<b>FUND BALANCES (DEFICITS), BEGINNING OF YEAR</b>	-	-	51	-	-	137,739	-	-	-
<b>FUND BALANCES (DEFICITS), END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,640)</u>	<u>\$ 21,400</u>	<u>\$ 29,776</u>	<u>\$ 159,536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (65,718)</u>

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
 BUDGETARY COMPARISON SCHEDULES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2017**

**SCHEDULE 5  
 (CONTINUED)**

	Foundation Services Grant			Title IIA Teacher Quality			McKinney-Vento Homeless Children		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Final		Original	Final		Original	Final	
<b>REVENUES</b>									
Federal sources	\$ 70,000	\$ 70,000	\$ 44,199	\$ 165	\$ 165	\$ 165	\$ 48,021	\$ 57,803	\$ 48,149
State sources	-	-	-	-	-	-	-	-	-
Local sources	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Total revenues	<u>70,000</u>	<u>70,000</u>	<u>44,199</u>	<u>165</u>	<u>165</u>	<u>165</u>	<u>48,021</u>	<u>57,803</u>	<u>48,149</u>
<b>EXPENDITURES</b>									
Salaries	8,224	8,224	3,450	-	-	-	22,509	22,509	22,509
Benefits	616	616	263	-	-	-	7,510	7,510	8,197
Pension	-	-	-	-	-	-	-	-	-
Purchased services	49,510	44,360	29,604	165	165	165	17,502	7,213	2,986
Supplies and materials	1,750	1,750	12	-	-	-	500	17,571	12,477
Other objects	-	-	-	-	-	-	-	-	-
Payments to other governments	9,900	15,050	10,870	-	-	-	-	3,000	1,980
Total expenditures	<u>70,000</u>	<u>70,000</u>	<u>44,199</u>	<u>165</u>	<u>165</u>	<u>165</u>	<u>48,021</u>	<u>57,803</u>	<u>48,149</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-	-	-	-	-	-
<b>FUND BALANCES (DEFICITS), BEGINNING OF YEAR</b>	-	-	-	-	-	-	-	-	-
<b>FUND BALANCES (DEFICITS), END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
 BUDGETARY COMPARISON SCHEDULES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2017**

**SCHEDULE 5  
 (CONCLUDED)**

	Technology Hub			School Improvement			Total		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Final		Original	Final		Original	Final	
<b>REVENUES</b>									
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,186	\$ 127,968	\$ 92,513
State sources	182,588	182,588	110,057	151,734	151,734	150,467	667,315	667,315	443,993
Local sources	-	-	-	-	-	-	80,000	80,000	81,210
Interest income	-	-	-	-	-	-	-	-	571
Total revenues	182,588	182,588	110,057	151,734	151,734	150,467	865,501	875,283	618,287
<b>EXPENDITURES</b>									
Salaries	135,320	135,320	31,417	76,115	48,336	46,773	538,588	505,218	365,785
Benefits	27,463	27,463	3,648	14,668	14,020	14,015	118,347	114,678	67,276
Pension	-	-	182	-	-	-	-	-	1,427
Purchased services	18,397	18,397	4,723	55,181	56,993	63,327	163,338	147,947	121,886
Supplies and materials	1,408	1,408	341	5,770	22,385	16,352	12,428	48,114	30,929
Other objects	-	-	-	-	-	-	1,500	1,500	-
Payments to other governments	-	-	-	-	10,000	10,000	9,900	28,050	22,850
Total expenditures	182,588	182,588	40,311	151,734	151,734	150,467	844,101	845,507	610,153
<b>NET CHANGE IN FUND BALANCES</b>	-	-	69,746	-	-	-	21,400	29,776	8,134
<b>FUND BALANCES (DEFICITS), BEGINNING OF YEAR</b>	-	-	(108,271)	-	-	-	-	-	29,519
<b>FUND BALANCES (DEFICITS), END OF YEAR</b>	\$ -	\$ -	\$ (38,525)	\$ -	\$ -	\$ -	\$ 21,400	\$ 29,776	\$ 37,653



**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2017**

**SCHEDULE 6**

	<b>General Education Development</b>	<b>Bus Driver Training</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 43,683	\$ 48,588	\$ 92,271
Accounts receivable	195	40	235
Due from other governments	-	30	30
<b>TOTAL ASSETS</b>	<b>43,878</b>	<b>48,658</b>	<b>92,536</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 43,878</b>	<b>\$ 48,658</b>	<b>\$ 92,536</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 107	\$ -	\$ 107
<b>TOTAL LIABILITIES</b>	<b>107</b>	<b>-</b>	<b>107</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
	-	-	-
<b>FUND BALANCES</b>			
Restricted	43,771	48,658	92,429
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<b>\$ 43,878</b>	<b>\$ 48,658</b>	<b>\$ 92,536</b>

**MADISON COUNTY REGIONAL OFFICE OF EDUCATION NO. 41  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2017**

**SCHEDULE 7**

	<b>General Education Development</b>	<b>Bus Driver Training</b>	<b>Total</b>
<b>REVENUES</b>			
State sources	\$ -	\$ 1,813	\$ 1,813
Local sources	7,687	7,580	15,267
Interest income	223	240	463
Total revenues	<u>7,910</u>	<u>9,633</u>	<u>17,543</u>
<b>EXPENDITURES</b>			
Purchased services	8,206	4,037	12,243
Supplies and materials	2,418	299	2,717
Total expenditures	<u>10,624</u>	<u>4,336</u>	<u>14,960</u>
<b>NET CHANGE IN FUND BALANCES</b>	(2,714)	5,297	2,583
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>46,485</u>	<u>43,361</u>	<u>89,846</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 43,771</u>	<u>\$ 48,658</u>	<u>\$ 92,429</u>

FIDUCIARY FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND

FOR THE YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>TRS &amp; THIS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 80	\$ 79,622	\$ 79,702	\$ -
<b>TOTAL ASSETS</b>	<u>\$ 80</u>	<u>\$ 79,622</u>	<u>\$ 79,702</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 80	\$ 79,622	\$ 79,702	\$ -
<b>TOTAL LIABILITIES</b>	<u>\$ 80</u>	<u>\$ 79,622</u>	<u>\$ 79,702</u>	<u>\$ -</u>