



**STATE OF ILLINOIS
DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17**

**FINANCIAL AUDIT
For the Year Ended June 30, 2019**

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

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17**

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**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17**

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**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17**

OFFICIALS

Regional Superintendent
(current and during the audit period)

Mr. Mark Jontry

Assistant Regional Superintendent
(current and during the audit period)

Ms. Carmen Bergmann

Office is located at:

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

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
FINANCIAL REPORT SUMMARY**

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

AUDITOR’S REPORTS

The auditor’s reports do not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	3	3
Repeated audit findings	2	-
Prior recommendations implemented or not repeated	1	1

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

SUMMARY OF FINDINGS AND RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<i>Findings (Government Auditing Standards)</i>			
2019-001	11	Delay of Audit	Noncompliance
2019-002	13	Inadequate Internal Control Procedures	Significant Deficiency
2019-003	16	Lack of Adequate Controls over the Review of Internal Controls over External Service Providers	Significant Deficiency
<i>Prior Audit Findings not Repeated (Government Auditing Standards)</i>			
2018-001	22	Controls Over Financial Statement Preparation	Material Weakness

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
FINANCIAL REPORT SUMMARY**

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on February 28, 2020. Attending from the Regional Office of Education No. 17 were Mark Jontry, Regional Superintendent; and Christy Kelson, Business Manager; from the Office of the Auditor General were Jeanne Michaud and Beth Obernuefemann, Audit Managers; and from Adelfia LLC were Stella Marie Santos, Jennifer Roan, Maria Divina Valera, Partners. Responses to the recommendations were provided by Mark Jontry, Regional Superintendent, on March 6, 2020.

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of Dewitt, Livingston, Logan, and Mclean Counties Regional Office of Education No. 17 was performed by Adelfia LLC.

Based on their audit, the auditors expressed an unmodified opinion on the Dewitt, Livingston, Logan, and Mclean Counties Regional Office of Education No. 17's basic financial statements.



INDEPENDENT AUDITOR'S 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 Dewitt, Livingston, Logan, and Mclean Counties Regional Office of Education No. 17, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Dewitt, Livingston, Logan, and Mclean Counties Regional Office of Education No. 17'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.

Auditor's Responsibility

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

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

and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Dewitt, Livingston, Logan, and Mclean Counties Regional Office of Education No. 17, as of June 30, 2019, 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, Illinois Municipal Retirement Fund – Schedule of Changes in the Net Pension Liability & Related Ratios, Illinois Municipal Retirement Fund – Schedule of Employer Contributions, Teachers' Retirement System of the State of Illinois – Schedule of the Employer's Proportionate Share of the Net Pension Liability & Schedule of Employer Contributions, Teachers' Health Insurance Security Fund – Schedule of the Employer's Proportionate Share of the Collective Net Other Postemployment Benefit Liability & Schedule of Employer Contributions, Postemployment Benefits Other than Pensions – Schedule of Changes in the Total OPEB Liability and Related Ratio on pages 23 through 28 and 82 through 88 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 Dewitt, Livingston, Logan, and Mclean Counties Regional Office of Education No. 17's basic financial statements. The combining schedule of accounts, the budgetary comparison schedules, the combining fund financial statements and the Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedule of accounts, the budgetary comparison schedules, the combining fund financial statements and the Schedule of Disbursements to School District Treasurers and Other Entities are the responsibility of management and were derived from and relates 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 schedule of accounts, the budgetary comparison schedules, the combining fund financial statements and the Schedule of Disbursements to School District Treasurers and Other Entities 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 July 27, 2020 on our consideration of the Dewitt, Livingston, Logan, and Mclean Counties Regional Office of Education No. 17's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Dewitt, Livingston, Logan, and Mclean Counties Regional Office of Education No. 17'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 Dewitt, Livingston, Logan, and Mclean Counties Regional Office of Education No. 17's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
July 27, 2020



**INDEPENDENT AUDITOR’S 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 Dewitt, Livingston, Logan, and Mclean Counties Regional Office of Education No. 17, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Dewitt, Livingston, Logan, and Mclean Counties Regional Office of Education No. 17’s basic financial statements, and have issued our report thereon dated July 27, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dewitt, Livingston, Logan, and Mclean Counties Regional Office of Education No. 17’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 Dewitt, Livingston, Logan, and Mclean Counties Regional Office of Education No. 17’s internal control. Accordingly, we do not express an opinion on the effectiveness of Dewitt, Livingston, Logan, and Mclean Counties Regional Office of Education No. 17’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2019-002 and 2019-003 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dewitt, Livingston, Logan, and Mclean Counties Regional Office of Education No. 17's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2019-001.

Regional Office of Education No. 17's Responses to Findings

Dewitt, Livingston, Logan, and Mclean Counties Regional Office of Education No. 17's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Dewitt, Livingston, Logan, and Mclean Counties Regional Office of Education No. 17's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Dewitt, Livingston, Logan, and Mclean Counties Regional Office of Education No. 17'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 Dewitt, Livingston, Logan, and Mclean Counties Regional Office of Education No. 17's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
July 27, 2020

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
SCHEDULE OF FINDINGS AND RESPONSES
SECTION I – SUMMARY OF AUDITOR’S RESULTS
For the Year Ended June 30, 2019**

Financial Statements in accordance with GAAP

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes no

Significant deficiency(ies) identified?

yes none reported

Noncompliance material to financial statements noted?

yes No

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2019**

FINDING 2019-001 - Delay of Audit (Repeat of Finding 18-003)

CRITERIA/SPECIFIC REQUIREMENT:

Regional Office of Education No. 17 is subject to 105 ILCS 5/2-3.17a which requires the Auditor General's office to cause an audit to be made, as of June 30th of each year, of the financial statements of all accounts, funds and other moneys in the care, custody or control of the regional superintendent of schools of each educational service region in the State and of each educational service center established in the School Code. The audit is to be conducted in accordance with Generally Accepted Governmental Auditing Standards.

In accordance with 105 ILCS 5/2-3.17a, the Auditor General has promulgated administrative rules and regulations to govern this process. Those rules, 74 Ill. Adm. Code 420.320 (c) (2), state that for audit purposes, each regional office of education and educational service center shall make available to the Auditor General or his designee all books and records deemed necessary to make and complete the required audits. The records shall be in auditable form by August 15 of the succeeding fiscal year. Financial reports are to be available no later than August 31 in order for the annual audit to be completed by an independent auditor selected by the Auditor General. Annual financial statements are to be prepared on an accrual basis of accounting in accordance with generally accepted accounting principles (GAAP).

In addition, prudent business practices and transparency require timely preparation and completion of financial statements.

CONDITION:

The Regional Office of Education No. 17 did not provide completed financial statements in an auditable form by the August 31st due date. Initial financial statements were provided on October 28, 2019 but subsequent revisions were made, and final statements were provided on November 22, 2019.

EFFECT:

When financial statements and records are not provided in a timely manner, delays in the audit occur and the usefulness of the financial statements and related findings resulting from the audit is impacted. Additionally, untimely financial statements could result in repercussions from granting agencies, including a loss of funding.

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2019**

FINDING 2019-001 - Delay of Audit (Repeat of Finding 18-003) (Concluded)

CAUSE:

Regional Office of Education No. 17 management indicated they experienced key fiscal employee turnover during the year and contracted with an accounting firm later after the fiscal year ended to meet the August 31st due date for financial reports to be available for the auditors.

RECOMMENDATION:

The Regional Office of Education No. 17 should implement procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c) (2). Annual financial statements should be compiled on an accrual basis of accounting in accordance with GAAP. These financial statements need to be presented to the Auditor General's independent auditors for audit by the August 31 deadline.

MANAGEMENT'S RESPONSE:

Regional Office of Education No. 17 recognizes the importance of providing financial statements in a timely manner to prevent delays in the audit process. We indicated that we experienced key fiscal employee turnover during the year and contracted with an accounting firm after the fiscal year ended to meet the August 31st due date for financial reports to be available for the auditors.

Going forward, we will ensure that any future turnover will not impede the ability to meet prescribed deadlines to our fullest ability. Our plan includes:

- The Regional Office of Education has implemented procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c) (2). Annual financial statements will be compiled on an accrual basis of accounting in accordance with GAAP and presented to the Auditor General's independent auditors for audit by the August 31 deadline.

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2019**

FINDING 2019-002 - Inadequate Internal Control Procedures (Repeat of Finding 18-002)

CRITERIA/SPECIFIC REQUIREMENT:

The Regional Superintendent of Schools is responsible for establishing and maintaining an internal control system over accounting transactions to prevent errors and fraud.

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

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

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

GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments* (Statement), requires the accrual basis of accounting for entity wide financial statements and business-type activities. The accrual basis of accounting requires the recognition of revenues, expenses, assets, liabilities, deferred inflows of resources, and deferred outflows of resources in the accounting period they are earned or incurred.

CONDITION:

Auditors noted the following weaknesses in the Regional Office's internal control system for which there were no mitigating controls:

- Quarterly expenditure reports (8 of 20) were not filed by the due date.
- The Regional Office of Education No. 17 did not include all capital additions on the asset schedule. In addition, the Regional Office of Education No. 17 did not consistently tag all assets with asset tags to ensure complete accounting and monitoring of capital assets.

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2019**

**FINDING 2019-002 - Inadequate Internal Control Procedures (Repeat of Finding 18-002)
(Continued)**

- The Regional Office of Education did not perform proper cut-off procedures for professional development fees revenues. We noted fees collected in FY19 totaling \$3,295 for events occurring in FY20 but recognized as revenues in FY19. We also noted fees collected in FY20 totaling \$593 for events that occurred in FY19 that was not accrued at year end.

EFFECT:

Lack of sufficient internal controls over the financial processes of the Regional Office could result in unintentional or intentional errors or misappropriations of assets which could be material to the financial statements and may not be detected in a timely manner by employees or management in the normal course of performing their assigned duties.

CAUSE:

The Regional Office of Education No. 17 management indicated they experienced key fiscal employee turnover during the year and competing priorities resulted in internal control procedures not being adhered to.

RECOMMENDATION:

The Regional Office of Education No. 17 should monitor reporting deadlines and file the required expenditure reports timely. In addition, the Regional Office of Education No. 17 should assign responsibility to one individual to ensure that the capital assets are tagged, schedules are regularly maintained, and current year activity is periodically reconciled to the capital asset listing. An inventory count should be taken periodically and compared to the items on the capital asset list, and significant differences investigated. The fixed asset listing should be completed to include all the details required by the ROE Accounting Manual.

The Regional Office of Education No. 17 should implement cut-off procedures at year-end for revenues and expenses. In addition, year-end cut-off entries for accruals and deferrals should be reviewed to ensure they are complete and are charged to the correct fiscal year.

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2019**

**FINDING 2019-002 - Inadequate Internal Control Procedures (Repeat of Finding 18-002)
(Concluded)**

MANAGEMENT'S RESPONSE:

The Regional Office of Education No. 17 understands the importance of meeting reporting deadlines. We will monitor reporting deadlines and file the required expenditure reports on or before the date that they are due.

Our plan includes:

- Responsibility has been assigned to one individual to ensure that the capital assets are tagged, schedules are regularly maintained, and current year activity is periodically reconciled to the capital asset listing.
- An inventory count will be taken periodically and compared to the items on the capital asset list, and significant differences investigated. The fixed asset listing should be completed to include all the details required by the ROE Accounting Manual.
- The Regional Office of Education has implemented cut-off procedures at year-end for revenues and expenses. In addition, year-end cut-off entries for accruals and deferrals will be reviewed to ensure they are complete and are charged to the correct fiscal year.

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2019**

FINDING 2019-003 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers

CRITERIA/SPECIFIC REQUIREMENT:

The Regional Office of Education No. 17 is responsible for the design, implementation, and maintenance of internal controls, including the controls that are outsourced to service providers, related to information systems and operations to ensure resources and data are adequately protected from unauthorized or accidental disclosure, modifications, or destruction.

Generally accepted information technology guidance endorses the review and assessment of internal controls related to information systems and operations to assure the accurate processing and security of information.

CONDITION:

As part of the audit process, we requested the Regional Office of Education No. 17 provide a population of the service providers utilized. The Regional Office of Education No. 17 was able to identify service providers that provided various hosting and backup services for the Regional Office of Education No. 17.

During testing, the auditors noted the Regional Office of Education No. 17 had not:

- Developed a formal process for identifying service providers and obtaining the Service Organization Controls (SOC) reports from the service providers on an annual basis.
- Documented its review of each of the SOC reports.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 17's operations.
- Obtained and reviewed SOC reports for subservice organizations or performed alternative procedures to determine the impact on its internal control environment.

EFFECT:

Without having obtained and reviewed a SOC report or another form of independent internal controls review, the Regional Office of Education No. 17 does not have assurance the external service provider's and its subservice organization's internal controls are adequate.

CAUSE:

Regional Office of Education No. 17 officials indicated they understand the importance of a formal process to monitor service providers, however, has not completed a policy to address the issues due to other priorities.

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II - FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2019**

FINDING 2019-003 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Concluded)

RECOMMENDATION:

We recommend the Regional Office of Education No. 17 identify all third-party service providers and determine and document if a review of controls is required. If required, the Regional Office of Education No. 17 should:

- Obtain SOC reports or (perform independent reviews) of internal controls associated with outsourced systems at least annually.
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 17's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Regional Office of Education No. 17, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

MANAGEMENT'S RESPONSE:

The Regional Office of Education understands the need to obtain assurance from external providers and their subservice organizations that their internal controls are adequate relative to Service Organization Controls (SOCs) and Complementary User Entity Controls (CUECs). Our plan includes:

- Obtain SOC reports or perform independent reviews of internal controls associated with outsourced systems at least annually
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 17's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Regional Office of Education No. 17, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For Year Ended June 30, 2019**

Corrective Action Plan

FINDING 2019-001 - Delay of Audit (Repeat of Finding 18-003)

CONDITION:

The Regional Office of Education No. 17 did not provide completed financial statements in an auditable form by the August 31st due date. Initial financial statements were provided on October 28, 2019 but subsequent revisions were made, and final statements were provided on November 22, 2019.

PLAN:

Regional Office of Education recognizes the importance of providing financial statements in a timely manner to prevent delays in the audit process. We indicated that we experienced key fiscal employee turnover during the year and contracted with an accounting firm after the fiscal year ended to meet the August 31st due date for financial reports to be available for the auditors.

Going forward, we will ensure that any future turnover will not impede the ability to meet prescribed deadlines to our fullest ability. Our plan includes:

- The Regional Office of Education No. 17 has implemented procedures to ensure compliance with 105 ILCS 5/2-3.17a and 74 Ill. Adm. Code 420.320 (c) (2). Annual financial statements will be compiled on an accrual basis of accounting in accordance with GAAP and presented to the Auditor General's independent auditors for audit by the August 31 deadline.

ANTICIPATED DATE OF COMPLETION:

June 30, 2020

CONTACT PERSON:

Mr. Mark Jontry, Regional Superintendent of Schools

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For Year Ended June 30, 2019**

Corrective Action Plan (Continued)

FINDING 2019-002 - Inadequate Internal Control Procedures (Repeat of Finding 18-002)

CONDITION:

Auditors noted the following weaknesses in the Regional Office's internal control system for which there were no mitigating controls:

- Quarterly expenditure reports (8 of 20) were not filed by the due date.
- The Regional Office of Education No. 17 did not include all capital additions on the asset schedule. In addition, the Regional Office of Education No. 17 did not consistently tag all assets with asset tags to ensure complete accounting and monitoring of capital assets.
- The Regional Office of Education did not perform proper cut-off procedures for professional development fees revenues. We noted fees collected in FY19 totaling \$3,295 for events occurring in FY20 but recognized as revenues in FY19. We also noted fees collected in FY20 totaling \$593 for events that occurred in FY19 that was not accrued at year end.

PLAN:

The Regional Office of Education understands the importance of meeting reporting deadlines. We will monitor reporting deadlines and file the required expenditure reports on or before the date that they are due. Our plan includes:

- Responsibility has been assigned to one individual to ensure that the capital assets are tagged, schedules are regularly maintained, and current year activity is periodically reconciled to the capital asset listing.
- An inventory count will be taken periodically and compared to the items on the capital asset list, and significant differences investigated. The fixed asset listing should be completed to include all the details required by the ROE Accounting Manual.
- The Regional Office of Education No. 17 has implemented cut-off procedures at year-end for revenues and expenses. In addition, year-end cut-off entries for accruals and deferrals will be reviewed to ensure they are complete and are charged to the correct fiscal year.

ANTICIPATED DATE OF COMPLETION:

June 30, 2020

CONTACT PERSON:

Mr. Mark Jontry, Regional Superintendent of Schools

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For Year Ended June 30, 2019**

Corrective Action Plan (Continued)

FINDING 2019-003 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers

CONDITION:

As part of the audit process, we requested the Regional Office of Education No. 17 provide a population of the service providers utilized. The Regional Office of Education No. 17 was able to identify service providers that provided various hosting and backup services for the Regional Office of Education No. 17.

During testing, the auditors noted the Regional Office of Education No. 17 had not:

- Developed a formal process for identifying service providers and obtaining the Service Organization Controls (SOC) reports from the service providers on an annual basis.
- Documented its review of each of the SOC reports.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 17's operations.
- Obtained and reviewed SOC reports for subservice organizations or performed alternative procedures to determine the impact on its internal control environment.

PLAN:

The Regional Office of Education understands the need to obtain assurance from external providers and their subservice organizations that their internal controls are adequate relative to Service Organization Controls (SOCs) and Complementary User Entity Controls (CUECs). Our plan includes:

- Obtain SOC reports or perform independent reviews of internal controls associated with outsourced systems at least annually
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 17's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Regional Office of Education No. 17, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For Year Ended June 30, 2019**

Corrective Action Plan (Concluded)

FINDING 2019-003 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Concluded)

ANTICIPATED DATE OF COMPLETION:

June 30, 2020

CONTACT PERSON:

Mr. Mark Jontry, Regional Superintendent of Schools

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
For the Year Ended June 30, 2019**

2018-001	Controls Over Financial Statement Preparation	Not Repeated
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During the current audit, the Regional Office of Education No. 17 implemented corrective action and contracted an accounting firm to prepare its current year's financial statements in accordance with generally accepted accounting principles.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019**

The DeWitt, Livingston, Logan, and McLean Counties Regional Office of Education No. 17 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2019. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements which follows.

2019 Financial Highlights

- Within the Governmental Funds, the General Fund revenues decreased by \$379,568 from \$2,707,790 in FY18 to \$2,328,222 in FY19. General Fund expenditures decreased by \$14,512 from \$2,825,730 in FY18 to \$2,811,218 in FY19. Decrease in revenues is primarily due to timing differences in receiving County Funds.
- Within the Governmental Funds, the Education Fund and Nonmajor Special Revenue Funds revenue increased by \$65,330, from \$1,852,979 in FY18 to \$1,918,309 in FY19. The Special Revenue Fund expenditures decreased by \$149,566, from \$1,773,201 in FY18 to \$1,623,635 in FY19. These changes resulted from changes in grant funding.
- Within the Proprietary Funds, revenues increased by \$86,625 from \$139,037 in FY18 to \$225,662 in FY19. Expenditures increased \$64,527 from \$120,040 in FY18 to \$184,567 in FY19. This was a result of increased activities.

Using This Report

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office'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 as a whole and present an overall view of the Regional Office's finances.
- Fund financial statements report the Regional Office'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 needed for a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements and supplementary information provides detail information about the nonmajor funds.

Reporting the Office as a Whole

The Statement of Net Position and the Statement of Activities

The Government-wide statements report information about the Regional Office as a whole. The Statement of Net Position includes all of the assets and liabilities. All of the current year revenue and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid, using accounting methods similar to those used by private-sector companies.

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

The two Government-wide statements report the Regional Office's net position and how it has changed. Net position—the difference between the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources—are one way to measure the Regional Office's financial health or position.

- Over time, increases or decreases in net position can be an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the Regional Office's overall health, additional nonfinancial factors, such as new laws, rules, regulations, and actions by officials at the state level, need to be considered.

The Government-wide financial statements present all of the Regional Office's activities as governmental and business-type activities. Local, State and federal monies finance most of these activities.

Fund Financial Statements

The fund financial statements provide detailed information about the Regional Office's funds. Funds are accounting devices which allows the tracking of specific sources of funding and spending on particular programs. Some funds are required by state law. The Regional Office established other funds to control and manage money for particular purposes.

The Regional Office has three kinds of funds:

1. Governmental funds account for all of the Regional Office's services. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the Regional Office's programs. The Regional Office's Governmental Funds include the General Fund and the Special Revenue funds, which include education and other nonmajor funds.

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

2. Proprietary funds are funds generated from hosting educational workshops for professional development.

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.

3. Fiduciary funds are used to account for assets held by the Regional Office in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The fiduciary funds' required financial statements include a Statement of Fiduciary Net Position.

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

Government-Wide Financial Analysis

As noted earlier, net position may serve when examined over time as one indicator of the financial position of the Regional Office. The net position (deficit) at the end of FY19 totaled \$(1,089,021). The analysis that follows provides a summary of the Regional Office's net position at June 30, 2019 and 2018.

CONDENSED STATEMENT OF NET POSITION
June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current assets	\$ 2,729,224	\$ 2,518,004	\$ 120,871	\$ 89,946	\$ 2,850,095	\$ 2,607,950
Capital assets, net	403,404	424,436	4,989	2,873	408,393	427,309
Total assets	<u>3,132,628</u>	<u>2,942,440</u>	<u>125,860</u>	<u>92,819</u>	<u>3,258,488</u>	<u>3,035,259</u>
Deferred outflows of resources	<u>3,069,354</u>	<u>3,787,788</u>	<u>-</u>	<u>-</u>	<u>3,069,354</u>	<u>3,787,788</u>
Current liabilities	957,950	504,215	30	-	957,980	504,215
Noncurrent liabilities	<u>2,710,617</u>	<u>5,652,797</u>	<u>-</u>	<u>-</u>	<u>2,710,617</u>	<u>5,652,797</u>
Total liabilities	<u>3,668,567</u>	<u>6,157,012</u>	<u>30</u>	<u>-</u>	<u>3,668,597</u>	<u>6,157,012</u>
Deferred inflows of resources	<u>3,748,266</u>	<u>1,245,845</u>	<u>-</u>	<u>-</u>	<u>3,748,266</u>	<u>1,245,845</u>
Net position:						
Invested in capital assets	399,587	410,358	4,989	2,873	404,576	413,231
Restricted – other	351,344	421,736	-	-	351,344	421,736
Unrestricted	<u>(1,965,782)</u>	<u>(1,504,723)</u>	<u>120,841</u>	<u>89,946</u>	<u>(1,844,941)</u>	<u>(1,414,777)</u>
Total net position	<u>\$ (1,214,851)</u>	<u>\$ (672,629)</u>	<u>\$ 125,830</u>	<u>\$ 92,819</u>	<u>\$ (1,089,021)</u>	<u>\$ (579,810)</u>

The following analysis shows the changes in net position for the years ended June 30, 2019 and 2018.

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

CHANGES IN NET POSITION
For the Years Ended June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 225,662	\$ 139,037	\$ 225,662	\$ 139,037
Operating grants and contributions	2,976,411	1,456,881	-	-	2,976,411	1,456,881
General revenues:						
Local sources	909,373	1,374,757	-	-	909,373	1,374,757
State sources	1,764	729,350	-	-	1,764	729,350
Federal sources	-	650,890	-	-	-	650,890
Administrative:						
On-behalf payments - State	1,389,934	1,466,707	-	-	1,389,934	1,466,707
Investment earnings	17,942	7,577	-	-	17,942	7,577
Total revenues	<u>5,295,424</u>	<u>5,686,162</u>	<u>225,662</u>	<u>139,037</u>	<u>5,521,086</u>	<u>5,825,199</u>
Expenses:						
Program expenses:						
Instructional services:						
Salaries and benefits	2,577,035	2,816,052	65,343	53,854	2,642,378	2,869,906
Purchased services	994,051	712,168	104,548	52,422	1,098,599	764,590
Supplies and materials	235,802	348,948	10,019	4,159	245,821	353,107
Capital outlay	-	-	-	-	-	-
Other objects	5,657	6,384	3,307	5,664	8,964	12,048
Depreciation expense	32,297	34,527	884	865	33,181	35,392
Pension and OPEB expense	389,321	739,835	466	3,076	389,787	742,911
Intergovernmental:						
Payments to other governments	221,633	204,926	-	-	221,633	204,926
Administrative:						
On-behalf payments - State	1,389,934	1,466,707	-	-	1,389,934	1,466,707
Total expenses	<u>5,845,730</u>	<u>6,329,547</u>	<u>184,567</u>	<u>120,040</u>	<u>6,030,297</u>	<u>6,449,587</u>
Excess (deficiency) of revenues over expenditures	(550,306)	(643,385)	41,095	18,997	(509,211)	(624,388)
Other financing sources (uses):						
Operating transfers	8,084	1,120	(8,084)	(1,120)	-	-
Change in net position	(542,222)	(642,265)	33,011	17,877	(509,211)	(624,388)
Net position, beginning of year, as restated	(672,629)	(30,364)	92,819	74,942	(579,810)	44,578
Net position, end of year	<u>\$ (1,214,851)</u>	<u>\$ (672,629)</u>	<u>\$ 125,830</u>	<u>\$ 92,819</u>	<u>\$ (1,089,021)</u>	<u>\$ (579,810)</u>

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

Governmental Activities

Revenues for governmental activities were \$5,295,424 and expenses were \$5,845,730. The Regional Office experienced a change in net position of \$(542,222). This was a result of the decrease in general revenues received from Local, State and Federal sources.

Financial Analysis of the Regional Office's Funds

As previously noted, the Regional Office uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Regional Office's governmental funds' reported combined fund balances of \$1,754,222 for FY19, a decrease of \$182,229 from the FY18 fund balance of \$1,936,451.

Governmental Fund Highlights:

- County support for the Regional Office remained level in FY19.
- The State Aid Foundation Level was the same as the Foundation Level for FY18.
- Staffing for the alternative school programs was increased due to student needs.

Proprietary Fund Highlights:

- In FY19, the Regional Office offered 100 administrator and teacher workshops. The Regional Office anticipates having at least 100 workshops in FY20.

Budgetary Highlights:

The Regional Office annually adopts budgets for several funds, which are submitted to the State Board of Education. The State Board reviews the proposed budget and either grants approval or returns it without approval with comments. Any unapproved budget must be resubmitted to the State Board for final approval. The budget may be amended during the year utilizing procedures prescribed by the State Board. Over the course of the year, the Regional Office amended several of its grant budgets to reflect adjustments in revenue and expenditures associated with changes in funding from the federal and State sources or for additional services needed and provided to the local school districts. A schedule showing the original and final grant budget amounts compared to the Regional Office's actual financial activity is included in the "Supplemental Information" section of this report.

Capital Assets

Capital assets of the Regional Office include office equipment, lease improvements, computers, audio-visual equipment and office furniture. The Regional Office maintains an inventory of capital assets which have been accumulated over time. Governmental activities net capital assets were \$403,404 for FY19 and \$416,166 for FY18. Current-year capital asset additions that were less than depreciation expense caused the net book value of capital assets to decrease in FY19.

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

Economic Factors and Next Year's Budget

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

The Regional Office of Education forecasts an improved financial condition in FY20 for a variety of reasons. Stability in the business office personnel will ensure timely financial reporting and related adherence to fiscal policies. Unexpected additional general state aid for the school programs above the FY19 foundation level will stabilize cash flow and allow for continued fund balance increases to improve the financial position of the office while allowing for potential outlay of reserves for additional educational instruction spaces in the next 3-5 years. Increasingly timely reimbursement of expenses from state agency projects is expected to also improve the financial position of the office. Acquisition of additional grant funding for various office program initiatives will be a priority in coming years and will impact the position of the office moving forward.

Contacting the Regional Office's Financial Management

This financial report is designed to provide the Regional Offices' citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent of the DeWitt, Livingston, Logan, and McLean Counties Regional Office of Education No. 17 at 200 W. Front Street, Suite 500 D, Bloomington, Illinois 61701.

BASIC FINANCIAL STATEMENTS

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
STATEMENT OF NET POSITION
June 30, 2019

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 2,484,178	\$ 90,621	\$ 2,574,799
Accounts receivable	-	30,250	30,250
Due from other governments:			
Local	158,661	-	158,661
State	43,407	-	43,407
Federal	42,128	-	42,128
Prepaid expenditures	850	-	850
Total Current Assets	<u>2,729,224</u>	<u>120,871</u>	<u>2,850,095</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	403,404	4,989	408,393
Net pension asset	-	-	-
Total Noncurrent Assets	<u>403,404</u>	<u>4,989</u>	<u>408,393</u>
TOTAL ASSETS	<u>3,132,628</u>	<u>125,860</u>	<u>3,258,488</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	2,711,978	-	2,711,978
Deferred outflows related to OPEB	357,376	-	357,376
Total Deferred Outflows of Resources	<u>3,069,354</u>	<u>-</u>	<u>3,069,354</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	1,250	30	1,280
Accrued salaries and benefits	118,042	-	118,042
Unearned revenue	836,667	-	836,667
Lease payable	1,991	-	1,991
Total Current Liabilities	<u>957,950</u>	<u>30</u>	<u>957,980</u>
Noncurrent Liabilities:			
Lease payable	1,826	-	1,826
Net pension liability	979,574	-	979,574
OPEB liability	1,729,217	-	1,729,217
Total Noncurrent Liabilities	<u>2,710,617</u>	<u>-</u>	<u>2,710,617</u>
TOTAL LIABILITIES	<u>3,668,567</u>	<u>30</u>	<u>3,668,597</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	3,269,847	-	3,269,847
Deferred inflows related to OPEB	478,419	-	478,419
Total Deferred Inflows of Resources	<u>3,748,266</u>	<u>-</u>	<u>3,748,266</u>
NET POSITION			
Net investment in capital assets	399,587	4,989	404,576
Restricted for educational purposes	351,344	-	351,344
Unrestricted	<u>(1,965,782)</u>	<u>120,841</u>	<u>(1,844,941)</u>
TOTAL NET POSITION	<u>\$ (1,214,851)</u>	<u>\$ 125,830</u>	<u>\$ (1,089,021)</u>

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

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019**

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary Government:						
Governmental Activities:						
Instructional Services						
Salaries and benefits	\$ 2,577,035	\$ -	\$ 1,938,246	\$ (638,789)	\$ -	\$ (638,789)
Purchased services	994,051	-	595,479	(398,572)	-	(398,572)
Supplies and materials	235,802	-	221,519	(14,283)	-	(14,283)
Other objects	5,657	-	230	(5,427)	-	(5,427)
Depreciation	32,297	-	-	(32,297)	-	(32,297)
Capital outlay	-	-	10,707	10,707	-	10,707
Pension expense	268,355	-	-	(268,355)	-	(268,355)
OPEB expense	120,966	-	-	(120,966)	-	(120,966)
Intergovernmental:						
Payments to other governments	221,633	-	210,230	(11,403)	-	(11,403)
Administrative:						
On-behalf payments - State	1,389,934	-	-	(1,389,934)	-	(1,389,934)
Total Governmental Activities	5,845,730	-	2,976,411	(2,869,319)	-	(2,869,319)
Business-Type Activities:						
Charges for services	184,567	225,662	-	-	41,095	41,095
Total Business-Type Activities	184,567	225,662	-	-	41,095	41,095
TOTAL PRIMARY GOVERNMENT	\$ 6,030,297	\$ 225,662	\$ 2,976,411	(2,869,319)	41,095	(2,828,224)
GENERAL REVENUES:						
Local sources				909,373	-	909,373
State sources				1,764	-	1,764
On-behalf payments - State				1,389,934	-	1,389,934
Transfers in (out)				8,084	(8,084)	-
Interest income (expense)				17,942	-	17,942
Total General Revenues and Transfers				2,327,097	(8,084)	2,319,013
CHANGE IN NET POSITION				(542,222)	33,011	(509,211)
NET POSITION - BEGINNING				(672,629)	92,819	(579,810)
NET POSITION - ENDING				\$ (1,214,851)	\$ 125,830	\$ (1,089,021)

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

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,888,211	\$ 443,820	\$ 152,147	\$ -	\$ 2,484,178
Due from other funds	209,558	-	-	(209,558)	-
Due from other governments:					
Local	119,312	37,167	2,182	-	158,661
State	153	43,254	-	-	43,407
Federal	-	42,128	-	-	42,128
Prepaid expenditures	25	825	-	-	850
TOTAL ASSETS	\$ 2,217,259	\$ 567,194	\$ 154,329	\$ (209,558)	\$ 2,729,224
LIABILITIES					
Accounts payable	\$ 1,250	\$ -	\$ -	\$ -	\$ 1,250
Accrued salaries and benefits	105,373	12,669	-	-	118,042
Due to other funds	85,806	123,752	-	(209,558)	-
Unearned revenue	602,909	233,758	-	-	836,667
Total Liabilities	795,338	370,179	-	(209,558)	955,959
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	19,043	-	-	19,043
FUND BALANCE (DEFICIT)					
Nonspendable	25	825	-	-	850
Restricted	-	208,612	154,329	-	362,941
Assigned	25,474	-	-	-	25,474
Unassigned	1,396,422	(31,465)	-	-	1,364,957
Total Fund Balance	1,421,921	177,972	154,329	-	1,754,222
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE (DEFICIT)	\$ 2,217,259	\$ 567,194	\$ 154,329	\$ (209,558)	\$ 2,729,224

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

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2019**

TOTAL FUND BALANCE — GOVERNMENTAL FUNDS		\$ 1,754,222
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		403,404
Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are therefore not considered "available" revenues and are deferred inflows of resources in the governmental funds.		
Current year unavailable revenue		19,043
Lease payable reflects capital lease payments related to capital assets that the Regional Office of Education No. 17 will recognize as an expense when paid in the governmental fund financial statements		(3,817)
Pension and OPEB 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	\$ 3,069,354	
Deferred inflows of resources	<u>(3,748,266)</u>	(678,912)
Noncurrent liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Net pension liability	(979,574)	
OPEB liability	<u>(1,729,217)</u>	<u>(2,708,791)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ (1,214,851)</u></u>

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

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
REVENUES					
Local sources	\$ 671,342	\$ 122,299	\$ 115,732	\$ -	\$ 909,373
Investment income	11,527	-	6,415	-	17,942
State sources	1,643,359	778,264	1,764	-	2,423,387
On-behalf payments - State	280,755	-	-	-	280,755
Federal sources	31,025	584,049	-	-	615,074
Total Revenues	<u>2,638,008</u>	<u>1,484,612</u>	<u>123,911</u>	<u>-</u>	<u>4,246,531</u>
EXPENDITURES					
Instructional Services:					
Salaries and benefits	1,739,295	786,996	50,744	-	2,577,035
Pension expense	40,349	39,901	5,177	-	85,427
OPEB expense	13,055	1,903	-	-	14,958
Purchased services	497,315	386,800	109,936	-	994,051
Supplies and materials	144,585	63,089	28,128	-	235,802
Other objects	5,545	-	112	-	5,657
Intergovernmental:					
Payments to other governments	75,000	146,633	-	-	221,633
On-behalf payments - State	280,755	-	-	-	280,755
Capital outlay	15,319	4,216	-	-	19,535
Total Expenditures	<u>2,811,218</u>	<u>1,429,538</u>	<u>194,097</u>	<u>-</u>	<u>4,434,853</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	<u>(173,210)</u>	<u>55,074</u>	<u>(70,186)</u>	<u>-</u>	<u>(188,322)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	15,613	13,937	-	(21,466)	8,084
Transfers out	(20,805)	(661)	-	21,466	-
Repayment of capital lease payable	(1,991)	-	-	-	(1,991)
Total Other Financing Sources (Uses)	<u>(7,183)</u>	<u>13,276</u>	<u>-</u>	<u>-</u>	<u>6,093</u>
NET CHANGE IN FUND BALANCE	<u>(180,393)</u>	<u>68,350</u>	<u>(70,186)</u>	<u>-</u>	<u>(182,229)</u>
FUND BALANCE - BEGINNING	<u>1,602,314</u>	<u>109,622</u>	<u>224,515</u>	<u>-</u>	<u>1,936,451</u>
FUND BALANCE - ENDING	<u>\$1,421,921</u>	<u>\$ 177,972</u>	<u>\$ 154,329</u>	<u>\$ -</u>	<u>\$ 1,754,222</u>

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

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
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, 2019**

NET CHANGE IN FUND BALANCE — GOVERNMENTAL FUNDS \$ (182,229)

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

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

Capital outlay	\$ 19,535	
Depreciation	<u>(32,297)</u>	(12,762)

The issuance of long-term debt (e.g. leases) provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Repayment of capital lease payable	<u>1,991</u>	1,991
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Some revenues 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	19,043	
Prior year unavailable revenue	<u>(79,329)</u>	(60,286)

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

Pension expense	(182,928)	
OPEB expense	<u>(106,008)</u>	<u>(288,936)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (542,222)

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

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2019

	Business-Type Activities Enterprise Fund - Nonmajor	
	Professional Development	Total
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 90,621	\$ 90,621
Accounts receivable	30,250	30,250
Total current assets	120,871	120,871
Noncurrent assets:		
Capital assets, being depreciated, net	4,989	4,989
Total noncurrent assets	4,989	4,989
TOTAL ASSETS	125,860	125,860
LIABILITIES		
Current liabilities:		
Accounts payable	30	30
Total current liabilities	30	30
TOTAL LIABILITIES	30	30
NET POSITION		
Net investment in capital assets	4,989	4,989
Unrestricted	120,841	120,841
TOTAL NET POSITION	\$ 125,830	\$ 125,830

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

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
For the Year Ended June 30, 2019

	Business-Type Activities Enterprise Fund - Nonmajor	
	Professional Development	Total
OPERATING REVENUES		
Charges for services	\$ 225,662	\$ 225,662
Total Operating Revenues	225,662	225,662
OPERATING EXPENSES		
Salaries and benefits	65,343	65,343
Pension expense	466	466
Purchased services	104,548	104,548
Supplies and materials	10,019	10,019
Other objects	3,307	3,307
Depreciation	884	884
Total Operating Expenses	184,567	184,567
OPERATING INCOME	41,095	41,095
NONOPERATING EXPENSES		
Transfers out	(8,084)	(8,084)
Total Nonoperating Expenses	(8,084)	(8,084)
CHANGE IN NET POSITION	33,011	33,011
TOTAL NET POSITION - BEGINNING	92,819	92,819
TOTAL NET POSITION - ENDING	\$ 125,830	\$ 125,830

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

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended June 30, 2019

	Business-Type Activities Enterprise Fund - Nonmajor	
	Professional Development	Total
Cash Flows from Operating Activities:		
Receipts from customers	\$ 202,837	\$ 202,837
Payments to suppliers and providers of goods and services	(117,844)	(117,844)
Payments to employees	(65,809)	(65,809)
Net Cash Provided by Operating Activities	19,184	19,184
Cash Flows from Noncapital Financing Activities:		
Cash transfers from other funds	(8,084)	(8,084)
Net Cash Used for Noncapital Financing Activities	(8,084)	(8,084)
Cash Flows from Capital and Related Financing Activities:		
Acquisition of capital assets	(3,000)	(3,000)
Net Cash Used for Capital and Related Financing Activities	(3,000)	(3,000)
Net Increase in Cash and Cash Equivalents	8,100	8,100
Cash and cash equivalents - Beginning	82,521	82,521
Cash and cash equivalents - Ending	\$ 90,621	\$ 90,621
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:		
Operating Income	\$ 41,095	\$ 41,095
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation expense	884	884
Increase in assets:		
Increase in accounts receivable	(22,825)	(22,825)
Increase in liabilities:		
Increase in accounts payable	30	30
Net Cash Provided by Operating Activities	\$ 19,184	\$ 19,184

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

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 17
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 June 30, 2019**

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 857,459
Due from other governments	1,124,847
Total Assets	\$ 1,982,306
LIABILITIES	
Due to other governments	\$ 1,982,306
Total Liabilities	\$ 1,982,306

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

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The DeWitt, Livingston, Logan, and McLean Counties Regional Office of Education No. 17 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2019, the Regional Office of Education No. 17 implemented Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations*; and GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The implementation of GASB Statement No. 83 and GASB Statement No. 88 had no significant impact on the financial statements of the DeWitt, Livingston, Logan, and McLean Counties Regional Office of Education No. 17.

A. DATE OF MANAGEMENT’S REVIEW

Management has evaluated subsequent events through July 27, 2020, the date when the financial statements were available to be issued.

B. FINANCIAL REPORTING ENTITY

The Regional Superintendent is charged with 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; to evaluate the schools in the region; to examine evidence of indebtedness; to file and keep the 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.

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. 17’s districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with State law; performing and reporting 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 carrying out other related duties required or permitted by law.

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

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FINANCIAL REPORTING ENTITY (Concluded)

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the region, or seeing that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2019, the Regional Office of Education No. 17 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.17. Such activities are reported as a single special revenue fund (Education Fund).

C. SCOPE OF THE REPORTING ENTITY

The Regional Office of Education No. 17's reporting entity includes all related organizations for which it exercises oversight responsibility.

The Regional Office of Education No. 17 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the region, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education No. 17 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. 17 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education No. 17 is not aware of any entity that would exercise such oversight as to result in the Regional Office of Education No. 17 being considered a component unit of the entity.

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 Regional Office of Education No. 17's activities, with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Regional Office of Education has one business-type activity that relies on fees and charges for support.

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Concluded)

The Regional Office of Education No. 17's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present a summary of governmental and business-type activities for the Regional Office of Education No. 17 accompanied by a total column. These statements are presented on an "economic resources" measurement focus as prescribed by GASB Statement No. 34. All of the Regional Office of Education No. 17's assets and liabilities, 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 for services and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

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

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.

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 resources and other uses on the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and on the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements.

All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities. In the Statement of Activities, activities between governmental funds have been eliminated; however, transactions between governmental and business-type activities have not been eliminated.

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

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents 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 are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

F. 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, as are the fiduciary fund financial statements. 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.

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 generally only current assets and current liabilities are included on their balance sheets. The reported fund balance (net current assets) 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 assets. 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 a specific purpose or project before any amounts will be paid to the Regional Office of Education No. 17; therefore, revenues are recognized based upon the expenditures recorded. 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.

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

Under the terms of grant agreements, Regional Office of Education No. 17 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is Regional Office of Education No. 17's policy to first apply restricted funds to such programs, and then unrestricted funds. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned funds if any.

G. FUND ACCOUNTING

The Regional Office of Education No. 17 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. 17 uses governmental, proprietary, and fiduciary funds.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are reported. Governmental fund reporting 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 (including deferred outflows) and liabilities (including deferred inflows) is reported as fund balance.

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), liabilities (including deferred inflows), 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), liabilities (including deferred inflows), 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. 17 has presented all major funds that met the above qualifications.

The Regional Office of Education No. 17 reports the following major governmental funds:

General Fund – The General Fund is the operating fund of the Regional Office of Education No. 17. It is used to account for the expenditures that benefit all school districts in the Region except those required to be accounted for and reported in other funds. General Funds include the following:

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

General Fund (Concluded)

County Fund – This fund accounts for monies received from DeWitt, Livingston, Logan, and McLean counties. This support helps fund the operation of the Regional Office of Education No. 17.

Regional Safe Schools – General State Aid (GSA) – This program accounts for monies received for and in payment of expenditures for activities for disruptive students who are eligible for suspension or expulsion. In addition, this program includes State and federal lunch and breakfast programs.

Regional Alternative School – General State Aid (GSA) – This program accounts for monies received for and in payment of expenditures for the general operations of the Regional Alternative School.

I-SCORE – This program is for online credit recovery for special needs students.

Ed Services – This program accounts for a contract with a local drug/alcohol rehabilitation center for GED preparation services.

Juvenile Justice Council – This is a program for At-Risk Diversion for students.

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 Fund – 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 specified purposes supporting education enhancement programs as follows:

D.O.R.S Program Step Grant – This program is for severely handicapped students making the transition from high school to the workplace.

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Education Fund (Continued)

Foundational Services – This program accounts for monies received for and in payment of expenditures for the Foundational Services administrator to help the Illinois Association of Regional Superintendents of Schools’ and the Illinois State Board of Education’s coordination and collaboration on Foundational Services for professional development for all Illinois districts.

Juvenile Detention Center – This program provides educational programming for incarcerated youth.

Mathematics and Science Partnerships – 7B – This program accounts for monies received for and in payment of expenditures for a Math and Science Area Partnership to help teachers improve their content and assessment knowledge related to math and science.

McKinney Homeless Children and Youth – This program accounts for grant monies received and expended assisting school districts in identifying and providing assistance to at-risk students. This program offers services to homeless children and youth primarily who are of school age. Preschool-aged children also receive services to ensure access to early childhood and preschool programs.

RAS Special Projects – This program accounts for money awarded/donated to RAS Bloomington from local sources.

Regional Safe Schools – This program accounts for the Regional Safe Schools grant monies. The program concentrates on the education of students who have been expelled from school districts served by the Regional Office of Education No. 17.

Regional Safe Schools Cooperative – This program provides support for the individual needs and learning styles of students while focusing on twelve employability skills recognized by adult service agencies.

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

SCORE – This is an online credit recovery program for special needs students.

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Education Fund (Concluded)

Secretary of State’s Literacy Grant – This program accounts for grant monies to serve parents and their children ages 0 to 5 who are enrolled in Evenstart or Heartland Head Start to provide activities that encourage literacy development and enable parents to be their child’s first and best teacher through workshops, field trips, and a partnership with the public libraries to provide activities.

Seeking Education Equity and Diversity (SEED) – This program supports the strengthening of principals’ leadership skills.

Title I – School Improvement – The Illinois State Board of Education Quality Assurance Process consists of an external visit to audit each school every few years and an internal review that each school must conduct annually. The Regional Office of Education No. 17 is charged with supporting and guiding schools through this complex school improvement process so that teaching and learning improve every year.

Title II – Teacher Quality – Leadership – This program accounts for grant monies received for and in payment of expenditures to provide online training that is required by the Illinois Performance Evaluation Reform Act to train education administrators to evaluate other administrators and teachers. The program is designed to increase the number of highly qualified administrators and teachers, leading to increased student academic achievement.

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

Truants Alternative/Optional Education – This program accounts for grant monies received for and in payment of expenditures for optional education opportunities to school dropouts, potential dropouts, and truants of the Region.

Education Innovation and Research (EIR) – This program accounts for grant monies received for and in payment of expenditures to improve principal leadership by increasing principal effectiveness and increasing student achievement in rural and high-need schools.

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Concluded)

The Regional Office of Education No. 17 reports the following Nonmajor Special Revenue Funds:

General Education Development (GED) – Illinois law requires the Regional Superintendent of Schools of each county or counties to administer the GED test. Testing fees are used for test administration, testing materials, and diplomas on successful completion of the test.

Bus Driver Training – Experienced bus drivers must take a two-hour instructional refresher course annually, while all new drivers must take an eight-hour course in bus driver safety and first aid, prescribed by the Illinois State Board of Education and administered by the Regional Office.

Institute – This fund accounts for fees collected for the registration and renewal of teaching licenses. These fees are used to defray administrative expenses incidental to teachers' institutes, workshops, or meetings of a professional nature that are designed to promote the professional growth of teachers or to defray the expense of any general or special meeting of teachers or school personnel. All funds generated remain restricted until expended only on the aforementioned activities.

PROPRIETARY FUNDS

Proprietary Funds – Proprietary funds account for revenues and expenses related to services provided to organizations inside the Region on a cost-reimbursement basis. The Regional Office of Education No. 17 reports the following proprietary fund:

Professional Development – This enterprise fund tracks revenues received and expenses incurred in offering professional development workshops for teachers and administrators and other services for the school districts in DeWitt, Livingston, Logan, and McLean Counties.

FIDUCIARY FUNDS

Agency Funds – Agency funds are used to account for assets held by the Regional Office of Education No. 17 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Regional Office of Education No. 17 reports the following agency funds:

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Concluded)

FIDUCIARY FUNDS (Concluded)

Agency Funds – (Concluded)

Cooperative Purchasing Fund – This fund is used to purchase paper and supplies in quantity as a single unit by participating schools in the Regional Office of Education No. 17.

Flex Spending Account – This fund accounts for the Regional Office of Education No. 17's employees' flex spending plan.

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

Regional Board of School Trustees Fund – This program accounts for the Regional Board of School Trustees' operating accounts.

School Facility Occupation Tax – This fund accounts for the assets held by the Regional Office of Education No. 17 to be distributed to local school districts. Monies are received from the State Comptroller for the School Facilities Occupation Tax and are disbursed to the school districts.

Distributive Fund – This fund distributes monies received from the State to the school districts and other entities. The school district boards within the Regional Office of Education No. 17's educational service regions have signed formal agreements that allow the Regional Office to retain any interest earned on Distributive Fund deposits during the year.

H. 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:

Nonspendable Fund Balance – The portion of a governmental fund's net position that is not available to be spent, either short term or long term, due to either their form or legal restrictions. The following funds report a nonspendable fund balance for prepaid expenditures: County Fund within the General Fund and Juvenile Detention Center within the Education Fund.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. GOVERNMENTAL FUND BALANCES (Concluded)

Restricted Fund Balance – The portion of a governmental fund’s net position that is subject to external enforceable legal restrictions. The following fund balances are restricted by Illinois Statute: General Education Development, Bus Driver Training, and Institute. The following Education Funds are restricted by grantor or donor restrictions: D.O.R.S Program Step Grant, RAS Special Projects and Regional Safe Schools Cooperative.

Committed Fund Balance – 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. The Regional Office of Education #17 has no committed fund balances.

Assigned Fund Balance – The portion of a governmental fund’s net position for which an intended use of resources has been denoted. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following General Fund accounts have assigned fund balances: I-SCORE and Juvenile Justice Council.

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The fund balances of the following General Fund accounts are comprised of unassigned fund balances: County Fund, Regional Safe Schools – GSA, and Regional Alternative School – GSA. The following Education Funds have unassigned fund balance deficits: Foundational Services, Juvenile Detention Center, Regional Safe Schools, and Truants Alternative/Optional Education.

I. 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 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.

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REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. CASH AND CASH EQUIVALENTS

The DeWitt, Livingston, Logan, and McLean Counties Regional Office of Education No. 17's cash and cash equivalents are considered to be demand deposits and short-term investments. All interest income is recognized as revenue in the appropriate fund's Statement of Revenues, Expenditures, and Changes in Fund Balances.

K. ESTIMATES

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

L. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$500 or more and estimated useful lives of greater than three years are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over 3-50 years.

M. 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 and other postemployment benefit (OPEB) 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 the net difference between projected and actual earnings on pension plan investments.

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

N. COMPENSATED ABSENCES

Noncertified and certified employees who work 12 calendar months can earn up to 21 vacation days for a full year of service. No vacation time may be carried over to next year and will be lost if an employee does not use the time during the year. Therefore, the Regional Office of Education No. 17 did not accrue any vacation benefits for the current year. In the event that a program terminates, no vacation days will be honored past the ending date of the program. Certified employees who work less than 12 calendar months per year do not earn vacation days.

Employees receive up to 10 sick days annually and the unused portion is accumulated indefinitely. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay, and therefore, no liability is accrued.

O. BUDGET INFORMATION

The Regional Office of Education No. 17 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Funds. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted nor are they required to be. Certain programs within the General Fund and Special Revenue Funds do not have separate budgets. Comparisons of budgeted and actual results are presented as supplementary information. Budgetary comparison schedules have been provided in supplementary schedules for the following funds: Mathematics and Science Partnerships – 7B (18-4936-7B), McKinney Homeless Children and Youth, Regional Safe Schools, Regional Safe Schools Cooperative, ROE/ISC Operations, Secretary of State’s Literacy Grant, Title II – Teacher Quality – Leadership, Truants Alternative/Optional Education, and Education Innovation and Research.

P. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

For purposes of measuring the Regional Office of Education No. 17’s OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Regional Office of Education No. 17’s OPEB plan and additions to/deductions from the Regional Office of Education No. 17’s fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education No. 17’s plan. For this purpose, the Regional Office of Education No. 17’s Plan recognizes benefit payments when due and payable in accordance with the benefit terms. The Regional Office of Education No. 17’s OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense for the ROE’s single-employer defined benefit OPEB plan have been actuarially determined using the Alternative Measurement Method.

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 2 – CASH

The Regional Office of Education No. 17's investment policy is to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7.

A. DEPOSITS

At June 30, 2019, the carrying amounts of the Regional Office of Education No. 17's government-wide fund and agency fund deposits were \$2,574,799 and \$857,459, respectively, and the bank balances were \$3,321,575 and \$857,833, respectively. Of the total bank balances as of June 30, 2019, \$650,753 was secured by federal depository insurance, \$467,302 was invested in the Illinois Funds Money Market Fund and \$3,061,353 was fully collateralized.

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits with financial institutions is the risk that, in the event of bank failure, the Regional Office of Education No. 17's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the Regional Office of Education No. 17's investment policy requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of the Regional Office of Education No. 17.

B. INVESTMENTS

The Regional Office of Education No. 17's 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, 2019, the Regional Office of Education No. 17 had investments with carrying and fair values of \$467,302 invested in the Illinois Funds Money Market Fund.

CREDIT RISK

At June 30, 2019, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

CONCENTRATION OF CREDIT RISK

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

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
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NOTE 2 – CASH (Concluded)

INTEREST RATE RISK

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

NOTE 3 – DEFINED BENEFIT PENSION PLAN

IMRF Plan Description

The Regional Office of Education No. 17's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education No. 17's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this note. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

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

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REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

Benefits Provided (Concluded)

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

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

Employees Covered by Benefit Terms

As of December 31, 2018, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	50
Inactive Plan Members entitled to, but not yet receiving benefits	30
Active Plan Members	15
Total	95

Contributions

As set by statute, the Regional Office of Education No. 17’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education No. 17’s annual contribution rate for calendar year 2018 was 13.90%. For the fiscal year ended 2019, the Regional Office of Education No. 17 contributed \$99,673 to the plan. The Regional Office of Education No. 17 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The Regional Office of Education No. 17’s net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

- The **Actuarial Cost Method** used was Aggregate Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- For **Non-Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2018:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equities	37%	7.15%
International Equities	18%	7.25%
Fixed Income	28%	3.75%
Real Estate	9%	6.25%
Alternatives	7%	
Private Equity		8.50%
Hedge Funds		5.50%
Commodities		3.20%
Cash Equivalents	1%	2.50%
Total	<u>100%</u>	

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) – (B)
Balances at December 31, 2017	\$ 5,960,638	\$ 5,968,908	\$ (8,270)
Changes for the year:			
Service Cost	70,577	-	70,577
Interest on the Total Pension Liability	437,545	-	437,545
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	46,392	-	46,392
Change of Assumptions	152,770	-	152,770
Contributions – Employer	-	99,673	(99,673)
Contributions – Employees	-	34,218	(34,218)
Net Investment Income	-	(254,491)	254,491
Benefit Payments, including Refunds of Employee Contributions	(373,262)	(373,262)	-
Other (Net Transfer)	-	(4,733)	4,733
Net Changes	334,022	(498,595)	832,617
Balances at December 31, 2018	\$ 6,294,660	\$ 5,470,313	\$ 824,347

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

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

The following presents the plan’s net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan’s net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower 6.25%	Current Discount 7.25%	1% Higher 8.25%
Net Pension Liability	\$ 1,532,314	\$ 824,347	\$ 275,151

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

For the year ending June 30, 2019, the Regional Office of Education No. 17 recognized pension expense of \$218,339. At June 30, 2019, the Regional Office of Education No. 17 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 17,464	\$ -
Changes of assumptions	57,509	-
Net difference between projected and actual earnings on pension plan investments	673,727	299,725
Total Deferred Amounts to be recognized in pension expense in future periods	748,700	299,725
Pension Contributions made subsequent to the Measurement Date	42,861	-
Total Deferred Amounts Related to Pensions	\$ 791,561	\$ 299,725

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Concluded)

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

\$42,861 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31	Net Deferred Inflows of Resources
2019	\$136,163
2020	133,628
2021	39,638
2022	139,546
2023	-
Thereafter	-
Total	\$448,975

NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The Regional Office of Education No. 17 participates in the Teachers’ Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor’s approval. The TRS Board of Trustees is responsible for the System’s administration.

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/cafrs/fy2018>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier 1 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.

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
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NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

Tier 2 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 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different from Tier 1.

Essentially all Tier 1 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 2 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.

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the State of Illinois.

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, 2018, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education No. 17.

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 17. For the year ended June 30, 2019, State of Illinois contributions recognized by the Regional Office of Education No. 17 were based on the State’s proportionate share of the collective net pension liability associated with the Regional Office of Education No. 17, and the Regional Office of Education No. 17 recognized revenue and expenditures of \$998,683 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, 2019, were \$7,052, and are deferred because they were paid after the June 30, 2018, measurement date.

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (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. 17, there is a statutory requirement for the Regional Office of Education No. 17 to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018. Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the State contribution rate to TRS and were much higher.

TRS has determined that beginning in the current fiscal year ended June 30, 2018, the actual contributions to the plan used as a basis of allocation no longer includes contributions paid from special trust or federal funds. In prior years, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS. Because of a change to the Illinois Pension Code (40 ILCS 5/16-158(c)), beginning July 1, 2017, employer contributions to the plan paid from special trust or federal funds are to be based upon a rate, expressed as a percentage of salary, equal to the total employer’s normal cost. TRS now categorizes employer contributions from special trust or federal funds as employer specific liabilities under GASB Statement No. 68, paragraph 92.

For the year ended June 30, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$112,549 were paid from federal and special trust funds that required employer contributions of \$11,086. Contributions for the year ended June 30, 2019 were \$10,803, and are deferred because they were paid after the June 30, 2018, 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. 17 is 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. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contribution for salary increases over 3 percent if members are not exempted by current collective bargaining agreements or contracts.

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, 2019, the Regional Office of Education No. 17 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent, no payments to TRS for employer contributions due on salary increases in excess of 3 percent, and no payments for sick leave days granted in excess of the normal annual allotment.

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REGIONAL OFFICE OF EDUCATION NO. 17
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NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

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

At June 30, 2019, the Regional Office of Education No. 17 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State’s support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the employer follows below:

Employers proportionate share of the net pension liability	\$ 155,227
State’s proportionate share of the net pension liability associated with the employer	<u>10,633,733</u>
Total	<u>\$10,788,960</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. The Regional Office of Education No. 17’s proportion of the net pension liability was based on the employer’s share of contributions to TRS for the measurement year ended June 30, 2018, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2018, the Regional Office of Education No. 17’s proportion was .0001991504 percent, which was a decrease of .0046562504 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Regional Office of Education No. 17 recognized pension expense of \$998,683 and revenue of \$998,683 for support provided by the State. For the year ended June 30, 2019, the Regional Office of Education No. 17 recognized pension expense of \$50,016. At June 30, 2019, the Regional Office of Education No. 17 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,120	\$ 34
Net difference between projected and actual earnings on pension plan investments	-	475
Change of assumptions	6,808	4,399
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,892,634	2,965,214
Employer contributions subsequent to the measurement date	17,855	-
Total	\$ 1,920,417	\$ 2,970,122

\$17,855 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ (1,084)
2021	(66,960)
2022	(156,677)
2023	(557,942)
2024	(284,897)
	\$ (1,067,560)

Actuarial assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
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NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

In the June 30, 2018 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2017 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

The long-term (20-year) 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	15.0%	6.7%
U.S. equities small/mid cap	2.0	7.9
International equities developed	13.6	7.0
Emerging market equities	3.4	9.4
U.S. bonds core	8.0	2.2
U.S. bonds high yield	4.2	4.4
International debt developed	2.2	1.3
Emerging international debt	2.6	4.5
Real estate	16.0	5.4
Real return	4.0	1.8
Absolute return	14.0	3.9
Private equity	15.0	10.2
Total	100.0%	

Discount Rate

At June 30, 2018, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2017 rate. 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, 2018 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier 1’s liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 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. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Concluded)

Sensitivity of the Regional Office of Education No. 17’s proportionate share of the net pension liability to changes in the discount rate

The following presents the Regional Office of Education No. 17’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the employer’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer’s proportionate share of the net pension liability	\$ 190,372	\$ 155,227	\$ 126,926

TRS fiduciary net position

Detailed information about the TRS’s fiduciary net position as of June 30, 2018, is available in the separately issued TRS *Comprehensive Annual Financial Report*.

NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND

THIS Plan Description

The DeWitt, Livingston, Logan, and McLean Counties Regional Office of Education No. 17 participates in the Teachers’ Health Insurance Security (THIS) Fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor’s Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the Teachers’ Retirement System (TRS).

Benefits Provided

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor’s approval. The plan is administered by 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.

A 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.

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NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

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. 17. For the year ended June 30, 2019, State of Illinois contributions recognized by the Regional Office of Education No. 17 were based on the State’s proportionate share of the collective net OPEB liability associated with the Regional Office of Education No. 17, and recognized revenue and expenditures of \$110,496 in OPEB contributions from the State of Illinois.

Employer contributions to the THIS Fund. The Regional Office of Education No. 17 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2019, and 0.88 and 0.84 percent during the years ended June 30, 2018 and 2017, respectively. For the year ended June 30, 2019, the Regional Office of Education No. 17 paid \$11,383 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2018 and 2017, the Regional Office paid \$12,628 and \$13,475 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.” Prior reports are available under “Healthcare and Family Services.”

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.75 percent
Salary Increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare costs on and after 2022 to account for the Excise Tax.

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
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NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant Table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Since the THIS fund is financed on a pay-as-you-go basis, the sponsor has selected a discount rate consistent with the 20-year general obligation bond index described above. The discount rates are 3.56 percent as of June 30, 2017, and 3.62 percent as of June 30, 2018.

Sensitivity of the Regional Office of Education No. 17’s proportionate share of the collective net OPEB liability to changes in the discount rate

The following presents the Regional Office of Education No. 17’s proportionate share of the collective net OPEB liability, as well as what the ROE’s proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.62 percent) or 1-percentage point higher (4.62 percent) than the current discount rate.

	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
Employer’s proportionate share of the collective net OPEB liability	\$ 1,905,742	\$ 1,585,056	\$ 1,331,743

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
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NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

Sensitivity of the Regional Office of Education No. 17’s proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates

The following table shows the Regional Office of Education No. 17’s net OPEB liability as of June 30, 2018, using current trend rates and sensitivity trend rates that are either 1-percentage point higher or lower. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.86% in 2026, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.50% in 2028 for Medicare coverage.

	1% Decrease^a	Healthcare Cost Trend Rates	1% Increase^b
Employer’s proportionate share of the collective net OPEB liability	\$ 1,285,152	\$ 1,585,056	\$ 1,988,891

^a One percentage point decrease in healthcare trend rates are 7.00% in 2019 decreasing to an ultimate trend rate of 3.86% in 2026 for non-Medicare coverage, and 8.00% in 2019 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.

^b One percentage point increase in healthcare trend rates are 9.00% in 2019 decreasing to an ultimate trend rate of 5.86% in 2026, for non-Medicare coverage, and 10.00% in 2019 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the Regional Office of Education No. 17 reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the Regional Office of Education No. 17. The amount recognized by the Regional Office of Education No. 17 as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Regional Office of Education No. 17 were as follows:

Employers proportionate share of the net OPEB liability	\$ 1,585,056
State’s proportionate share of the net OPEB liability associated with the employer	<u>2,128,429</u>
Total	<u>\$ 3,713,485</u>

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
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NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

The collective net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2017, and was rolled forward to the June 30, 2018 measurement date. The Regional Office of Education No. 17’s proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education No. 17’s long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education No. 17, actuarially determined. At June 30, 2018, the Regional Office of Education No. 17’s proportion was .006016 percent, which was a decrease of .000958 percent from its proportion measured as of June 30, 2017 (0.006974 percent). The State’s support and total are for disclosure purposes only.

For the year ending June 30, 2019, the Regional Office of Education No. 17 recognized OPEB expense of \$110,496 and revenue of \$110,496 for support provided by the State. For the year ending June 30, 2019, the Regional Office of Education No. 17 recognized OPEB expense of \$109,452. At June 30, 2019, the Regional Office of Education No. 17 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 5,687
Net difference between projected and actual earnings on OPEB plan investments	-	49
Change of assumptions	-	230,811
Changes in proportion and differences between employer contributions and proportionate share of contributions	339,669	241,872
Employer contributions subsequent to the measurement date	11,383	-
Total Deferred Amounts Related to OPEB	\$ 351,052	\$ 478,419

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
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NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Concluded)

\$11,383 reported as deferred outflows of resources related to OPEB resulting from DeWitt, Livingston, Logan, and McLean Counties Regional Office of Education No. 17 contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the DeWitt, Livingston, Logan, and McLean Counties Regional Office of Education No. 17’s OPEB expense as follows:

Year Ending June 30,	Net Deferred Inflows of Resources
2020	\$ (21,483)
2021	(21,483)
2022	(21,483)
2023	(21,483)
2024	(21,471)
Thereafter	(31,347)
Total	<u>\$ (138,750)</u>

THIS Fiduciary Net Position

Detailed information about the THIS Fund fiduciary net position as of June 30, 2018, is available in the separately issued THIS Financial Report.

NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS – HEALTH INSURANCE

Plan Description

The Regional Office of Education No. 17 provides a single-employer defined-benefit postemployment healthcare plan to retirees who participate in the IMRF retirement plan. This plan extends the same health benefits to annuitants as to active employees in the IMRF plan. The Governmental Accounting Standards Board (GASB) issued Statement No.’s 74 and 75 that established generally accepted accounting principles for the annual financial statements for postemployment benefit plans other than pension plans. The required information is as follows:

Eligibility Provisions

Full-Time Employees – IMRF

Tier I IMRF Full-Time ROE employees:

- Age 55 with at least 8 years of service (Reduced Pension)
- Age 55 with at least 30 years of service (Reduced Pension)
- Age 55 with at least 35 years of service (Full Pension)
- Age 60 with at least 8 years of service (Full Pension)

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NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS – HEALTH INSURANCE (Continued)

Tier II IMRF Full-Time ROE employees:

- Age 62 with at least 10 years of service (Reduced Pension)
- Age 62 with at least 30 years of service (Reduced Pension)
- Age 62 with at least 35 years of service (Full Pension)
- Age 67 with at least 10 years of service (Full Pension)

Benefits Provided

The Regional Office of Education No. 17 provides continued health insurance coverage at the blended employer rate to all eligible Regional Office of Education No. 17 retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. The Regional Office of Education No. 17 offers the multiple BluePrint PPO Plans to full-time IMRF employees. IMRF employees may continue ROE health insurance in retirement, however, they are responsible for paying the full cost of the medical premium. Eligible Spouse/Dependent coverage may continue should the Retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs. The Spouse/Dependent is responsible for the full cost of coverage. Retirees pay the full cost of coverage.

Membership

At June 30, 2019, membership consisted of:

Inactive Employees Currently Receiving Benefit Payments	0
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	0
Active Employees	<u>27</u>
Total	<u><u>27</u></u>

Funding Policy and Contributions

There is no funding policy that exists for the postretirement plan at this time, as the total OPEB liabilities are currently an unfunded obligation.

The employer contributions and benefit payments are related to the increase in active premiums due to the presence of retirees in the determination of blended retiree/active premiums.

The contributions of \$3,575 from Other ROE Resources and Benefit Payments of \$3,575 from Other ROE Resources are contributions made to and benefit payments made from the OPEB Plan that were not directly made to or from the OPEB Trust.

Net OPEB Liability

The total OPEB liability for the current fiscal year has been developed based on the July 1, 2017 actuarial valuation date and adjusted to the June 30, 2019 measurement date based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
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NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS – HEALTH INSURANCE (Continued)

Actuarial Assumptions

The following are the significant assumptions used:

- The **Discount Rate used for the Total OPEB Liability** was 3.50%.
- The **Long-Term Expected Rate of Return on Plan Assets** is not applicable as the OPEB obligation is unfunded.
- The **High Quality 20 Year Tax-Exempt G.O. Bond Rate** used was 3.87% at the beginning of the year and 3.50% at the end of the year.
- The **Salary Increase** assumption of 2.25% was based on a review of the IMRF December 31, 2017 Actuarial Valuation.
- For **Annual Blended Premiums**, see the following table:

	Under Age 65		Age 65 & Over	
	Retiree	Spouse	Retiree	Spouse
PPO 1000	\$9,834	\$15,487	\$5,824	\$5,824
PPO 500	\$10,600	\$16,695	\$6,279	\$6,278
PPO 2500	\$9,097	\$14,164	\$5,530	\$5,525

- For **Healthcare Trend Rates**, the initial trend rate is based on the 2018 Segal Health Plan Cost Trend Survey. For fiscal years on and after 2018, the trend starts at 7.70% for both non-Medicare costs and post-Medicare costs and gradually decreases to an ultimate trend of 5.00%.
- The **Retiree Contribution Rates** are the same as the Healthcare Trend Rates.

IMRF Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates. Spouse Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study. These rates are improved generationally using MP-2016 Improvement Rates.

The retirement rates disclosed in the IMRF December 31, 2017 Actuarial Valuation were used to estimate the single retirement ages pursuant to the Alternative Measurement Method for GASB 74/75.

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NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS – HEALTH INSURANCE (Continued)

For any active participant who will not meet the service requirement necessary to retire at the single retirement ages, it is assumed they have prior service with a different employer and therefore will be eligible to retire. In the current valuation, there is one participant impacted by this assumption.

The mortality rates were used to estimate the single age at death per participant pursuant to the Alternative Measurement Method for GASB 74/75.

The probability of working to the assumed retirement age was determined based on the underlying termination pursuant to the Alternative Measurement Method for GASB 74/75.

Discount Rate

The discount rate used in the determination of the total OPEB liability is based on a combination of the expected long-term rate of return on plan assets and the municipal bond rate. If the employer does not have a trust dedicated exclusively to the payment of OPEB benefits, as is the case with the DeWitt, Livingston, Logan, and McLean Counties Regional Office of Education No. 17, then only the municipal bond rate is used in determining the total OPEB liability.

If the postretirement plan is funded, cash flow projections are used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan assets is used to determine the portion of the net OPEB liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net OPEB liability associated with those payments.

Projected benefit payments are determined during the valuation process based on the assumptions. The expected contributions are based on the funding policy of the plan.

Municipal Bond Rate

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate is the June 27, 2019 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

The indexes represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indexes would yield if the bond was sold at par value. The indexes are simple averages of the average estimated yields of the bonds.

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NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS – HEALTH INSURANCE (Continued)

Changes in the Net OPEB Liability

	Total OPEB Liability	OPEB Plan Net Position	Net OPEB Liability/(Asset)
	(A)	(B)	(A) - (B)
Balances at July 1, 2018	<u>\$ 129,898</u>	<u>\$ -</u>	<u>\$ 129,898</u>
Changes for the year:			
Service Cost	6,123	-	6,123
Interest	4,958	-	4,958
Actuarial Experience	-	-	-
Assumption Changes	6,757	-	6,757
Plan Changes	-	-	-
Contributions – Employer	-	3,575	(3,575)
Contributions – Employee	-	-	-
Contributions – Other	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(3,575)	(3,575)	-
Administrative Expense	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes	<u>14,263</u>	<u>-</u>	<u>14,263</u>
Balances at June 30, 2019	<u>\$ 144,161</u>	<u>\$ -</u>	<u>\$ 144,161</u>

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

The following presents the Regional Office of Education No. 17's total OPEB liability calculated using a discount rate of 3.50%, as well as what the ROE's total OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point higher (4.50%) or 1-percentage-point lower (2.50%) than the current discount rate:

	1% Decrease	Current	1% Increase
	(2.50%)	Discount Rate	(4.50%)
	<u> </u>	<u> </u>	<u> </u>
Employer's proportionate share of the collective net OPEB liability	\$ 165,133	\$ 144,161	\$ 126,930

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS – HEALTH INSURANCE (Continued)

Sensitivity of the Healthcare Trend Rates

The following presents the Regional Office of Education No. 17’s total OPEB liability, calculated using the healthcare cost trend rates as well as what the ROE’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 7.70% in 2018 decreasing to an ultimate trend rate of 5.00% in 2027 for both non-Medicare and post-Medicare coverage.

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Employer’s net OPEB liability	\$ 123,006	\$ 144,161	\$ 167,829

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the Regional Office of Education No. 17 recognized OPEB expense of \$11,514. At June 30, 2019, the Regional Office of Education No. 17 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Amounts Related to OPEB	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in OPEB Expense in Future Periods</i>		
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	6,324	-
Net difference between projected and actual earnings on postretirement plan investments	-	-
Total Deferred Amounts to be recognized in OPEB expense in future periods	6,324	-
<i>OPEB Contributions made subsequent to the Measurement Date*</i>	-	-
Total Deferred Amounts Related to OPEB	\$ 6,324	\$ -

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS – HEALTH INSURANCE (Concluded)

*Contributions subsequent to the measurement date may be recognized as a reduction to the net OPEB liability. The amount is not known as of the date of this report. Subsequent to the measurement date, the following amounts will be recognized in OPEB expense in the upcoming years:

Year Ending June 30,	Net Deferred Outflows of Resources
2020	\$ 433
2021	433
2022	433
2023	433
2024	433
Thereafter	4,159
Total	\$ 6,324

NOTE 7 – LEASES

A. CAPITAL LEASES

The Regional Office of Education No. 17 has entered into a lease agreement for financing the acquisition of a phone system amounting to \$9,624. The asset has accumulated depreciation of \$6,095. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date in the capital assets account.

The future minimum capital lease obligations and the net present value of these lease payments as of June 30, 2019, are as follows:

2020	\$	1,991
2021		1,826
Thereafter		-
Total minimum lease payment		3,817
Less: amount representing interest:		-
Present value of minimum lease payments	\$	3,817
Current Portion	\$	1,991

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 17
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2019**

NOTE 7 –LEASES (Concluded)

B. OPERATING LEASES

The Regional Office of Education No. 17 leases classroom and office space from various parties. During fiscal year 2016, the Regional Office of Education No. 17 leased classroom and office space located at 905 W. Custer Avenue, Pontiac, Illinois for \$2,208 per month. The original lease term was from July 1, 2013, to August 31, 2018 and was renewed for September 1, 2018 to August 31, 2023 at the same rental amount.

The Regional Office of Education No. 17 also leased classrooms and office space located at 402-408 W. Washington Street, Bloomington, Illinois, and storage space located at 405 W. Front Street, Bloomington, Illinois. The leases run from August 1, 2017, to July 31, 2022; rent was \$9,840 and \$410 per month, respectively through January 31, 2020 and will increase to \$10,090 and \$410 per month, respectively from February 1, 2020 through July 31, 2022.

The Regional Office of Education No. 17 also leased office space located at 200 W. Front Street, Suite 500D, Bloomington, Illinois. The lease ran from January 1, 2013, to December 31, 2015 with auto-renewals every two years; rent is \$61,000 per year. The lease was renewed for an additional 24 months from January 1, 2018 through December 31, 2019 for \$67,000 per year.

During fiscal year 2018, the Regional Office of Education No. 17 leased classroom and office space located at 1301 W Washington St, Bloomington, Illinois for \$200 per month. The original lease term was from July 1, 2017, to June 30, 2018 and was renewed for July 1, 2018 to June 30, 2019 at the same rental amount.

During fiscal year 2017, the Regional Office of Education No. 17 leased a Ricoh copier. The lease term is December 16, 2016 to December 15, 2020, and includes monthly lease payments of \$485.

During fiscal year 2018, the Regional Office of Education No. 17 leased another Ricoh copier. The lease term is January 12, 2018 to January 11, 2023, and includes monthly lease payments of \$315.

Rent expense for the year ended June 30, 2019, was \$228,495. Future minimum rentals are as follows for the years ending June 30:

2020	\$	193,845
2021		158,700
2022		156,276
2023		38,886
2024		4,416
Thereafter		-
		\$ 552,123

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 8 – CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education No. 17 has reported capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases of capital assets by business-type activities are capitalized when purchased. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Disposals	Balance June 30, 2019
Governmental Activities				
Capital assets being depreciated:				
Office Equipment & Furniture	\$ 311,614	\$ 19,535	\$ (22,048)	\$ 309,101
Leasehold Improvements	491,402	-	(1,208)	490,194
Total Capital Assets	803,016	19,535	(23,256)	799,295
Less: Accumulated Depreciation	(386,850)	(32,297)	23,256	(395,891)
Governmental Activities				
Investment in Capital Assets, Net	<u>\$ 416,166</u>	<u>\$ (12,762)</u>	<u>\$ -</u>	<u>\$ 403,404</u>
	Balance July 1, 2018	Additions	Disposals	Balance June 30, 2019
Business-Type Activities				
Capital assets being depreciated:				
Office Equipment & Furniture	\$ 6,236	\$ 3,000	\$ (1,200)	\$ 8,036
Total Capital Assets	6,236	3,000	(1,200)	8,036
Less: Accumulated Depreciation	(3,363)	(884)	1,200	(3,047)
Business-Type Activities				
Investment in Capital Assets, Net	<u>\$ 2,873</u>	<u>\$ 2,116</u>	<u>\$ -</u>	<u>\$ 4,989</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2019, of \$32,297 and \$884 was charged to governmental activities instructional services function and business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation.

As of June 30, 2019, the capital assets balance of equipment recorded as capital lease totaled \$9,624. Total accumulated depreciation under the capital lease totaled \$6,095 as of June 30, 2019.

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 9 – RISK MANAGEMENT

The Regional Office of Education No. 17 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education No. 17 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

NOTE 10 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2019, consist of the following individual due to/from other funds in the Governmental Fund Balance Sheet. The balances between governmental funds were eliminated in the government-wide Statement of Net Position.

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 209,558	\$ 85,806
Education Fund	-	123,752
Totals	<u>\$ 209,558</u>	<u>\$ 209,558</u>

TRANSFERS

Interfund transfers in/out to other fund balances at June 30, 2019, consist of the following individual transfers in/out to other funds in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 15,613	\$ 20,805
Education Fund	13,937	661
Proprietary Fund	-	8,084
Totals	<u>\$ 29,550</u>	<u>\$ 29,550</u>

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 11 – DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education No. 17's General Fund, Education Fund, Nonmajor Special Revenue Funds, and Agency Fund have funds due to/from various other governmental units which consist of the following:

Due from Other Governments:	
General Fund	
Local Governments	\$ 119,312
Illinois State Board of Education	153
Nonmajor Special Revenue Funds	
Local Governments	2,182
Education Fund	
Local Governments	37,167
Illinois State Board of Education	85,382
Agency Fund	
State Comptroller	393,768
Illinois State Board of Education	216,713
Local Governments	514,366
Total	<u>\$ 1,369,043</u>
Due to Other Governments:	
Agency Fund	
Local Governments	<u>\$ 1,982,306</u>
Total	<u>\$ 1,982,306</u>

NOTE 12 – ON-BEHALF PAYMENTS

The State of Illinois paid the following salaries on behalf of the Regional Office of Education No. 17:

Regional Superintendent Salary	\$ 117,600
Assistant Regional Superintendent Salary	105,840
Regional Superintendent Benefits	
(Includes State-paid insurance)	22,511
Assistant Regional Superintendent Benefits	
(Includes State-paid insurance)	<u>34,804</u>
Total	<u>\$ 280,755</u>

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 12 – ON-BEHALF PAYMENTS (Concluded)

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent were calculated based on data provided by the Illinois State Board of Education. These amounts have been recorded in the accompanying governmental fund financial statements as State revenue and expenditures.

Regional Office of Education No. 17 also recorded \$998,683 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. The Regional Office of Education No. 17 also recorded \$110,496 in revenue and expenses as on-behalf payments from the State for the Regional Office’s share of the State’s Teachers’ Health Insurance Security (THIS) OPEB expense in the Statement of Activities. In addition, the Regional Office of Education No. 17 has not included any on-behalf payments related to the State’s TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois on-behalf payments	\$	280,755
ROE No. 17’s share of TRS pension expense		998,683
State of Illinois THIS on-behalf payments		110,496
Total	\$	1,389,934

NOTE 13 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure of certain information concerning individual funds which are presented only in combination on the financial statements. Funds having deficit fund balances/net position and funds which overexpended appropriations during the year are required to be disclosed.

The following funds had fund deficits as of June 30, 2019:

Fund	Amount
<u>General Fund</u>	
County Fund	\$ 59,959
<u>Education Fund</u>	
Foundational Services	11,595
Regional Safe Schools	10,328
Truants Alternative/Optional Education	8,717
Total	\$ 90,599

The following funds had an excess of actual expenditures over budget for the year ended June 30, 2019.

Fund	Budget Amount	Expenditures	Unfavorable Variance
McKinney Homeless Children and Youth	\$ 46,545	\$ 46,610	\$ 65

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

NOTE 14 – NONCURRENT LIABILITIES

Changes in noncurrent liabilities for the year ended June 30, 2019 are summarized as follows:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due within one year
Governmental activities:					
Net pension liability	\$3,709,436	\$ -	\$2,729,862	\$ 979,574	\$ -
OPEB liability	1,939,544	-	210,327	1,729,217	-
Lease payable	3,817	-	1,991	1,826	1,991
Total	<u>\$5,652,797</u>	<u>\$ -</u>	<u>\$2,942,180</u>	<u>\$2,710,617</u>	<u>\$ 1,991</u>

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

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY & RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST FIVE CALENDAR YEARS
(UNAUDITED)

Calendar Year Ended December 31,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability	\$ 70,577	\$ 86,746	\$ 96,955	\$ 93,113	\$ 90,794
Service Cost	437,545	428,972	493,148	390,432	331,043
Interest on the Total Pension Liability	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	46,392	145,245	(1,091,107)	1,216,038	(54,884)
Changes of Assumptions	152,770	(170,981)	-	-	160,500
Benefit Payments, including Refunds of Employee Contributions	(373,262)	(361,932)	(337,197)	(326,733)	(240,367)
Net Change in Total Pension Liability	334,022	128,050	(838,201)	1,372,850	287,086
Total Pension Liability - Beginning	5,960,638	5,832,588	6,670,789	5,297,939	4,485,173
Total Pension Liability - Ending (A)	\$ 6,294,660	\$ 5,960,638	\$ 5,832,588	\$ 6,670,789	\$ 4,772,259
Plan Fiduciary Net Position	\$ 99,673	\$ 152,346	\$ 131,042	\$ 162,115	\$ 173,508
Contributions - Employer	34,218	36,132	38,770	42,987	36,725
Contributions - Employees	(254,491)	884,564	(71,197)	768,935	280,254
Net Investment Income	(373,262)	(361,932)	(337,197)	(326,733)	(240,367)
Benefit Payments, including Refunds of Employee Contributions	(4,733)	(4,793)	5,411	(108,195)	(3,698)
Other (Net Transfer)	(498,595)	706,317	(233,171)	539,109	246,422
Net Change in Plan Fiduciary Net Position	5,968,908	5,262,591	5,495,762	4,956,653	4,202,502
Plan Fiduciary Net Position - Beginning	\$ 5,470,313	\$ 5,968,908	\$ 5,262,591	\$ 5,495,762	\$ 4,448,924
Plan Fiduciary Net Position - Ending (B)	\$ 824,347	\$ (8,270)	\$ 569,997	\$ 1,175,027	\$ 323,335
Net Pension Liability - Ending (A) - (B)	86.90%	100.14%	90.23%	82.39%	93.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	\$ 717,076	\$ 797,930	\$ 861,550	\$ 955,269	\$ 816,123
Covered Payroll	114.96%	-1.04%	66.16%	123.00%	39.62%
Net Pension Liability as a Percentage of Covered Payroll					

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Plan Fiduciary Net Position - Beginning for 2015 was restated.

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST FIVE CALENDAR YEARS
(UNAUDITED)**

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2018	\$ 99,674	\$ 99,673	\$ 1	\$ 717,076	13.90%
2017	152,346	152,346	-	797,930	19.09%
2016	131,042	131,042	-	861,550	15.21%
2015	162,116	162,115	1	955,269	16.97%
2014	168,448	173,508	(5,060)	816,123	21.26%

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2018 Contribution Rate*

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2018 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	25-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.50%
<i>Price Inflation:</i>	2.75%; approximate
<i>Salary Increases:</i>	3.75% to 14.50%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONCLUDED)
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST FIVE CALENDAR YEARS
(UNAUDITED)**

Notes to Schedule (Continued):

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2018 Contribution Rate*

Methods and Assumptions Used to Determine 2018 Contribution Rates:

Mortality:

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation; note two-year lag between valuation and rate setting.

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 17
 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, 2019 †
 (UNAUDITED)

	FY18*	FY17*	FY16*	FY15*	FY14*
Employer's proportion of the net pension liability	0.0001991504%	0.0048554008%	0.0015870566%	0.0007247564%	0.0001844914%
Employer's proportionate share of the net pension liability	\$ 155,227	\$ 3,709,436	\$ 1,252,760	\$ 474,788	\$ 112,278
State's proportionate share of the net pension liability associated with the employer	10,633,733	10,350,842	11,490,256	6,916,269	7,001,785
Total	<u>\$ 10,788,960</u>	<u>\$ 14,060,278</u>	<u>\$ 12,743,016</u>	<u>\$ 7,391,057</u>	<u>\$ 7,114,063</u>
Employer's covered payroll	\$ 1,434,957	\$ 1,604,165	\$ 1,271,558	\$ 1,125,700	\$ 1,148,032
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	10.8%	231.2%	98.5%	42.2%	9.8%
Plan fiduciary net position as a percentage of the total pension liability	40.0%	39.3%	36.4%	41.5%	43.0%

*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.

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
For the Year Ended June 30, 2019 †
(UNAUDITED)

	FY19	FY18	FY17	FY16	FY15	FY14
Statutorily-required contribution	\$ 18,262	\$ 46,564	\$ 201,185	\$ 61,080	\$ 25,395	\$ 6,659
Contributions in relation to the statutorily-required contribution	17,855	46,366	201,106	61,462	25,333	6,677
Contribution deficiency (excess)	\$ 407	\$ 198	\$ 79	\$ (382)	\$ 62	\$ (18)
Employer's covered payroll	\$ 1,237,296	\$ 1,434,957	\$ 1,604,165	\$ 1,271,558	\$ 1,125,700	\$ 1,148,032
Contributions as a percentage of covered payroll	1.44%	3.23%	12.54%	4.83%	2.25%	0.58%

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

Notes to the Teachers' Retirement System Required Supplementary Information
Changes of assumptions

For the 2018, 2017 and 2016 measurement years, 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, but the rates of increase in the 2018 measurement year were slightly higher.

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.

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
SHARE OF THE COLLECTIVE NET OTHER POSTEMPLOYMENT BENEFIT LIABILITY
TEACHERS' HEALTH INSURANCE SECURITY FUND
For the Year Ended June 30, 2019
(UNAUDITED)

	2018	2017	2016
Employer's proportion of the collective net OPEB liability	0.006016%	0.006974%	0.005280%
Employer's proportionate share of the collective net OPEB liability	\$ 1,585,056	\$ 1,809,646	\$ 1,443,360
State's proportionate share of the collective net OPEB liability associated with the employer	2,128,429	2,376,535	2,001,448
Total	\$ 3,713,485	\$ 4,186,181	\$ 3,444,808
Employer's covered payroll			
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	110.5%	112.8%	113.5%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.07%	-0.17%	-0.22%

**The amounts presented for each fiscal year were determined as of the prior fiscal year end.*

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
TEACHERS' HEALTH INSURANCE SECURITY FUND
For the Year Ended June 30, 2019
(UNAUDITED)

	2019	2018	2017	2016
Statutorily-required contribution	\$ 11,383	\$ 12,628	\$ 13,475	\$ 10,039
Contributions in relation to the statutorily-required contribution	11,383	12,628	13,475	10,039
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 1,237,296	\$ 1,434,957	\$ 1,604,165	\$ 1,271,558
Contributions as a percentage of covered payroll	0.92%	0.88%	0.84%	0.79%

† These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information which is available is presented.

Notes to This Required Supplementary Information

Changes of Benefit Terms

In the June 30, 2019 actuarial valuation, there have been no changes of benefit terms from the prior period.

Changes of Assumptions

For the purpose of developing changes in OPEB Liability for GASB 74/75 reporting, there have been no changes in assumptions from the prior period.

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS
For the Year Ended June 30, 2019**

	FY19	FY18
Total OPEB Liability		
Service Cost	\$ 6,123	\$ 5,895
Interest Cost	4,958	4,700
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	-
Assumption Changes	6,757	-
Benefit Payments	(3,575)	(4,325)
Net Change in Total OPEB Liability	14,263	6,270
Total OPEB Liability - Beginning	129,898	123,628
Total OPEB Liability - Ending (A)	\$ 144,161	\$ 129,898
 OPEB Plan Net Position		
Contributions - Employer	\$ 3,575	\$ 4,325
Contributions - Employees	-	-
Net Investment Income	-	-
Benefit Payments	(3,575)	(4,325)
Administrative Expense	-	-
Net Change in OPEB Plan Net Position	-	-
OPEB Plan Net Position - Beginning	-	-
OPEB Plan Net Position - Ending (B)	\$ -	\$ -
 Employer Net OPEB Liability - Ending (A) - (B)	\$ 144,161	\$ 129,898
 OPEB Plan Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%
 Covered Payroll	\$ 1,598,650	\$ 1,813,696
 Employer Net OPEB Liability as a Percentage of Covered Payroll	9.02%	7.16%

Notes to Schedule:

Changes of Benefit Terms

In the June 30, 2019 actuarial valuation, there have been no changes of benefit terms from the prior period.

Changes of Assumptions

The assumed rate on High Quality 20-year Tax-Exempt G.O. Bonds was changed from 3.87% to 3.50% for the current year. The underlying index used is the Bond Buyer 20-Bond Index. The choice of index is unchanged from the prior year. The rate has been updated to the current Fiscal Year-End based on changes in market conditions as reflected in the Index. The change was made to reflect the requirements of GASB under Statement 74 and Statement 75.

Since the Employer does not have a trust dedicated exclusively to the payment of OPEB benefits, the discount rate used in the determination of the Total OPEB Liability was also changed from 3.87% to 3.50%.

The information in this schedule will accumulate until a full 10-year trend is presented as required by Statement No. 75.

SUPPLEMENTAL INFORMATION

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2019**

	County Fund	Regional Safe Schools - GSA	Regional Alternative School - GSA	I-SCORE	Ed Services	Juvenile Justice Council	TOTALS
ASSETS							
Cash and cash equivalents	\$ 4,244	\$ 533,634	\$ 1,324,859	\$ 474	\$ -	\$ 25,000	\$ 1,888,211
Due from other funds	-	-	209,558	-	-	-	209,558
Due from other governments							
Local	115,080	-	4,232	-	-	-	119,312
State	-	153	-	-	-	-	153
Prepaid expenditures	25	-	-	-	-	-	25
TOTAL ASSETS	\$ 119,349	\$ 533,787	\$ 1,538,649	\$ 474	\$ -	\$ 25,000	\$ 2,217,259
LIABILITIES							
Accounts payable	\$ -	\$ 625	\$ 625	\$ -	\$ -	\$ -	\$ 1,250
Accrued salaries and benefits	-	45,231	60,142	-	-	-	105,373
Due to other funds	85,806	-	-	-	-	-	85,806
Unearned revenue	93,502	-	509,407	-	-	-	602,909
Total Liabilities	179,308	45,856	570,174	-	-	-	795,338
FUND BALANCE (DEFICIT)							
Nonspendable	25	-	-	-	-	-	25
Assigned	-	-	-	474	-	25,000	25,474
Unassigned	(59,984)	487,931	968,475	-	-	-	1,396,422
Total Fund Balance (Deficit)	(59,959)	487,931	968,475	474	-	25,000	1,421,921
TOTAL LIABILITIES AND FUND BALANCE	\$ 119,349	\$ 533,787	\$ 1,538,649	\$ 474	\$ -	\$ 25,000	\$ 2,217,259

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2019

	County Fund	Regional Safe Schools - GSA	Regional Alternative School - GSA	I-SCORE	Ed Services	Juvenile Justice Council	TOTALS
REVENUES							
Local sources	\$ 416,082	\$ 48,514	\$ 180,739	\$ 1,000	\$ 7	\$ 25,000	\$ 671,342
Investment income	-	6,486	5,041	-	-	-	11,527
State sources	-	539,021	1,104,338	-	-	-	1,643,359
On-behalf payments - State	280,755	-	-	-	-	-	280,755
Federal sources	-	31,025	-	-	-	-	31,025
Total Revenues	696,837	625,046	1,290,118	1,000	7	25,000	2,638,008
EXPENDITURES							
Instructional services:							
Salaries and benefits	351,869	498,404	889,022	-	-	-	1,739,295
Pension expense	11,444	2,084	26,821	-	-	-	40,349
OPEB expense	5,091	6,005	1,959	-	-	-	13,055
Purchased services	126,513	156,680	201,622	-	-	12,500	497,315
Supplies and materials	11,819	59,670	72,242	854	-	-	144,585
Other objects	5,150	-	395	-	-	-	5,545
Intergovernmental:							
Payments to governments	-	-	75,000	-	-	-	75,000
On-behalf expenditures - State	280,755	-	-	-	-	-	280,755
Capital outlay	-	1,707	13,612	-	-	-	15,319
Total Expenditures	792,641	724,550	1,280,673	854	-	12,500	2,811,218
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(95,804)	(99,504)	9,445	146	7	12,500	(173,210)
OTHER FINANCING SOURCES (USES)							
Transfers in	1,375	2,653	5,471	-	6,114	-	15,613
Transfers out	-	(1,328)	(14,667)	(4,810)	-	-	(20,805)
Repayment of capital lease payable	(1,991)	-	-	-	-	-	(1,991)
Total Other Financing Sources (Uses)	(616)	1,325	(9,196)	(4,810)	6,114	-	(7,183)
NET CHANGE IN FUND BALANCE	(96,420)	(98,179)	249	(4,664)	6,121	12,500	(180,393)
FUND BALANCE (DEFICIT) - BEGINNING	36,461	586,110	968,226	5,138	(6,121)	12,500	1,602,314
FUND BALANCE (DEFICIT) - ENDING	\$ (59,959)	\$ 487,931	\$ 968,475	\$ 474	\$ -	\$ 25,000	\$ 1,421,921

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2019**

	D.O.R.S Program Step Grant	Foundational Services	Juvenile Detention Center	Mathematics and Science Partnerships - 7B	McKinney Homeless Children and Youth	RAS Special Projects
ASSETS						
Cash and cash equivalents	\$ 198,286	\$ -	\$ -	\$ -	\$ -	\$ 9,299
Due from other governments:						
Local	-	-	7,312	-	-	-
State	-	-	-	-	-	-
Federal	-	-	-	-	41,113	-
Prepaid expense	-	-	825	-	-	-
TOTAL ASSETS	\$ 198,286	\$ -	\$ 8,137	\$ -	\$ 41,113	\$ 9,299
LIABILITIES						
Accrued salaries and benefits	\$ -	\$ -	\$ -	\$ -	\$ 3,277	\$ -
Due to other funds	-	11,595	8,137	-	37,836	-
Unearned revenue	-	-	-	-	-	-
Total Liabilities	-	11,595	8,137	-	41,113	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	-
FUND BALANCE (DEFICIT)						
Nonspendable	-	-	825	-	-	-
Restricted	198,286	-	-	-	-	9,299
Unassigned	-	(11,595)	(825)	-	-	-
Total Fund Balance (Deficit)	198,286	(11,595)	-	-	-	9,299
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (DEFICIT)	\$ 198,286	\$ -	\$ 8,137	\$ -	\$ 41,113	\$ 9,299

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2019**

	Regional Safe Schools	Regional Safe Schools Cooperative	ROE/ISC Operations	SCORE	Secretary of State's Literacy Grant	SEED
ASSETS						
Cash and cash equivalents	\$ -	\$ 2,015	\$ -	\$ -	\$ -	\$ 141,689
Due from other governments:						
Local	-	-	-	-	-	-
State	10,328	-	-	-	-	-
Federal	-	-	-	-	-	-
Prepaid expense	-	-	-	-	-	-
TOTAL ASSETS	\$ 10,328	\$ 2,015	\$ -	\$ -	\$ -	\$ 141,689
LIABILITIES						
Accrued salaries and benefits	\$ 3,164	\$ 988	\$ -	\$ -	\$ -	\$ 462
Due to other funds	7,164	-	-	-	-	-
Unearned revenue	-	-	-	-	-	141,227
Total Liabilities	10,328	988	-	-	-	141,689
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	10,328	-	-	-	-	-
FUND BALANCE (DEFICIT)						
Nonspendable	-	-	-	-	-	-
Restricted	-	1,027	-	-	-	-
Unassigned	(10,328)	-	-	-	-	-
Total Fund Balance (Deficit)	(10,328)	1,027	-	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (DEFICIT)	\$ 10,328	\$ 2,015	\$ -	\$ -	\$ -	\$ 141,689

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2019**

	Title I - School Improvement	Title II - Teacher Quality - Leadership	Transitional Specialist	Truants Alternative/ Optional Education	Education Innovation and Research	TOTALS
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 92,531	\$ 443,820
Due from other governments:						
Local	-	-	29,855	-	-	37,167
State	-	-	24,211	8,715	-	43,254
Federal	-	1,015	-	-	-	42,128
Prepaid expense	-	-	-	-	-	825
TOTAL ASSETS	\$ -	\$ 1,015	\$ 54,066	\$ 8,715	\$ 92,531	\$ 567,194
LIABILITIES						
Accrued salaries and benefits	\$ -	\$ -	\$ -	\$ 4,778	\$ -	\$ 12,669
Due to other funds	-	1,015	54,066	3,939	-	123,752
Unearned revenue	-	-	-	-	92,531	233,758
Total Liabilities	-	1,015	54,066	8,717	92,531	370,179
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	8,715	-	19,043
FUND BALANCE (DEFICIT)						
Nonspendable	-	-	-	-	-	825
Restricted	-	-	-	-	-	208,612
Unassigned	-	-	-	(8,717)	-	(31,465)
Total Fund Balance (Deficit)	-	-	-	(8,717)	-	177,972
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (DEFICIT)	\$ -	\$ 1,015	\$ 54,066	\$ 8,715	\$ 92,531	\$ 567,194

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2019**

	D.O.R.S Program Step Grant	Foundational Services	Juvenile Detention Center	Mathematics and Science Partnerships - 7B	McKinney Homeless Children and Youth	RAS Special Projects
REVENUES						
Local sources	\$ 2,163	\$ 15,740	\$ 73,051	\$ -	\$ -	\$ 1,490
State sources	163,699	-	-	-	-	-
Federal sources	-	-	-	58,371	46,542	-
Total Revenues	165,862	15,740	73,051	58,371	46,542	1,490
EXPENDITURES						
Instructional services:						
Salaries and benefits	-	19,418	42,001	7,370	31,653	-
Pension expense	-	2,010	1,367	786	873	-
OPEB expense	-	-	-	-	-	-
Purchased services	-	4,107	25,239	748	4,103	-
Supplies and materials	-	1,800	4,444	3,884	9,981	281
Intergovernmental:						
Payments to other governments	146,633	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Expenditures	146,633	27,335	73,051	12,788	46,610	281
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	19,229	(11,595)	-	45,583	(68)	1,209
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	12,788	68	-
Transfers out	-	-	-	(661)	-	-
Total Other Financing Sources (Uses)	-	-	-	12,127	68	-
NET CHANGE IN FUND BALANCE	19,229	(11,595)	-	57,710	-	1,209
FUND BALANCE (DEFICIT) - BEGINNING	179,057	-	-	(57,710)	-	8,090
FUND BALANCE (DEFICIT) - ENDING	\$ 198,286	\$ (11,595)	\$ -	\$ -	\$ -	\$ 9,299

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2019**

	Regional Safe Schools	Regional Safe Schools Cooperative	ROE/ISC Operations	SCORE	Secretary of State's Literacy Grant	SEED
REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	123,826	43,062	153,580	-	70,235	-
Federal sources	-	-	-	-	-	339,279
Total Revenues	123,826	43,062	153,580	-	70,235	339,279
EXPENDITURES						
Instructional services:						
Salaries and benefits	79,477	31,626	96,823	-	61,568	201,137
Pension expense	1,059	1,112	7,024	-	-	12,385
OPEB expense	-	-	-	-	-	-
Purchased services	39,336	438	46,255	-	4,408	112,767
Supplies and materials	3,954	8,862	3,478	-	4,259	8,774
Intergovernmental:						
Payments to other governments	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	4,216
Total Expenditures	123,826	42,038	153,580	-	70,235	339,279
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	1,024	-	-	-	-
OTHER FINANCING SOURCES (USES):						
Transfers in	-	3	-	770	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	3	-	770	-	-
NET CHANGE IN FUND BALANCE	-	1,027	-	770	-	-
FUND BALANCE (DEFICIT) - BEGINNING	(10,328)	-	-	(770)	-	-
FUND BALANCE (DEFICIT) - ENDING	\$ (10,328)	\$ 1,027	\$ -	\$ -	\$ -	\$ -

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2019**

	Title I - School Improvement	Title II - Teacher Quality - Leadership	Transitional Specialist	Truants Alternative/ Optional Education	Education Innovation and Research	TOTALS
REVENUES						
Local sources	\$ -	\$ -	\$ 29,855	\$ -	\$ -	\$ 122,299
State sources	-	-	119,381	104,481	-	778,264
Federal sources	41,336	1,715	-	-	96,806	584,049
Total Revenues	41,336	1,715	149,236	104,481	96,806	1,484,612
EXPENDITURES						
Instructional services:						
Salaries and benefits	-	-	127,359	88,564	-	786,996
Pension expense	-	-	11,285	2,000	-	39,901
OPEB expense	-	-	-	1,903	-	1,903
Purchased services	41,644	1,715	10,090	7,330	88,620	386,800
Supplies and materials	-	-	502	4,684	8,186	63,089
Intergovernmental:						
Payments to other governments	-	-	-	-	-	146,633
Capital outlay	-	-	-	-	-	4,216
Total Expenditures	41,644	1,715	149,236	104,481	96,806	1,429,538
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(308)	-	-	-	-	55,074
OTHER FINANCING SOURCES (USES):						
Transfers in	308	-	-	-	-	13,937
Transfers out	-	-	-	-	-	(661)
Total Other Financing Sources (Uses)	308	-	-	-	-	13,276
NET CHANGE IN FUND BALANCE	-	-	-	-	-	68,350
FUND BALANCE (DEFICIT) - BEGINNING	-	-	-	(8,717)	-	109,622
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ -	\$ -	\$ (8,717)	\$ -	\$ 177,972

SCHEDULE 5

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
MATHEMATICS AND SCIENCE PARTNERSHIPS - 7B (18-4936-7B)
For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUE			
Federal sources	\$ 250,000	\$ 250,000	\$ 58,371
Total Revenue	<u>250,000</u>	<u>250,000</u>	<u>58,371</u>
EXPENDITURES			
Salaries and benefits	205,897	175,806	7,370
Pension expense	-	-	786
Purchased services	8,900	37,380	748
Supplies and materials	22,828	36,814	3,884
Intergovernmental:			
Payments to other governments	12,375	-	-
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>12,788</u>
EXCESS OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>45,583</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	12,788
Transfers out	-	-	(661)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>12,127</u>
NET CHANGE IN FUND BALANCE	-	-	57,710
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(57,710)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Revenues and expenditures are less than budgeted amounts because the grant ran from September 1, 2017, through August 31, 2018; only part of the grant was received and expended in the current fiscal year.

SCHEDULE 6

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
MCKINNEY HOMELESS CHILDREN AND YOUTH
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 41,491	\$ 46,545	\$ 46,542
Total Revenue	<u>41,491</u>	<u>46,545</u>	<u>46,542</u>
EXPENDITURES			
Salaries and benefits	31,403	32,083	31,653
Pension expense	-	-	873
Purchased services	4,300	4,130	4,103
Supplies and materials	5,788	10,332	9,981
Total Expenditures	<u>41,491</u>	<u>46,545</u>	<u>46,610</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>(68)</u>
OTHER FINANCING SOURCES:			
Transfers in	-	-	68
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>68</u>
NET CHANGE IN FUND BALANCE			
	-	-	-
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING			
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

SCHEDULE 7

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 17
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 REGIONAL SAFE SCHOOLS
 For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUE			
State sources	\$ 123,826	\$ 123,826	\$ 123,826
Total Revenue	123,826	123,826	123,826
EXPENDITURES			
Salaries and benefits	79,602	81,170	79,477
Pension expense	-	-	1,059
Purchased services	39,057	39,057	39,336
Supplies and materials	5,167	3,599	3,954
Total Expenditures	123,826	123,826	123,826
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE (DEFICIT) - BEGINNING	-	-	(10,328)
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ -	\$ (10,328)

SCHEDULE 8

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
REGIONAL SAFE SCHOOLS COOPERATIVE
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 43,066	\$ 43,066	\$ 43,062
Total Revenue	<u>43,066</u>	<u>43,066</u>	<u>43,062</u>
EXPENDITURES			
Salaries and benefits	31,607	32,642	31,626
Pension expense	-	-	1,112
Purchased services	400	400	438
Supplies and materials	11,059	10,024	8,862
Total Expenditures	<u>43,066</u>	<u>43,066</u>	<u>42,038</u>
EXCESS OF REVENUES OVER EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>1,024</u>
OTHER FINANCING SOURCES:			
Transfers in	-	-	3
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>3</u>
NET CHANGE IN FUND BALANCE			
	-	-	1,027
FUND BALANCE - BEGINNING			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING			
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,027</u></u>

SCHEDULE 9

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
ROE/ISC OPERATIONS
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 153,580	\$ 153,580	\$ 153,580
Total Revenue	153,580	153,580	153,580
EXPENDITURES			
Salaries and benefits	93,752	102,802	96,823
Pension expense	-	-	7,024
Purchased services	57,600	47,300	46,255
Supplies and materials	2,228	3,478	3,478
Total Expenditures	153,580	153,580	153,580
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

SCHEDULE 10

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 17
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 SECRETARY OF STATE'S LITERACY GRANT
 For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUE			
State sources	\$ 70,235	\$ 70,235	\$ 70,235
Total Revenue	<u>70,235</u>	<u>70,235</u>	<u>70,235</u>
EXPENDITURES			
Salaries and benefits	60,218	60,218	61,568
Purchased services	4,912	4,912	4,408
Supplies and materials	3,870	3,870	4,259
Other objects	1,235	1,235	-
Total Expenditures	<u>70,235</u>	<u>70,235</u>	<u>70,235</u>
 NET CHANGE IN FUND BALANCE	 -	 -	 -
 FUND BALANCE - BEGINNING	 <u>-</u>	 <u>-</u>	 <u>-</u>
 FUND BALANCE - ENDING	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

SCHEDULE 11

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 17
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 TITLE II - TEACHER QUALITY - LEADERSHIP
 For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUE			
Federal sources	\$ 3,115	\$ 3,115	\$ 1,715
Total Revenue	3,115	3,115	1,715
EXPENDITURES			
Purchased services	3,115	3,115	1,715
Total Expenditures	3,115	3,115	1,715
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

SCHEDULE 12

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNT
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION
For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
State sources	\$ 104,481	\$ 104,481	\$ 104,481
Total Revenue	<u>104,481</u>	<u>104,481</u>	<u>104,481</u>
EXPENDITURES			
Salaries and benefits	87,765	91,997	88,564
Pension expense	-	-	2,000
OPEB expense	-	-	1,903
Purchased services	12,013	7,923	7,330
Supplies and materials	4,703	4,561	4,684
Total Expenditures	<u>104,481</u>	<u>104,481</u>	<u>104,481</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(8,717)</u>
FUND BALANCE (DEFICIT) - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (8,717)</u></u>

SCHEDULE 13

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 17
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 EDUCATION INNOVATION AND RESEARCH
 For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUE			
Federal sources	\$ 192,000	\$ 192,000	\$ 96,806
Total Revenue	192,000	192,000	96,806
EXPENDITURES			
Purchased services	192,000	192,000	88,620
Supplies and materials	-	-	8,186
Total Expenditures	192,000	192,000	96,806
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 17
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2019

	General Education Development	Bus Driver Training	Institute	TOTALS
ASSETS				
Cash and cash equivalents	\$ 22,103	\$ 1,407	\$ 128,637	\$ 152,147
Due from other governments:				
Local	-	2,182	-	2,182
TOTAL ASSETS	<u>\$ 22,103</u>	<u>\$ 3,589</u>	<u>\$ 128,637</u>	<u>\$ 154,329</u>
LIABILITIES				
	\$ -	\$ -	\$ -	\$ -
FUND BALANCES				
Restricted	22,103	3,589	128,637	154,329
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 22,103</u>	<u>\$ 3,589</u>	<u>\$ 128,637</u>	<u>\$ 154,329</u>

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2019**

	General Education Development	Bus Driver Training	Institute	TOTALS
REVENUES				
Local sources	\$ 4,506	\$ 7,990	\$ 103,236	\$ 115,732
State sources	-	1,764	-	1,764
Investment earnings	-	-	6,415	6,415
Total Revenues	4,506	9,754	109,651	123,911
EXPENDITURES				
Salaries and benefits	-	5,728	45,016	50,744
Pension expense	-	-	5,177	5,177
Purchased services	274	747	108,915	109,936
Supplies and materials	2,386	366	25,376	28,128
Other objects	-	-	112	112
Total Expenditures	2,660	6,841	184,596	194,097
NET CHANGE IN FUND BALANCE	1,846	2,913	(74,945)	(70,186)
FUND BALANCE - BEGINNING	20,257	676	203,582	224,515
FUND BALANCE - ENDING	\$ 22,103	\$ 3,589	\$ 128,637	\$ 154,329

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2019**

	Cooperative Purchasing Fund	Flex Spending Account	Heart of Illinois Low Incidence	Regional Board of School Trustees Fund	School Facility Occupation Tax	Distributive Fund	TOTALS
ASSETS							
Cash and cash equivalents	\$ -	\$ 2,327	\$ 548,286	\$ 978	\$ -	\$ 305,868	\$ 857,459
Due from other governments	139,965	-	374,401	-	393,768	216,713	1,124,847
TOTAL ASSETS	\$ 139,965	\$ 2,327	\$ 922,687	\$ 978	\$ 393,768	\$ 522,581	\$ 1,982,306
LIABILITIES							
Due to other governments	\$ 139,965	\$ 2,327	\$ 922,687	\$ 978	\$ 393,768	\$ 522,581	\$ 1,982,306
TOTAL LIABILITIES	\$ 139,965	\$ 2,327	\$ 922,687	\$ 978	\$ 393,768	\$ 522,581	\$ 1,982,306

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2019**

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<u>Cooperative Purchasing Fund</u>				
ASSETS				
Due from other governments	\$ 129,106	\$ 139,965	\$ 129,106	\$ 139,965
Total Assets	<u>\$ 129,106</u>	<u>\$ 139,965</u>	<u>\$ 129,106</u>	<u>\$ 139,965</u>
LIABILITIES				
Due to other governments	\$ 129,106	\$ 139,965	\$ 129,106	\$ 139,965
Total Liabilities	<u>\$ 129,106</u>	<u>\$ 139,965</u>	<u>\$ 129,106</u>	<u>\$ 139,965</u>
<u>Flex Spending Account</u>				
ASSETS				
Cash and cash equivalents	\$ 9,842	\$ 9,847	\$ 17,362	\$ 2,327
Total Assets	<u>\$ 9,842</u>	<u>\$ 9,847</u>	<u>\$ 17,362</u>	<u>\$ 2,327</u>
LIABILITIES				
Due to other governments	\$ 9,842	\$ 9,847	\$ 17,362	\$ 2,327
Total Liabilities	<u>\$ 9,842</u>	<u>\$ 9,847</u>	<u>\$ 17,362</u>	<u>\$ 2,327</u>
<u>Heart of Illinois Low Incidence</u>				
ASSETS				
Cash and cash equivalents	\$ 110,333	\$ 1,592,317	\$ 1,154,364	\$ 548,286
Due from other governments	77,374	374,401	77,374	374,401
Total Assets	<u>\$ 187,707</u>	<u>\$ 1,966,718</u>	<u>\$ 1,231,738</u>	<u>\$ 922,687</u>
LIABILITIES				
Due to other governments	\$ 187,707	\$ 1,966,718	\$ 1,231,738	\$ 922,687
Total Liabilities	<u>\$ 187,707</u>	<u>\$ 1,966,718</u>	<u>\$ 1,231,738</u>	<u>\$ 922,687</u>
<u>Regional Board of School Trustees Fund</u>				
ASSETS				
Cash and cash equivalents	\$ 1,883	\$ 978	\$ 1,883	\$ 978
Total Assets	<u>\$ 1,883</u>	<u>\$ 978</u>	<u>\$ 1,883</u>	<u>\$ 978</u>
LIABILITIES				
Due to other governments	\$ 1,883	\$ 978	\$ 1,883	\$ 978
Total Liabilities	<u>\$ 1,883</u>	<u>\$ 978</u>	<u>\$ 1,883</u>	<u>\$ 978</u>

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2019**

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<u>School Facility Occupation Tax</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 5,151,756	\$ 5,151,756	\$ -
Due from other governments	433,078	393,768	433,078	393,768
Total Assets	\$ 433,078	\$ 5,545,524	\$ 5,584,834	\$ 393,768
LIABILITIES				
Due to other governments	\$ 433,078	\$ 5,545,524	\$ 5,584,834	\$ 393,768
Total Liabilities	\$ 433,078	\$ 5,545,524	\$ 5,584,834	\$ 393,768
<u>Distributive Fund</u>				
ASSETS				
Cash and cash equivalents	\$ 3,603	\$ 5,475,373	\$ 5,173,108	\$ 305,868
Due from other governments	245,629	216,713	245,629	216,713
Total Assets	\$ 249,232	\$ 5,692,086	\$ 5,418,737	\$ 522,581
LIABILITIES				
Due to other governments	\$ 249,232	\$ 5,692,086	\$ 5,418,737	\$ 522,581
Total Liabilities	\$ 249,232	\$ 5,692,086	\$ 5,418,737	\$ 522,581
TOTALS				
ASSETS				
Cash and cash equivalents	\$ 125,661	\$ 12,230,271	\$ 11,498,473	\$ 857,459
Due from other governments	885,187	1,124,847	885,187	1,124,847
Total Assets	\$ 1,010,848	\$ 13,355,118	\$ 12,383,660	\$ 1,982,306
LIABILITIES				
Due to other governments	\$ 1,010,848	\$ 13,355,118	\$ 12,383,660	\$ 1,982,306
Total Liabilities	\$ 1,010,848	\$ 13,355,118	\$ 12,383,660	\$ 1,982,306

**DEWITT, LIVINGSTON, LOGAN, AND MCLEAN COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 17
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
For the Year Ended June 30, 2019**

Program	Cornell CSD #426	Livingston County Special Services Unit	Rooks Creek CCSD #425	Heart of Illinois Low Incidence Association	Regional Office of Education #17	Total
General State Aid	\$ 248,944	\$ 345,614	\$ 31,584	\$ 144,492	\$ 1,333,071	\$ 2,103,705
State Free Lunch & Breakfast	642	434	25	-	821	1,922
Transportation - Regular & Vocational	59,222	-	39,610	-	-	98,832
Transportation - Spec Education	-	-	2,281	-	-	2,281
School Bus Driver Training	-	-	-	-	1,764	1,764
Truants Alternative/Optional Ed	-	-	-	-	121,902	121,902
Regional Safe Schools	-	-	-	-	144,472	144,472
Other State Program	-	-	-	-	556,929	556,929
ROE/ISC Operations	-	-	-	-	153,580	153,580
National School Lunch Program	29,129	12,701	3,726	-	20,635	66,191
School Breakfast Program	7,758	7,472	398	-	10,390	26,018
Title I - Low Income	75,358	-	-	-	-	75,358
Special Ed - Pre-School Flow Through	-	73,255	-	-	-	73,255
Special Ed - I.D.E.A. Flow Through	-	1,536,066	-	-	-	1,536,066
Title II - Teacher Quality	6,027	-	824	-	-	6,851
Title II - Teacher Quality - Leadership	-	-	-	-	1,715	1,715
Math and Science Partnerships	-	-	-	-	202,267	202,267
Total	\$ 427,080	\$ 1,975,542	\$ 78,448	\$ 144,492	\$ 2,547,546	\$ 5,173,108