



**STATE OF ILLINOIS
DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19**

FINANCIAL AUDIT

For the Year Ended June 30, 2016

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



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DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

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**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19**

OFFICIALS

Regional Superintendent	Dr. Darlene Ruscitti (Current and during audit period)
Assistant Regional Superintendent for Alternative Services	Ms. Joan Glotzbach (Current and during audit period)
Assistant Regional Superintendent of Business/CSBO	Dr. Jeremy Dotson (Current and during audit period)

Office is located at:

421 North County Farm Road
Wheaton, Illinois 60187-3999

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19**

FINANCIAL REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	0	0
Repeated audit findings	0	0
Prior recommendations implemented or not repeated	0	2

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

SUMMARY OF FINDINGS AND RESPONSES

FINDINGS (*GOVERNMENT AUDITING STANDARDS*)

None

PRIOR AUDIT FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

<u>Item No.</u>	<u>Description</u>	<u>Finding Type</u>
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None

An exit conference was not held as there were not any findings to discuss.

DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the DuPage County Regional Office of Education No. 19 was performed by Sikich LLP.

Based on their audit, the auditors expressed an unmodified opinion on the DuPage County Regional Office of Education No. 19's basic financial statements.

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Springfield, IL 62704
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INDEPENDENT AUDITORS' REPORT

Honorable Frank 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 DuPage County Regional Office of Education No. 19, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the DuPage County Regional Office of Education No. 19'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 DuPage County Regional Office of Education No. 19, as of June 30, 2016, 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 required supplementary information listed in the table of contents 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 the auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the DuPage County Regional Office of Education No. 19's basic financial statements. The supplementary information as listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 supplementary information as listed in the table of contents is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 19, 2018, on our consideration of the DuPage County Regional Office of Education No. 19's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the DuPage County Regional Office of Education No. 19's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Springfield, Illinois
March 19, 2018

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

Honorable Frank Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the DuPage County Regional Office of Education No. 19, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the DuPage County Regional Office of Education No. 19's basic financial statements and have issued our report thereon dated March 19, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the DuPage County Regional Office of Education No. 19's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the DuPage County Regional Office of Education No. 19's internal control. Accordingly, we do not express an opinion on the effectiveness of the DuPage County Regional Office of Education No. 19'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the DuPage County Regional Office of Education No. 19'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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the DuPage County Regional Office of Education No. 19's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the DuPage County Regional Office of Education No. 19's internal control or on the compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the DuPage County Regional Office of Education No. 19's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Springfield, Illinois
March 19, 2018

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION I – SUMMARY OF AUDITORS’ RESULTS**

For the Year Ended June 30, 2016

Financial Statements in Accordance with GAAP

Type of auditors’ report issued:

unmodified

Internal control over financial reporting:

Material weakness(es) identified?

___yes

___x no

Significant deficiency(ies) identified?

___yes

___x none reported

Noncompliance material to financial statements noted?

___yes

___x no

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS**

For the Year Ended June 30, 2016

None

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19**

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

For the Year Ended June 30, 2016

None

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2016

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
None		

BASIC FINANCIAL STATEMENTS

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
STATEMENT OF NET POSITION
June 30, 2016

	Primary Government		
	Governmental	Business-Type	Total
	<u>Activities</u>	<u>Activities</u>	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,392,530	\$ 477,557	\$ 3,870,087
Due from other governments	466,203	30,936	497,139
Due from (to) other funds	23,555	(23,555)	-
Prepaid expenses	797	528	1,325
Total current assets	3,883,085	485,466	4,368,551
Non-current assets:			
Capital assets, net of depreciation	125,881	117	125,998
Total assets	4,008,966	485,583	4,494,549
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions - TRS	34,880	-	34,880
Deferred outflows related to pensions - IMRF	174,611	-	174,611
Total deferred outflows of resources	209,491	-	209,491
LIABILITIES			
Current liabilities:			
Accounts payable	9,765	34,796	44,561
Accrued expenses	149,839	979	150,818
Due to other governments	266,669	119,664	386,333
Unearned revenue	23,192	61,160	84,352
Lease payable, current portion	9,887	-	9,887
Total current liabilities	459,352	216,599	675,951
Non-current liabilities:			
Lease payable, non-current portion	5,141	-	5,141
Net pension liability - TRS	643,615	-	643,615
Net pension liability - IMRF	317,849	-	317,849
Total non-current liabilities	966,605	-	966,605
Total liabilities	1,425,957	216,599	1,642,556
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions - TRS	489,434	-	489,434
NET POSITION			
Net investment in capital assets	110,853	117	110,970
Unrestricted	(607,845)	268,867	(338,978)
Restricted for educational purposes	2,800,058	-	2,800,058
Total net position	\$ 2,303,066	\$ 268,984	\$ 2,572,050

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
STATEMENT OF ACTIVITIES
Year Ended June 30, 2016

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	Primary Government		<u>Total</u>
				<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Primary government:						
Governmental activities:						
Education:						
Salaries	\$ 1,040,048	\$ 23,323	\$ 812,812	\$ (203,913)	\$ -	\$ (203,913)
Benefits	203,378	6,361	195,075	(1,942)	-	(1,942)
Pension expense	41,213	-	-	(41,213)	-	(41,213)
Purchased services	956,658	390,123	536,456	(30,079)	-	(30,079)
Supplies and materials	65,269	-	56,897	(8,372)	-	(8,372)
Other objects	1,874	-	-	(1,874)	-	(1,874)
Capital outlay	19,753	4,240	24,384	8,871	-	8,871
Depreciation and disposition losses	61,694	-	-	(61,694)	-	(61,694)
Intergovernmental:						
Payments to other governments	3,106,236	-	-	(3,106,236)	-	(3,106,236)
Administrative:						
On-behalf payments	1,982,437	-	1,982,437	-	-	-
Total governmental activities	7,478,560	424,047	3,608,061	(3,446,452)	-	(3,446,452)
Business-type activities:						
Other	1,337,652	1,121,570	-	-	(216,082)	(216,082)
Total primary government	\$ 8,816,212	\$ 1,545,617	\$ 3,608,061	(3,446,452)	(216,082)	(3,662,534)
General revenues:						
Local sources				580,090	-	580,090
State sources				3,185,225	-	3,185,225
Investment income				4,011	3,570	7,581
Transfers				(8,010)	8,010	-
Total general revenues and transfers				3,761,316	11,580	3,772,896
CHANGE IN NET POSITION				314,864	(204,502)	110,362
NET POSITION, BEGINNING OF YEAR				1,988,202	473,486	2,461,688
NET POSITION, END OF YEAR				\$ 2,303,066	\$ 268,984	\$ 2,572,050

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	Special Revenue				
<u>General Fund</u>	<u>Institute Fund</u>	<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total Governmental Funds</u>	
ASSETS					
Cash and cash equivalents	\$ 594,641	\$ 2,226,764	\$ 308,418	\$ 262,707	\$ 3,392,530
Due from other governments	47,060	-	414,158	4,985	466,203
Due from other funds	157,698	13,956	-	478	172,132
Prepaid expenses	797	-	-	-	797
Total assets	800,196	2,240,720	722,576	268,170	4,031,662
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
	\$ 800,196	\$ 2,240,720	\$ 722,576	\$ 268,170	\$ 4,031,662
LIABILITIES					
Accounts payable	\$ 2,328	\$ -	\$ 7,337	\$ 100	\$ 9,765
Accrued expenses	25,080	267	124,435	57	149,839
Due to other governments	139,226	-	127,443	-	266,669
Due to other funds	-	16,197	132,380	-	148,577
Unearned revenue	-	-	22,942	250	23,192
Total liabilities	166,634	16,464	414,537	407	598,042
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	93,832	-	93,832
FUND BALANCE					
Nonspendable	797	-	-	-	797
Restricted	-	2,224,256	286,096	267,763	2,778,115
Unassigned	632,765	-	(71,889)	-	560,876
Total fund balance	633,562	2,224,256	214,207	267,763	3,339,788
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
	\$ 800,196	\$ 2,240,720	\$ 722,576	\$ 268,170	\$ 4,031,662

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

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2016**

Total fund balance of governmental funds	\$	3,339,788
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		125,881
<p>Receivables not collected within 60 days of year end are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable revenue in the funds.</p>		93,832
<p>Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:</p>		
Deferred outflows of resources - TRS		34,880
Deferred outflows of resources - IMRF		174,611
Deferred inflows of resources - TRS		(489,434)
		(279,943)
<p>Non-current liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.</p>		
Capital lease obligations		(15,028)
Net pension liability - TRS		(643,615)
Net pension liability - IMRF		(317,849)
		(976,492)
Net position of governmental activities	\$	2,303,066

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	Special Revenue				
General Fund	Institute Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds	
REVENUES:					
Local sources	\$ 584,101	\$ 378,819	\$ 104,839	\$ 45,244	\$ 1,113,003
State sources	3,185,225	-	1,239,461	4,835	4,429,521
Federal sources	-	-	182,657	-	182,657
On-behalf payments	1,631,150	-	-	-	1,631,150
Total revenues	5,400,476	378,819	1,526,957	50,079	7,356,331
EXPENDITURES:					
Education:					
Salaries	155,673	2,749	879,673	1,953	1,040,048
Benefits	29,416	1,121	172,678	163	203,378
Pension expense	8,377	193	48,078	-	56,648
Purchased services	292,947	65,683	586,363	11,665	956,658
Supplies and materials	4,241	-	60,968	60	65,269
Other objects	584	-	232	-	816
On-behalf payments	1,631,150	-	-	-	1,631,150
Intergovernmental:					
Payments to other governments	3,101,199	-	5,037	-	3,106,236
Capital outlay	9,298	725	25,773	-	35,796
Debt service:					
Repayment of long-term lease payable	9,382	-	-	-	9,382
Financing cost	1,058	-	-	-	1,058
Total expenditures	5,243,325	70,471	1,778,802	13,841	7,106,439
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	157,151	308,348	(251,845)	36,238	249,892
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	2,537	-	2,537
Transfers out	(2,537)	-	(8,010)	-	(10,547)
Total other financing sources (uses)	(2,537)	-	(5,473)	-	(8,010)
NET CHANGE IN FUND BALANCE	154,614	308,348	(257,318)	36,238	241,882
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)	478,948	1,915,908	471,525	231,525	3,097,906
FUND BALANCE, END OF YEAR	\$ 633,562	\$ 2,224,256	\$ 214,207	\$ 267,763	\$ 3,339,788

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

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended June 30, 2016**

Net change in fund balance \$ 241,882

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	\$ 16,043	
Depreciation and disposition losses	(61,694)	(45,651)

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

Fiscal year 2015 unavailable revenue recognized in fiscal year 2016	(16)	
Fiscal year 2016 unavailable revenue	93,832	93,816

Some expenses in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds. These activities consist of:

Decrease in capital lease obligations	9,382	
Decrease in net pension liability - TRS	111,132	
Increase in net pension liability - IMRF	(95,697)	
		24,817

Change in net position of governmental activities \$ 314,864

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2016

Business Type Activities - Enterprise Funds

	<u>Major Funds</u>		<u>Nonmajor Fund</u>	
	<u>Teacher Inservice for DuPage Educators</u>	<u>Local Services</u>	<u>Criminal Background Investigation</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 370,633	\$ 16,308	\$ 90,616	\$ 477,557
Due from other governments	-	18,715	12,221	30,936
Due from other funds	5,109	15,402	117	20,628
Prepaid expenses	-	-	528	528
Total current assets	375,742	50,425	103,482	529,649
Non-current assets:				
Capital assets, net of depreciation	-	117	-	117
Total assets	375,742	50,542	103,482	529,766
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
LIABILITIES				
Current liabilities:				
Accounts payable	3,500	31,296	-	34,796
Accrued expenses	-	979	-	979
Due to other governments	113,476	-	6,188	119,664
Due to other funds	26,080	5,498	12,605	44,183
Unearned revenue	57,300	3,860	-	61,160
Total current liabilities	200,356	41,633	18,793	260,782
DEFERRED INFLOWS OF RESOURCES				
None	-	-	-	-
NET POSITION				
Net investment in capital assets	-	117	-	117
Unrestricted	175,386	8,792	84,689	268,867
TOTAL NET POSITION	\$ 175,386	\$ 8,909	\$ 84,689	\$ 268,984

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2016

Business Type Activities - Enterprise Funds

	<u>Major Funds</u>		<u>Nonmajor Fund</u>	
	<u>Teacher Inservice for DuPage Educators</u>	<u>Local Services</u>	<u>Criminal Background Investigation</u>	<u>Total</u>
OPERATING REVENUES:				
Local sources	\$ 734,040	\$ 312,373	\$ 75,157	\$ 1,121,570
OPERATING EXPENSES:				
Salaries	-	7,900	-	7,900
Benefits	-	2,321	-	2,321
Purchased services	82,100	546,404	7,300	635,804
Supplies and materials	3,332	7,581	1,188	12,101
Payment to other governments	574,136	-	51,631	625,767
Other objects	-	50,236	-	50,236
Capital outlay	1,325	1,380	700	3,405
Depreciation	-	118	-	118
Total operating expenses	660,893	615,940	60,819	1,337,652
OPERATING INCOME (LOSS)	73,147	(303,567)	14,338	(216,082)
NONOPERATING REVENUES				
Interest revenue	497	3,073	-	3,570
CHANGE IN NET POSITION BEFORE TRANSFERS	73,644	(300,494)	14,338	(212,512)
Transfers in	-	18,064	-	18,064
Transfers out	(10,054)	-	-	(10,054)
Total transfers	(10,054)	18,064	-	8,010
CHANGE IN NET POSITION	63,590	(282,430)	14,338	(204,502)
NET POSITION, BEGINNING OF YEAR	111,796	291,339	70,351	473,486
NET POSITION, END OF YEAR	\$ 175,386	\$ 8,909	\$ 84,689	\$ 268,984

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2016

	Business-Type Activities Enterprise Funds			
	Major Funds		Nonmajor Fund	
	Teacher Inservice for DuPage Educators	Local Services	Criminal Background Investigation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts for workshops and services	\$ 670,526	\$ 367,009	\$ 70,431	\$ 1,107,966
Payments to suppliers and providers of goods and services	(691,215)	(588,963)	(57,442)	(1,337,620)
Payments to employees	-	(9,242)	-	(9,242)
Net cash provided by (used in) operating activities	<u>(20,689)</u>	<u>(231,196)</u>	<u>12,989</u>	<u>(238,896)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund loans	(17,348)	-	-	(17,348)
Transfers from (to) other funds	(10,054)	18,064	-	8,010
Net cash provided by (used in) noncapital financing activities	<u>(27,402)</u>	<u>18,064</u>	<u>-</u>	<u>(9,338)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest	497	3,073	-	3,570
NET CHANGE IN CASH AND CASH EQUIVALENTS	(47,594)	(210,059)	12,989	(244,664)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>418,227</u>	<u>226,367</u>	<u>77,627</u>	<u>722,221</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 370,633</u>	<u>\$ 16,308</u>	<u>\$ 90,616</u>	<u>\$ 477,557</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 73,147	\$ (303,567)	\$ 14,338	\$ (216,082)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	118	-	118
Effects of changes in assets and liabilities:				
Accounts receivable	1,193	150	1,364	2,707
Due from other governments	-	65,626	(6,090)	59,536
Prepaid expenses	-	4	(167)	(163)
Accounts payable	3,181	18,069	-	21,250
Accrued expenses	-	979	-	979
Due to other governments	(33,503)	(1,435)	3,544	(31,394)
Unearned revenue	(64,707)	(11,140)	-	(75,847)
Net cash provided by (used in) operating activities	<u>\$ (20,689)</u>	<u>\$ (231,196)</u>	<u>\$ 12,989</u>	<u>\$ (238,896)</u>

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

DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the DuPage County Regional Office of Education No. 19 (ROE) substantially comply with the rules prescribed by the Illinois State Board of Education (ISBE). These accounting policies conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies.

A. Reporting Entity

The ROE operates under the School Code (Articles 5/3 and 5/3A of Illinois Compiled Statutes, Chapter 105). The ROE encompasses DuPage County. The Regional Superintendent of Schools (Regional Superintendent) serves as chief administrative officer of the ROE and is elected pursuant to Article 3, Illinois Compiled Statutes, Chapter 105. The principal financial duty of the Regional Superintendent is to receive and distribute monies due to school districts from general state aid, state categorical grants, and various other sources.

The Regional Superintendent is charged with the responsibility for township fund lands; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers' institutes as well as to aid and encourage the formation of other teachers meetings and assist in their management; evaluate the schools in the region; examine evidence of indebtedness; file and keep returns of elections required to be returned to the Regional Superintendent's office; and 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 school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education No. 19 districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

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

DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

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

For the period ended June 30, 2016, the ROE 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. 19.

The ROE reporting entity includes all related organizations for which they exercise oversight responsibility.

These are the only activities considered to be part of (controlled by or dependent on) the ROE, as determined by the application of the criteria set forth in Governmental Accounting Standards Board. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Regional Office to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Regional Office.

The districts 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 ROE does not control the assets, operations, or management of the districts. In addition, the ROE is not aware of any entity which would exercise such oversight as to result in the ROE being considered a component unit of the entity.

Based on this criteria, the expenditures paid through the funds of DuPage County, for operation of the ROE, are not included in the reporting entity since it is the county board that authorizes, oversees, and controls these expenditures.

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay current liabilities. The ROE considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues received more than 60 days after the end of the current period are deferred inflows of resources in the governmental fund financial statements, but are recognized as current revenues in the government-wide financial statements. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Revenues from local sources consist primarily of fees charged to school districts for services rendered by the ROE. Miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Grant funds from the State of Illinois are considered to be earned to the extent of expenditures made under the provisions of the grant. Investment earnings are recorded as earned since they are measurable and available.

DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred inflows of resources, liabilities and deferred outflows of resources associated with the operation of these funds are included on the Statement of Net Position. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total position. The accrual basis of accounting is utilized by the proprietary fund type. Under this basis of accounting, revenues are recognized when earned and expenses are recognized when the related liability is incurred.

The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the ROE's policy to use restricted resources first, then unrestricted resources as they are needed. For unrestricted fund balances, assigned funds are used first, then unassigned, if any.

The ROE reports the following major governmental funds:

General Fund - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund. The ROE's General Fund accounts include the following:

- Reading First - This program is designed to provide professional development for teachers in schools participating in the Reading First program.
- ROE Operations - Used to accumulate miscellaneous receipts used to support the day to day expenses of the ROE, including General State Aid.
- Regional Safe Schools and General State Aid - These funds provide programs for disruptive students who are eligible for suspension or expulsion. The programs provide individually designed curriculum, social skills training, career exploration and work experience opportunities, and opportunities to work toward re-entry into the traditional programs, if appropriate.
- Area I - This revenue is received from local sources and used for expenses incurred for Area I programs.

DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- Truant Minors in Need of Supervision (TMINS) - These funds provide programs for one of the Alternative Learning Opportunities Programs (ALOP) that provides an alternative learning environment and includes individualized instruction, small classes and counseling sessions.
- Superintendent Leadership Collaborative - These funds are designated for those superintendents who wish to join a superintendent network group in DuPage County.
- Personnel Administrators Coming Together - These funds are designated for those Personnel Administrators who wish to join a personnel network group in DuPage County.
- DuPage County Curriculum Directors - These funds are designated for those Curriculum Directors who wish to join a curriculum network group in DuPage County.
- ALOP Safe School and GED Tuition - Local Unrestricted ALOP Student Tuition and Student Fees charged by the DuPage ROE to those school districts within DuPage County who have transferred their students into a ALOP or GED program at the DuPage ROE.

Special Revenue Funds - Accounts for and reports the proceeds of specific revenue sources (other than fiduciary or major capital projects) that are restricted to expenditures for specified purposes. The ROE reported the following special revenue funds as major governmental funds:

- Institute Fund - 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 for the purpose of defraying the expense of any general or special meeting of teachers or school personnel, which has been approved by the ROE. All funds generated remain restricted until expensed only on the aforementioned activities.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- Education Fund - This fund accounts for and reports proceeds from sources that are restricted by grant agreements or contracts to expenditures for specified purposes supporting education enhancement programs as follows:
 - Regional Safe Schools - These grant funds provide programs for disruptive students who are eligible for suspension or expulsion. The programs provide individually designed curriculum, social skills training, career exploration and work experience opportunities, and opportunities to work toward re-entry into the traditional programs, if appropriate.
 - Early Childhood Parenting Program - Accounts for monies received for, and payment of, expenditures for developing and operating programs for parents of young children.
 - Truants' Alternative Program - Accounts for grant monies received for, and payment of, expenditures of providing support services and evaluating compliance with recommendations to DuPage County Truants and their parents.
 - McKinney Education for Homeless Children - This grant provides funds for providing information to schools, community members and government entities about the educational rights of homeless students.
 - Workforce Investment Act - These funds provide programs for the Workforce Investment Act.
 - Title I - Grants to Local Educational Agencies - ROE #56 (System of Support (RESPRO)) - Grant monies in this fund are used to provide professional development activities to schools that are on Illinois' Academic Watch List. To be on the list, students in the buildings have not made Adequate Yearly Progress for at least two years. The funding sources for this grant are Title I, Title II, and State appropriated monies.
 - Technology for Success - These funds provide a coordinated, statewide support infrastructure which assists school districts in planning for, implementing, assessing results and educating staff in the use of technology and telecommunications in curricular, instructional and administrative functions.
 - Social Emotional Learning Standards Professional Development Program (SEL-PDP) - This program provides training and technical assistance to incorporate social-emotional learning standards into daily instructions.
 - Illinois New Principal Mentoring - These funds are intended to help support the State-wide program to ensure that every new principal in Illinois receives a high-quality mentoring experience that focuses on professional development experiences and enhances a new principal's leadership. In this program, new leaders receive mentoring from proven, trained mentors who are paired with new principals based on geography, grade level, and need.

DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- Teacher Mentoring Pilot Program - These funds are intended to help support the State-wide new teacher mentoring program that includes assigning a mentor teacher to each new teacher for a period of two years and providing professional development designed to ensure the growth of the new teachers' knowledge and skills.
- Gifted Education - These funds provide for professional learning opportunities in the area of gifted children. A series of modules, each created for a specific purpose, was offered to assist educators in their efforts to support the social/emotional health and development of students of high potential, address their diverse needs, and facilitate at least a year's achievement of growth and development.
- Career & Technical Education Improvement - These funds assist to develop the academic and career and technical skills of secondary education students and postsecondary education students who elect to enroll in career and technical education programs.
- ROE/ISC Operations - Monies received from local and State sources to help support the day to day operating expenses of the ROE.
- Illinois Partnership Advancing Rigorous Training - These funds are used to account for the educational training program contracted between the ROE and Illinois State University.
- Title II Teacher Quality Leadership - Federal funds used to provide professional development training to teachers for improvement of instruction in the classroom.
- Title II Teacher Quality - Federal funds used to provide professional development training to teachers for improvement of instruction in the classroom.
- Spelling Bee - These funds are used to operate and track local Spelling Bee donations and program activities.
- Parents as Teachers/Early Childhood Parenting Program - Keeneyville - Accounts for monies received for, and payment of, expenditures for developing and operating programs for parents of young children in the Keeneyville School District Community.
- Pilot Regional Safe Schools Cooperative Education Program (RSSPCE) - These funds assist to counseling student in the development of academic, career training, behavior skills to better prepare them for the job market post-secondary education.

DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- Regional School Board Petition Grant - The Regional School Board Petition Grant upholds an account utilized for monies funded by residents within DuPage County who submit a petition against a DuPage County School District/s regarding annexation or detachment boundary matters. These funds are allocated to pay fees for publication, attorneys, court reporters and transcripts/manuscripts needed for board meetings and possible hearings by the Regional Board of School Trustees.

Nonmajor Special Revenue Funds - All other special revenue funds not classified under Education Fund are grouped under this fund for financial statement presentation.

- General Education Development - These funds are provided for the processing of applications for the high school level Test of General Educational Development and the issuance of diplomas upon the successful completion of the examination. Statutes require excess funds to be transferred into the Institute Fund.
- Bus Driver Training - These funds are collected from the issuance of school bus driver permits and are used to sponsor instructional training courses for school bus drivers.
- Supervisory - These funds are an annual appropriation of State common school funds for the expenses incurred in providing supervisory services.

Proprietary Funds

Proprietary Funds - Account for activities whose costs are funded by fees and charges. These fees and charges are paid by external users for goods or services.

The ROE reported the following proprietary funds as major funds:

- Teacher Inservice for DuPage Educators - This program is used for graduate courses offered to DuPage educators and administrators.
- Local Services - These funds are associated with workshops conducted by the ROE. In addition, this fund accounts for the revenues and expenses of the Administrator's Academy and Gifted Planning Activities.

The ROE reported the following proprietary fund as nonmajor:

- Criminal Background Investigation - These funds are used to account for the assessments received from the school district to pay for the processing of fingerprinting the substitute teachers and expenditures incurred providing the service to the school districts.

DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Revenues - Exchange and Non-exchange Transactions

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

Nonexchange transactions, in which the ROE receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the ROE must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the ROE on a reimbursement basis. On a modified basis, revenue from non-exchange transactions must be available before it can be recognized.

E. Cash and Cash Equivalents

Cash consists of demand deposits. The ROE considers highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents. There were no investments to be reported as fair value as of June 30, 2016.

F. Due From Other Governments

Due from other governmental units and agencies is reported at gross with no allowance for uncollectibles since management believes the amount of any uncollectible accounts is immaterial.

G. Capital Assets

Capital assets, which include building improvements and furniture and equipment, are reported in the applicable governmental column in the government-wide financial statements.

General capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their acquisition value on the date received. The ROE records all capital items, which are individually greater than \$2,000, with a useful life of greater than one year, as capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture and equipment	5-10
Building improvements	20

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

H. Unearned Revenue

Grants and assistance received from other governmental units are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB 33, have been met. Any resources received before eligibility requirements are met are reported as unearned revenues.

I. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Teachers' Retirement System of the State of Illinois (TRS) and Illinois Municipal Retirement Fund (IMRF) and additions to/deductions from TRS' and IMRF's fiduciary net positions have been determined on the same basis as they are reported by TRS and IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

J. Unavailable Revenue

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. Unavailable revenue in the governmental fund financial statements 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. Unavailable revenue consist of receivables not collected within 60 days after year end.

DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows of Resources/Deferred Inflows of Resources

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

Deferred inflows of resources 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. Deferred inflows of resources in the governmental funds consist of unavailable revenue. Deferred inflows of resources in the Statement of Net Position relate to pensions and consist of the unamortized portion of the net difference between expected and actual experience, changes of assumptions, and the net difference between projected and actual earnings on pension plan investments.

L. Net Position

In the government-wide financial statements net position is displayed in three components:

Net investment in capital assets - Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition 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 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.

M. Fund Balance

Fund Balance is the net amount of assets, deferred outflows of resources, liabilities, and 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 - The portion of a Governmental Fund's fund balance that is not available to be spent, either short term or long term, in either form or through legal restrictions. The nonspendable fund balance reported is nonspendable in form for prepaid expenses.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Balance (Continued)

Restricted - The portion of a Governmental Fund's fund balance that is subject to external enforceable legal restrictions. The following fund balances are restricted by grant agreements or contracts: System of Support (RESPRO), Social Emotional Learning Standards Professional Development Program (SEL-PDP), Illinois New Principal Mentoring, Teacher Mentoring Pilot Program, ROE/ISC Operations, Illinois Partnership Advancing Rigorous Training, Spelling Bee and Regional School Board Petition Grant. The following funds are restricted by Illinois Statute: Institute Fund, General Education Development, Bus Driver Training and Supervisory.

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

Assigned - The portion of a Governmental Fund's fund balance to denote an intended use of resources. The accounts presented with assigned fund balance are specified for a particular purpose by the Regional Superintendent. There are no accounts presenting an assigned fund balance.

Unassigned - Available expendable financial resources in a Governmental Fund that are not designated for a specified purpose. The unassigned fund balance is made up of the following accounts: Reading First, ROE Operations, Area I, Truant Minors in Need of Supervision (TMINS), Superintendent Leadership Collaborative, Personnel Administrators Coming Together, DuPage County Curriculum Directors, ALOP Safe School and GED Tuition, Regional Safe Schools, Early Childhood Parenting Program, Truants' Alternative Program, McKinney Education for Homeless Children, Workforce Investment Act, Technology for Success, Career & Technical Education Improvement, Title II Teacher Quality Leadership, Parents As Teachers/Early Childhood Parenting Program - Keeneyville, and RSSPCE.

N. Use of Estimates

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

DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

P. Budgetary Data

The ROE did not formally adopt a budget for the year ended June 30, 2016 and is not legally required to do so; subsequently, the accompanying financial statements are not presented on a budgetary basis whereby budget and actual revenues and expenditures are compared; however, the Illinois State Board of Education requires budgets for certain State and Federal programs. These budgets were used to prepare Budgetary Comparison Schedules for the following programs:

Special Revenue Funds:

- Education Fund:
 - Regional Safe Schools
 - Early Childhood Parenting Program
 - Truants' Alternative Program
 - Career & Technical Education Improvement
 - ROE/ISC Operations
 - Title II Teacher Quality Leadership
 - Title II Teacher Quality

Q. New Accounting Pronouncements

In 2016, DuPage County Regional Office of Education No. 19 implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; GASB No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68*; and GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. These statements had no significant impact on the financial statements for DuPage County Regional Office of Education No. 19.

DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Subsequent Events

Management has evaluated subsequent events through the date these financial statements were available for issuance, and determined that there were no significant non-recognized subsequent events through that date.

NOTE 2 - CASH AND CASH EQUIVALENTS

The ROE has adopted an investment policy to invest in those instruments as defined: bonds, notes certificates of indebtedness, treasury bills and other securities now or hereafter issued by the United States of America, its agencies and allowable instrumentalities, interest bearing savings accounts, interest bearing certificates of deposit or interest bearing time deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, certificates of deposit with federally insured institutions that are collateralized or insured at levels to the organization in excess of the \$250,000 provided by the Federal Deposit Insurance Corporation coverage limit, collateralized repurchase agreements; commercial paper meeting all requirements, the Illinois Public Treasurer's Investment pool, the Illinois School District Liquid Asset Fund, investments may be made only in those savings banks or savings and loan association which are insured by the FDIC, investments that are considered as derivatives are specifically excluded from the approved investments.

Bank Deposits

Custodial Credit Risk - Custodial credit risk for deposits with financial institutions is the risk that, in the event of bank failure, the ROE's deposits may not be returned to it. The ROE's investment policy requires deposits in excess of FDIC limits to be secured by collateral or private insurance held in safekeeping at a third party institution and evidenced by a written agreement. At June 30, 2016, the bank balance of the ROE totaled \$4,537,219. All of the bank balances are covered by federal depository insurance, collateral held by the ROE, or by a repurchasing agreement. The securities underlying the repurchase agreement are held in safekeeping by the selling institution not in the ROE's name, which exposes the securities to custodial credit risk. The fair value of the securities underlying the repurchase agreement was \$2,472,868 as of June 30, 2016.

Investments

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the ROE will not be able to recover the value of its investments that are in possession of an outside party. The ROE currently does not have a policy for custodial credit risk for investments.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)

Investments (Continued)

Interest Rate Risk - The interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment; generally, the longer the maturity of the investment, the greater the sensitivity of its fair value to changes in market interest rates. The ROE currently does not have an Interest Rate Risk policy; however, it is the ROE's practice to reduce its exposure to the risk by structuring the ROE's portfolio so that securities mature to meet the ROE's cash requirements for ongoing operations. As of June 30, 2016, all of the ROE's investments have investment maturities of less than three months.

Another practice the ROE uses to reduce the Interest Rate Risk is to utilize the Illinois Funds Money Market Fund, which was created by the Illinois General Assembly, and enables custodians of public funds an investment option with competitive rate of return on fully collateralized investments and immediate access to the funds.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The ROE does not have the credit risk policy; however, it is the ROE's practice to limit its exposure to credit risk by investing in money markets that invest in U.S. Treasury cash reserves.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single user. The ROE does not have a policy that specifically addresses concentration of risk. As of June 30, 2016, the ROE had approximately 64% of its investment portfolio in repurchase agreements with a local bank that was fully collateralized by U.S. agency obligations. The investment in money market funds, which is 31% of total investments, consists only of short-term U.S. Treasury securities. The investment in the Illinois Funds investment pool is subject to the Illinois Fund's investment policy, which limits investment categories to not exceed 25% of the portfolio, with the exception of cash equivalents and U.S. Treasury securities.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 3 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2016 is as follows:

	<u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2016</u>
Governmental Funds:				
Furniture and equipment	\$ 723,198	\$ 16,043	\$ (55,190)	\$ 684,051
Building improvements	<u>103,300</u>	<u>-</u>	<u>-</u>	<u>103,300</u>
Total capital assets	<u>826,498</u>	<u>16,043</u>	<u>(55,190)</u>	<u>787,351</u>
Less: accumulated depreciation				
Furniture and equipment	577,986	52,616	(51,277)	579,325
Building improvements	<u>76,980</u>	<u>5,165</u>	<u>-</u>	<u>82,145</u>
Total accumulated depreciation	<u>654,966</u>	<u>57,781</u>	<u>(51,277)</u>	<u>661,470</u>
Capital assets, net	<u>\$ 171,532</u>	<u>\$ (41,738)</u>	<u>\$ (3,913)</u>	<u>\$ 125,881</u>
Proprietary Funds:				
Furniture and equipment	\$ 589	\$ -	\$ -	\$ 589
Less: accumulated depreciation				
Furniture and equipment	<u>354</u>	<u>118</u>	<u>-</u>	<u>472</u>
Capital assets, net	<u>\$ 235</u>	<u>\$ (118)</u>	<u>\$ -</u>	<u>\$ 117</u>

Depreciation expense was charged as follows:

Governmental Funds:	
Education	\$ 57,781
Proprietary Funds:	
Professional Development	<u>118</u>
Total depreciation expense	<u>\$ 57,899</u>

NOTE 4 - LEASE COMMITMENTS

The following is a summary of changes in lease commitments for the year ended June 30, 2016:

	<u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2016</u>	<u>Due within one year</u>
Governmental Funds:					
Capital lease payable	<u>\$ 24,410</u>	<u>\$ -</u>	<u>\$ 9,382</u>	<u>\$ 15,028</u>	<u>\$ 9,887</u>

The ROE has entered into lease agreements as lessee for financing the acquisition of its copiers. These lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of the future minimum lease payments as of the inception date in the capital assets account.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 4 - LEASE COMMITMENTS (Continued)

The present value of future minimum lease payments and total minimum annual lease payments for capital leases recorded in the government-wide statement of net position at June 30, 2016 were as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 10,440
2018	<u>5,220</u>
Total minimum lease payments	15,660
Less: amount representing interest	<u>632</u>
Present value of minimum lease payments	<u>\$ 15,028</u>

Assets under capital lease amounted to \$45,823, and the related accumulated depreciation amounted to \$32,076.

The ROE leases office space for its Lombard and Addison operations. The agreements generally require the ROE to pay executor costs. Rental expense for the year ended June 30, 2016 was \$200,554.

On August 28, 2013, the DuPage County Regional Office of Education No. 19 entered into a lease agreement for its Addison Operations. The agreement commenced on July 1, 2013 and terminates on June 30, 2018. The agreement provides for a renewal option to extend up to June 30, 2021. The lease calls for annual rent of \$98,466, payable in equal monthly installments. Annual rent increases on and as of July 1, 2014 and July 1 of each successive year of the lease term by three percent (3%) or the most recently published CPI applicable to the City of Chicago, whichever is greater, but in no event more than five percent (5%) per year.

On May 13, 2014 the DuPage County Regional Office of Education No. 19 entered into a lease agreement for its Lombard Operations. The agreement commenced on July 1, 2014 and terminates on June 30, 2019. The lease calls for annual rent of \$98,264, payable in equal quarterly installments. Annual rent increases will be determined by the Lessor's Board of Education, not to exceed five percent (5%) per year.

At June 30, 2016 future minimum payments under noncancelable operating leases with remaining terms in excess of one year were as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 215,933
2018	224,577
2019	<u>119,440</u>
Total	<u>\$ 559,950</u>

DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 5 - SALARIES AND PENSION PLAN CONTRIBUTIONS

The salaries of the Regional Superintendent and the Assistant Regional Superintendent are paid by the State of Illinois. The salaries of DuPage County employees that work for the Regional Office of Education No. 19 are paid by DuPage County. DuPage County pays for these employees' salaries as well as the employer contributions made to postretirement medical plans (OPEB) and the Illinois Municipal Retirement Fund (IMRF). Postretirement medical plans (OPEB) obligations for DuPage County Regional Office of Education No. 19 employees are included in DuPage County's postretirement medical plans (OPEB) obligation. IMRF pension plan obligations for DuPage County Regional Office of Education No. 19 employees are included in the statistics IMRF provides to DuPage County.

NOTE 6 - RETIREMENT FUND COMMITMENTS

Teachers' Retirement System of the State of Illinois

Plan description

DuPage County Regional Office of Education No. 19 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 nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, 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 I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

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

DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 6 - RETIREMENT FUND COMMITMENTS (Continued)

Teachers' Retirement System of the State of Illinois (Continued)

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

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by DuPage County Regional Office of Education No. 19.

On behalf contributions to TRS. The state of Illinois makes employer pension contributions on behalf of DuPage County Regional Office of Education No. 19. For the year ended June 30, 2016, state of Illinois contributions recognized by DuPage County Regional Office of Education No. 19 were based on the state's proportionate share of the collective net pension liability associated with DuPage County Regional Office of Education No. 19, and DuPage County Regional Office of Education No. 19 recognized revenue and expenditures of \$351,287 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, 2016, were \$3,886 and are deferred because they were paid after the June 30, 2015 measurement date.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by DuPage County Regional Office of Education No. 19, there is a statutory requirement for DuPage County Regional Office of Education No. 19 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 6 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Teachers' Retirement System of the State of Illinois (Continued)

For the year ended June 30, 2016, the employer pension contribution was 36.06 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2016, salaries totaling \$25,258 were paid from federal and special trust funds that required employer contributions of \$9,108. These contributions are deferred because they were paid after the June 30, 2015 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. DuPage County Regional Office of Education No. 19 is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2016, DuPage County Regional Office of Education No. 19 paid no employer contributions under the ERO program.

DuPage County Regional Office of Education No. 19 is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2016, DuPage County Regional Office of Education No. 19 did not make any employer contributions to TRS due on salary increases in excess of 6 percent or for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2016, DuPage County Regional Office of Education No. 19 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's proportionate share of the net pension liability	\$ 643,615
State's proportionate share of the net pension liability associated with the employer	4,287,726
Total	\$ 4,931,341

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 6 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Teachers' Retirement System of the State of Illinois (Continued)

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 and rolled forward to June 30, 2015. DuPage County Regional Office of Education No. 19's proportion of the net pension liability was based on DuPage County Regional Office of Education No. 19's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2015, DuPage County Regional Office of Education No. 19's proportion was 0.0009824668 percent, which was a decrease of 0.0000197906 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, DuPage County Regional Office of Education No. 19 recognized pension expense of \$351,287 and revenue of \$351,287 for support provided by the state. For the year ended June 30, 2016, DuPage County Regional Office of Education No. 19 recognized pension income of \$98,138. At June 30, 2016, DuPage County Regional Office of Education No. 19 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 239	\$ 705
Net difference between projected and actual earnings on pension plan investment	12,746	22,537
Changes of assumptions	8,901	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	466,192
Employer contributions subsequent to the measurement date	12,994	-
Total	<u>\$ 34,880</u>	<u>\$ 489,434</u>

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 6 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Teachers' Retirement System of the State of Illinois (Continued)

\$12,994 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, 2017. 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:	
2017	\$ (150,919)
2018	(150,919)
2019	(150,919)
2020	<u>(14,791)</u>
Total	<u>\$ (467,548)</u>

Actuarial assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	Varies by amount of service credit
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions for the years ended June 30, 2015 and 2014 were different. The actuarial assumptions used in the June 30, 2015 valuation were based on the 2015 actuarial experience analysis. The investment return assumption remained at 7.5 percent, salary increase assumptions were lowered, retirement rates were increased, mortality updates were made and other assumptions were revised. The actuarial assumptions used in the June 30, 2014 valuations were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered from their 2013 levels.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 6 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Teachers' Retirement System of the State of Illinois (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. large cap	18%	7.53%
Global equity excluding U.S.	18	7.88
Aggregate bonds	16	1.57
U.S. TIPS	2	2.82
NCREIF	11	5.11
Opportunistic real estate	4	9.09
ARS	8	2.57
Risk parity	8	4.87
Diversified inflation strategy	1	3.26
Private equity	14	12.33
Total	100%	

Discount rate

At June 30, 2015, the discount rate used to measure the total pension liability was a blended rate of 7.47 percent, which was a change from the June 30, 2014 rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2015 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 6 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Teachers' Retirement System of the State of Illinois (Continued)

At June 30, 2014, the discount rate used to measure the total pension liability was 7.50 percent. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

Sensitivity of DuPage County Regional Office of Education No. 19's proportionate share of the net pension liability to changes in the discount rate

The following presents DuPage County Regional Office of Education No. 19's proportionate share of the net pension liability calculated using the discount rate of 7.47 percent, as well as what DuPage County Regional Office of Education No. 19's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.47 percent) or 1-percentage-point higher (8.47 percent) than the current rate.

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
Regional Office of Education No. 19's proportionate share of the net pension liability	<u>\$ 795,350</u>	<u>\$ 643,615</u>	<u>\$ 519,188</u>

TRS fiduciary net position

Detailed information about the TRS's fiduciary net position as of June 30, 2015 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

Illinois Municipal Retirement Fund

The DuPage County Regional Office of Education No. 19 contributes, through DuPage County, to the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. However, the Regional Office of Education No. 19's participation in IMRF is equivalent to a cost sharing multiple-employer pension plan since only one actuarial valuation is performed for both DuPage County and the Regional Office of Education No. 19 combined. All disclosures for an agent plan can be found in DuPage County's annual financial report.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 6 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Illinois Municipal Retirement Fund (Continued)

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable. Investments are reported at fair value.

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. DuPage County and the Regional Office of Education No. 19 are required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended 2015 was 12.88% of covered payroll. For the year ended June 30, 2016, salaries totaling \$338,830 were paid that required employer contributions of \$43,654, which was equal to the Regional Office of Education's actual contributions.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 6 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Illinois Municipal Retirement Fund (Continued)

Net Pension Liability

At June 30, 2016, the Regional Office of Education No. 19 reported a liability of \$317,849 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Regional Office of Education No. 19's proportion of the net pension liability was based on the Regional Office of Education No. 19's actual contribution to the plan for the year ended June 30, 2016 relative to the actual contributions of DuPage County as a whole. At June 30, 2016, the Regional Office of Education No. 19's proportion was 0.15%, which was a decrease of 0.01% from its proportion measured as of June 30, 2015.

Actuarial Assumptions

The Regional Office of Education No.19's net pension liability was measured as of December 31, 2015 (most recent available) and the total pension liability was used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2015
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	3.5%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market Value

DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 6 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions – Continued

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

Discount Rate

The discount rate used to measure the total pension liability was a blended rate of 7.47%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that DuPage County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on those assumptions, the IMRF's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, expected rate of return of 7.50% was blended with the index rate of 3.57% for tax exempt general obligation municipal bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.47% used to determine the total pension liability.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 6 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2016, the Regional Office of Education No. 19 recognized pension expense of \$139,351. At June 30, 2016, the Regional Office of Education No. 19 reported deferred outflows of resources of resources related to IMRF from the following source:

	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 7,568
Changes in assumption	39,584
Net difference between projected and actual earnings on pension plan investments	101,176
Changes in proportion and differences between the ROE's contributions and the ROE's proportionate share of contributions	1,039
Contributions made after measurement date	25,244
TOTAL	\$ 174,611

Amounts reported as deferred outflows of resources of resources related to IMRF will be recognized in pension expense as follows:

	Period ended June 30,		
2017		\$	59,851
2018			38,021
2019			28,324
2020			23,171
TOTAL		\$	149,367

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 6 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Regional Office of Education No. 19's calculated using the discount rate of 7.47% as well as what the Regional Office of Education No. 19's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.47%) or 1 percentage point higher (8.47%) than the current rate:

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
Net pension liability	\$ 590,970	\$ 317,849	\$ 100,604

Change in Net Pension Liabilities

The following is a summary of the changes in the Regional Office of Education No. 19's net pension liabilities:

	June 30, 2015	Additions	Deletions	June 30, 2016
Net pension liability - TRS	\$ 609,957	\$ 33,658	\$ -	\$ 643,615
Net pension liability - IMRF	120,960	196,889	-	317,849
Total net pension liability	\$ 730,917	\$ 230,547	\$ -	\$ 961,464

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS

Teachers Health Insurance Security Fund

DuPage County Regional Office of Education No. 19 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS).

Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Teachers Health Insurance Security Fund (Continued)

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

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

- **On-behalf Contributions to the THIS Fund.** The state of Illinois makes employer retiree health insurance contributions on behalf of DuPage County Regional Office of Education No. 19. State contributions are intended to match contributions to the THIS Fund from active members which were 1.07 percent of pay during the year ended June 30, 2016. State of Illinois contributions were \$7,168, and DuPage County Regional Office of Education No. 19 recognized revenue and expenditures of this amount during the year. State contributions intended to match active member contributions during the years ended June 30, 2015 and June 30, 2014 were 1.02 and 0.97 percent of pay, respectively. State contributions on behalf of DuPage County Regional Office of Education No. 19's employees were \$6,700 and \$4,914, respectively.
- **Employer Contributions to the THIS Fund.** DuPage County Regional Office of Education No. 19 also makes contributions to the THIS Fund. DuPage County Regional Office of Education No. 19 THIS Fund contribution was 0.80 percent during the year ended June 30, 2016 and 0.76 and 0.72 percent during the years ended June 30, 2015 and June 30, 2014, respectively. For the year ended June 30, 2016, DuPage County Regional Office of Education No. 19 paid \$5,360 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2015 and June 30, 2014, DuPage County Regional Office of Education No. 19 paid \$4,992 and \$3,647, respectively, which was 100 percent of the required contributions.

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."

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 8 - ON-BEHALF PAYMENTS

The breakdown of the on-behalf payments by the State of Illinois for the Regional Superintendent and the Assistant Regional Superintendent of the DuPage County Regional Office of Education No. 19 are as follows:

Regional Superintendent - salary	\$ 112,008
Regional Superintendent - benefits (includes state paid insurance)	7,018
Assistant Regional Superintendent - salary	76,449
Assistant Regional Superintendent - benefits (includes state paid insurance)	20,460
THIS on-behalf payments	7,168
Salary and benefits of office employees paid by DuPage County	828,854
Other operating expense paid by DuPage County	<u>579,193</u>
Total on-behalf payments	<u>\$ 1,631,150</u>

Salary and benefit data for the Regional Superintendent and the Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education (ISBE). DuPage County Regional Office of Education No. 19 recorded the on-behalf payments as both revenues and expenditures in the general fund.

DuPage County Regional Office of Education No. 19 also recorded \$351,287 in revenues and expenses as on-behalf payments from ISBE for DuPage County Regional Office of Education No. 19's share of the State's Teachers' Retirement System (TRS) pension expense in the Statement of Activities. In addition, DuPage County Regional Office of Education No. 19 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	\$1,631,150
Regional Office of Education No. 19's share of TRS pension expense	<u>351,287</u>
Total	<u>\$1,982,437</u>

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 9 - DUE FROM/TO OTHER GOVERNMENTS

The DuPage County Regional Office of Education No. 19 has funds due from and to various other governmental units which consist of the following:

Due From Other Governments

Governmental Funds:

General Fund

Local governments	\$ 47,060
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Education Fund

Illinois State Board of Education	71,148
Local governments	343,010

Nonmajor Special Revenue Funds

Illinois State Board of Education	4,835
Local governments	150

Proprietary Funds:

Local Services

Local governments	18,715
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Criminal Background Investigation

Local government	12,221
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Total

\$ 497,139

Due To Other Governments

Governmental Funds:

General Fund

Illinois State Board of Education	\$ 365
Local governments	138,861

Education Fund

Illinois State Board of Education	117,521
Local governments	9,922

Proprietary Funds:

Teacher Inservice for DuPage Educators

Local governments	113,476
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Criminal Background Investigation

Local governments	6,188
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Total

\$ 386,333

DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 10 - DUE FROM/TO FUNDS

Interfund receivables and payables, primarily made to cover cash deficits within pooled cash accounts, as of June 30, 2016 were:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 857,298	\$ 699,600
Institute Fund	13,956	16,197
Education Fund	-	132,380
Nonmajor Special Revenue Funds	<u>478</u>	<u>-</u>
Subtotal Governmental Funds	871,732	848,177
Eliminations	<u>(699,600)</u>	<u>(699,600)</u>
Total Governmental Funds	<u>\$ 172,132</u>	<u>\$ 148,577</u>
Teacher Inservice for DuPage Educators	\$ 5,109	\$ 26,080
Local Services	15,402	5,498
Criminal Background Investigation	<u>117</u>	<u>12,605</u>
Total Proprietary Funds	<u>\$ 20,628</u>	<u>\$ 44,183</u>

The Regional Office of Education expects the majority of the obligations to be liquidated within one year.

NOTE 11 - TRANSFERS

Transfers are generally made to provide supplemental funding or move resources from the fund required to collect the resources to the fund required to expend the resources. The following is the detail of interfund transfers as of June 30, 2016:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
ROE Operations	\$ -	\$ 2,537
Regional Safe Schools and General State Aid	-	84,026
Truant Minors in Need of Supervision (TMINS)	84,026	-
Education Fund		
System of Support (RESPRO)	<u>2,537</u>	<u>-</u>
Subtotal Governmental Funds	86,563	86,563
Eliminations	<u>(84,026)</u>	<u>(84,026)</u>
Total Governmental Funds	<u>\$ 2,537</u>	<u>\$ 2,537</u>
Proprietary Funds		
Teacher Inservice for DuPage Educators	\$ -	\$ 10,054
Local Services	<u>10,054</u>	<u>-</u>
Total Proprietary Funds	<u>\$ 10,054</u>	<u>\$ 10,054</u>

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 12 - DEFICIT FUND BALANCES

At June 30, 2016, the following funds had deficit fund balances. They are expected to correct themselves in 2017, through payments from the State and transfers from local funds.

General Fund	
ROE Operations	\$ (593,338)
Truant Minors in Need of Supervision (TMINS)	(88,051)
Superintendent Leadership Collaborative	(2,010)
Personnel Administrators Coming Together	(5,423)
DuPage County Curriculum Directors	(15,250)
Education Fund	
Regional Safe Schools	(11,957)
Early Childhood Parenting Program	(9,900)
Truants' Alternative Program	(1,229)
McKinney Education for Homeless Children	(1,754)
Workforce Investment Act	(15,009)
Technology for Success	(24,683)
Career & Technical Education Improvement	(1,540)
Title II Teacher Quality Leadership	(1,202)
Parents as Teachers	(3,615)
RSSPCE	(1,000)

NOTE 13 - RISK MANAGEMENT

The Regional Office of Education is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; health claims of employees; and natural disasters. Insurance to cover these risks is provided through DuPage County. Claims from these risks have not exceeded commercial insurance coverage during the current fiscal year and the previous two fiscal years.

The Regional Office of Education also participates in the County's self-funded health insurance plan. The Regional Office of Education pays a monthly premium to cover the health insurance costs.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

NOTE 14 - RECLASSIFICATION

Beginning fund balance for the Regional Safe Schools fund, a fund within the Education Fund, and the ALOP Safe School and GED Tuition fund, a fund within the General Fund, were reclassified to segregate amounts collected from local sources for tuition payments which are not considered restricted.

	Regional Safe Schools	ALOP Safe School and GED Tuition
Fund Balance June 30, 2015, as previously reported	\$ 991,672	\$ -
Reclassification	<u>(851,404)</u>	<u>851,404</u>
Fund Balance July 1, 2015, as reclassified	<u>140,268</u>	<u>851,404</u>

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

REQUIRED SUPPLEMENTARY INFORMATION

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

**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, 2016**

	<u>2015*</u>	<u>2014*</u>
Employer's proportion of the net pension liability	.0009824668%	.0010022574%
Employer's proportionate share of the net pension liability	\$ 643,615	\$ 609,957
State's proportionate share of the net pension liability associated with the employer	<u>4,287,726</u>	<u>3,125,156</u>
Total	<u>\$ 4,931,341</u>	<u>\$ 3,735,113</u>
Employer's covered-employee payroll	\$ 708,554	\$ 589,179
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	90.8%	103.5%
Plan fiduciary net position as a percentage of the total pension liability	41.5%	43.0%

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
ILLINOIS MUNICIPAL RETIREMENT FUND - DUPAGE COUNTY
June 30, 2016**

	December 31, 2015	December 31, 2014
Employer's proportion of the net pension liability	0.15%	0.16%
Employer's proportionate share of the net pension liability	\$ 317,849	\$ 120,960
Employer's covered-employee payroll	\$ 310,588	\$ 322,444
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	102.3%	37.5%
Plan fiduciary net position as a percentage of the total pension liability	85.2%	90.3%

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily-required contribution	\$ 12,994	\$ 34,426	\$ 35,760
Contributions in relation to the statutorily-required contribution	<u>12,994</u>	<u>34,426</u>	<u>35,760</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 669,954	\$ 708,554	\$ 589,179
Contributions as a percentage of covered-employee payroll	1.94%	4.86%	6.07%

Notes to Required Supplementary Information

Changes of assumptions

Amounts reported in 2015 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases that vary by service credit. In 2014 assumptions used were an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and a salary increases of 5.75 percent.

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.

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND - DUPAGE COUNTY
June 30, 2016**

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 43,654	\$ 36,778
Contributions in relation to the actuarially determined contribution	<u>43,654</u>	<u>36,778</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Employer's covered-employee payroll	\$ 338,830	\$ 310,588
Contributions as a percentage of covered-employee payroll	12.88%	11.84%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of December 31 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of payroll, closed and the amortization period was 29 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return of 7.49% annually, projected salary increases assumption of 4.40% to 16.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

SUPPLEMENTARY INFORMATION

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND ACCOUNTS
 June 30, 2016

	Reading First	ROE Operations	Regional Safe Schools and General State Aid	Area I	Truant Minors in Need of Supervision (TMINS)	Superintendent Leadership Collaborative	Personnel Administrators Coming Together	DuPage County Curriculum Directors	ALOP Safe School and GED Tuition	Eliminations	Total
ASSETS											
Cash and cash equivalents	\$ 23,117	\$ -	\$ 135,789	\$ 678	\$ -	\$ -	\$ -	\$ -	\$ 435,057	\$ -	\$ 594,641
Due from other governments	-	-	-	-	-	-	-	-	47,060	-	47,060
Due from other funds	-	25,576	-	-	-	-	-	-	831,722	(699,600)	157,698
Prepaid expenses	-	797	-	-	-	-	-	-	-	-	797
Total assets	<u>23,117</u>	<u>26,373</u>	<u>135,789</u>	<u>678</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,313,839</u>	<u>(699,600)</u>	<u>800,196</u>
DEFERRED OUTFLOWS OF RESOURCES											
None	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES											
	<u>\$ 23,117</u>	<u>\$ 26,373</u>	<u>\$ 135,789</u>	<u>\$ 678</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,313,839</u>	<u>\$ (699,600)</u>	<u>\$ 800,196</u>
LIABILITIES											
Accounts payable	\$ -	\$ 1,078	\$ -	\$ -	\$ -	\$ 1,250	\$ -	\$ -	\$ -	\$ -	\$ 2,328
Accrued expenses	-	7,936	-	-	17,144	-	-	-	-	-	25,080
Due to other governments	-	3,437	135,789	-	-	-	-	-	-	-	139,226
Due to other funds	-	607,260	-	-	70,907	760	5,423	15,250	-	(699,600)	-
Total liabilities	<u>-</u>	<u>619,711</u>	<u>135,789</u>	<u>-</u>	<u>88,051</u>	<u>2,010</u>	<u>5,423</u>	<u>15,250</u>	<u>-</u>	<u>(699,600)</u>	<u>166,634</u>
DEFERRED INFLOWS OF RESOURCES											
None	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCE (DEFICIT)											
Nonspendable	-	797	-	-	-	-	-	-	-	-	797
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	23,117	(594,135)	-	678	(88,051)	(2,010)	(5,423)	(15,250)	1,313,839	-	632,765
Total fund balance (deficit)	<u>23,117</u>	<u>(593,338)</u>	<u>-</u>	<u>678</u>	<u>(88,051)</u>	<u>(2,010)</u>	<u>(5,423)</u>	<u>(15,250)</u>	<u>1,313,839</u>	<u>-</u>	<u>633,562</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)											
	<u>\$ 23,117</u>	<u>\$ 26,373</u>	<u>\$ 135,789</u>	<u>\$ 678</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,313,839</u>	<u>\$ (699,600)</u>	<u>\$ 800,196</u>

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2016**

	Reading First	ROE Operations	Regional Safe Schools and General State Aid	Area I	Truant Minors in Need of Supervision (TMINS)	Superintendent Leadership Collaborative	Personnel Administrators Coming Together	DuPage County Curriculum Directors	ALOP Safe School and GED Tuition	Eliminations	Totals
REVENUES:											
Local sources	\$ -	\$ 111,915	\$ -	\$ 1,350	\$ 22	\$ 8,379	\$ -	\$ -	\$ 462,435	\$ -	\$ 584,101
State sources	-	-	3,185,225	-	-	-	-	-	-	-	3,185,225
On-behalf payments	-	1,631,150	-	-	-	-	-	-	-	-	1,631,150
Total revenues	-	1,743,065	3,185,225	1,350	22	8,379	-	-	462,435	-	5,400,476
EXPENDITURES:											
Education:											
Salaries	-	61,565	-	-	94,108	-	-	-	-	-	155,673
Benefits	-	7,847	-	-	21,569	-	-	-	-	-	29,416
Pension expense	-	7,631	-	-	746	-	-	-	-	-	8,377
Purchased services	-	259,840	-	1,012	6,234	11,311	2,050	12,500	-	-	292,947
Supplies and materials	-	3,235	-	-	885	121	-	-	-	-	4,241
Other objects	-	584	-	-	-	-	-	-	-	-	584
On-behalf payments	-	1,631,150	-	-	-	-	-	-	-	-	1,631,150
Intergovernmental:											
Payments to other governments	-	-	3,101,199	-	-	-	-	-	-	-	3,101,199
Capital outlay	-	9,298	-	-	-	-	-	-	-	-	9,298
Debt service:											
Repayment of long-term lease payable	-	9,382	-	-	-	-	-	-	-	-	9,382
Financing cost	-	1,058	-	-	-	-	-	-	-	-	1,058
Total expenditures	-	1,991,590	3,101,199	1,012	123,542	11,432	2,050	12,500	-	-	5,243,325
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(248,525)	84,026	338	(123,520)	(3,053)	(2,050)	(12,500)	462,435	-	157,151
OTHER FINANCING SOURCES (USES):											
Transfers in	-	-	-	-	84,026	-	-	-	-	(84,026)	-
Transfers out	-	(2,537)	(84,026)	-	-	-	-	-	-	84,026	(2,537)
Total other financing sources (uses)	-	(2,537)	(84,026)	-	84,026	-	-	-	-	-	(2,537)
NET CHANGE IN FUND BALANCE (DEFICIT)	-	(251,062)	-	338	(39,494)	(3,053)	(2,050)	(12,500)	462,435	-	154,614
FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)	23,117	(342,276)	-	340	(48,557)	1,043	(3,373)	(2,750)	851,404	-	478,948
FUND BALANCE (DEFICIT), END OF YEAR	\$ 23,117	\$ (593,338)	\$ -	\$ 678	\$ (88,051)	\$ (2,010)	\$ (5,423)	\$ (15,250)	\$ 1,313,839	\$ -	\$ 633,562

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2016

	<u>Regional Safe Schools</u>	<u>Early Childhood Parenting Program</u>	<u>Truants' Alternative Program</u>	<u>McKinney Education for Homeless Children</u>	<u>Workforce Investment Act</u>	<u>System of Support (RESPRO)</u>
ASSETS						
Cash and cash equivalents	\$ 46,089	\$ -	\$ 21,080	\$ 803	\$ -	\$ 64,363
Due from other governments	70,711	20,715	-	-	4,883	-
Due from other funds	-	-	-	-	-	-
Total assets	<u>116,800</u>	<u>20,715</u>	<u>21,080</u>	<u>803</u>	<u>4,883</u>	<u>64,363</u>
DEFERRED OUTFLOWS OF RESOURCES						
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
	<u>\$ 116,800</u>	<u>\$ 20,715</u>	<u>\$ 21,080</u>	<u>\$ 803</u>	<u>\$ 4,883</u>	<u>\$ 64,363</u>
LIABILITIES						
Accounts payable	\$ 1,853	\$ 1,320	\$ 342	\$ 60	\$ 60	\$ -
Accrued expenses	81,622	10,192	16,083	-	5,590	-
Due to other governments	9,922	-	5,884	2,497	-	51,358
Due to other funds	-	8,945	-	-	11,337	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>93,397</u>	<u>20,457</u>	<u>22,309</u>	<u>2,557</u>	<u>16,987</u>	<u>51,358</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	<u>35,360</u>	<u>10,158</u>	<u>-</u>	<u>-</u>	<u>2,905</u>	<u>-</u>
FUND BALANCE (DEFICIT)						
Restricted	-	-	-	-	-	13,005
Unassigned	<u>(11,957)</u>	<u>(9,900)</u>	<u>(1,229)</u>	<u>(1,754)</u>	<u>(15,009)</u>	<u>-</u>
Total fund balance (deficit)	<u>(11,957)</u>	<u>(9,900)</u>	<u>(1,229)</u>	<u>(1,754)</u>	<u>(15,009)</u>	<u>13,005</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)						
	<u>\$ 116,800</u>	<u>\$ 20,715</u>	<u>\$ 21,080</u>	<u>\$ 803</u>	<u>\$ 4,883</u>	<u>\$ 64,363</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2016

	Technology for Success	Social Emotional Learning Standards Professional Development Program (SEL-PDP)	Illinois New Principal Mentoring	Teacher Mentoring Pilot Program	Gifted Education	Career & Technical Education Improvement
ASSETS						
Cash and cash equivalents	\$ -	\$ 53,551	\$ 47,596	\$ 4,279	\$ -	\$ 5,186
Due from other governments	45,409	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	<u>45,409</u>	<u>53,551</u>	<u>47,596</u>	<u>4,279</u>	<u>-</u>	<u>5,186</u>
DEFERRED OUTFLOWS OF RESOURCES						
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
	<u>\$ 45,409</u>	<u>\$ 53,551</u>	<u>\$ 47,596</u>	<u>\$ 4,279</u>	<u>\$ -</u>	<u>\$ 5,186</u>
LIABILITIES						
Accounts payable	\$ 96	\$ -	\$ 2,750	\$ -	\$ -	\$ -
Accrued expenses	894	-	-	-	-	-
Due to other governments	877	-	-	2,929	-	6,726
Due to other funds	22,816	-	-	-	-	-
Unearned revenue	-	22,942	-	-	-	-
Total liabilities	<u>24,683</u>	<u>22,942</u>	<u>2,750</u>	<u>2,929</u>	<u>-</u>	<u>6,726</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	<u>45,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT)						
Restricted	-	30,609	44,846	1,350	-	-
Unassigned	<u>(24,683)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,540)</u>
Total fund balance (deficit)	<u>(24,683)</u>	<u>30,609</u>	<u>44,846</u>	<u>1,350</u>	<u>-</u>	<u>(1,540)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)						
	<u>\$ 45,409</u>	<u>\$ 53,551</u>	<u>\$ 47,596</u>	<u>\$ 4,279</u>	<u>\$ -</u>	<u>\$ 5,186</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2016

	<u>ROE/ISC Operations</u>	<u>Illinois Partnership Advancing Rigorous Training</u>	<u>Title II Teacher Quality Leadership</u>	<u>Title II Teacher Quality</u>	<u>Spelling Bee</u>	<u>Parents as Teachers</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 18,530	\$ -
Due from other governments	249,484	3,765	2,100	-	-	17,091
Due from other funds	-	-	-	-	-	-
Total assets	<u>249,484</u>	<u>3,765</u>	<u>2,100</u>	<u>-</u>	<u>18,530</u>	<u>17,091</u>
DEFERRED OUTFLOWS OF RESOURCES						
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
	<u>\$ 249,484</u>	<u>\$ 3,765</u>	<u>\$ 2,100</u>	<u>\$ -</u>	<u>\$ 18,530</u>	<u>\$ 17,091</u>
LIABILITIES						
Accounts payable	\$ 70	\$ -	\$ -	\$ -	\$ -	\$ 786
Accrued expenses	7,067	-	-	-	-	2,987
Due to other governments	-	-	-	-	-	-
Due to other funds	65,287	3,760	3,302	-	-	16,933
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>72,424</u>	<u>3,760</u>	<u>3,302</u>	<u>-</u>	<u>-</u>	<u>20,706</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT)						
Restricted	177,060	5	-	-	18,530	-
Unassigned	<u>-</u>	<u>-</u>	<u>(1,202)</u>	<u>-</u>	<u>-</u>	<u>(3,615)</u>
Total fund balance (deficit)	<u>177,060</u>	<u>5</u>	<u>(1,202)</u>	<u>-</u>	<u>18,530</u>	<u>(3,615)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)						
	<u>\$ 249,484</u>	<u>\$ 3,765</u>	<u>\$ 2,100</u>	<u>\$ -</u>	<u>\$ 18,530</u>	<u>\$ 17,091</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND ACCOUNTS
June 30, 2016

	<u>RSSPCE</u>	<u>Regional School Board Petition Grant</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 46,250	\$ 691	\$ 308,418
Due from other governments	-	-	414,158
Due from other funds	-	-	-
Total assets	46,250	691	722,576
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
	\$ 46,250	\$ 691	\$ 722,576
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 7,337
Accrued expenses	-	-	124,435
Due to other governments	47,250	-	127,443
Due to other funds	-	-	132,380
Unearned revenue	-	-	22,942
Total liabilities	47,250	-	414,537
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	93,832
FUND BALANCE (DEFICIT)			
Restricted	-	691	286,096
Unassigned	(1,000)	-	(71,889)
Total fund balance (deficit)	(1,000)	691	214,207
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)			
	\$ 46,250	\$ 691	\$ 722,576

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2016

	<u>Regional Safe Schools</u>	<u>Early Childhood Parenting Program</u>	<u>Truants' Alternative Program</u>	<u>McKinney Education for Homeless Children</u>	<u>Workforce Investment Act</u>	<u>System of Support (RESPRO)</u>
REVENUES:						
Local sources	\$ -	\$ 6	\$ 55	\$ 15	\$ 16	\$ 101
State sources	651,464	116,127	106,356	-	-	-
Federal sources	-	-	-	43,300	48,290	59,957
Total revenues	<u>651,464</u>	<u>116,133</u>	<u>106,411</u>	<u>43,315</u>	<u>48,306</u>	<u>60,058</u>
EXPENDITURES:						
Education:						
Salaries	433,797	70,193	77,705	1,725	44,650	1,422
Benefits	84,186	25,614	13,406	440	6,401	21
Pension expense	6,155	8,977	4,283	-	11,025	-
Purchased services	234,111	13,737	9,256	40,104	8,711	67,692
Supplies and materials	28,665	3,993	647	1,209	35	28
Other objects	45	-	-	-	-	-
Intergovernmental:						
Payment to other governments	-	-	-	-	-	2,537
Capital outlay	16,730	3,976	1,032	100	100	519
Total expenditures	<u>803,689</u>	<u>126,490</u>	<u>106,329</u>	<u>43,578</u>	<u>70,922</u>	<u>72,219</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(152,225)</u>	<u>(10,357)</u>	<u>82</u>	<u>(263)</u>	<u>(22,616)</u>	<u>(12,161)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	2,537
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,537</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	(152,225)	(10,357)	82	(263)	(22,616)	(9,624)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)	<u>140,268</u>	<u>457</u>	<u>(1,311)</u>	<u>(1,491)</u>	<u>7,607</u>	<u>22,629</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (11,957)</u>	<u>\$ (9,900)</u>	<u>\$ (1,229)</u>	<u>\$ (1,754)</u>	<u>\$ (15,009)</u>	<u>\$ 13,005</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2016

	<u>Technology for Success</u>	<u>Social Emotional Learning Standards Professional Development Program (SEL-PDP)</u>	<u>Illinois New Principal Mentoring</u>	<u>Teacher Mentoring Pilot Program</u>	<u>Gifted Education</u>	<u>Career & Technical Education Improvement</u>
REVENUES:						
Local sources	\$ -	\$ 36,507	\$ 350	\$ -	\$ -	\$ 24
State sources	15,136	-	-	-	-	100,894
Federal sources	-	-	-	-	-	-
Total revenues	<u>15,136</u>	<u>36,507</u>	<u>350</u>	<u>-</u>	<u>-</u>	<u>100,918</u>
EXPENDITURES:						
Education:						
Salaries	21,691	-	-	-	-	-
Benefits	1,581	-	-	-	-	393
Pension expense	2,663	-	-	-	-	15
Purchased services	34,751	24,558	10,250	-	-	76,229
Supplies and materials	-	-	-	-	-	25,286
Other objects	-	-	-	-	-	187
Intergovernmental:						
Payment to other governments	-	2,500	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>60,686</u>	<u>27,058</u>	<u>10,250</u>	<u>-</u>	<u>-</u>	<u>102,110</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(45,550)</u>	<u>9,449</u>	<u>(9,900)</u>	<u>-</u>	<u>-</u>	<u>(1,192)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(8,010)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,010)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	(45,550)	9,449	(9,900)	-	(8,010)	(1,192)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)	<u>20,867</u>	<u>21,160</u>	<u>54,746</u>	<u>1,350</u>	<u>8,010</u>	<u>(348)</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (24,683)</u>	<u>\$ 30,609</u>	<u>\$ 44,846</u>	<u>\$ 1,350</u>	<u>\$ -</u>	<u>\$ (1,540)</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2016

	<u>ROE/ISC Operations</u>	<u>Illinois Partnership Advancing Rigorous Training</u>	<u>Title II Teacher Quality Leadership</u>	<u>Title II Teacher Quality</u>	<u>Spelling Bee</u>	<u>Parents as Teachers</u>
REVENUES:						
Local sources	\$ 137	\$ 5,546	\$ 25	\$ -	\$ 6,231	\$ 54,796
State sources	249,484	-	-	-	-	-
Federal sources	-	-	30,800	310	-	-
Total revenues	<u>249,621</u>	<u>5,546</u>	<u>30,825</u>	<u>310</u>	<u>6,231</u>	<u>54,796</u>
EXPENDITURES:						
Education:						
Salaries	194,999	-	-	-	-	33,491
Benefits	28,135	-	-	-	-	12,501
Pension expense	10,956	-	-	-	-	4,004
Purchased services	17,771	5,545	31,327	310	3,483	7,189
Supplies and materials	-	-	-	-	600	505
Other objects	-	-	-	-	-	-
Intergovernmental:						
Payment to other governments	-	-	-	-	-	-
Capital outlay	2,595	-	-	-	-	721
Total expenditures	<u>254,456</u>	<u>5,545</u>	<u>31,327</u>	<u>310</u>	<u>4,083</u>	<u>58,411</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,835)</u>	<u>1</u>	<u>(502)</u>	<u>-</u>	<u>2,148</u>	<u>(3,615)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	(4,835)	1	(502)	-	2,148	(3,615)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)	<u>181,895</u>	<u>4</u>	<u>(700)</u>	<u>-</u>	<u>16,382</u>	<u>-</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 177,060</u>	<u>\$ 5</u>	<u>\$ (1,202)</u>	<u>\$ -</u>	<u>\$ 18,530</u>	<u>\$ (3,615)</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
Year Ended June 30, 2016

	<u>RSSPCE</u>	<u>Regional School Board Petition Grant</u>	<u>Totals</u>
REVENUES:			
Local sources	\$ 30	\$ 1,000	\$ 104,839
State sources	-	-	1,239,461
Federal sources	-	-	182,657
Total revenues	<u>30</u>	<u>1,000</u>	<u>1,526,957</u>
EXPENDITURES:			
Education:			
Salaries	-	-	879,673
Benefits	-	-	172,678
Pension expense	-	-	48,078
Purchased services	1,030	309	586,363
Supplies and materials	-	-	60,968
Other objects	-	-	232
Intergovernmental:			
Payment to other governments	-	-	5,037
Capital outlay	-	-	25,773
Total expenditures	<u>1,030</u>	<u>309</u>	<u>1,778,802</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,000)</u>	<u>691</u>	<u>(251,845)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	2,537
Transfers out	-	-	(8,010)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(5,473)</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	(1,000)	691	(257,318)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR, AS RESTATED (SEE NOTE 14)	<u>-</u>	<u>-</u>	<u>471,525</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (1,000)</u>	<u>\$ 691</u>	<u>\$ 214,207</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2016

	Regional Safe Schools			
	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
State sources	\$ 424,221	\$ 424,221	\$ 651,464	\$ 227,243
EXPENDITURES:				
Education:				
Salaries	290,516	290,516	433,797	(143,281)
Benefits	76,116	76,116	84,186	(8,070)
Pension expense	-	-	6,155	(6,155)
Purchased services	44,432	44,432	234,111	(189,679)
Supplies and materials	4,625	4,625	28,665	(24,040)
Other objects	-	-	45	(45)
Capital outlay	8,532	8,532	16,730	(8,198)
Total expenditures	424,221	424,221	803,689	(379,468)
NET CHANGE IN				
FUND BALANCE (DEFICIT)	\$ -	\$ -	(152,225)	\$ (152,225)
FUND BALANCE, BEGINNING OF				
YEAR, AS RESTATED (SEE NOTE 14)			140,268	
FUND BALANCE (DEFICIT),			\$ (11,957)	
END OF YEAR				

See independent accountant's compilation report.

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2016

	Early Childhood Parenting Program			
	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Local sources	\$ -	\$ -	\$ 6	\$ 6
State sources	<u>126,690</u>	<u>126,690</u>	<u>116,127</u>	<u>(10,563)</u>
Total revenues	<u>126,690</u>	<u>126,690</u>	<u>116,133</u>	<u>(10,557)</u>
EXPENDITURES:				
Education:				
Salaries	69,733	69,733	70,193	(460)
Benefits	38,633	38,633	25,614	13,019
Pension expense	-	-	8,977	(8,977)
Purchased services	10,124	10,124	13,737	(3,613)
Supplies and materials	3,500	4,423	3,993	430
Capital outlay	<u>4,700</u>	<u>3,777</u>	<u>3,976</u>	<u>(199)</u>
Total expenditures	<u>126,690</u>	<u>126,690</u>	<u>126,490</u>	<u>200</u>
NET CHANGE IN FUND				
BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	(10,357)	<u>\$ (10,357)</u>
FUND BALANCE (DEFICIT),			<u>457</u>	
BEGINNING OF YEAR				
FUND BALANCE (DEFICIT),			<u>\$ (9,900)</u>	
END OF YEAR				

See independent accountant's compilation report.

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2016

	Truants' Alternative Program			
	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Local sources	\$ -	\$ -	\$ 55	\$ 55
State sources	<u>129,828</u>	<u>129,828</u>	<u>106,356</u>	<u>(23,472)</u>
Total revenues	<u>129,828</u>	<u>129,828</u>	<u>106,411</u>	<u>(23,417)</u>
EXPENDITURES:				
Education:				
Salaries	97,698	97,698	77,705	19,993
Benefits	24,424	24,424	13,406	11,018
Pension expense	-	-	4,283	(4,283)
Purchased services	6,206	6,206	9,256	(3,050)
Supplies and materials	1,500	1,500	647	853
Capital outlay	<u>-</u>	<u>-</u>	<u>1,032</u>	<u>(1,032)</u>
Total expenditures	<u>129,828</u>	<u>129,828</u>	<u>106,329</u>	<u>23,499</u>
NET CHANGE IN				
FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	82	<u>\$ 82</u>
FUND BALANCE (DEFICIT),			<u>(1,311)</u>	
BEGINNING OF YEAR				
FUND BALANCE (DEFICIT),			<u>\$ (1,229)</u>	
END OF YEAR				

See independent accountant's compilation report.

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2016

	Career & Technical Education Improvement			
	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Local sources	\$ -	\$ -	\$ 24	\$ 24
State sources	<u>107,620</u>	<u>107,620</u>	<u>100,894</u>	<u>(6,726)</u>
Total revenues	<u>107,620</u>	<u>107,620</u>	<u>100,918</u>	<u>(6,702)</u>
EXPENDITURES:				
Education:				
Benefits	-	-	393	(393)
Pension expense	-	-	15	(15)
Purchased services	83,050	78,799	76,229	2,570
Supplies and materials	24,570	28,821	25,286	3,535
Other objects	<u>-</u>	<u>-</u>	<u>187</u>	<u>(187)</u>
Total expenditures	<u>107,620</u>	<u>107,620</u>	<u>102,110</u>	<u>5,510</u>
NET CHANGE IN				
FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	(1,192)	<u>\$ (1,192)</u>
FUND BALANCE (DEFICIT),			<u>(348)</u>	
BEGINNING OF YEAR				
FUND BALANCE (DEFICIT),			<u>\$ (1,540)</u>	
END OF YEAR				

See independent accountant's compilation report.

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2016

	ROE/ISC Operations			
	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Local sources	\$ -	\$ -	\$ 137	\$ 137
State sources	<u>253,494</u>	<u>253,494</u>	<u>249,484</u>	<u>(4,010)</u>
Total revenues	<u>253,494</u>	<u>253,494</u>	<u>249,621</u>	<u>(3,873)</u>
EXPENDITURES:				
Education:				
Salaries	194,645	194,645	194,999	(354)
Benefits	38,303	38,303	28,135	10,168
Pension expense	-	-	10,956	(10,956)
Purchased services	20,546	14,736	17,771	(3,035)
Capital outlay	<u>-</u>	<u>5,810</u>	<u>2,595</u>	<u>3,215</u>
Total expenditures	<u>253,494</u>	<u>253,494</u>	<u>254,456</u>	<u>(962)</u>
NET CHANGE IN FUND				
BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	(4,835)	<u>\$ (4,835)</u>
FUND BALANCE (DEFICIT),			<u>181,895</u>	
BEGINNING OF YEAR				
FUND BALANCE (DEFICIT),			<u>\$ 177,060</u>	
END OF YEAR				

See independent accountant's compilation report.

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2016

	Title II Teacher Quality Leadership			
	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Local sources	\$ -	\$ -	\$ 25	\$ 25
Federal sources	<u>30,912</u>	<u>30,912</u>	<u>30,800</u>	<u>(112)</u>
Total revenues	30,912	30,912	30,825	(87)
EXPENDITURES:				
Education:				
Purchased services	<u>30,912</u>	<u>30,912</u>	<u>31,327</u>	<u>(415)</u>
NET CHANGE IN				
FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	(502)	<u>\$ (502)</u>
FUND BALANCE (DEFICIT),			<u>(700)</u>	
BEGINNING OF YEAR				
FUND BALANCE (DEFICIT),			<u>\$ (1,202)</u>	
END OF YEAR				

See independent accountant's compilation report.

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2016

	Title II Teacher Quality			
	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Federal sources	\$ 310	\$ 310	\$ 310	\$ -
EXPENDITURES:				
Education:				
Purchased services	310	310	310	-
NET CHANGE IN FUND BALANCE (DEFICIT)	\$ -	\$ -	-	\$ -
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			-	
FUND BALANCE (DEFICIT), END OF YEAR			\$ -	

See independent accountant's compilation report.

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2016

	<u>General Education Development</u>	<u>Bus Driver Training</u>	<u>Supervisory</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ 27,790	\$ 234,574	\$ 343	\$ 262,707
Due from other governments	-	4,985	-	4,985
Due from other funds	-	478	-	478
Total assets	<u>27,790</u>	<u>240,037</u>	<u>343</u>	<u>268,170</u>
DEFERRED OUTFLOWS OF RESOURCES				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 27,790</u>	<u>\$ 240,037</u>	<u>\$ 343</u>	<u>\$ 268,170</u>
LIABILITIES				
Accounts payable	\$ -	\$ 100	\$ -	\$ 100
Accrued expenses	-	57	-	57
Unearned revenue	-	250	-	250
Total liabilities	<u>-</u>	<u>407</u>	<u>-</u>	<u>407</u>
DEFERRED INFLOWS OF RESOURCES				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Restricted	<u>27,790</u>	<u>239,630</u>	<u>343</u>	<u>267,763</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 27,790</u>	<u>\$ 240,037</u>	<u>\$ 343</u>	<u>\$ 268,170</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2016

	<u>General Education Development</u>	<u>Bus Driver Training</u>	<u>Supervisory</u>	<u>Totals</u>
REVENUES:				
Local sources	\$ 3,857	\$ 41,387	\$ -	\$ 45,244
State sources	-	4,835	-	4,835
Total revenues	<u>3,857</u>	<u>46,222</u>	<u>-</u>	<u>50,079</u>
EXPENDITURES:				
Education:				
Salaries	-	1,953	-	1,953
Benefits	-	163	-	163
Purchased services	-	11,665	-	11,665
Supplies and materials	60	-	-	60
Total expenditures	<u>60</u>	<u>13,781</u>	<u>-</u>	<u>13,841</u>
NET CHANGE IN FUND BALANCE	3,797	32,441	-	36,238
FUND BALANCE, BEGINNING OF YEAR	<u>23,993</u>	<u>207,189</u>	<u>343</u>	<u>231,525</u>
FUND BALANCE, END OF YEAR	<u>\$ 27,790</u>	<u>\$ 239,630</u>	<u>\$ 343</u>	<u>\$ 267,763</u>