

State of Illinois

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16
FINANCIAL AUDIT**

For the Year Ended June 30, 2018

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

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

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**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

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**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

OFFICIALS

Regional Superintendent:
(Current and During the Audit Period)

Ms. Amanda Christensen

Assistant Regional Superintendent:
(Current and During the Audit Period)

Mr. Jeff Smith

Office is located at:

2500 N. Annie Glidden Road, Suite C
DeKalb, Illinois 60115

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

FINANCIAL REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

<u>Number of:</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	2	0
Repeated audit findings	0	0
Prior recommendations implemented or not repeated	0	1

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

SUMMARY OF FINDINGS AND RESPONSES

FINDINGS (GOVERNMENT AUDITING STANDARDS)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Type</u>
2018-001	10	Controls Over Timely Expenditure Report Submission	Material Weakness Compliance
2018-002	11	Departure from U.S. Generally Accepted Accounting Principles (GAAP)	Material Weakness Compliance

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

None Reported

EXIT CONFERENCE

The DeKalb County Regional Office of Education No. 16 opted not to have a formal exit conference during the financial audit for the year ended June 30, 2018. Throughout the audit, numerous meetings were held between auditors and Regional Office officials to discuss matters contained in this audit report.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of DeKalb County Regional Office of Education No. 16 was performed by McGreal & Co., PC.

Based on their audit, the auditors expressed a qualified opinion on the DeKalb County Regional Office of Education No. 16's basic financial statements.

INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of DeKalb County Regional Office of Education No. 16, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the DeKalb County Regional Office of Education No. 16'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 of material misstatement.

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

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

Basis for Qualified Opinion on Governmental Activities

Management did not include or provide pension information in their financial records for its employees who are enrolled in the Illinois Municipal Retirement Fund (IMRF) pension plan. These employees are included under the DeKalb County IMRF number and reported within the County's actuarial valuation. Accounting principles generally accepted in the United States of America require local government employers to record and disclose net pension liability/asset, deferred outflow of resources and/or deferred inflow of resources, and pension expenses/benefit for its pensions. The effects of the departure from U.S. Generally Accepted Accounting principles were not able to be reasonably determined as immaterial to the governmental activities.

Qualified Opinion on Governmental Activities

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph on the governmental activities, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the DeKalb County Regional Office of Education No. 16, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on the Major Funds and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position each major fund and the aggregate remaining fund information of the DeKalb County Regional Office of Education No. 16, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 16 through 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the DeKalb County Regional Office of Education No. 16's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements and the Schedule of Disbursements to Other Entities-Distributive Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated August 21, 2019, on our consideration of the DeKalb County Regional Office of Education No. 16's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of DeKalb County Regional Office of Education No. 16's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the DeKalb County Regional Office of Education No. 16's internal control over financial reporting and compliance.

Signed Original On File

August 21, 2019
Oak Lawn, Illinois

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the DeKalb County Regional Office of Education No. 16, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the DeKalb County Regional Office of Education No. 16's basic financial statements and have issued our report thereon dated August 21, 2019. Our opinion was qualified because the DeKalb County Regional Office of Education No. 16 did not recognize and disclose IMRF pension activity in their financial statements as required by Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. Disclosure of that information is required to conform with accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the DeKalb County Regional Office of Education No. 16'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 DeKalb County Regional Office of Education No. 16's internal control. Accordingly, we do not express an opinion on the effectiveness of the DeKalb County Regional Office of Education No. 16's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2018-001 and 2018-002 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the DeKalb County Regional Office of Education No. 16'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as items 2018-001 and 2018-002.

DeKalb County Regional Office of Education No. 16's Responses to Findings

The DeKalb County Regional Office of Education No. 16's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The DeKalb County Regional Office of Education No. 16's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the DeKalb County Regional Office of Education No. 16's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the DeKalb County Regional Office of Education No. 16's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Signed Original On File

August 21, 2019
Oak Lawn, Illinois

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION I – SUMMARY OF AUDITORS' RESULTS
Year Ended June 30, 2018**

Financial Statements in accordance with GAAP

Type of auditor's report issued:

Qualified

Internal control over financial reporting:

- Material weakness(es) identified? X Yes No
- Significant deficiency(ies) identified? Yes X None Reported

Noncompliance material to
financial statements noted?

 X Yes No

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
Year Ended June 30, 2018**

Finding No. 2018-001 – Controls Over Timely Expenditure Report Submission

CRITERIA / SPECIFIC REQUIREMENT:

The DeKalb County Regional Office of Education No. 16 is responsible for establishing and maintaining an internal control system over the completion of timely filed quarterly expenditure reports required for grants administered by the Illinois State Board of Education (ISBE). The ISBE *State and Federal Grant Administration Policy, Fiscal Requirements and Procedures* manual, requires grantees to submit quarterly expenditure reports within 20 calendar days after the end of the reporting quarter.

CONDITION:

During the course of our audit, we noted 7 of the 28 (25%) quarterly expenditure reports selected for testing were not submitted timely. The quarterly expenditure reports were submitted between two (2) and forty-two (42) days late. Reports were filed late for the Early Childhood Grant (10 days), Regional Safe School Grant (10 days), Alternative Education (2 days), McKinney Education for Homeless Children Grant (3 days), Title II – Teacher Quality (3 days), and Pilot Regional Safe Schools Cooperative (10 days and 42 days).

EFFECT:

Failure to submit the expenditure report by the due date may result in potential noncompliance with grant requirements and / or scheduled payments being withheld until the required report is received.

CAUSE:

Regional Office officials indicated their subgrantees did not provide the required information to complete the quarterly expenditure reports timely. Additionally, some of the reports were filed late due to oversight by the ROE personnel.

AUDITOR'S RECOMMENDATION:

The Regional Office should implement adequate internal controls to ensure that expenditure reports are filed timely in the future to comply with the grant agreements and ensure continued funding.

MANAGEMENT'S RESPONSE:

A plan has been put in place to improve communication with grant subrecipients to increase likelihood of timely submission. We have also clarified that expenses reported are the expenses that the ROE has made rather than expenses that the subrecipient has made. Items will be reported as obligated expenses when the subrecipient has expended funds that the ROE has not reimbursed for yet. This discussion contributed to late submissions.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
Year Ended June 30, 2018**

Finding No. 2018-002 – Departure from U.S. Generally Accepted Accounting Principles (GAAP)

CRITERIA / SPECIFIC REQUIREMENT:

The Illinois Administrative Code (74 Ill. Adm. 420.320 (c) (1) and (2)) requires that each Regional Office of Education maintain the accounting records necessary to prepare financial statements in accordance with U.S. generally accepted accounting principles (GAAP).

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

CONDITION:

The DeKalb County Regional Office of Education No. 16 (ROE) did not include or provide pension information in their financial records for its employees who are enrolled in the Illinois Municipal Retirement Fund (IMRF) pension plan. These employees are included under the DeKalb County IMRF employer number and reported within the County’s actuarial valuation. Auditors were not able to determine the effect to the financial statements was immaterial.

EFFECT:

Failure to apply the accounting and reporting requirements of GASB Statements No. 68 and 71 could result in misstatements of the ROE No. 16’s financial statements and inaccurate or incomplete disclosure of the IMRF pension plan in the notes to the financial statements.

CAUSE:

The IMRF contribution of the DeKalb ROE as a portion of the overall IMRF contribution of DeKalb County has not previously been reported. This caused an inability to ascertain an accurate pension liability. The estimated amount was not accurate to DeKalb ROE’s actual pension expenses.

AUDITOR’S RECOMMENDATION:

The ROE No. 16 should use a reasonable method to estimate its portion of the pension liabilities/assets, deferred outflows of resources, deferred inflows of resources, and pension expenses associated with its IMRF employees from the County’s actuarial valuation or obtain their own IMRF employer number so they receive a separate actuary report.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

**SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
Year Ended June 30, 2018**

Finding No. 2018-002 – Departure from U.S. Generally Accepted Accounting Principles (GAAP) (continued)

MANAGEMENT’S RESPONSE:

Corrective action plan is two stages: 1) compile the DeKalb ROE’s IMRF contributions over time to establish a historical report of pension liability and 2) work with DeKalb County Government (the IMRF authorized agent for the DeKalb ROE) to provide a report that accurately represents the DeKalb ROE’s portion of the overall IMRF contribution.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

**CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
Year Ended June 30, 2018**

CORRECTIVE ACTION PLAN

Finding No. 2018-001 - Controls Over Timely Expenditure Report Submission

CONDITION:

During the course of our audit, we noted 7 of the 28 (25%) quarterly expenditure reports selected for testing were not submitted timely. The quarterly expenditure reports were submitted between two (2) and forty-two (42) days late. Reports were filed late for the Early Childhood Grant (10 days), Regional Safe School Grant (10 days), Alternative Education (2 days), McKinney Education for Homeless Children Grant (3 days), Title II – Teacher Quality (3 days), and Pilot Regional Safe Schools Cooperative (10 days and 42 days).

PLAN:

A plan has been put in place to improve communication with grant subrecipients to increase likelihood of timely submission. We have also clarified that expenses reported are the expenses that the ROE has made rather than expenses that the subrecipient has made. Items will be reported as obligated expenses when the subrecipient has expended funds that the ROE has not reimbursed for yet. This discussion contributed to late submissions.

ANTICIPATED DATE OF COMPLETION:

June 30, 2019

CONTACT PERSON RESPONSIBLE FOR CORRECTIVE ACTION:

Amanda Christensen, Regional Superintendent

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

**CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
Year Ended June 30, 2018**

CORRECTIVE ACTION PLAN

Finding No. 2018-002 – Departure from U.S. Generally Accepted Accounting Principles (GAAP)

CONDITION:

The DeKalb County Regional Office of Education No. 16 (ROE) did not include or provide pension information in their financial records for its employees who are enrolled in the Illinois Municipal Retirement Fund (IMRF) pension plan. These employees are included under the DeKalb County IMRF employer number and reported within the County's actuarial valuation. Auditors were not able to determine the effect to the financial statements was immaterial.

PLAN:

Corrective action plan is two stages: 1) compile the DeKalb ROE's IMRF contributions over time to establish a historical report of pension liability and 2) work with DeKalb County Government (the IMRF authorized agent for the DeKalb ROE) to provide a report that accurately represents the DeKalb ROE's portion of the overall IMRF contribution.

ANTICIPATED DATE OF COMPLETION:

Stage 1: July 31, 2019; Stage 2: January 1, 2020

CONTACT PERSON RESPONSIBLE FOR CORRECTIVE ACTION:

Amanda Christensen, Regional Superintendent

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
Year Ended June 30, 2018**

None Reported

MANAGEMENT'S DISCUSSION AND ANALYSIS

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

The DeKalb County Regional Office of Education No. 16 provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2018. We encourage readers to consider this information in conjunction with the DeKalb County Regional Office of Education No. 16's financial statements, which follow.

2018 FINANCIAL HIGHLIGHTS

- Governmental Fund revenues increased from \$1,203,346 in fiscal year 2017 (FY17) to \$1,412,833 in fiscal year 2018 (FY18), and Governmental Fund expenditures increased from \$1,263,356 in FY17 to \$1,324,603 in FY18. This was a result of an increase in funding from the State of Illinois. Additionally, the Governmental Fund fund balance increased in FY18 to \$345,759 from \$257,529 in FY17.
- General Fund revenues decreased from \$748,645 in FY17 to \$622,531 in FY18 and General Fund expenditures decreased from \$748,467 in FY17 to \$602,873 in FY18. Payment to other governments increased while purchased services and on behalf payments decreased.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the DeKalb County Regional Office of Education No. 16's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the DeKalb County Regional Office of Education No. 16 as a whole and present an overall view of the DeKalb County Regional Office of Education No. 16's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the DeKalb County Regional Office of Education No. 16's operations in more detail than the government-wide statements by providing information about the most significant funds.

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

Supplementary Information further explains and supports the financial statements with comparisons of the DeKalb County Regional Office of Education No. 16's grant budgets for the year to actual results, and provides detailed information about the nonmajor funds.

Figure A-1 summarizes the major features of DeKalb County Regional Office of Education No. 16's financial statements, including the portion of DeKalb County Regional Office of Education No. 16's activities they cover and the types of information they contain.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

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

	Government-Wide Statements	Fund Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire Regional Office of Education No. 16 (except fiduciary funds)	The activities of Regional Office of Education No. 16 that are not proprietary or fiduciary, such as grants and statutory funds	Instances in which Regional Office of Education No. 16 administers resources on behalf of someone else, such as the distributive fund and board of trustees.
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset / liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term
Type of inflow / outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All additions and deductions during the year, regardless of when cash is received or paid

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

**REPORTING DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16'S
FINANCIAL ACTIVITIES**

Government-wide Financial Statements

The Government-wide financial statements report information about DeKalb County Regional Office of Education No. 16 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of DeKalb County Regional Office of Education No. 16's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide statements report the DeKalb County Regional Office of Education No. 16's net position and how it has changed. Net position - the difference between DeKalb County Regional Office of Education No. 16's assets and liabilities - is one way to measure the agency's financial health or position. Over time, increases or decreases in the DeKalb County Regional Office of Education No. 16's net position are an indicator of whether financial position is improving or deteriorating. To assess DeKalb County Regional Office of Education No. 16's overall health, additional non-financial factors, such as a change in DeKalb County Regional Office of Education No. 16's responsibilities and staffing, the community and the condition of school buildings and other facilities, need to be considered.

In the government-wide financial statements, the DeKalb County Regional Office of Education No. 16's activities are reported as:

- *Governmental activities:* All of DeKalb County Regional Office of Education No. 16's services are included here, such as Regional Safe Schools instruction and instructional staff support services and administration. Federal and State grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide detailed information about DeKalb County Regional Office of Education No. 16's funds, focusing on its most significant or "major" funds - not DeKalb County Regional Office of Education No. 16 as a whole. Funds are accounting devices DeKalb County Regional Office of Education No. 16 uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by State law. DeKalb County Regional Office of Education No. 16 established other funds to control and manage money for particular purposes, such as accounting for State and Federal grants.

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

DeKalb County Regional Office of Education No. 16 has two kinds of funds:

- 1) Governmental funds account for all of DeKalb County Regional Office of Education No. 16 services. These focus on how cash and other financial assets can readily be converted to cash flow and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the DeKalb County Regional Office of Education No. 16's programs. Because this information does not encompass the additional long-term focus of the Government-wide statements, additional information immediately following each of the governmental fund statements explains the relationship or difference between the two statements.

The DeKalb County Regional Office of Education No. 16's governmental funds include the General Fund and the Special Revenue funds.

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

- 2) Fiduciary funds include Agency Funds. DeKalb County Regional Office of Education No. 16 is the trustee for assets that belong to others. These funds include Agency Funds. Agency funds are funds through which DeKalb County Regional Office of Education No. 16 administers and accounts for certain federal and/or state grants on behalf of others.

DeKalb County Regional Office of Education No. 16 is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. DeKalb County Regional Office of Education No. 16 excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statement for the fiduciary funds is the Statement of Fiduciary Net Position.

A summary reconciliation between the Government-wide financial statements and the fund financial statements follows the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of DeKalb County Regional Office of Education No. 16's net position at the end of FY18 totaled \$390,584. This is compared to \$374,341 at the end of FY17. The analysis that follows provides a summary of DeKalb County Regional Office of Education No. 16's net position at June 30, 2018 and 2017 for governmental activities.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

	Statement of Net Position	
	Governmental Activities	
	2018	2017
Current assets	\$ 528,477	\$ 640,103
Total assets	<u>528,477</u>	<u>640,103</u>
Current liabilities	<u>137,893</u>	<u>265,762</u>
Total liabilities	<u>137,893</u>	<u>265,762</u>
Net position		
Restricted - Other	252,058	256,985
Unrestricted	<u>138,526</u>	<u>117,356</u>
Total net position	<u><u>\$ 390,584</u></u>	<u><u>\$ 374,341</u></u>

A portion of the DeKalb County Regional Office of Education No. 16's net position is restricted. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, was \$138,526 and \$117,356 at June 30, 2018 and 2017, respectively. Net position related to the Institute, GED, Education, and Other Nonmajor funds are considered restricted.

Changes in net position. The DeKalb County Regional Office of Education No. 16's total revenues for the fiscal years ended June 30, 2018 and June 30, 2017 were \$1,340,846 and \$1,320,158, respectively. The total cost of all programs and services for 2018 and 2017 was \$1,324,603 and \$1,263,356, respectively. The following analysis shows the changes in net position for the years ended June 30, 2018 and 2017.

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

	Change in Net Position	
	Governmental Activities	
	2018	2017
Revenues:		
Program revenues		
Operating grants and contributions	\$ 720,335	\$ 406,673
General revenues		
Local sources	149,457	113,639
State sources	116,755	305,549
On-behalf payments	354,141	493,872
Interest income	158	425
Total revenues	1,340,846	1,320,158
Expenses:		
Program expenses		
Instructional services	650,756	605,275
Intergovernmental		
Payment to Other Government Units	319,706	164,209
Administrative expenses		
On-behalf payments	354,141	493,872
Total expenses	1,324,603	1,263,356
Change in net position	16,243	56,802
Net position, beginning of year	374,341	317,539
Net position, end of year	\$ 390,584	\$ 374,341

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

Operating grants and contributions and general revenues from local, state and federal sources account for 73.6% of the total revenue. The DeKalb County Regional Office of Education No. 16's expenses primarily relate to instructional services, which account for 49.1% of the total expenses.

INDIVIDUAL FUND ANALYSIS

As previously noted, the DeKalb County Regional Office of Education No. 16 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund Highlights

The General Fund's fund balance increased slightly in FY18 to \$138,526 from the previously reported amount of \$117,356 for FY17.

The Institute Fund balance increased in FY18 to \$219,347 from the previously reported amount of \$134,143.

The General Education Development (GED) Fund balance decreased in FY18 to \$9,971 from \$58,315 in FY17. GED revenue and expenses remained consistent, transfers out increased over the prior year.

The Education Fund balance (deficit) decreased in FY18 to (\$46,597) from (\$69,316) in FY17 which resulted from unavailable revenue received after August 31, 2017.

BUDGETARY HIGHLIGHTS

DeKalb County Regional Office of Education No. 16 is not required to adopt annual budgets for all funds under its control and is not legally required to do so. DeKalb County Regional Office of Education No. 16 submits its budget to the State Board of Education and all other grantors that require it. The budgets may be amended during the year utilizing procedures prescribed by the particular grantor. Over the course of the year, DeKalb County Regional Office of Education No. 16 amended certain operating budgets to reflect additional revenue and expenditures associated with the additional services needed and provided. Budgetary comparison schedules are provided for various grant specific funds as supplementary information on pages 53 to 60.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

ECONOMIC FACTORS BEARING ON DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16'S FUTURE

At the time these financial statements were prepared and audited, DeKalb County Regional Office of Education No. 16 was aware of certain circumstances that could significantly affect its financial health in the future:

- The DeKalb ROE is expecting consistent funding from major grants during the current fiscal year.
- Grant payments to the DeKalb ROE have been delayed. The DeKalb ROE has used its reserves for short-term cash flow concerns.

CONTACTING DEKALB COUNTY REGIONAL OFFICE OF EDUCATION NO. 16 FINANCIAL MANAGEMENT

This financial report is designed to provide DeKalb County Regional Office of Education No. 16 financial statement users with a general overview of DeKalb County Regional Office of Education No. 16 finances and to demonstrate DeKalb County Regional Office of Education No. 16 accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Regional Superintendent of the DeKalb County Regional Office of Education No. 16, 2500 N. Annie Glidden Road, Suite C, DeKalb, IL 60115.

BASIC FINANCIAL STATEMENTS

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Statement of Net Position

June 30, 2018

	<u>Governmental Activities</u>
ASSETS	
<i>Current Assets</i>	
Cash and Cash Equivalents	\$ 398,729
Accounts Receivable	3,410
Due from Other Governmental Agencies	2,727
Grants Receivable	123,611
Total Assets	<u>528,477</u>
LIABILITIES	
<i>Current Liabilities</i>	
Accounts Payable	95,467
Due to Other Governmental Agencies	42,426
Total Liabilities	<u>137,893</u>
NET POSITION	
Restricted - Other	252,058
Unrestricted	138,526
Total Net Position	<u>\$ 390,584</u>

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

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Statement of Activities

For the Year Ended June 30, 2018

	<u>Expenses</u>	<u>Program Revenues</u> Operating Grants and Contributions	<u>Net (Expense) Revenues and Change in Net Position</u> Governmental Activities
Governmental Activities			
Instructional Services:			
Salaries and Benefits	\$ 303,768	\$ 266,753	\$ (37,015)
Other Objects	853	853	-
Purchased Services	326,581	305,626	(20,955)
Supplies and Materials	19,554	14,638	(4,916)
Intergovernmental:			
Payment to Other Government Units	319,706	132,465	(187,241)
Administrative:			
On Behalf Payments	354,141	-	(354,141)
Total Governmental Activities	<u>\$ 1,324,603</u>	<u>\$ 720,335</u>	<u>(604,268)</u>
General Revenues:			
Local Sources			149,457
State Sources			116,755
On Behalf Payments			354,141
Interest Income			158
Total General Revenues			<u>620,511</u>
Change in Net Position			<u>16,243</u>
Net Position - Beginning of Year			<u>374,341</u>
Net Position - End of Year			<u>\$ 390,584</u>

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

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Balance Sheet

Governmental Funds

June 30, 2018

	Major Funds					Total Governmental Funds
	General Fund	Institute Fund	General Educational Development Fund	Education Fund	Non-Major Special Revenue Funds	
ASSETS						
Cash and Cash Equivalents	\$ 135,336	\$ 163,493	\$ 9,971	\$ 65,587	\$ 24,342	\$ 398,729
Accounts Receivable	3,240	-	-	-	170	3,410
Due from Other Governmental Agencies	-	-	-	2,727	-	2,727
Due from Other Funds	-	55,854	-	-	-	55,854
Grants Receivable	-	-	-	123,611	-	123,611
Total Assets	\$ 138,576	\$ 219,347	\$ 9,971	\$ 191,925	\$ 24,512	\$ 584,331
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 50	\$ -	\$ -	\$ 95,417	\$ -	\$ 95,467
Due to Other Funds	-	-	-	55,854	-	55,854
Due to Other Governmental Agencies	-	-	-	42,426	-	42,426
Total Liabilities	50	-	-	193,697	-	193,747
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	-	-	-	44,825	-	44,825
FUND BALANCES (DEFICIT)						
Restricted	-	219,347	9,971	-	24,512	253,830
Assigned	124,271	-	-	-	-	124,271
Unassigned	14,255	-	-	(46,597)	-	(32,342)
Total Fund Balance (Deficit)	138,526	219,347	9,971	(46,597)	24,512	345,759
Total Liabilities and Fund Balances	\$ 138,576	\$ 219,347	\$ 9,971	\$ 191,925	\$ 24,512	\$ 584,331

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

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position

Governmental Funds

June 30, 2018

Total Fund Balances - Governmental Funds	\$ 345,759
Amounts Reported for Governmental Activities in the Statement of Net Position Are Different Because:	
Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are not considered "available" revenues and are deferred in the governmental funds.	<u>44,825</u>
Net Position of Governmental Activities	<u>\$ 390,584</u>

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

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Statement of Revenues, Expenditures and
Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2018

	Major Funds					Total Governmental Funds
	General Fund	Institute Fund	General Educational Development Fund	Education Fund	Non-Major Special Revenue Funds	
Revenues						
Local Sources	\$ 80,994	\$ 61,820	\$ 2,243	\$ 13,500	\$ 4,400	\$ 162,957
State Sources	187,241	-	-	586,747	1,501	775,489
On Behalf Payments	354,141	-	-	-	-	354,141
Federal Sources	-	-	-	120,088	-	120,088
Interest Income	155	3	-	-	-	158
Total Revenues	<u>622,531</u>	<u>61,823</u>	<u>2,243</u>	<u>720,335</u>	<u>5,901</u>	<u>1,412,833</u>
Expenditures						
Instructional Services:						
Salaries and Benefits	29,966	7,048	-	266,754	-	303,768
Other Objects	-	-	-	853	-	853
Purchased Services	28,896	15,630	6,337	273,321	2,397	326,581
Supplies and Materials	2,629	2,098	-	14,637	190	19,554
Intergovernmental:						
Payment to Other Government Units	187,241	-	-	132,465	-	319,706
Administrative:						
On Behalf Payments	354,141	-	-	-	-	354,141
Total Expenditures	<u>602,873</u>	<u>24,776</u>	<u>6,337</u>	<u>688,030</u>	<u>2,587</u>	<u>1,324,603</u>
Excess (Deficiency) of Revenues over Expenditures	<u>19,658</u>	<u>37,047</u>	<u>(4,094)</u>	<u>32,305</u>	<u>3,314</u>	<u>88,230</u>
Other Financing Sources (Uses)						
Transfers In	9,089	48,157	-	-	4,167	61,413
Transfers Out	(7,577)	-	(44,250)	(9,586)	-	(61,413)
Net Other Financing Sources (Uses)	<u>1,512</u>	<u>48,157</u>	<u>(44,250)</u>	<u>(9,586)</u>	<u>4,167</u>	<u>-</u>
Net Change in Fund Balance	21,170	85,204	(48,344)	22,719	7,481	88,230
Fund Balance (Deficit), Beginning of Year	<u>117,356</u>	<u>134,143</u>	<u>58,315</u>	<u>(69,316)</u>	<u>17,031</u>	<u>257,529</u>
Fund Balance (Deficit), End of Year	<u>\$ 138,526</u>	<u>\$ 219,347</u>	<u>\$ 9,971</u>	<u>\$ (46,597)</u>	<u>\$ 24,512</u>	<u>\$ 345,759</u>

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

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities

Governmental Funds

For the Year Ended June 30, 2018

Net Change in Fund Balances		\$ 88,230
Amounts Reported for Governmental Activities in the Statement of Activities Are Different Because:		
Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are therefore not considered "available" revenues and are deferred in the governmental funds.		
Current year unavailable revenue	44,825	
Prior year unavailable revenue	<u>(116,812)</u>	<u>(71,987)</u>
Change in Net Position of Governmental Activities		<u>\$ 16,243</u>

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

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2018

	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 390
Due from Other Governmental Agencies	<u>102,503</u>
Total Assets	<u><u>\$ 102,893</u></u>
LIABILITIES	
Due to Other Governmental Agencies	<u>\$ 102,893</u>
Total Liabilities	<u><u>\$ 102,893</u></u>

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

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of DeKalb County Regional Office of Education No. 16 (the ROE) are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments. The more significant accounting policies established by GAAP and used by the ROE are discussed below.

Reporting Entity

The DeKalb County Regional Office of Education No. 16 was created when an Educational Service Region became a Regional Office of Education on August 7, 1995. The DeKalb County Regional Office of Education No. 16 operates under the School Code (105 ILCS 5/3 and 5/3A). The Regional Office of Education encompasses DeKalb County, Illinois. A Regional Superintendent of Schools serves as Chief Administrative Officer of DeKalb County Regional Office of Education No. 16 and is elected pursuant to 105 ILCS 5/3 and 5/3A of the School Code. The principal financial duty of the Regional Superintendent is to receive and distribute monies due to school districts from general state aid, state categorical grants, and various other sources.

The functions of the DeKalb County Regional Office of Education No. 16 include, but are not limited to the following:

- Processing teachers' licenses
- Teaching initial and refresher classes for school bus drivers within DeKalb County Regional Office of Education No. 16
- Review life/safety requirements for schools in conjunction with the State of Illinois
- Issuing newsletters regarding new Illinois life/safety requirements
- Monitoring compliance with State laws and Department of Education policies and procedures
- Providing directions to teachers and school officials on science, art and teaching methods
- Implementing the State Board of Education's Policy Programs
- Encouraging camaraderie among teachers through the teachers' institute

Scope of the Reporting Entity

The Regional Office of Education No. 16 includes all related organizations for which it exercises oversight responsibility.

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

The Regional Office of Education No. 16 has developed criteria to determine whether outside agencies with activities, which benefit the citizens of the Regional Office of Education No. 16, including districts or joint agreements, which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education No. 16 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The Regional Superintendent has determined that no outside agency meets the above criteria and, therefore, no agency has been included as a component unit in the financial statements. In addition, the Regional Office of Education No. 16 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education No. 16 being considered a component unit of the entity.

New Accounting Pronouncement

For the year ended June 30, 2018, the following GASB Statements were implemented for the Regional Office of Education No. 16.

- Number 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Standard had no impact on the financial reporting of the ROE for the year ended June 30, 2018.
- Number 81, *Irrevocable Split-Interest Agreements*. This Standard had no impact on the financial reporting of the ROE for the year ended June 30, 2018.
- Number 85, *Omnibus 2017*. This Standard had no impact on the financial reporting of the ROE for the year ended June 30, 2018.
- Number 86, *Certain Debt Extinguishment Issues*. This Standard had no impact on the financial reporting of the ROE for the year ended June 30, 2018.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

Basis of Presentation

The Regional Office of Education No. 16's basic financial statements include both government-wide financial statements (reporting the Regional Office of Education No. 16 as a whole) and fund financial statements (reporting the Regional Office of Education No. 16's major and other funds).

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the Regional Office of Education No. 16 as a whole. They include all funds of the Regional Office of Education No. 16. Fiduciary funds are excluded from the government-wide financial statements. The Statement of Net Position and the Statement of Activities include the governmental activities. Governmental activities for the Regional Office of Education No. 16 include programs supported primarily by state and federal grants and other intergovernmental revenues. Internal balances and activities within the Regional Office of Education No. 16's governmental funds are eliminated in the government-wide 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 clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting.

Fund Financial Statements

Fund financial statements of the Regional Office of Education No. 16 are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. The Regional Office of Education No. 16's funds are organized into two major categories: governmental and fiduciary funds. An emphasis is placed on major funds within the fund financial statements. A fund is considered major if it is the primary operating fund of the Regional Office of Education No. 16 or meets the following criteria:

1. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

2. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Governmental Funds

The focus of the governmental funds' measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the ROE:

- General Fund – The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted and reported for in another fund. The General Fund is always considered a major fund. The following accounts are included in the General Fund:
 - General – This fund accounts for monies received for, and payment of, expenditures in connection with general administration activities.
 - General State Aid Operations – This fund accounts for monies received for, and payment of, expenditures for general operations of alternative schools in the region.
 - Fingerprinting – This fund is used to account for the administration of the Fingerprinting Program. Revenues are received from member school districts and private entities and are assigned by the Regional Superintendent's internal policy to fingerprinting related expenses.
 - Other Professional Testing Services – This fund accounts for money received for the establishment and running of the new Testing Center (lab). Testing includes all Pearson VUE tests and the ETS Paraprofessional Assessment.
 - New Teacher Induction – This fund accounts for money received from school districts and allow the ROE to provide professional development to new teachers.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

Special Revenue Funds – Special Revenue Funds are used to account for and report the proceeds of the specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service and capital projects. The ROE maintains three major special revenue funds and one non-major special revenue fund.

The Major Special Revenue Funds are:

- Institute Fund – This fund is used to account for the stewardship of the assets held in trust for the benefit of the teachers. Fees are collected from registration of teachers’ licenses of qualification. Monies are expended to conduct teachers’ institutes, conferences, and workshops. All funds generated remain restricted until expended only on the aforementioned activities.
- General Educational Development Fund – This fund is used to account for the administration of the general educational development testing program. Revenues are received from testing and diploma fees and are restricted for supplies and materials to support the general educational development program.
- Education Fund - This fund is used to account for and report the proceeds of specific revenue sources that are restricted by grant agreements or contracts to expenditures for specified purposes supporting education enhancement programs as follows:
 - Early Childhood Grant – This fund is used to account for grant monies received for, and payment of, expenditures for developing and operating programs for parents of young children.
 - Regional Safe Schools Grant – This fund is used to account for a grant that provides additional staff and materials for the alternative schools in the region.
 - General State Aid – This fund is used to account for monies received for, and payment of, expenditures for general operations of alternative schools in the region.
 - ROE/ISC Operation – This fund is used to account for monies received for the administration of the ROE/ISC Operation program.
 - Alternative Education – This fund is used to account for a grant that provides for funding for the alternative schools within the region.
 - McKinney Education for Homeless Children Grant – This fund is used to account for grant monies received for, and payment of, expenditures for programs for educating homeless children.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

- Title II - Teacher Quality – This fund accounts for grant money received for and expenditures incurred in, providing training and professional development for the improvement of teacher preparation programs.
- Pilot Regional Safe Schools Cooperative - This fund accounts for money received from a grant that provides additional staff and materials for the alternative schools in the region.
- Rural Education Achievement Program – This fund is used to account for grant monies received to provide rural local education agencies with financial assistance to fund initiatives aimed at improving student academic achievement.
- Early Learning – This fund is used to account for funds received for a kindergarten readiness project.
- Feasibility Study Grant – This flow-through grant accounts for money used to perform a feasibility study on the merger of Indian Creek (in district) and Paw Paw (not in district).
- Foundational SSOS – This fund accounts for money used for professional development, networking and technical assistance representing best practices.
- National School Lunch Program – This fund accounts for money received from the federal government for nutritionally balanced lunches to school children.
- School Breakfast Program – This fund accounts for money received from the state and used to pay for students school breakfast.
- State Free Lunch and Breakfast – This fund accounts for money received from the state and used to pay for free lunch and breakfast for students.

The Non-Major Special Revenue Funds are used to account for and report the proceeds of the specific revenue sources that are restricted or committed to expenditures for specified purposes. The non-major special revenue fund is:

- Bus Permit – This fund is used to account for the stewardship of the assets held in trust in connection with the Bus Driver Training Program.

Agency Funds – Agency funds consist of funds received from the State Board of Education, individuals, private organizations, and/or other governments, and distributed by the ROE to school districts and other organizations. These funds are custodial in nature and do not involve the measurement of the results of operations.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

The ROE has two agency funds:

- Distributive Fund – The ROE received state and federal funds from the State Board of Education, which it distributes to school districts and other organizations.
- Board of Trustees – The source of this account is from the petitions of citizens wishing to change school districts.

Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. 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.

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the DeKalb County Regional Office of Education No. 16.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Under the terms of grant agreements, DeKalb County Regional Office of Education No. 16 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is DeKalb County Regional Office of Education No. 16's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues. It is the Regional Office of Education No. 16's policy to first apply restricted funds, then unrestricted. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned if any.

**DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION No. 16**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

Net Position

Net position presents the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources in the Statement of Net Position. Net Position of the Regional Office of Education are classified as follows:

Restricted Net Position – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

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

Fund Balance

The components of fund balance indicate the extent to which there are constraints on the specific purposes for which amounts in the fund can be spent. The fund balance classifications are as follows:

Non-Spendable Fund Balance – the portion of a Governmental Fund’s net position that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. There are no accounts presenting a nonspendable fund balance.

Restricted Fund Balance – the portion of a Governmental Fund’s net position that is subject to external enforceable legal restrictions. The following fund balances are restricted by Illinois State Statute: Institute Fund, General Education Development Fund and Bus Permit Fund.

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

Assigned Fund Balance – the portion of a Governmental Fund’s net position to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The total of the fund balance of the Fingerprint Fund, Other Professional Testing Services, and the New Teacher Induction are considered assigned.

**DEKALB COUNTY
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**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

Unassigned Fund Balance – available expendable financial resources in a governmental fund that are not designated for a specific purpose. The General Fund is considered unassigned. Regional Safe Schools, Alternative Education and Pilot Regional Safe Schools, Early Childhood, ROE/ISC Operation, Early Learning, Feasibility Study, National School Lunch Program and State Free Lunch and Breakfast are considered unassigned due to the deficit fund balances.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balance is available, the ROE considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the ROE considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the ROE has provided otherwise in its commitment or assignment action.

Budgets and Budgetary Information

The ROE acts as the administrative agent for certain grant programs that are accounted for in the General and Education Funds. Certain programs have budgets that are required to be reported to and approved by the Illinois State Board of Education. However, none of the annual budgets have been legally adopted nor are they required to be. Comparison of budgeted and actual results is presented as supplementary information. Budgetary comparison schedules have been provided in the supplementary schedules for the following funds: Early Childhood Grant, Regional Safe Schools Grant, ROE/ISC Operations, Alternative Education, McKinney Education for Homeless Children Grant, Title II – Teacher Quality, Pilot Regional Safe School Cooperative Grant and Foundational SSOS.

Cash and Cash Equivalents

All highly liquid investments with a maturity of three months or less are considered cash equivalents.

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**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

Receivables – Net of Allowances

The carrying amount of grants receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will be collected. The allowance is based on management's assessment of collectability of receivables. All receivables deemed to be uncollectible are written off to the allowance. The total allowance as of June 30, 2018 was \$0.

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through August 21, 2019, the date the financial statements were available to be issued.

2. Deposits and Investments

Custodial Credit Risk – Bank Deposits

At June 30, 2018, the carrying amount of the ROE's deposits was \$399,119 (including \$390 of fiduciary funds' cash) and the bank balance was \$413,308.

Custodial credit risk is the risk that in the event of a bank failure, the ROE's deposits may not be returned to it. The ROE does not have a deposit policy for custodial credit risk. All of DeKalb County Regional Office of Education No. 16's deposits were either covered by FDIC insurance or covered by collateral held by the financial institution in DeKalb County Regional Office of Education No. 16's name.

The ROE does not have a formal investment policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund and are considered cash equivalents. As of June 30, 2018, the ROE had \$6,861 in the Illinois Funds Money Market Fund. The fair value of the ROE's position in this fund is equal to the value of the ROE's fund shares. The portfolio is regulated by oversight of the Treasurer of the State of Illinois and private rating agencies. The portfolio has AAAM ratings from Standard and Poor's. The assets of the fund are mainly invested in securities issued by the United States government or agencies related to the United States. Assets of the fund not invested in United States government securities are fully collateralized by pledged securities. The time to maturity of the investments in this external investment pool averages less than one year.

**DEKALB COUNTY
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**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

3. Capital Assets

Capital assets are acquired using the governmental resources of DeKalb County, therefore, the existing balance of capital assets is not presented.

4. Due From / To Other Governmental Agencies

At June 30, 2018, Grants Receivable and Due To/From Other Governmental Agencies consisted of the following:

Grants Receivable

Education Fund:	
Illinois State Board of Education	\$ 123,611
Total Grants Receivable	<u>\$ 123,611</u>

Due From Other Governmental Agencies

Education Fund:	
KIDS	\$ 2,727
Agency Fund:	
Illinois State Board of Education	<u>102,503</u>
Total Due From Other Governmental Agencies	<u>\$ 105,230</u>

Due To Other Governmental Agencies

Education Fund:	
Illinois State Board of Education	\$ 37,720
Foundational SSOS	4,706
Agency Fund:	
Other Local Education Agencies	<u>102,893</u>
Total Due To Other Governmental Agencies	<u>\$ 145,319</u>

5. Interfund Activity

Due From / To Other Funds

Interfund receivables and payables, primarily made to cover cash deficits within pooled cash accounts, as of June 30, 2018 were:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
Institute Fund	\$ 55,854	\$ -
Education Fund:		
ROE/ISC Operations	-	4,468
Alternative Education	-	13,958
McKinney Ed for Homeless	-	12,077
Title II – Teacher Quality	-	1,489
Early Learning	-	31
Foundational SSOS	<u>-</u>	<u>23,831</u>
	<u>\$ 55,854</u>	<u>\$ 55,854</u>

**DEKALB COUNTY
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**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

Interfund Activity (Concluded)

Transfers In/Out

Interfund transfers in/out to other funds balances at June 30, 2018, consist of the following transfers in/out to other funds in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The transfers between governmental funds were eliminated in the government-wide Statement of Activities.

	Transfers In	Transfers Out
General Fund	\$ 9,089	\$ 7,577
Institute Fund	48,157	-
General Education Development Fund	-	44,250
Education Fund	-	9,586
Non-Major Special Revenue Funds	4,167	-
Total	\$ 61,413	\$ 61,413

6. Disposition of Distributive Fund Interest

Revenues are partially derived from interest on deposits of the various funds under the jurisdiction of DeKalb County Regional Office of Education No. 16. A substantial portion of these interest earnings have been earned on monies which are passed through from the Illinois State Board of Education to the various school districts within the County of DeKalb. The Regional Office of Education is allowed to keep all interest earned.

**DEKALB COUNTY
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**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

7. On-Behalf Payments

Salaries of the Regional Superintendent and the Assistant Regional Superintendent are paid by the State of Illinois. All other salaries are paid by DeKalb County. Pension plan contributions associated with these salaries are also paid, respectively, by the State of Illinois and DeKalb County. In addition to the amounts listed below, the ROE reimburses the County for salaries and pension plan contributions for other employees.

The State of Illinois and DeKalb County made the following expenditure payments on behalf of the ROE for the year ended June 30, 2018:

Regional Superintendent Salary	\$ 115,176
Regional Superintendent Fringe Benefits (includes State Paid Insurance)	38,324
Assistant Regional Superintendent Salary	103,656
Assistant Regional Superintendent Fringe Benefits (includes State Paid Insurance)	<u>37,664</u>
Total State of Illinois On-Behalf Payments	<u>\$ 294,820</u>
County Employees – Salaries	\$ 44,940
County Employees – Benefits	<u>14,381</u>
Total DeKalb County On-Behalf Payments	<u>\$ 59,321</u>
 Total On-Behalf Payments	 <u>\$ 354,141</u>

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent were calculated based on data provided by the Illinois State Board of Education. Salary and benefit data for the County employees was calculated based on data provided by the DeKalb County Regional Office of Education No. 16.

8. Deficit Fund Balances

At June 30, 2018, the following funds had deficit fund balances. They are expected to correct themselves in 2019, through payments from the local funds and available revenue.

Education Fund	
Early Childhood Grant	\$ 19,181
Regional Safe Schools	\$ 6,000
ROE/ISC Operation	\$ 1,741
Alternative Education	\$ 6,979
Pilot Regional Safe School Cooperative	\$ 5,000
Early Learning	\$ 31
Feasibility Study	\$ 6,000
National School Lunch Program	\$ 1,500
State Free Lunch and Breakfast	\$ 165

DEKALB COUNTY
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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

9. Economic Dependence

Approximately 57.2 percent or \$808,810 of the ROE's operating revenue for the year ended June 30, 2018 was earned from one State of Illinois agency. One hundred percent of grants receivable at June 30, 2018 was also from the same State of Illinois agency.

10. Risk Management

The ROE purchases a commercial insurance policy and is covered for all risk. There have been no significant reductions in coverage during the fiscal year. Settlement amounts have not exceeded insurance coverage for any of the three prior years.

11. Retirement Plan

As previously mentioned, salaries of the Regional Superintendent and the Assistant Regional Superintendent are paid by the State of Illinois. All certified personnel participate in the Teachers' Retirement System of the State of Illinois and others participate in the Illinois Municipal Retirement Fund. IMRF contributions are paid by the County of DeKalb and ROE No. 16 reimburses the County for some of the employees. Information about the IMRF retirement plan can be found in the basic financial statements and note disclosures of DeKalb County.

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Combining Schedule of Accounts

General Fund Accounts

June 30, 2018

	General	General State Aid Operations	Fingerprinting	Other Professional Testing Services	New Teacher Induction	Combined Total
ASSETS						
Cash and Cash Equivalents	\$ 11,820	\$ -	\$ 112,415	\$ 7,661	\$ 3,440	\$ 135,336
Accounts Receivable	2,435	-	495	310	-	3,240
Total Assets	<u>\$ 14,255</u>	<u>\$ -</u>	<u>\$ 112,910</u>	<u>\$ 7,971</u>	<u>\$ 3,440</u>	<u>\$ 138,576</u>
LIABILITIES AND FUND BALANCES (DEFICIT)						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ 50	\$ -	\$ -	\$ 50
Total Liabilities	<u>-</u>	<u>-</u>	<u>50</u>	<u>-</u>	<u>-</u>	<u>50</u>
Fund Balances (Deficit):						
Assigned	-	-	112,860	7,971	3,440	124,271
Unassigned	14,255	-	-	-	-	14,255
Total Fund Balances (Deficit)	<u>14,255</u>	<u>-</u>	<u>112,860</u>	<u>7,971</u>	<u>3,440</u>	<u>138,526</u>
Total Liabilities and Fund Balances (Deficit)	<u>\$ 14,255</u>	<u>\$ -</u>	<u>\$ 112,910</u>	<u>\$ 7,971</u>	<u>\$ 3,440</u>	<u>\$ 138,576</u>

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances

General Fund Accounts

For the Year Ended June 30, 2018

	General	General State Aid Operations	Fingerprinting	Other Professional Testing Services	New Teacher Induction	Combined Total
Revenues						
Local Sources	\$ 33,962	\$ -	\$ 28,149	\$ 18,883	\$ -	\$ 80,994
State Sources	-	187,241	-	-	-	187,241
On Behalf Payments	354,141	-	-	-	-	354,141
Interest Income	155	-	-	-	-	155
Total Revenues	<u>388,258</u>	<u>187,241</u>	<u>28,149</u>	<u>18,883</u>	<u>-</u>	<u>622,531</u>
Expenditures						
Instructional Services:						
Salaries and Benefits	\$ 10,952	\$ -	\$ 16,281	\$ 2,733	\$ -	\$ 29,966
Purchased Services	8,070	-	10,610	9,365	851	28,896
Supplies and Materials	2,013	-	243	373	-	2,629
Intergovernmental:						
Payment to Other Government Units	-	187,241	-	-	-	187,241
Administrative:						
On-Behalf Payments	354,141	-	-	-	-	354,141
Total Expenditures	<u>375,176</u>	<u>187,241</u>	<u>27,134</u>	<u>12,471</u>	<u>851</u>	<u>602,873</u>
Excess (Deficiency) of Revenues over Expenditures	<u>13,082</u>	<u>-</u>	<u>1,015</u>	<u>6,412</u>	<u>(851)</u>	<u>19,658</u>
Other Financing Sources (Uses)						
Transfers In	-	-	2,630	6,459	-	9,089
Transfers Out	(7,377)	-	-	-	(200)	(7,577)
Net Other Financing Sources (Uses)	<u>(7,377)</u>	<u>-</u>	<u>2,630</u>	<u>6,459</u>	<u>(200)</u>	<u>1,512</u>
Fund Balance (Deficit), Beginning of Year	<u>8,550</u>	<u>-</u>	<u>109,215</u>	<u>(4,900)</u>	<u>4,491</u>	<u>117,356</u>
Fund Balance (Deficit), End of Year	<u>\$ 14,255</u>	<u>\$ -</u>	<u>\$ 112,860</u>	<u>\$ 7,971</u>	<u>\$ 3,440</u>	<u>\$ 138,526</u>

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Combining Schedule of Accounts

Education Fund Accounts

June 30, 2018

	Early Childhood Grant	Regional Safe Schools Grant	General State Aid	ROE/ISC Operation	Alternative Education	McKinney Education for Homeless Children Grant	Title II - Teacher Quality	Pilot Regional Safe School Cooperative	Rural Education Achievement Program
ASSETS									
Cash and Cash Equivalents	\$ 65,587	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from Other Governmental Agencies	-	-	-	2,727	-	-	-	-	-
Grants Receivable	38,363	11,966	-	-	13,958	12,077	1,489	11,000	-
Total Assets	<u>\$ 103,950</u>	<u>\$ 11,966</u>	<u>\$ -</u>	<u>\$ 2,727</u>	<u>\$ 13,958</u>	<u>\$ 12,077</u>	<u>\$ 1,489</u>	<u>\$ 11,000</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts Payable	66,230	11,966	-	-	-	-	-	11,000	-
Due to Other Funds	-	-	-	4,468	13,958	12,077	1,489	-	-
Due to Other Governmental Agencies	37,720	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>103,950</u>	<u>11,966</u>	<u>-</u>	<u>4,468</u>	<u>13,958</u>	<u>12,077</u>	<u>1,489</u>	<u>11,000</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue	<u>19,181</u>	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>6,979</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Fund Balances (Deficit):									
Restricted	-	-	-	-	-	-	-	-	-
Unassigned	(19,181)	(6,000)	-	(1,741)	(6,979)	-	-	(5,000)	-
Total Fund Balance (Deficit)	<u>(19,181)</u>	<u>(6,000)</u>	<u>-</u>	<u>(1,741)</u>	<u>(6,979)</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>
Total Liabilities, Deferred Inflows & Fund Balance	<u>\$ 103,950</u>	<u>\$ 11,966</u>	<u>\$ -</u>	<u>\$ 2,727</u>	<u>\$ 13,958</u>	<u>\$ 12,077</u>	<u>\$ 1,489</u>	<u>\$ 11,000</u>	<u>\$ -</u>

See Accompanying Independent Auditors' Report

Combining Schedule of Accounts

Education Fund Accounts

June 30, 2018

	Early Learning	Feasibility Study	Foundational SSOS	National School Lunch Program	School Breakfast Program	State Free Lunch & Breakfast	Combined Total
ASSETS							
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,587
Due from Other Governmental Agencies	-	-	-	-	-	-	2,727
Grants Receivable	-	6,000	28,537	-	-	221	123,611
Total Assets	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 28,537</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221</u>	<u>\$ 191,925</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	-	6,000	-	-	-	221	95,417
Due to Other Funds	31	-	23,831	-	-	-	55,854
Due to Other Governmental Agencies	-	-	4,706	-	-	-	42,426
Unearned Revenue	-	-	-	-	-	-	-
Total Liabilities	<u>31</u>	<u>6,000</u>	<u>28,537</u>	<u>-</u>	<u>-</u>	<u>221</u>	<u>193,697</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	-	6,000	-	1,500	-	165	44,825
Fund Balances (Deficit):							
Restricted	-	-	-	-	-	-	-
Unassigned	(31)	(6,000)	-	(1,500)	-	(165)	(46,597)
Total Fund Balance (Deficit)	<u>(31)</u>	<u>(6,000)</u>	<u>-</u>	<u>(1,500)</u>	<u>-</u>	<u>(165)</u>	<u>(46,597)</u>
Total Liabilities, Deferred Inflows & Fund Balance	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 28,537</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221</u>	<u>\$ 191,925</u>

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances

Education Fund Accounts

For the Year Ended June 30, 2018

	Early Childhood Grant	Regional Safe Schools Grant	General State Aid	ROE/ISC Operations	Alternative Education	McKinney Education for Homeless Children Grant	Title II - Teacher Quality	Pilot Regional Safe School Cooperative	Rural Education Achievement Program
Revenues									
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	173,282	103,676	-	118,232	118,649	-	-	72,647	-
Federal Sources	-	-	-	-	-	31,000	1,689	-	14,500
Total Revenues	<u>173,282</u>	<u>103,676</u>	<u>-</u>	<u>118,232</u>	<u>118,649</u>	<u>31,000</u>	<u>1,689</u>	<u>72,647</u>	<u>14,500</u>
Expenditures									
Instructional Services:									
Salaries and Benefits	-	-	-	115,787	80,156	20,785	-	-	14,500
Other Objects	-	-	-	853	-	-	-	-	-
Purchased Services	192,463	-	-	33,492	2,474	6,641	1,689	-	-
Supplies and Materials	-	-	-	7,751	1,124	3,574	-	-	-
Intergovernmental:									
Payment to Other Government Units	-	73,062	-	-	-	-	-	39,323	-
Total Expenditures	<u>192,463</u>	<u>73,062</u>	<u>-</u>	<u>157,883</u>	<u>83,754</u>	<u>31,000</u>	<u>1,689</u>	<u>39,323</u>	<u>14,500</u>
Excess/(Deficiency) of Revenues over Expenditures	(19,181)	30,614	-	(39,651)	34,895	-	-	33,324	-
Other Financing Sources (Uses)									
Transfers Out	-	-	(23)	(1,741)	(1,591)	(6,231)	-	-	-
Net Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(23)</u>	<u>(1,741)</u>	<u>(1,591)</u>	<u>(6,231)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(19,181)	30,614	(23)	(41,392)	33,304	(6,231)	-	33,324	-
Fund Balance (Deficit), Beginning of Year	<u>-</u>	<u>(36,614)</u>	<u>23</u>	<u>39,651</u>	<u>(40,283)</u>	<u>6,231</u>	<u>-</u>	<u>(38,324)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ (19,181)</u>	<u>\$ (6,000)</u>	<u>\$ -</u>	<u>\$ (1,741)</u>	<u>\$ (6,979)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,000)</u>	<u>\$ -</u>

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances

Education Fund Accounts

For the Year Ended June 30, 2018

	Early Learning	Feasibility Study	Foundational SSOS	National School Lunch Program	School Breakfast Program	State Free Lunch & Breakfast	Combined Total
Revenues							
Local Sources	\$ 13,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,500
State Sources	-	-	-	-	-	261	586,747
Federal Sources	-	-	45,667	18,154	9,078	-	120,088
Total Revenues	<u>13,500</u>	<u>-</u>	<u>45,667</u>	<u>18,154</u>	<u>9,078</u>	<u>261</u>	<u>720,335</u>
Expenditures							
Instructional Services:							
Salaries and Benefits	-	-	35,526	-	-	-	266,754
Other Objects	-	-	-	-	-	-	853
Purchased Services	13,531	6,000	7,953	-	9,078	-	273,321
Supplies and Materials	-	-	2,188	-	-	-	14,637
Intergovernmental:							
Payment to Other Government Units	-	-	-	19,654	-	426	132,465
Total Expenditures	<u>13,531</u>	<u>6,000</u>	<u>45,667</u>	<u>19,654</u>	<u>9,078</u>	<u>426</u>	<u>688,030</u>
Excess/(Deficiency) of Revenues over Expenditures	(31)	(6,000)	-	(1,500)	-	(165)	32,305
Other Financing Sources (Uses)							
Transfers Out							(9,586)
Net Other Financing Sources (Uses)	-	-	-	-	-	-	<u>(9,586)</u>
Net Change in Fund Balance	(31)	(6,000)	-	(1,500)	-	(165)	22,719
Fund Balance (Deficit), Beginning of Year	-	-	-	-	-	-	(69,316)
Fund Balance (Deficit), End of Year	<u>\$ (31)</u>	<u>\$ (6,000)</u>	<u>\$ -</u>	<u>\$ (1,500)</u>	<u>\$ -</u>	<u>\$ (165)</u>	<u>\$ (46,597)</u>

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Budgetary Comparison Schedule
Education Fund Account

Early Childhood Grant

For the Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
State Sources	\$ 230,183	\$ 173,282	\$ (56,901)
Total Revenues	230,183	173,282	(56,901)
Expenditures			
Instructional Services:			
Purchased Services	230,183	192,463	37,720
Total Expenditures	230,183	192,463	37,720
Net Change in Fund Balance	\$ -	(19,181)	\$ (19,181)
Fund Balance, Beginning of Year		-	
Fund Balance (Deficit), End of Year		\$ (19,181)	

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Budgetary Comparison Schedule
Education Fund Account

Regional Safe Schools Grant

For the Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
State Sources	\$ 73,062	\$ 103,676	\$ 30,614
Total Revenues	73,062	103,676	30,614
Expenditures			
Intergovernmental:			
Payment to Other Government Units	73,062	73,062	-
Total Expenditures	73,062	73,062	-
Net Change in Fund Balance	\$ -	30,614	\$ 30,614
Fund Balance (Deficit), Beginning of Year		(36,614)	
Fund Balance (Deficit), End of Year		\$ (6,000)	

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Budgetary Comparison Schedule
Education Fund Account

ROE/ISC Operations

For the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
State Sources	\$ 118,232	\$ 118,232	\$ -
Total Revenues	<u>118,232</u>	<u>118,232</u>	<u>-</u>
Expenditures			
Instructional Services:			
Salaries and Benefits	96,839	115,787	(18,948)
Other Objects	853	853	-
Purchased Services	14,654	33,492	(18,838)
Supplies and Materials	5,886	7,751	(1,865)
Total Expenditures	<u>118,232</u>	<u>157,883</u>	<u>(39,651)</u>
Other Financing Sources (Uses)			
Transfer Out	-	(1,741)	
Net Change in Fund Balance	<u>\$ -</u>	(41,392)	<u>\$ (39,651)</u>
Fund Balance, Beginning of Year		<u>39,651</u>	
Fund Balance (Deficit), End of Year		<u>\$ (1,741)</u>	

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Budgetary Comparison Schedule
Education Fund Account

Alternative Education

For the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
State Sources	\$ 83,754	\$ 118,649	\$ 34,895
Total Revenues	<u>83,754</u>	<u>118,649</u>	<u>34,895</u>
Expenditures			
Instructional Services:			
Salaries and Benefits	80,156	80,156	-
Purchased Services	2,474	2,474	-
Supplies and Materials	1,124	1,124	-
Total Expenditures	<u>83,754</u>	<u>83,754</u>	<u>-</u>
Other Financing Sources (Uses)			
Transfer Out	-	(1,591)	
Net Change in Fund Balance	<u>\$ -</u>	33,304	<u>\$ 34,895</u>
Fund Balance (Deficit), Beginning of Year		<u>(40,283)</u>	
Fund Balance (Deficit), End of Year		<u>\$ (6,979)</u>	

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Budgetary Comparison Schedule
Education Fund Account

McKinney Education for Homeless Children Grant

For the Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal Sources	\$ 31,000	\$ 31,000	\$ -
Total Revenues	31,000	31,000	-
Expenditures			
Instructional Services:			
Salaries and Benefits	20,830	20,785	45
Purchased Services	6,820	6,641	179
Supplies and Materials	3,350	3,574	(224)
Total Expenditures	31,000	31,000	-
Other Financing Sources (Uses)			
Transfer Out	-	(6,231)	
Net Change in Fund Balance	\$ -	(6,231)	\$ -
Fund Balance, Beginning of Year		6,231	
Fund Balance, End of Year		\$ -	

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Budgetary Comparison Schedule
Education Fund Account

Title II - Teacher Quality

For the Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal Sources	\$ 1,771	\$ 1,689	\$ (82)
Total Revenues	1,771	1,689	(82)
Expenditures			
Instructional Services:			
Purchased Services	1,771	1,689	82
Total Expenditures	1,771	1,689	82
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, Beginning of Year		-	
Fund Balance, End of Year		\$ -	

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Budgetary Comparison Schedule
Education Fund Account

Pilot Regional Safe School Cooperative Fund

For the Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
State Sources	\$ 39,323	\$ 72,647	\$ 33,324
Total Revenues	39,323	72,647	33,324
Expenditures			
Intergovernmental:			
Payment to Other Government Units	39,323	39,323	-
Total Expenditures	39,323	39,323	-
Net Change in Fund Balance	\$ -	33,324	\$ 33,324
Fund Balance (Deficit), Beginning of Year		(38,324)	
Fund Balance (Deficit), End of Year		\$ (5,000)	

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Budgetary Comparison Schedule
Education Fund Account

Foundational SSOS

For the Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Federal Sources	\$ 80,000	\$ 45,667	\$ (34,333)
Total Revenues	80,000	45,667	(34,333)
Expenditures			
Instructional Services:			
Salaries and Benefits	73,478	35,526	37,952
Purchased Services	2,000	7,953	(5,953)
Supplies and Materials	2,000	2,188	(188)
Intergovernmental:			
Payment to Other Government Units	2,522	-	2,522
Total Expenditures	80,000	45,667	34,333
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, Beginning of Year		-	
Fund Balance, End of Year		\$ -	

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2018

	Bus Permit	Total
ASSETS		
Assets		
Cash and Cash Equivalents	\$ 24,342	\$ 24,342
Accounts Receivable	170	170
Total Assets	\$ 24,512	\$ 24,512
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ -	\$ -
Total Liabilities	-	-
Fund Balances:		
Restricted	24,512	24,512
Total Fund Balances	24,512	24,512
Total Liabilities and Fund Balances	\$ 24,512	\$ 24,512

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Non-Major Special Revenue Funds

For the Year Ended June 30, 2018

	Bus Permit	Total
Revenues		
Local Sources	\$ 4,400	\$ 4,400
State Sources	1,501	1,501
Total Revenues	<u>5,901</u>	<u>5,901</u>
Expenditures		
Instructional Services:		
Purchased Services	2,397	2,397
Supplies and Materials	190	190
Total Expenditures	<u>2,587</u>	<u>2,587</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,314</u>	<u>3,314</u>
Other Financing Sources (Uses)		
Transfers In	4,167	4,167
Transfers Out	-	-
Net Other Financing Sources (Uses)	<u>4,167</u>	<u>4,167</u>
Net Change in Fund Balance	7,481	7,481
Fund Balance, Beginning of Year	<u>17,031</u>	<u>17,031</u>
Fund Balance, End of Year	<u><u>\$ 24,512</u></u>	<u><u>\$ 24,512</u></u>

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Combining Statement of Fiduciary Net Position

Agency Funds

June 30, 2018

	Distributive	Board of Trustees	Combined Total
ASSETS			
Cash and Cash Equivalents	\$ 254	\$ 136	\$ 390
Due from Other Governmental Agencies	102,503	-	102,503
Total Assets	\$ 102,757	\$ 136	\$ 102,893
LIABILITIES			
Liabilities:			
Due to Other Governmental Agencies	\$ 102,757	\$ 136	\$ 102,893
Total Liabilities	\$ 102,757	\$ 136	\$ 102,893

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>Distributive</u>				
ASSETS				
Cash and Cash Equivalents	\$ 254	\$ 738,438	\$ 738,438	\$ 254
Due from Other Governmental Agencies	325,348	102,503	325,348	102,503
Total Assets	<u>\$ 325,602</u>	<u>\$ 840,941</u>	<u>\$ 1,063,786</u>	<u>\$ 102,757</u>
LIABILITIES				
Due to Other Governmental Agencies	\$ 325,602	\$ 840,941	\$ 1,063,786	\$ 102,757
Total Liabilities	<u>\$ 325,602</u>	<u>\$ 840,941</u>	<u>\$ 1,063,786</u>	<u>\$ 102,757</u>
 <u>Board of Trustees</u>				
ASSETS				
Cash and Cash Equivalents	\$ 136	\$ -	\$ -	\$ 136
LIABILITIES				
Due to Other Governmental Agencies	\$ 136	\$ -	\$ -	\$ 136
 <u>Totals</u>				
ASSETS				
Cash and Cash Equivalents	\$ 390	\$ 738,438	\$ 738,438	\$ 390
Due from Other Governmental Agencies	325,348	102,503	325,348	102,503
Total Assets	<u>\$ 325,738</u>	<u>\$ 840,941</u>	<u>\$ 1,063,786</u>	<u>\$ 102,893</u>
LIABILITIES				
Due to Other Governmental Agencies	\$ 325,738	\$ 840,941	\$ 1,063,786	\$ 102,893
Total Liabilities	<u>\$ 325,738</u>	<u>\$ 840,941</u>	<u>\$ 1,063,786</u>	<u>\$ 102,893</u>

See Accompanying Independent Auditors' Report

DEKALB COUNTY
REGIONAL OFFICE OF EDUCATION NO. 16

Schedule of Disbursements to Other Entities

Distributive Fund

For the Year Ended June 30, 2018

	Kishwaukee Education Consortium
Career and Technical Ed Improvement	<u>\$ 578,624</u>
V.E. Perkins Title IIC - Secondary	<u>159,814</u>
Total	<u><u>\$ 738,438</u></u>

See Accompanying Independent Auditors' Report