

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

FINANCIAL AUDIT
FOR THE YEAR ENDED JUNE 30, 2017

PERFORMED AS SPECIAL ASSISTANT AUDITORS
FOR THE AUDITOR GENERAL, STATE OF ILLINOIS

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

TABLE OF CONTENTS

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

FINANCIAL SECTION

Independent Auditors' Report	4 - 6
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	7 - 8
Schedule of Findings and Responses	9 - 10
Summary Schedule of Prior Audit Findings Not Repeated	11

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements	
Balance Sheet – Governmental Funds	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Funds	17
Statement of Net Position – Proprietary Funds	18
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	19
Statement of Cash Flows – Proprietary Funds	20
Notes to Financial Statements	21 - 57

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Employer's Proportionate Share of the Net Pension Liability and Employer Contributions	
Teachers' Retirement System of the State of Illinois	58
Schedule of the Employer's Proportionate Share of the Net Pension Liability	
Illinois Municipal Retirement Fund	59
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	60

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION - Continued

SUPPLEMENTARY INFORMATION

Combining Schedule of Accounts – General Fund Accounts	61
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – General Fund Accounts	62
Combining Schedule of Accounts – Education Fund Accounts	63 - 66
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Education Fund Accounts	67 - 70
Education Fund Account – Regional Safe Schools - Budgetary Comparison Schedule	71
Education Fund Account – Early Childhood Parenting Program - Budgetary Comparison Schedule	72
Education Fund Account – Truants Alternative Program - Budgetary Comparison Schedule	73
Education Fund Account - Career & Technical Education Improvement – Budgetary Comparison Schedule	74
Education Fund Account - ROE/ISC Operations - Budgetary Comparison Schedule	75
Education Fund Account - Title II - Teacher Quality Leadership – Budgetary Comparison Schedule	76
Education Fund Account - Title II Teacher Quality - Budgetary Comparison Schedule	77
Education Fund Account - RSSPCE – Budgetary Comparison Schedule	78
Education Fund Account - Mathematics and Science Partnerships - Budgetary Comparison Schedule	79
Combining Balance Sheet – Nonmajor Special Revenue Funds	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	81

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

Officials

June 30, 2017

Regional Superintendent
(During the Audit Period and Current)

Dr. Darlene Ruscitti

Assistant Regional Superintendent for Alternative Services
(During the Audit Period and Current)

Ms. Joan Glotzbach

Assistant Regional Superintendent of Business/CSBO
(During the Audit Period and Current)

Dr. Jeremy Dotson

Office is located at:
421 North County Farm Road
Wheaton, IL 60187-3999

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

**Financial Report Summary
Year Ended June 30, 2017**

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit Findings	-	-
Repeated Audit Findings	-	-
Prior Recommendations Implemented or Not Repeated	-	-

SUMMARY OF FINDINGS AND RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
-----------------	-------------	--------------------	---------------------

Findings (Government Auditing Standards)

None

Prior Audit Findings Not Repeated (Government Auditing Standards)

None

EXIT CONFERENCE

Per correspondence on August 8, 2019, management of the ROE waived a formal exit conference.

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

**Financial Statement Report Summary
Year Ended June 30, 2017**

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

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



INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the DuPage County Regional Office of Education No. 19 (ROE), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the ROE'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 auditor's judgment, including the assessment of 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 ROE'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 ROE's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the DuPage County Regional Office of Education No. 19, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2019 on our consideration of the ROE's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the ROE'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 ROE's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

LAUTERBACH & AMEN, LLP
Naperville, Illinois
October 15, 2019



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the DuPage County Regional Office of Education No. 19 (ROE), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the ROE’s basic financial statements, and have issued our report thereon dated October 15, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the ROE’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 opinion(s) on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the ROE’s internal control. Accordingly, we do not express an opinion on the effectiveness of the ROE’s internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the ROE'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 ROE's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

LAUTERBACH & AMEN, LLP
Naperville, Illinois
October 15, 2019

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

**Schedule of Findings and Responses
Year Ended June 30, 2017**

Section I: Summary of Auditors Results

Financial Statements in accordance with GAAP

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted? No

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

**Schedule of Findings and Responses
Year Ended June 30, 2017**

Section II: Financial Statement Findings

None

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

**Summary Schedule of Prior Audit Findings Not Repeated
Year Ended June 30, 2017**

None

BASIC FINANCIAL STATEMENTS

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
STATEMENT OF NET POSITION
June 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,576,333	\$ 507,446	\$ 4,083,779
Accounts receivable	56	302	358
Due from other governments	1,131,497	43,409	1,174,906
Due from (to) other funds	(68,797)	68,797	-
Prepaid expenses	30,850	76	30,926
Total current assets	<u>4,669,939</u>	<u>620,030</u>	<u>5,289,969</u>
Non-current assets:			
Capital assets, net of depreciation	<u>120,293</u>	<u>-</u>	<u>120,293</u>
Total assets	<u>4,790,232</u>	<u>620,030</u>	<u>5,410,262</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions - TRS	37,836	-	37,836
Deferred outflows related to pensions - IMRF	119,512	-	119,512
	<u>157,348</u>	<u>-</u>	<u>157,348</u>
LIABILITIES			
Current liabilities:			
Accounts payable	87,745	241,179	328,924
Accrued expenses	165,727	442	166,169
Due to other governments	538,395	4,075	542,470
Unearned revenue	670	99,724	100,394
Compensated absences	7,964	-	7,964
Lease payable, current portion	7,077	-	7,077
Total current liabilities	<u>807,578</u>	<u>345,420</u>	<u>1,152,998</u>
Non-current liabilities:			
Lease payable, non-current portion	32,950	-	32,950
Net pension liability - TRS	273,994	-	273,994
Net pension liability - IMRF	319,516	-	319,516
Total non-current liabilities	<u>626,460</u>	<u>-</u>	<u>626,460</u>
Total liabilities	<u>1,434,038</u>	<u>345,420</u>	<u>1,779,458</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions - TRS	<u>665,435</u>	<u>-</u>	<u>665,435</u>
NET POSITION			
Net investment in capital assets	80,266	-	80,266
Unrestricted	(347,052)	274,610	(72,442)
Restricted for educational purposes	<u>3,114,893</u>	<u>-</u>	<u>3,114,893</u>
Total net position	<u>\$ 2,848,107</u>	<u>\$ 274,610</u>	<u>\$ 3,122,717</u>

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

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
STATEMENT OF ACTIVITIES
Year Ended June 30, 2017**

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for		Governmental Activities	Business-Type Activities		Total
		Services	Operating Grants and Contributions		Primary Government		
Primary government:							
Governmental activities:							
Education:							
Salaries	\$ 1,146,801	\$ 42,853	\$ 762,271	\$ (341,677)	\$ -	\$ (341,677)	
Benefits	231,555	2,143	157,426	(71,986)	-	(71,986)	
Pension expense	(83,256)	-	41,428	124,684	-	124,684	
Purchased services	1,060,390	374,966	604,846	(80,578)	-	(80,578)	
Supplies and materials	115,119	2,143	66,284	(46,692)	-	(46,692)	
Payments to other governments	3,387,419	-	8,286	(3,379,133)	-	(3,379,133)	
Other objects	2,120	-	-	(2,120)	-	(2,120)	
Capital outlay	44,368	6,428	16,571	(21,369)	-	(21,369)	
Depreciation and disposition losses	41,908	-	-	(41,908)	-	(41,908)	
Administrative:							
On-behalf payments	2,242,287	-	2,242,287	-	-	-	
Total governmental activities	8,188,711	428,533	3,899,399	(3,860,779)	-	(3,860,779)	
Business-type activities:							
Other	1,096,614	1,098,999	-	-	2,385	2,385	
Total primary government	\$ 9,285,325	\$ 1,527,532	\$ 3,899,399	(3,860,779)	2,385	(3,858,394)	
General revenues:							
Local sources				699,894	-	699,894	
State sources				3,694,995	-	3,694,995	
Investment income				10,931	3,241	14,172	
Total general revenues				4,405,820	3,241	4,409,061	
CHANGE IN NET POSITION				545,041	5,626	550,667	
NET POSITION, BEGINNING OF YEAR				2,303,066	268,984	2,572,050	
NET POSITION, END OF YEAR	\$ 2,848,107	\$ 274,610		\$ 2,848,107	\$ 274,610	\$ 3,122,717	

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BALANCE SHEET
GOVERNMENTAL FUNDS
 June 30, 2017

	Special Revenue				
	General Fund	Institute Fund	Education Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 394,375	\$ 2,560,621	\$ 331,264	\$ 290,073	\$ 3,576,333
Accounts receivable	-	-	-	56	56
Due from other governments	117,564	-	1,013,933	-	1,131,497
Due from other funds	1,631,427	13,956	-	478	1,645,861
Prepaid expenses	14,508	51	16,271	20	30,850
Total assets	2,157,874	2,574,628	1,361,468	290,627	6,384,597
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 2,157,874	\$ 2,574,628	\$ 1,361,468	\$ 290,627	\$ 6,384,597
LIABILITIES					
Accounts payable	\$ 7,083	-	\$ 80,302	\$ 360	\$ 87,745
Accrued expenses	30,582	381	134,761	3	165,727
Due to other governments	447,158	-	91,237	-	538,395
Due to other funds	910,542	16,197	787,919	-	1,714,658
Unearned revenue	-	-	-	670	670
Total liabilities	1,395,365	16,578	1,094,219	1,033	2,507,195
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	975	-	460,751	-	461,726
FUND BALANCE (DEFICIT)					
Nonspendable	14,508	51	16,271	20	30,850
Restricted	-	2,557,999	242,957	289,574	3,090,530
Unassigned	747,026	-	(452,730)	-	294,296
Total fund balance (deficit)	761,534	2,558,050	(193,502)	289,594	3,415,676
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 2,157,874	\$ 2,574,628	\$ 1,361,468	\$ 290,627	\$ 6,384,597

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2017

Total fund balance of governmental funds \$ 3,415,676

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 120,293

Receivables not collected within 60 days of year end are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable revenue in the funds. 461,726

Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:

Deferred outflows of resources - TRS	37,836
Deferred outflows of resources - IMRF	119,512
Deferred inflows of resources - TRS	<u>(665,435)</u>
	<u>(508,087)</u>

Some liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.

Capital lease obligations	(40,027)
Compensated absences	(7,964)
Net pension liability - TRS	(273,994)
Net pension liability - IMRF	<u>(319,516)</u>
	<u>(641,501)</u>

Net position of governmental activities \$ 2,848,107

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	<u>Special Revenue</u>				<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Institute Fund</u>	<u>Education Fund</u>	<u>Other Nonmajor Funds</u>	
REVENUES:					
Local sources	\$ 709,850	\$ 389,036	\$ 96,496	\$ 39,497	\$ 1,234,879
State sources	3,694,995	-	1,059,355	4,740	4,759,090
Federal sources	-	-	129,602	-	129,602
On-behalf payments	<u>1,659,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,659,723</u>
Total revenues	<u>6,064,568</u>	<u>389,036</u>	<u>1,285,453</u>	<u>44,237</u>	<u>7,783,294</u>
EXPENDITURES:					
Education:					
Salaries	192,806	4,890	938,243	2,898	1,138,837
Benefits	31,328	374	199,832	21	231,555
Pension expense	6,175	-	50,379	-	56,554
Purchased services	243,767	49,466	748,848	18,309	1,060,390
Supplies and materials	35,624	512	78,943	40	115,119
Payments to other governments	3,372,216	-	15,203	-	3,387,419
Other objects	1,271	-	300	-	1,571
On-behalf payments	1,659,723	-	-	-	1,659,723
Capital outlay	61,208	-	24,349	1,138	86,695
Debt service:					
Repayment of long-term lease payable	9,021	-	-	-	9,021
Financing cost	<u>549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>549</u>
Total expenditures	<u>5,613,688</u>	<u>55,242</u>	<u>2,056,097</u>	<u>22,406</u>	<u>7,747,433</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>450,880</u>	<u>333,794</u>	<u>(770,644)</u>	<u>21,831</u>	<u>35,861</u>
OTHER FINANCING SOURCES (USES):					
Proceeds of capital lease obligations	40,027	-	-	-	40,027
Transfers in	204,790	-	362,935	-	567,725
Transfers out	<u>(567,725)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(567,725)</u>
Total other financing sources (uses)	<u>(322,908)</u>	<u>-</u>	<u>362,935</u>	<u>-</u>	<u>40,027</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	127,972	333,794	(407,709)	21,831	75,888
FUND BALANCE, BEGINNING OF YEAR	<u>633,562</u>	<u>2,224,256</u>	<u>214,207</u>	<u>267,763</u>	<u>3,339,788</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 761,534</u>	<u>\$ 2,558,050</u>	<u>\$ (193,502)</u>	<u>\$ 289,594</u>	<u>\$ 3,415,676</u>

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended June 30, 2017

Net change in fund balance \$ 75,888

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

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

Capital outlay	\$ 42,327	
Depreciation and disposition losses	(47,915)	(5,588)

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

Fiscal year 2016 unavailable revenue recognized in fiscal year 2017	(93,832)	
Fiscal year 2017 unavailable revenue	461,726	367,894

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

Increase in capital lease obligations	(24,999)	
Increase in compensated absences	(7,964)	
Decrease in pension expense - TRS	196,576	
Increase in pension expense - IMRF	(56,766)	
		106,847

Change in net position of governmental activities **\$ 545,041**

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017

Business Type Activities - Enterprise Funds

	<u>Major Fund</u>	<u>Nonmajor Funds</u>		
	<u>Teacher Inservice for DuPage Educators</u>	<u>Local Services</u>	<u>Criminal Background Investigation</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 504,831	\$ 2,615	\$ -	\$ 507,446
Accounts receivable	-	302	-	302
Due from other governments	-	32,867	10,542	43,409
Due from other funds	8,849	15,402	114,527	138,778
Prepaid expenses	-	76	-	76
Total current assets	<u>513,680</u>	<u>51,262</u>	<u>125,069</u>	<u>690,011</u>
DEFERRED OUTFLOWS OF RESOURCES				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	224,858	16,321	-	241,179
Accrued expenses	-	442	-	442
Due to other governments	-	-	4,075	4,075
Due to other funds	26,080	31,296	12,605	69,981
Unearned revenue	<u>94,085</u>	<u>5,639</u>	<u>-</u>	<u>99,724</u>
Total current liabilities	<u>345,023</u>	<u>53,696</u>	<u>16,680</u>	<u>415,401</u>
DEFERRED INFLOWS OF RESOURCES				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Unrestricted	<u>168,657</u>	<u>(2,436)</u>	<u>108,389</u>	<u>274,610</u>
TOTAL NET POSITION	<u>\$ 168,657</u>	<u>\$ (2,436)</u>	<u>\$ 108,389</u>	<u>\$ 274,610</u>

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2017

	<u>Business Type Activities - Enterprise Funds</u>			
	<u>Major Fund</u>	<u>Nonmajor Funds</u>		
	<u>Teacher Inservice for DuPage Educators</u>	<u>Local Services</u>	<u>Criminal Background Investigation</u>	<u>Total</u>
OPERATING REVENUES:				
Local sources	\$ 740,076	\$ 289,364	\$ 69,559	\$ 1,098,999
OPERATING EXPENSES:				
Salaries	-	8,172	-	8,172
Benefits	-	837	-	837
Purchased services	59,364	302,144	1,743	363,251
Supplies and materials	1,188	2,038	624	3,850
Payment to other governments	676,895	-	43,492	720,387
Depreciation	-	117	-	117
Total operating expenses	<u>737,447</u>	<u>313,308</u>	<u>45,859</u>	<u>1,096,614</u>
OPERATING INCOME (LOSS)	2,629	(23,944)	23,700	2,385
NONOPERATING REVENUES				
Interest revenue	<u>708</u>	<u>2,533</u>	<u>-</u>	<u>3,241</u>
CHANGE IN NET POSITION BEFORE TRANSFERS	3,337	(21,411)	23,700	5,626
Transfers in	-	10,066	-	10,066
Transfers out	<u>(10,066)</u>	<u>-</u>	<u>-</u>	<u>(10,066)</u>
Total transfers	<u>(10,066)</u>	<u>10,066</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	(6,729)	(11,345)	23,700	5,626
NET POSITION, BEGINNING OF YEAR	<u>175,386</u>	<u>8,909</u>	<u>84,689</u>	<u>268,984</u>
NET POSITION, END OF YEAR	<u>\$ 168,657</u>	<u>\$ (2,436)</u>	<u>\$ 108,389</u>	<u>\$ 274,610</u>

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2017

	Business-Type Activities Enterprise Funds			
	Major Fund	Nonmajor Funds		
	Teacher Inservice for DuPage Educators	Local Services	Criminal Background Investigation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts for workshops and services	\$ 776,861	\$ 276,689	\$ 71,238	\$ 1,124,788
Payments to suppliers and providers of goods and services	(629,565)	(319,233)	(47,444)	(996,242)
Payments to employees	-	(9,546)	-	(9,546)
Net cash provided by (used in) operating activities	<u>147,296</u>	<u>(52,090)</u>	<u>23,794</u>	<u>119,000</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund loans	(3,740)	25,798	(114,410)	(92,352)
Transfers from (to) other funds	(10,066)	10,066	-	-
Net cash provided by (used in) noncapital financing activities	<u>(13,806)</u>	<u>35,864</u>	<u>(114,410)</u>	<u>(92,352)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest	708	2,533	-	3,241
Net cash provided by investing activities	<u>708</u>	<u>2,533</u>	<u>-</u>	<u>3,241</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	134,198	(13,693)	(90,616)	29,889
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>370,633</u>	<u>16,308</u>	<u>90,616</u>	<u>477,557</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 504,831</u>	<u>\$ 2,615</u>	<u>\$ -</u>	<u>\$ 507,446</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 2,629	\$ (23,944)	\$ 23,700	\$ 2,385
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	117	-	117
Effects of changes in assets and liabilities:				
Accounts receivable	-	(302)	-	(302)
Due from other governments	-	(14,152)	1,679	(12,473)
Prepaid expenses	-	(76)	528	452
Accounts payable	221,358	(14,975)	-	206,383
Accrued expenses	-	(537)	-	(537)
Due to other governments	(113,476)	-	(2,113)	(115,589)
Unearned revenue	36,785	1,779	-	38,564
Net cash provided by (used in) operating activities	<u>\$ 147,296</u>	<u>\$ (52,090)</u>	<u>\$ 23,794</u>	<u>\$ 119,000</u>

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education No. 19 districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

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

For the period ended June 30, 2017, the ROE applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education No. 19.

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

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

The districts have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the ROE does not control the assets, operations, or management of the districts. In addition, the ROE is not aware of any entity which would exercise such oversight as to result in the ROE being considered a component unit of the entity.

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

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

The ROE reports the following major governmental funds:

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

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- Education Fund - This fund accounts for and reports proceeds from sources that are restricted by grant agreements or contracts to expenditures for specified purposes supporting education enhancement programs as follows:
 - Regional Safe Schools - These grant funds provide programs for disruptive students who are eligible for suspension or expulsion. The programs provide individually designed curriculum, social skills training, career exploration and work experience opportunities, and opportunities to work toward re-entry into the traditional programs, if appropriate.
 - Early Childhood Parenting Program - Accounts for monies received for, and payment of, expenditures for developing and operating programs for parents of young children.
 - Truants' Alternative Program - Accounts for grant monies received for, and payment of, expenditures of providing support services and evaluating compliance with recommendations to DuPage County Truants and their parents.
 - McKinney Education for Homeless Children - This grant provides funds for providing information to schools, community members and government entities about the educational rights of homeless students.
 - Workforce Investment Act - These funds provide programs for the Workforce Investment Act.
 - Title I - Grants to Local Educational Agencies - ROE #56 (System of Support (RESPRO)) - Grant monies in this fund are used to provide professional development activities to schools that are on Illinois' Academic Watch List. To be on the list, students in the buildings have not made Adequate Yearly Progress for at least two years. The funding sources for this grant are Title I, Title II, and State appropriated monies.
 - Technology for Success - These funds provide a coordinated, statewide support infrastructure which assists school districts in planning for, implementing, assessing results and educating staff in the use of technology and telecommunications in curricular, instructional and administrative functions.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- Social Emotional Learning Standards Professional Development Program (SEL-PDP) - This program provides training and technical assistance to incorporate social-emotional learning standards into daily instructions.
- Illinois New Principal Mentoring - These funds are intended to help support the State-wide program to ensure that every new principal in Illinois receives a high-quality mentoring experience that focuses on professional development experiences and enhances a new principal's leadership. In this program, new leaders receive mentoring from proven, trained mentors who are paired with new principals based on geography, grade level, and need.
- Teacher Mentoring Pilot Program - These funds are intended to help support the State-wide new teacher mentoring program that includes assigning a mentor teacher to each new teacher for a period of two years and providing professional development designed to ensure the growth of the new teachers' knowledge and skills.
- Career & Technical Education Improvement - These funds assist to develop the academic and career and technical skills of secondary education students and postsecondary education students who elect to enroll in career and technical education programs.
- ROE/ISC Operations - Monies received from local and State sources to help support the day to day operating expenses of the ROE.
- Illinois Partnership Advancing Rigorous Training - These funds are used to account for the educational training program contracted between the ROE and Illinois State University.
- Title II Teacher Quality Leadership - Federal funds used to provide professional development training to teachers for improvement of instruction in the classroom.
- Title II Teacher Quality - Federal funds used to provide professional development training to teachers for improvement of instruction in the classroom.
- Spelling Bee - These funds are used to operate and track local Spelling Bee donations and program activities.
- Parents as Teachers/Early Childhood Parenting Program - Keeneyville - Accounts for monies received for, and payment of, expenditures for developing and operating programs for parents of young children in the Keeneyville School District Community.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- Pilot Regional Safe Schools Cooperative Education Program (RSSPCE) - These funds assist to counseling student in the development of academic, career training, behavior skills to better prepare them for the job market post-secondary education.
- Regional School Board Petition Grant - The Regional School Board Petition Grant upholds an account utilized for monies funded by residents within DuPage County who submit a petition against a DuPage County School District/s regarding annexation or detachment boundary matters. These funds are allocated to pay fees for publication, attorneys, court reporters and transcripts/manuscripts needed for board meetings and possible hearings by the Regional Board of School Trustees.
- Mathematics and Science Partnerships - Federal funds used to provide professional development programming and activities to improve the professional knowledge of STEM teachers from K-8 settings.

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

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

Proprietary Funds

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

The ROE reported the following proprietary fund as a major fund:

- Teacher Inservice for DuPage Educators - This program is used for graduate courses offered to DuPage educators and administrators.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The ROE reported the following proprietary funds as nonmajor funds:

- Local Services - These funds are associated with workshops conducted by the ROE. In addition, this fund accounts for the revenues and expenses of the Administrator's Academy and Gifted Planning Activities.
- Criminal Background Investigation - These funds are used to account for the assessments received from the school district to pay for the processing of fingerprinting the substitute teachers and expenditures incurred providing the service to the school districts.

D. Revenues - Exchange and Non-exchange Transactions

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

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

E. Cash and Cash Equivalents

Cash consists of demand deposits. The ROE considers highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents. There were no investments to be reported as fair value as of June 30, 2017.

F. Due From Other Governments

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets

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

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

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

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

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

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Compensated absences

Certain full-time employees earn vacation time according to their length of service ranging from 10 to 25 days per year. Vacation time must be used by August 31 following the end of the fiscal year. Upon termination employees are paid for accrued, unused vacation time. The Regional Office of Education No. 19 records a liability associated with compensated absences.

I. Unearned Revenue

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

J. Pensions

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

K. Unavailable Revenue

Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Unavailable revenue in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Unavailable revenue consist of receivables not collected within 60 days after year end.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows of Resources/Deferred Inflows of Resources

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

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources in the governmental funds consist of unavailable revenue. Deferred inflows of resources in the Statement of Net Position relate to pensions and consist of the unamortized portion of the net difference between expected and actual experience, changes of assumptions, and the net difference between projected and actual earnings on pension plan investments.

M. Net Position

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

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

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

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

N. Fund Balance

Fund Balance is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources in a Governmental Fund. The following types of fund balances may be presented in the Governmental Funds Balance Sheet and Governmental Funds Combining Schedule of Accounts:

Nonspendable - The portion of a Governmental Fund's fund balance that is not available to be spent, either short term or long term, in either form or through legal restrictions. The nonspendable fund balance reported is nonspendable in form for prepaid expenses.

DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Balance (Continued)

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

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

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

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

O. Use of Estimates

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Interfund Activity

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

Q. Budgetary Data

The ROE did not formally adopt a budget for the year ended June 30, 2017 and is not legally required to do so; subsequently, the accompanying financial statements are not presented on a budgetary basis whereby budget and actual revenues and expenditures are compared; however, the Illinois State Board of Education requires budgets for certain State and Federal programs. These budgets were used to prepare Budgetary Comparison Schedules for the following programs:

Special Revenue Funds:

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. New Accounting Pronouncements

In 2017, DuPage County Regional Office of Education No. 19 implemented Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; GASB No. 77, *Tax Abatements*; GASB No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Pension Plans*; GASB No. 80, *Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14*; and GASB No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The Regional Office of Education No. 19 implemented these standards during the current year; however, they had no significant impact on the financial statements.

S. Subsequent Events

Management has evaluated subsequent events through October 15, 2019, which was the date that these financial statements were available for issuance, and determined that there were no significant non-recognized subsequent events through that date.

NOTE 2 - CASH AND CASH EQUIVALENTS

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)

Bank Deposits

Custodial Credit Risk - Custodial credit risk for deposits with financial institutions is the risk that, in the event of bank failure, the ROE's deposits may not be returned to it. The ROE's investment policy requires deposits in excess of FDIC limits to be secured by collateral or private insurance held in safekeeping at a third party institution and evidenced by a written agreement. At June 30, 2017, the bank balance of the ROE totaled \$4,281,878. All of the bank balances are covered by federal depository insurance, collateral held by the ROE, or by a repurchasing agreement. The securities underlying the repurchase agreement are held in safekeeping by the selling institution not in the ROE's name, which exposes the securities to custodial credit risk. The fair value of the securities underlying the repurchase agreement was \$1,818,029 as of June 30, 2017.

Investments

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

Interest Rate Risk - The interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment; generally, the longer the maturity of the investment, the greater the sensitivity of its fair value to changes in market interest rates. The ROE currently does not have an Interest Rate Risk policy; however, it is the ROE's practice to reduce its exposure to the risk by structuring the ROE's portfolio so that securities mature to meet the ROE's cash requirements for ongoing operations. As of June 30, 2017, all of the ROE's investments have investment maturities of less than three months.

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

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single user. The ROE does not have a policy that specifically addresses concentration of risk. As of June 30, 2017, the ROE had approximately 53% of its investment portfolio in repurchase agreements with a local bank that was fully collateralized by U.S. agency obligations. The investment in money market funds, which is 42% of total investments, consists only of short-term U.S. Treasury securities. The investment in the Illinois Funds investment pool is subject to the Illinois Fund's investment policy, which limits investment categories to not exceed 25% of the portfolio, with the exception of cash equivalents and U.S. Treasury securities.

NOTE 3 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2017 is as follows:

	<u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2017</u>
Governmental Funds:				
Furniture and equipment	\$ 684,051	\$ 42,327	\$ (138,467)	\$ 587,911
Building improvements	<u>103,300</u>	<u>-</u>	<u>-</u>	<u>103,300</u>
Total capital assets	<u>787,351</u>	<u>42,327</u>	<u>(138,467)</u>	<u>691,211</u>
Less: accumulated depreciation				
Furniture and equipment	579,325	36,729	(132,446)	483,608
Building improvements	<u>82,145</u>	<u>5,165</u>	<u>-</u>	<u>87,310</u>
Total accumulated depreciation	<u>661,470</u>	<u>41,894</u>	<u>(132,446)</u>	<u>570,918</u>
Capital assets, net	<u>\$ 125,881</u>	<u>\$ 433</u>	<u>\$ (6,021)</u>	<u>\$ 120,293</u>
Proprietary Funds:				
Furniture and equipment	\$ 589	\$ -	\$ -	\$ 589
Less: accumulated depreciation				
Furniture and equipment	<u>472</u>	<u>117</u>	<u>-</u>	<u>589</u>
Capital assets, net	<u>\$ 117</u>	<u>\$ (117)</u>	<u>\$ -</u>	<u>\$ -</u>
Depreciation expense was charged as follows:				
Governmental Funds:				
Education				\$ 41,894
Proprietary Funds:				
Professional Development				<u>117</u>
Total depreciation expense				<u>\$ 42,011</u>

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 4 - LEASE COMMITMENTS

The following is a summary of changes in lease commitments for the year ended June 30, 2017:

	<u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2017</u>	<u>Due within one year</u>
Governmental Funds:					
Capital lease payable	\$ 15,028	\$ 40,027	\$ 15,028	\$ 40,027	\$ 7,077

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

The present value of future minimum lease payments and total minimum annual lease payments for capital leases recorded in the government-wide statement of net position at June 30, 2017 were as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 9,286
2019	9,286
2020	9,286
2021	9,286
2022	<u>9,286</u>
Total minimum lease payments	46,430
Less: amount representing interest	<u>6,403</u>
Present value of minimum lease payments	<u>\$ 40,027</u>

Assets under capital lease amounted to \$40,027, and the related accumulated depreciation amounted to \$0.

The ROE leases office space for its Lombard and Addison operations. The agreements generally require the ROE to pay executor costs. Rental expense for the year ended June 30, 2017 was \$201,571.

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 4 - LEASE COMMITMENTS (CONTINUED)

On May 13, 2014 the DuPage County Regional Office of Education No. 19 entered into a lease agreement for its Lombard Operations. The agreement commenced on July 1, 2014 and terminates on June 30, 2019. This lease was terminated early, effective June 30, 2017. The lease calls for annual rent of \$98,264, payable in equal quarterly installments. Annual rent increases will be determined by the Lessor's Board of Education, not to exceed five percent (5%) per year.

At June 30, 2017 future minimum payments under noncancelable operating leases with remaining terms in excess of one year were as follows:

<u>Year Ending June 30,</u> 2018	<u>Amount</u>
	<u>\$ 110,824</u>

NOTE 5 - SALARIES AND PENSION PLAN CONTRIBUTIONS

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

NOTE 6 - COMPENSATED ABSENCES

DuPage County Regional Office of Education No. 19 provides vacation time to certain full-time employees. Vacation time is based upon years of continuous employment. Upon termination employees receive pay for unused vacation earned. DuPage County Regional Office of Education No. 19 records a liability associated with compensated absences.

	<u>June 30,</u> <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30,</u> <u>2017</u>	<u>Due within</u> <u>one year</u>
Governmental Funds:					
Compensated Absences	<u>\$ -</u>	<u>\$ 7,964</u>	<u>\$ -</u>	<u>\$ 7,964</u>	<u>\$ 7,964</u>

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 7 - RETIREMENT FUND COMMITMENTS

Teachers' Retirement System of the State of Illinois

Plan description

DuPage County Regional Office of Education No. 19 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <https://trs.il.org/financial/cafrs/fy2016>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits provided

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

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

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 7 - RETIREMENT FUND COMMITMENTS (CONTINUED)

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

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016, was 9.4 percent of creditable earnings. On July 1, 2016, the rate dropped to 9.0 percent of pay due to the expiration of the Early Retirement Option (ERO). The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by DuPage County Regional Office of Education No. 19.

On behalf contributions to TRS. The state of Illinois makes employer pension contributions on behalf of DuPage County Regional Office of Education No. 19. For the year ended June 30, 2017, state of Illinois contributions recognized by DuPage County Regional Office of Education No. 19 were based on the state's proportionate share of the collective net pension liability associated with DuPage County Regional Office of Education No. 19, and DuPage County Regional Office of Education No. 19 recognized revenue and expenditures of \$582,564 in pension contributions from the state of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2017, were \$4,537 and are deferred because they were paid after the June 30, 2016 measurement date.

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 7 - RETIREMENT FUND COMMITMENTS (CONTINUED)

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

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

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. DuPage County Regional Office of Education No. 19 is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program that ended June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2017, DuPage County Regional Office of Education No. 19 paid no employer contributions to TRS for retirements that occurred before July 1, 2016.

DuPage County Regional Office of Education No. 19 is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2017, DuPage County Regional Office of Education No. 19 did not make any employer contributions to TRS due on salary increases in excess of 6 percent or for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2017, DuPage County Regional Office of Education No. 19 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's proportionate share of the net pension liability	\$ 273,994
State's proportionate share of the net pension liability associated with the employer	<u>5,932,048</u>
Total	<u>\$ 6,206,042</u>

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 7 - RETIREMENT FUND COMMITMENTS (CONTINUED)

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

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 and rolled forward to June 30, 2016. DuPage County Regional Office of Education No. 19's proportion of the net pension liability was based on DuPage County Regional Office of Education No. 19's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2016, DuPage County Regional Office of Education No. 19's proportion was 0.0003471089 percent, which was a decrease of 0.0006353579 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, DuPage County Regional Office of Education No. 19 recognized pension expense of \$582,564 and revenue of \$582,564 for support provided by the state. For the year ended June 30, 2017, DuPage County Regional Office of Education No. 19 recognized pension expense of \$(192,039). At June 30, 2017, DuPage County Regional Office of Education No. 19 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 2,026	\$ 185
Net difference between projected and actual earnings on pension plan investment	7,741	-
Changes of assumptions	23,532	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	665,250
Employer contributions subsequent to the measurement date	<u>4,537</u>	<u>-</u>
Total	<u>\$ 37,836</u>	<u>\$ 665,435</u>

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 7 - RETIREMENT FUND COMMITMENTS (CONTINUED)

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

\$4,537 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year ended June 30:		
2018	\$	(224,998)
2019		(224,998)
2020		(91,985)
2021		(74,088)
2022		(16,067)
Total	\$	<u>(632,136)</u>

Actuarial assumptions

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

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

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

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.50 percent to 7.00 percent. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based upon the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 7 - RETIREMENT FUND COMMITMENTS (CONTINUED)

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equities Large Cap	14.4%	6.94%
U.S. Equities Small/Mid Cap	3.6	8.09
International Equities Developed	14.4	7.46
Emerging Market Equities	3.6	10.15
U.S. Bonds Core	10.7	2.44
International Debt Developed	5.3	1.70
Real Estate	15.0	5.44
Commodities (Real Return)	11.0	4.28
Hedge Funds (Absolute Return)	8.0	4.16
Private Equity	14.0	10.63
Total	100%	

Discount rate

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

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 7 - RETIREMENT FUND COMMITMENTS (CONTINUED)

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

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

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

The following presents DuPage County Regional Office of Education No. 19's proportionate share of the net pension liability calculated using the discount rate of 6.83 percent, as well as what DuPage County Regional Office of Education No. 19's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.83 percent) or 1-percentage-point higher (7.83 percent) than the current rate.

	1% Decrease (<u>5.83%</u>)	Current Discount Rate (<u>6.83%</u>)	1% Increase (<u>7.83%</u>)
Regional Office of Education No. 19's proportionate share of the net pension liability	<u>\$ 335,105</u>	<u>\$ 273,994</u>	<u>\$ 224,082</u>

TRS fiduciary net position

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

Illinois Municipal Retirement Fund

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

DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 7 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Illinois Municipal Retirement Fund (Continued)

Plan Administration

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

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

Benefits Provided

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

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

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

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 7 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Illinois Municipal Retirement Fund (Continued)

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. DuPage County and the Regional Office of Education No. 19 are required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended 2016 was 12.32% of covered payroll. For the year ended June 30, 2017, salaries totaling \$435,162 were paid that required employer contributions of \$52,017, which was equal to the Regional Office of Education's actual contributions.

Net Pension Liability

At June 30, 2017, the Regional Office of Education No. 19 reported a liability of \$319,516 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Regional Office of Education No. 19's proportion of the net pension liability was based on the Regional Office of Education No. 19's actual contribution to the plan for the year ended June 30, 2017 relative to the actual contributions of DuPage County as a whole. At June 30, 2017, the Regional Office of Education No. 19's proportion was 0.16%, which was an increase of 0.01% from its proportion measured as of June 30, 2016.

Actuarial Assumptions

The Regional Office of Education No.19's net pension liability was measured as of December 31, 2016 (most recent available) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2016
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market Value

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 7 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions – Continued

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

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that DuPage County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 7 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended June 30, 2017, the Regional Office of Education No. 19 recognized pension expense of \$108,783. At June 30, 2017, the Regional Office of Education No. 19 reported deferred outflows of resources related to IMRF from the following source:

	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 11,892
Changes in assumption	3,258
Net difference between projected and actual earnings on pension plan investments	64,491
Changes in proportion and differences between the ROE's contributions and the ROE's proportionate share of contributions	6,995
Contributions made after measurement date	32,876
TOTAL	\$ 119,512

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

	Period ended June 30,		
2018		\$	37,289
2019			29,883
2020			22,764
2021			(3,300)
TOTAL		\$	86,636

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 7 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Regional Office of Education No. 19's calculated using the discount rate of 7.50% as well as what the Regional Office of Education No. 19's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 614,731	\$ 319,516	\$ 85,015

Change in Net Pension Liabilities

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

	June 30, <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	June 30, <u>2017</u>
Net pension liability - TRS	\$ 643,615	\$ -	\$ 369,621	\$ 273,994
Net pension liability -IMRF	<u>317,849</u>	<u>1,667</u>	<u>-</u>	<u>319,516</u>
Total net pension liability	<u>\$ 961,464</u>	<u>\$ 1,667</u>	<u>\$ 369,621</u>	<u>\$ 593,510</u>

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS

Teachers Health Insurance Security Fund

DuPage County Regional Office of Education No. 19 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Teachers Health Insurance Security Fund (Continued)

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

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

- **On-behalf Contributions to the THIS Fund.** The state of Illinois makes employer retiree health insurance contributions on behalf of DuPage County Regional Office of Education No. 19. State contributions are intended to match contributions to the THIS Fund from active members which were 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$8,762, and DuPage County Regional Office of Education No. 19 recognized revenue and expenditures of this amount during the year. State contributions intended to match active member contributions during the years ended June 30, 2016 and June 30, 2015 were 1.07 and 1.02 percent of pay, respectively. State contributions on behalf of DuPage County Regional Office of Education No. 19's employees were \$7,168 and \$6,700, respectively.
- **Employer Contributions to the THIS Fund.** DuPage County Regional Office of Education No. 19 also makes contributions to the THIS Fund. DuPage County Regional Office of Education No. 19 THIS Fund contribution was 0.84 percent during the year ended June 30, 2017. For the year ended June 30, 2017, DuPage County Regional Office of Education No. 19 paid \$6,571 to the THIS Fund which was 100 percent of the required contribution. For the years ended June 30, 2016 and June 30, 2015, DuPage County Regional Office of Education No. 19 paid \$5,360 and \$4,992, respectively, which was 100 percent of the required contributions.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The 2017 and 2016 reports are listed under "Central Management Services". Prior reports are available under "Healthcare and Family Services" (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 9 - ON-BEHALF PAYMENTS

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

Regional Superintendent - salary	\$ 112,800
Regional Superintendent - benefits (includes state paid insurance)	7,117
Assistant Regional Superintendent - salary	97,290
Assistant Regional Superintendent - benefits (includes state paid insurance)	27,750
THIS on-behalf payments	8,762
Salary and benefits of office employees paid by DuPage County	784,895
Other operating expense paid by DuPage County	<u>621,109</u>
Total on-behalf payments	<u>\$ 1,659,723</u>

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

DuPage County Regional Office of Education No. 19 also recorded \$582,564 in revenues and expenses as on-behalf payments from ISBE for DuPage County Regional Office of Education No. 19's share of the State's Teachers' Retirement System (TRS) pension expense in the Statement of Activities. In addition, DuPage County Regional Office of Education No. 19 has not included any on-behalf payments related to the State's TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois on-behalf payments	\$1,659,723
Regional Office of Education No. 19's share of TRS pension expense	<u>582,564</u>
Total	<u>\$2,242,287</u>

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 10 - DUE FROM/TO OTHER GOVERNMENTS

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

Due From Other Governments

Governmental Funds:

General Fund		
Local governments	\$	117,564

Education Fund		
Illinois State Board of Education		932,064
Local governments		81,869

Proprietary Funds:

Local Services		
Local governments		32,867

Criminal Background Investigation		
Local government		10,542

Total		<u>\$ 1,174,906</u>
--------------	--	---------------------

Due To Other Governments

Governmental Funds:

General Fund		
Illinois State Board of Education	\$	365
Local governments		446,793

Education Fund		
Illinois State Board of Education		59,214
Local governments		32,023

Proprietary Funds:

Criminal Background Investigation		
Local governments		4,075

Total		<u>\$ 542,470</u>
--------------	--	-------------------

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 11 - DUE FROM/TO FUNDS

Interfund receivables and payables, primarily made to cover cash deficits within pooled cash accounts, as of June 30, 2017 were:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 1,631,427	\$ 910,542
Institute Fund	13,956	16,197
Education Fund	-	787,919
Nonmajor Special Revenue Funds	478	-
Teacher Inservice for DuPage Educators	8,849	26,080
Nonmajor Proprietary Funds	<u>129,929</u>	<u>43,901</u>
Total	<u>\$ 1,784,639</u>	<u>\$ 1,784,639</u>

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

NOTE 12 - TRANSFERS

Transfers are generally made to provide supplemental funding or move resources from the fund required to collect the resources to the fund required to expend the resources. The following is the detail of interfund transfers as of June 30, 2017:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
Truant Minors in Need of Supervision (TMINS)	\$ 204,790	-
ALOP Safe Schools and GED Tuition	-	567,725
Education Fund		
Regional Safe Schools	348,853	-
Workforce Investment Act	14,082	-
Proprietary Funds		
Teacher Inservice for DuPage Educators	-	10,066
Local Services	<u>10,066</u>	<u>-</u>
Total	<u>\$ 577,791</u>	<u>\$ 577,791</u>

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 13 - DEFICIT FUND BALANCES

At June 30, 2017, the following funds had deficit fund balances. They are expected to correct themselves in 2018, through payments from the State and transfers from local funds.

General Fund	
ROE Operations	\$ (758,543)
Truant Minors in Need of Supervision (TMINS)	(102,367)
Superintendent Leadership Collaborative	(6,504)
Personnel Administrators Coming Together	(7,006)
DuPage County Curriculum Directors	(22,149)
Education Fund	
Regional Safe Schools	(199,396)
Truants' Alternative Program	(61,590)
McKinney Education for Homeless Children	(1,966)
System of Support (RESPRO)	(7,691)
Technology for Success	(27,292)
Career & Technical Education Improvement	(30,354)
Title II Teacher Quality Leadership	(1,202)
Title II Teacher Quality	(428)
Parents as Teachers	(9,473)
RSSPCE	(51,779)
Regional School Board Petition Grant	(1,042)
Mathematics and Science Partnerships	(50,647)
Proprietary Fund	
Local Services	(2,436)

NOTE 14 - RISK MANAGEMENT

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

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

NOTE 15 - SUBSEQUENT EVENT

Subsequent to June 30, 2017 the Regional Office of Education entered into a lease agreement commencing on August 22, 2017 and expiring on November 30, 2021. The lease agreement requires quarterly payments of \$35,250.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

NOTE 16 - PROSPECTIVE ACCOUNTING CHANGE

The Governmental Accounting Standards Board has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement will be implemented for the fiscal year ended June 30, 2018. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with postemployment benefits other than pensions, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a liability for the government's other postemployment benefits.

REQUIRED SUPPLEMENTARY INFORMATION

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's proportion of the net pension liability	.0003471089%	.0009824668%	.0010022574%
Employer's proportionate share of the net pension liability	\$ 273,994	\$ 643,615	\$ 609,957
State's proportionate share of the net pension liability associated with the employer	<u>5,932,048</u>	<u>4,287,726</u>	<u>3,125,156</u>
Total	<u>\$ 6,206,042</u>	<u>\$ 4,931,341</u>	<u>\$ 3,735,113</u>
Employer's covered payroll	\$ 750,299	\$ 708,554	\$ 589,179
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	36.5%	90.8%	103.5%
Plan fiduciary net position as a percentage of the total pension liability	36.4%	41.5%	43.0%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily-required contribution	\$ 4,537	\$ 12,994	\$ 34,426	\$ 35,760
Contributions in relation to the statutorily-required contribution	<u>4,537</u>	<u>12,994</u>	<u>34,426</u>	<u>35,760</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 792,342	\$ 750,299	\$ 708,554	\$ 589,179
Contributions as a percentage of covered payroll	0.57%	1.73%	4.86%	6.07%

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

Notes to Required Supplementary Information

Changes of assumptions

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

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

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 ILLINOIS MUNICIPAL RETIREMENT FUND - DUPAGE COUNTY
 JUNE 30, 2017

	December 31, 2016	December 31, 2015	December 31, 2014
Employer's proportion of the net pension liability	0.16%	0.15%	0.16%
Employer's proportionate share of the net pension liability	\$ 319,516	\$ 317,849	\$ 120,960
Employer's covered payroll	\$ 338,830	\$ 310,588	\$ 310,588
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	94.3%	102.3%	38.9%
Plan fiduciary net position as a percentage of the total pension liability	86.5%	85.2%	90.3%
<i>* The amounts presented were determined as of the prior fiscal-year end.</i>			

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND - DUPAGE COUNTY
FOR THE YEAR ENDED JUNE 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 52,017	\$ 43,654	\$ 36,778
Contributions in relation to the actuarially determined contribution	<u>52,017</u>	<u>43,654</u>	<u>36,778</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered-employee payroll	\$ 435,162	\$ 338,830	\$ 310,588
Contributions as a percentage of covered-employee payroll	11.95%	12.88%	11.84%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of December 31 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of payroll, closed and the amortization period was 27 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return of 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.50% compounded annually.

These schedules are presented to illustrate the requirements to show information for 10 years.

However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

SUPPLEMENTARY INFORMATION

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND ACCOUNTS
 June 30, 2017

	Reading First	ROE Operations	Regional Safe Schools and General State Aid	Area	Truant Minors in Need of Supervision (TMINs)	Superintendent Leadership Collaborative	Personnel Administrators Coming Together	DuPage County Curriculum Directors	ALOP Safe School and GED Tuition	Rebound	Total
ASSETS											
Cash and cash equivalents	\$ -	\$ 920	\$ 391,904	\$ 1,056	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 495	\$ 394,375
Due from other governments	-	14,689	-	-	-	-	-	-	-	315	117,564
Due from other funds	23,075	25,576	50,453	-	-	-	-	-	1,532,323	-	1,631,427
Prepaid expenses	-	13,704	-	-	804	-	-	-	-	-	14,508
Total assets	23,075	54,889	442,357	1,056	804	-	-	-	1,634,883	810	2,157,874
DEFERRED OUTFLOWS OF RESOURCES											
None	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 23,075	\$ 54,889	\$ 442,357	\$ 1,056	\$ 804	\$ -	\$ -	\$ -	\$ 1,634,883	\$ 810	\$ 2,157,874
LIABILITIES											
Accounts payable	\$ -	\$ 7,015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,083
Accrued expenses	-	9,032	-	-	21,550	-	-	-	-	-	30,582
Due to other governments	-	3,826	442,357	746	-	80	-	149	-	-	447,158
Due to other funds	-	793,559	-	-	81,621	6,356	7,006	22,000	-	-	910,542
Total liabilities	-	813,432	442,357	746	103,171	6,504	7,006	22,149	-	-	1,395,365
DEFERRED INFLOWS OF RESOURCES											
Unavailable Revenue	-	-	-	-	-	-	-	-	975	-	975
FUND BALANCE (DEFICIT)											
Nonspendable	-	13,704	-	-	804	-	-	-	-	-	14,508
Unassigned	23,075	(772,247)	-	310	(103,171)	(6,504)	(7,006)	(22,149)	1,633,908	810	747,026
Total fund balance (deficit)	23,075	(758,543)	-	310	(102,367)	(6,504)	(7,006)	(22,149)	1,633,908	810	761,534
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 23,075	\$ 54,889	\$ 442,357	\$ 1,056	\$ 804	\$ -	\$ -	\$ -	\$ 1,634,883	\$ 810	\$ 2,157,874

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2017

		Reading First	ROE Operations	Regional Safe Schools and General State Aid	Area I	Truant Minors in Need of Supervision (TMINs)	Superintendent Leadership Collaborative	Personnel Administrators Coming Together	DuPage County Curriculum Directors	ALOP Safe School and GED Tuition	Rebound	Totals
REVENUES:												
Local sources	\$	-	\$ 133,425	\$ -	\$ 1,350	\$ -	\$ -	\$ 9,250	\$ -	\$ 565,015	\$ 810	\$ 709,850
State sources	-	-	-	3,372,216	-	-	-	-	-	322,779	-	3,694,995
On-behalf payments	-	-	1,659,723	-	-	-	-	-	-	-	-	1,659,723
Total revenues	-	-	1,793,148	3,372,216	1,350	-	-	9,250	-	887,794	810	6,064,568
EXPENDITURES:												
Education:												
Salaries	-	-	73,979	-	-	118,827	-	-	-	-	-	192,806
Benefits	-	-	5,486	-	-	25,842	-	-	-	-	-	31,328
Pension expense	-	-	5,500	-	-	675	-	-	-	-	-	6,175
Purchased services	42	-	167,228	-	1,718	52,782	4,414	10,833	6,750	-	-	243,767
Supplies and materials	-	-	33,562	-	-	1,913	-	-	149	-	-	35,624
Payments to other governments	-	-	-	3,372,216	-	-	-	-	-	-	-	3,372,216
Other objects	-	-	1,191	-	-	-	-	-	-	-	-	1,271
On-behalf payments	-	-	1,659,723	-	-	-	80	-	-	-	-	1,659,723
Capital outlay	-	-	42,141	-	-	19,067	-	-	-	-	-	61,208
Debt service:												
Repayment of long-term lease payable	-	-	9,021	-	-	-	-	-	-	-	-	9,021
Financing cost	-	-	549	-	-	-	-	-	-	-	-	549
Total expenditures	42	-	1,998,380	3,372,216	1,718	219,106	4,494	10,833	6,899	-	-	5,613,688
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		(42)	(205,232)	-	(368)	(219,106)	(4,494)	(1,583)	(6,899)	887,794	810	450,880
OTHER FINANCING SOURCES (USES):												
Proceeds of capital lease obligations	-	-	40,027	-	-	-	-	-	-	-	-	40,027
Transfers in	-	-	-	-	-	204,790	-	-	-	-	-	204,790
Transfers out	-	-	-	-	-	-	-	-	-	(567,725)	-	(567,725)
Total other financing sources (uses)	-	-	40,027	-	-	204,790	-	-	-	(567,725)	-	(322,908)
NET CHANGE IN FUND BALANCE (DEFICIT)		(42)	(165,205)	-	(368)	(14,316)	(4,494)	(1,583)	(6,899)	320,069	810	127,972
FUND BALANCE (DEFICIT), BEGINNING OF YEAR		23,117	(593,338)	-	678	(88,051)	(2,010)	(5,423)	(15,250)	1,313,839	-	633,562
FUND BALANCE (DEFICIT), END OF YEAR	\$	23,075	(758,543)	\$ -	\$ 310	\$ (102,367)	\$ (6,504)	\$ (7,006)	\$ (22,149)	\$ 1,633,908	\$ 810	\$ 761,534

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2017

	Regional Safe Schools	Early Childhood Parenting Program	Truants' Alternative Program	McKinney Education for Homeless Children	Workforce Investment Act	System of Support (RESPRO)
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 14,045	\$ -	\$ 45,917
Due from other governments	402,777	196,985	122,871	-	-	21,550
Prepaid expenses	7,261	1,688	575	-	-	-
Total assets	410,038	198,673	123,446	14,045	-	67,467
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 410,038	\$ 198,673	\$ 123,446	\$ 14,045	\$ -	\$ 67,467
LIABILITIES						
Accounts payable	\$ 15,997	\$ 6,594	\$ 887	\$ 297	\$ -	\$ 2,250
Accrued expenses	76,745	14,899	17,712	-	-	-
Due to other governments	-	-	6,950	15,714	-	51,358
Due to other funds	325,499	176,922	101,530	-	-	-
Total liabilities	418,241	198,415	127,079	16,011	-	53,608
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	191,193	-	57,957	-	-	21,550
FUND BALANCE (DEFICIT)						
Nonspendable	7,261	1,688	575	-	-	-
Restricted	-	-	-	-	-	-
Unassigned	(206,657)	(1,430)	(62,165)	(1,966)	-	(7,691)
Total fund balance (deficit)	(199,396)	258	(61,590)	(1,966)	-	(7,691)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 410,038	\$ 198,673	\$ 123,446	\$ 14,045	\$ -	\$ 67,467

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2017

	Technology for Success	Social Emotional Learning Standards Professional Development Program (SEL-PDP)	Illinois New Principal Mentoring	Teacher Mentoring Pilot Program	Career & Technical Education Improvement	ROE/ISC Operations
ASSETS						
Cash and cash equivalents	\$ -	\$ 20,446	\$ 44,846	\$ 4,279	\$ 50	\$ 181,367
Due from other governments	47,826	-	-	-	73,820	-
Prepaid expenses	-	-	-	-	-	6,143
Total assets	47,826	20,446	44,846	4,279	73,870	187,510
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 47,826	\$ 20,446	\$ 44,846	\$ 4,279	\$ 73,870	\$ 187,510
LIABILITIES						
Accounts payable	\$ 192	\$ 24	\$ -	\$ -	\$ 9,609	\$ 11,675
Accrued expenses	-	-	-	-	-	10,323
Due to other governments	877	-	-	2,929	-	-
Due to other funds	26,223	-	-	-	65,795	-
Total liabilities	27,292	24	-	2,929	75,404	21,998
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	47,826	-	-	-	28,820	-
FUND BALANCE (DEFICIT)						
Nonspendable	-	-	-	-	-	6,143
Restricted	-	20,422	44,846	1,350	-	159,369
Unassigned	(27,292)	-	-	-	(30,354)	-
Total fund balance (deficit)	(27,292)	20,422	44,846	1,350	(30,354)	165,512
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ 47,826	\$ 20,446	\$ 44,846	\$ 4,279	\$ 73,870	\$ 187,510

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2017

	Illinois Partnership Advancing Rigorous Training	Title II Teacher Quality Leadership	Title II Teacher Quality	Spelling Bee	Parents as Teachers	RSSPCE
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 20,314	\$ -	\$ -
Due from other governments	1,544	24,400	-	-	10,949	51,809
Prepaid expenses	-	-	-	-	252	352
Total assets	<u>1,544</u>	<u>24,400</u>	<u>-</u>	<u>20,314</u>	<u>11,201</u>	<u>52,161</u>
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,544</u>	<u>\$ 24,400</u>	<u>\$ -</u>	<u>\$ 20,314</u>	<u>\$ 11,201</u>	<u>\$ 52,161</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ 3,349	\$ 239	\$ 140
Accrued expenses	-	-	-	-	1,558	8,208
Due to other governments	-	-	-	-	-	-
Due to other funds	1,539	25,602	428	-	7,928	43,783
Total liabilities	<u>1,539</u>	<u>25,602</u>	<u>428</u>	<u>3,349</u>	<u>9,725</u>	<u>52,131</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	10,949	51,809
FUND BALANCE (DEFICIT)						
Nonspendable	-	-	-	-	252	352
Restricted	5	-	-	16,965	-	-
Unassigned	-	(1,202)	(428)	-	(9,725)	(52,131)
Total fund balance (deficit)	<u>5</u>	<u>(1,202)</u>	<u>(428)</u>	<u>16,965</u>	<u>(9,473)</u>	<u>(51,779)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ 1,544</u>	<u>\$ 24,400</u>	<u>\$ -</u>	<u>\$ 20,314</u>	<u>\$ 11,201</u>	<u>\$ 52,161</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2017

	Regional School Board Petition Grant	Mathematics and Science Partnerships	Totals
ASSETS			
Cash and cash equivalents	-	-	\$ 331,264
Due from other governments	-	59,402	1,013,933
Prepaid expenses	-	-	16,271
Total assets	-	59,402	1,361,468
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ 59,402	\$ 1,361,468
LIABILITIES			
Accounts payable	-	29,049	\$ 80,302
Accrued expenses	-	5,316	134,761
Due to other governments	-	13,409	91,237
Due to other funds	1,042	11,628	787,919
Total liabilities	1,042	59,402	1,094,219
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	50,647	460,751
FUND BALANCE (DEFICIT)			
Nonspendable	-	-	16,271
Restricted	-	-	242,957
Unassigned	(1,042)	(50,647)	(452,730)
Total fund balance (deficit)	(1,042)	(50,647)	(193,502)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	\$ -	\$ 59,402	\$ 1,361,468

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2017

	Regional Safe Schools	Early Childhood Parenting Program	Truants' Alternative Program	McKinney Education for Homeless Children	Workforce Investment Act	System of Support (RESPRO)
REVENUES:						
Local sources	-	-	3	12	-	116
State sources	246,944	281,042	64,914	-	-	-
Federal sources	-	-	-	30,983	927	54,655
Total revenues	<u>246,944</u>	<u>281,042</u>	<u>64,917</u>	<u>30,995</u>	<u>927</u>	<u>54,771</u>
EXPENDITURES:						
Education:						
Salaries	405,451	171,105	84,746	-	-	23
Benefits	81,131	39,748	18,480	-	-	2
Pension expense	5,571	20,798	5,053	-	-	-
Purchased services	237,134	22,673	15,956	31,207	-	75,369
Supplies and materials	41,391	5,896	1,043	-	-	73
Payment to other governments	-	-	-	-	-	-
Other objects	-	300	-	-	-	-
Capital outlay	12,558	10,364	-	-	-	-
Total expenditures	<u>783,236</u>	<u>270,884</u>	<u>125,278</u>	<u>31,207</u>	<u>-</u>	<u>75,467</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(536,292)</u>	<u>10,158</u>	<u>(60,361)</u>	<u>(212)</u>	<u>927</u>	<u>(20,696)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	348,853	-	-	-	14,082	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>348,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,082</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>(187,439)</u>	<u>10,158</u>	<u>(60,361)</u>	<u>(212)</u>	<u>15,009</u>	<u>(20,696)</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>(11,957)</u>	<u>(9,900)</u>	<u>(1,229)</u>	<u>(1,754)</u>	<u>(15,009)</u>	<u>13,005</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (199,396)</u>	<u>\$ 258</u>	<u>\$ (61,590)</u>	<u>\$ (1,966)</u>	<u>\$ -</u>	<u>\$ (7,691)</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2017

		Technology for Success	Social Emotional Learning Standards Professional Development Program (SEL-PDP)	Illinois New Principal Mentoring	Teacher Mentoring Pilot Program	Career & Technical Education Improvement	ROE/ISC Operations
REVENUES:							
Local sources	\$	-	22,417	-	-	2	348
State sources		45,409	-	-	-	63,444	357,602
Federal sources		-	-	-	-	-	-
Total revenues		<u>45,409</u>	<u>22,417</u>	<u>-</u>	<u>-</u>	<u>63,446</u>	<u>357,950</u>
EXPENDITURES:							
Education:							
Salaries		4,815	-	-	-	-	197,280
Benefits		373	-	-	-	-	34,882
Pension expense		593	-	-	-	-	14,283
Purchased services		42,237	17,401	-	-	73,666	118,031
Supplies and materials		-	-	-	-	18,594	3,595
Payment to other governments		-	15,203	-	-	-	-
Other objects		-	-	-	-	-	-
Capital outlay		-	-	-	-	-	1,427
Total expenditures		<u>48,018</u>	<u>32,604</u>	<u>-</u>	<u>-</u>	<u>92,260</u>	<u>369,498</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		<u>(2,609)</u>	<u>(10,187)</u>	<u>-</u>	<u>-</u>	<u>(28,814)</u>	<u>(11,548)</u>
OTHER FINANCING SOURCES (USES):							
Transfers in		-	-	-	-	-	-
Transfers out		-	-	-	-	-	-
Total other financing sources (uses)		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)		<u>(2,609)</u>	<u>(10,187)</u>	<u>-</u>	<u>-</u>	<u>(28,814)</u>	<u>(11,548)</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR		<u>(24,683)</u>	<u>30,609</u>	<u>44,846</u>	<u>1,350</u>	<u>(1,540)</u>	<u>177,060</u>
FUND BALANCE (DEFICIT), END OF YEAR	\$	<u>(27,292)</u>	<u>20,422</u>	<u>44,846</u>	<u>1,350</u>	<u>(30,354)</u>	<u>165,512</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2017

	Illinois	Title II	Title II	Spelling	Parents as	RSSPCE
	Partnership	Teacher	Teacher	Bee	Teachers	
	Advancing	Quality	Quality			
	Rigorous	Leadership	Leadership			
	Training					
\$	2,674	\$ -	\$ -	6,242	\$ 60,651	\$ 1,031
Local sources	-	-	-	-	-	-
State sources	-	33,900	382	-	-	-
Federal sources	-	33,900	382	-	-	-
Total revenues	<u>2,674</u>	<u>33,900</u>	<u>382</u>	<u>6,242</u>	<u>60,651</u>	<u>1,031</u>
EXPENDITURES:						
Education:						
Salaries	-	-	-	-	34,975	39,848
Benefits	-	-	-	6	14,334	5,616
Pension expense	-	-	-	29	3,765	231
Purchased services	2,674	33,900	810	7,163	13,366	2,725
Supplies and materials	-	-	-	609	69	3,390
Payment to other governments	-	-	-	-	-	-
Other objects	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>2,674</u>	<u>33,900</u>	<u>810</u>	<u>7,807</u>	<u>66,509</u>	<u>51,810</u>
EXCESS (DEFICIENCY) OF REVENUES	-	-	(428)	(1,565)	(5,858)	(50,779)
OVER (UNDER) EXPENDITURES						
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	(428)	(1,565)	(5,858)	(50,779)
FUND BALANCE (DEFICIT),						
BEGINNING OF YEAR	5	(1,202)	-	18,530	(3,615)	(1,000)
FUND BALANCE (DEFICIT),						
END OF YEAR	<u>5</u>	<u>(1,202)</u>	<u>(428)</u>	<u>16,965</u>	<u>(9,473)</u>	<u>(51,779)</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2017

	Regional School Board Petition Grant	Mathematics and Science Partnerships	Totals
REVENUES:			
Local sources	\$ 3,000	\$ -	\$ 96,496
State sources	-	-	1,059,355
Federal sources	-	8,755	129,602
Total revenues	<u>3,000</u>	<u>8,755</u>	<u>1,285,453</u>
EXPENDITURES:			
Education:			
Salaries	-	-	938,243
Benefits	-	5,260	199,832
Pension expense	-	56	50,379
Purchased services	4,733	49,803	748,848
Supplies and materials	-	4,283	78,943
Payment to other governments	-	-	15,203
Other objects	-	-	300
Capital outlay	-	-	24,349
Total expenditures	<u>4,733</u>	<u>59,402</u>	<u>2,056,097</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,733)</u>	<u>(50,647)</u>	<u>(770,644)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	362,935
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>362,935</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>(1,733)</u>	<u>(50,647)</u>	<u>(407,709)</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>691</u>	<u>-</u>	<u>214,207</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (1,042)</u>	<u>\$ (50,647)</u>	<u>\$ (193,502)</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2017

SCHEDULE 5

	Regional Safe Schools			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
State sources	\$ 423,155	\$ 423,155	\$ 246,944	\$ (176,211)
Total revenues	423,155	423,155	246,944	(176,211)
EXPENDITURES:				
Education:				
Salaries	302,519	302,519	405,451	(102,932)
Benefits	55,969	55,969	81,131	(25,162)
Pension expense	-	-	5,571	(5,571)
Purchased services	57,167	57,167	237,134	(179,967)
Supplies and materials	-	-	41,391	(41,391)
Capital outlay	7,500	7,500	12,558	(5,058)
Total expenditures	423,155	423,155	783,236	(360,081)
DEFICIENCY OF REVENUES				
UNDER EXPENDITURES				
	-	-	(536,292)	(536,292)
OTHER FINANCING SOURCES:				
Transfers in	-	-	348,853	348,853
NET CHANGE IN				
FUND BALANCE (DEFICIT)				
	\$ -	\$ -	(187,439)	\$ (187,439)
FUND BALANCE (DEFICIT),				
BEGINNING OF YEAR				
			(11,957)	
FUND BALANCE (DEFICIT),				
END OF YEAR				
			\$ (199,396)	

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2017

SCHEDULE 5

	Early Childhood Parenting Program			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
State sources	\$ 126,690	\$ 459,965	\$ 281,042	\$ (178,923)
EXPENDITURES:				
Education:				
Salaries	76,728	228,392	171,105	57,287
Benefits	35,706	72,091	39,748	32,343
Pension expense	-	-	20,798	(20,798)
Purchased services	14,256	68,444	22,673	45,771
Supplies and materials	-	81,101	5,896	75,205
Other objects	-	-	300	(300)
Capital outlay	-	9,937	10,364	(427)
Total expenditures	126,690	459,965	270,884	189,081
NET CHANGE IN				
FUND BALANCE (DEFICIT)	\$ -	\$ -	10,158	\$ 10,158
FUND BALANCE (DEFICIT),				
BEGINNING OF YEAR				
			(9,900)	
FUND BALANCE,				
END OF YEAR				
			\$ 258	

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2017

SCHEDULE 5

	Truants' Alternative Program			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Local sources	\$ -	\$ -	\$ 3	\$ 3
State sources	<u>129,828</u>	<u>129,828</u>	<u>64,914</u>	<u>(64,914)</u>
Total revenues	<u>129,828</u>	<u>129,828</u>	<u>64,917</u>	<u>(64,911)</u>
EXPENDITURES:				
Education:				
Salaries	109,996	88,500	84,746	3,754
Benefits	-	21,496	18,480	3,016
Pension expense	-	-	5,053	(5,053)
Purchased services	17,000	17,000	15,956	1,044
Supplies and materials	<u>2,832</u>	<u>2,832</u>	<u>1,043</u>	<u>1,789</u>
Total expenditures	<u>129,828</u>	<u>129,828</u>	<u>125,278</u>	<u>4,550</u>
NET CHANGE IN				
FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	(60,361)	<u>\$ (60,361)</u>
FUND BALANCE (DEFICIT),				
BEGINNING OF YEAR			<u>(1,229)</u>	
FUND BALANCE (DEFICIT),				
END OF YEAR			<u>\$ (61,590)</u>	

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2017

SCHEDULE 5

	Career & Technical Education Improvement			
	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Local sources	\$ -	\$ -	\$ 2	\$ 2
State sources	<u>106,944</u>	<u>106,944</u>	<u>63,444</u>	<u>(43,500)</u>
Total revenues	<u>106,944</u>	<u>106,944</u>	<u>63,446</u>	<u>(43,498)</u>
EXPENDITURES:				
Education:				
Purchased services	93,950	84,630	73,666	10,964
Supplies and materials	<u>12,994</u>	<u>22,314</u>	<u>18,594</u>	<u>3,720</u>
Total expenditures	<u>106,944</u>	<u>106,944</u>	<u>92,260</u>	<u>14,684</u>
NET CHANGE IN				
FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	(28,814)	<u>\$ (28,814)</u>
FUND BALANCE (DEFICIT),				
BEGINNING OF YEAR			<u>(1,540)</u>	
FUND BALANCE (DEFICIT),				
END OF YEAR			<u>\$ (30,354)</u>	

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2017

SCHEDULE 5

	ROE/ISC Operations			
	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Local sources	\$ -	\$ -	\$ 348	\$ 348
State sources	<u>357,602</u>	<u>357,602</u>	<u>357,602</u>	<u>-</u>
Total revenues	<u>357,602</u>	<u>357,602</u>	<u>357,950</u>	<u>348</u>
EXPENDITURES:				
Education:				
Salaries	204,250	196,250	197,280	(1,030)
Benefits	50,003	45,003	34,882	10,121
Pension expense	-	-	14,283	(14,283)
Purchased services	99,867	110,867	118,031	(7,164)
Supplies and materials	-	1,200	3,595	(2,395)
Capital outlay	<u>3,482</u>	<u>4,282</u>	<u>1,427</u>	<u>2,855</u>
Total expenditures	<u>357,602</u>	<u>357,602</u>	<u>369,498</u>	<u>(11,896)</u>
NET CHANGE IN				
FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(11,548)	<u>\$ (11,548)</u>
FUND BALANCE,				
BEGINNING OF YEAR			<u>177,060</u>	
FUND BALANCE,				
END OF YEAR			<u>\$ 165,512</u>	

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2017

SCHEDULE 5

	Title II Teacher Quality Leadership			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Federal sources	\$ 34,003	\$ 34,003	\$ 33,900	\$ (103)
EXPENDITURES:				
Education:				
Purchased services	34,003	34,003	33,900	103
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>(1,202)</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ (1,202)</u>	

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2017

SCHEDULE 5

	Title II Teacher Quality			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Federal sources	\$ 382	\$ 382	\$ 382	\$ -
EXPENDITURES:				
Education:				
Purchased services	382	382	810	(428)
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	(428)	<u>\$ (428)</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			-	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ (428)</u>	

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2017

SCHEDULE 5

	RSSPCE			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Local sources	\$ -	\$ -	\$ 1,031	\$ 1,031
State sources	65,462	65,462	-	(65,462)
Total revenues	65,462	65,462	1,031	(64,431)
EXPENDITURES:				
Education:				
Salaries	42,595	42,595	39,848	2,747
Benefits	12,854	12,854	5,616	7,238
Pension expense	-	-	231	(231)
Purchased services	8,936	3,416	2,725	691
Supplies and materials	1,077	6,597	3,390	3,207
Total expenditures	65,462	65,462	51,810	13,652
NET CHANGE IN FUND BALANCE (DEFICIT)	\$ -	\$ -	(50,779)	\$ (50,779)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			(1,000)	
FUND BALANCE (DEFICIT), END OF YEAR			\$ (51,779)	

BUDGETARY COMPARISON SCHEDULE

EDUCATION FUND ACCOUNTS

For the Year Ended June 30, 2017

	Mathematics and Science Partnerships			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Federal sources	\$ 250,000	\$ 250,000	\$ 8,755	\$ (241,245)
EXPENDITURES:				
Education:				
Salaries	134,992	4,000	-	4,000
Benefits	52,879	1,000	5,260	(4,260)
Pension expense	-	-	56	(56)
Purchased services	34,364	216,235	49,803	166,432
Supplies and materials	-	1,000	4,283	(3,283)
Payments to other governments	<u>27,765</u>	<u>27,765</u>	<u>-</u>	<u>27,765</u>
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>59,402</u>	<u>190,598</u>
NET CHANGE IN				
FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	(50,647)	<u>\$ (50,647)</u>
FUND BALANCE (DEFICIT),				
BEGINNING OF YEAR				
			<u>-</u>	
FUND BALANCE (DEFICIT),				
END OF YEAR				
			<u>\$ (50,647)</u>	

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2017

	<u>General</u>	<u>Education</u>	<u>Bus Driver</u>	<u>Supervisory</u>	<u>Totals</u>
	<u>Development</u>	<u>Training</u>	<u>Supervisory</u>	<u>Supervisory</u>	<u>Totals</u>
ASSETS					
Cash and cash equivalents	\$ 32,860	\$ 256,870	\$ 343	\$ 343	\$ 290,073
Accounts receivable	56	-	-	-	56
Due from other funds	-	478	-	-	478
Prepaid Expenses	-	20	-	-	20
Total assets	<u>32,916</u>	<u>257,368</u>	<u>343</u>	<u>343</u>	<u>290,627</u>
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 32,916</u>	<u>\$ 257,368</u>	<u>\$ 343</u>	<u>\$ 343</u>	<u>\$ 290,627</u>
LIABILITIES					
Accounts payable	60	300	-	-	360
Accrued expenses	-	3	-	-	3
Unearned revenue	-	670	-	-	670
Total liabilities	<u>60</u>	<u>973</u>	<u>-</u>	<u>-</u>	<u>1,033</u>
DEFERRED INFLOWS OF RESOURCES					
None	-	-	-	-	-
FUND BALANCE					
Nonspendable	-	20	-	-	20
Restricted	32,856	256,375	343	343	289,574
Total fund balance	<u>32,856</u>	<u>256,395</u>	<u>343</u>	<u>343</u>	<u>289,594</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 32,916</u>	<u>\$ 257,368</u>	<u>\$ 343</u>	<u>\$ 343</u>	<u>\$ 290,627</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2017

	<u>General Education Development</u>	<u>Bus Driver Training</u>	<u>Supervisory</u>	<u>Totals</u>
REVENUES:				
Local sources	\$ 6,947	\$ 32,550	\$ -	\$ 39,497
State sources	-	4,740	-	4,740
Total revenues	<u>6,947</u>	<u>37,290</u>	<u>-</u>	<u>44,237</u>
EXPENDITURES:				
Education:				
Salaries	-	2,898	-	2,898
Benefits	-	21	-	21
Purchased services	743	17,566	-	18,309
Supplies and materials	-	40	-	40
Capital outlay	1,138	-	-	1,138
Total expenditures	<u>1,881</u>	<u>20,525</u>	<u>-</u>	<u>22,406</u>
NET CHANGE IN FUND BALANCE	5,066	16,765	-	21,831
FUND BALANCE, BEGINNING OF YEAR	<u>27,790</u>	<u>239,630</u>	<u>343</u>	<u>267,763</u>
FUND BALANCE, END OF YEAR	<u>\$ 32,856</u>	<u>\$ 256,395</u>	<u>\$ 343</u>	<u>\$ 289,594</u>