

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

FINANCIAL AUDIT
(IN ACCORDANCE WITH THE UNIFORM GUIDANCE)
FOR THE YEAR ENDED JUNE 30, 2018

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

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DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

Officials

June 30, 2018

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

**Compliance Report Summary
Year Ended June 30, 2018**

The compliance 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 on compliance and internal controls 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 QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
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Findings (Government Auditing Standards)

None

Prior Audit Findings Not Repeated (Government Auditing Standards)

None

Findings and Questioned Costs (Federal Compliance)

None

Prior Audit Findings Not Repeated (Federal Compliance)

None

EXIT CONFERENCE

An informal exit conference was held with the Regional Office of Education No. 19 on September 23rd, 2020. Attending were Darlene Ruscitti, Regional Superintendent, Jeremy Dotson, Assistant Regional Superintendent of Business, and Tim Gavin, Manager.

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

**Financial Statement Report Summary
Year Ended June 30, 2018**

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, 2018, 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, 2018, 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.

Emphasis of Matters

As disclosed in Note 1 in the notes to the financial statements, the DuPage County Regional Office of Education No. 19 adopted GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of the Employer's Proportionate Share of the Net Pension Liability – Teachers' Retirement System of the State of Illinois, Schedule of Employer Contributions – Teachers' Retirement System of the State of Illinois, Schedule of the Employer's Proportionate Share of the Net Pension Liability – Illinois Municipal Retirement Fund DuPage County, Schedule of Employer Contributions – Illinois Municipal Retirement Fund DuPage County, Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability – Teachers' Health Insurance Security Fund, Schedule of Employer Contributions – Teachers' Health Insurance Security Fund, and Schedule of Changes in the Total OPEB Liability and Related Ratios – Other Postemployment Benefits – Other Health Insurance on pages 71 through 75 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 combining schedules of accounts, budgetary comparison schedules, combining fund financial statements,

and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules of accounts, budgetary comparison schedules, combining fund financial statements, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of accounts, budgetary comparison schedules, combining fund financial statements, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2020 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

Naperville, Illinois
November 5, 2020



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the DuPage County Regional Office of Education No. 19 (ROE), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the ROE's basic financial statements, and have issued our report thereon dated November 5, 2020.

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 opinions 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 ROE'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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 *Governmental Auditing Standards* in considering the ROE's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Naperville, Illinois
November 5, 2020



**INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on Compliance for Each Major Federal Program

We have audited the DuPage County Regional Office of Education No. 19's (ROE) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the ROE's major federal programs for the year ended June 30, 2018. The ROE's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the ROE's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the ROE's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the ROE's compliance.

Opinion on Each Major Federal Program

In our opinion, the DuPage County Regional Office of Education No. 19 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of the ROE is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the ROE's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the ROE's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Naperville, Illinois
November 5, 2020

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2018**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements in accordance with GAAP

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified?	No
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiencies identified?	No
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance 2 CFR 200.516(a)?	No
Identification of major federal programs:	

<u>CFDA Number(s)</u>	<u>Name of Federal Program/Cluster</u>
84.366B	Mathematics and Science Partnerships
84.423A	Support Effective Educator Development

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	No

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

**Schedule of Findings and Questioned Costs – Continued
Year Ended June 30, 2018**

SECTION II – FINANCIAL STATEMENT FINDINGS

None

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

**Schedule of Findings and Questioned Costs – Continued
Year Ended June 30, 2018**

SECTION III – FEDERAL AWARD FINDINGS

None

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

**Summary Schedule of Prior Audit Findings Not Repeated
Year Ended June 30, 2018**

None

BASIC FINANCIAL STATEMENTS

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
STATEMENT OF NET POSITION
June 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,867,936	\$ 495,386	\$ 4,363,322
Accounts receivable	50	27	77
Due from other governments	842,603	52,977	895,580
Due from (to) other funds	134,091	(134,091)	-
Prepaid expenses	33,685	27,386	61,071
Total current assets	<u>4,878,365</u>	<u>441,685</u>	<u>5,320,050</u>
Non-current assets:			
Capital assets, net of depreciation	<u>103,742</u>	<u>-</u>	<u>103,742</u>
Total assets	<u>4,982,107</u>	<u>441,685</u>	<u>5,423,792</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions - TRS	24,047	-	24,047
Deferred outflows related to pensions - IMRF	141,468	-	141,468
Deferred outflows related to OPEB - THIS	50,217	-	50,217
Deferred outflows related to OPEB - Other	3,391	-	3,391
Total deferred outflows of resources	<u>219,123</u>	<u>-</u>	<u>219,123</u>
LIABILITIES			
Current liabilities:			
Accounts payable	59,917	88,558	148,475
Accrued expenses	207,244	980	208,224
Due to other governments	119,481	6,929	126,410
Unearned revenue	52,110	66,025	118,135
Compensated absences	16,979	-	16,979
Lease payable, current portion	7,513	-	7,513
Total current liabilities	<u>463,244</u>	<u>162,492</u>	<u>625,736</u>
Non-current liabilities:			
Lease payable, non-current portion	25,437	-	25,437
Net pension liability - TRS	84,033	-	84,033
Net pension liability - IMRF	134,257	-	134,257
Net OPEB liability - THIS	881,463	-	881,463
Total OPEB liability - Other	189,520	-	189,520
Total non-current liabilities	<u>1,314,710</u>	<u>-</u>	<u>1,314,710</u>
Total liabilities	<u>1,777,954</u>	<u>162,492</u>	<u>1,940,446</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions - TRS	569,348	-	569,348
Deferred inflows related to pensions - IMRF	204,465	-	204,465
Deferred inflows related to OPEB - THIS	105,459	-	105,459
Total deferred inflows of resources	<u>879,272</u>	<u>-</u>	<u>879,272</u>
NET POSITION			
Net investment in capital assets	70,792	-	70,792
Restricted for educational purposes	3,578,681	-	3,578,681
Unrestricted	<u>(1,105,469)</u>	<u>279,193</u>	<u>(826,276)</u>
Total net position	<u>\$ 2,544,004</u>	<u>\$ 279,193</u>	<u>\$ 2,823,197</u>

The 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, 2018

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	Primary Government		
				<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Primary government:						
Governmental activities:						
Instructional services:						
Salaries	\$ 1,381,891	\$ 52,667	\$ 982,774	\$ (346,450)	\$ -	\$ (346,450)
Benefits	278,403	3,950	218,394	(56,059)	-	(56,059)
Pension expense	(179,671)	2,633	68,248	250,552	-	250,552
OPEB expense	87,004	-	5,460	(81,544)	-	(81,544)
Purchased services	1,675,422	131,666	1,255,766	(287,990)	-	(287,990)
Supplies and materials	212,823	23,042	150,146	(39,635)	-	(39,635)
Other objects	10,228	-	-	(10,228)	-	(10,228)
Capital outlay	704	3,292	40,949	43,537	-	43,537
Depreciation	26,365	-	-	(26,365)	-	(26,365)
Intergovernmental:						
Payments to other governments	4,565,384	441,082	8,190	(4,116,112)	-	(4,116,112)
Administrative:						
On-behalf payments	<u>2,316,299</u>	<u>-</u>	<u>2,316,299</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	10,374,852	658,332	5,046,226	(4,670,294)	-	(4,670,294)
Business-type activities:						
Other	<u>1,231,768</u>	<u>1,234,102</u>	<u>-</u>	<u>-</u>	<u>2,334</u>	<u>2,334</u>
Total primary government	<u>\$ 11,606,620</u>	<u>\$ 1,892,434</u>	<u>\$ 5,046,226</u>	<u>(4,670,294)</u>	<u>2,334</u>	<u>(4,667,960)</u>
General revenues:						
Local sources				656,412	-	656,412
State sources				4,772,285	-	4,772,285
Investment income				29,329	2,249	31,578
Loss on disposal of capital assets				<u>(37,687)</u>	<u>-</u>	<u>(37,687)</u>
Total general revenues				<u>5,420,339</u>	<u>2,249</u>	<u>5,422,588</u>
CHANGE IN NET POSITION				750,045	4,583	754,628
NET POSITION, BEGINNING OF YEAR, AS RESTATED, SEE NOTE 15				<u>1,793,959</u>	<u>274,610</u>	<u>2,068,569</u>
NET POSITION, END OF YEAR				<u>\$ 2,544,004</u>	<u>\$ 279,193</u>	<u>\$ 2,823,197</u>

The 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, 2018**

	Special Revenue				
	<u>General Fund</u>	<u>Institute Fund</u>	<u>Education Fund</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 85,931	\$ 3,037,900	\$ 413,718	\$ 330,387	\$ 3,867,936
Accounts receivable	-	-	-	50	50
Due from other governments	114,985	-	727,618	-	842,603
Due from other funds	742,194	13,956	-	478	756,628
Prepaid expenses	14,214	106	19,365	-	33,685
Total assets	957,324	3,051,962	1,160,701	330,915	5,500,902
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 957,324	\$ 3,051,962	\$ 1,160,701	\$ 330,915	\$ 5,500,902
LIABILITIES					
Accounts payable	\$ 6,465	\$ 50	\$ 53,002	\$ 400	\$ 59,917
Accrued expenses	34,902	980	171,362	-	207,244
Due to other governments	1,163	-	118,318	-	119,481
Due to other funds	53,862	16,197	552,478	-	622,537
Unearned revenue	-	-	50,010	2,100	52,110
Total liabilities	96,392	17,227	945,170	2,500	1,061,289
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	9,239	-	77,704	30	86,973
FUND BALANCE					
Nonspendable	14,214	106	19,365	-	33,685
Restricted	-	3,034,629	237,731	328,385	3,600,745
Unassigned	837,479	-	(119,269)	-	718,210
Total fund balance	851,693	3,034,735	137,827	328,385	4,352,640
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 957,324	\$ 3,051,962	\$ 1,160,701	\$ 330,915	\$ 5,500,902

The 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
GOVERNMENTAL FUNDS
June 30, 2018

Total fund balance of governmental funds	\$	4,352,640
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		103,742
<p>Receivables not collected within 60 days of year end are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable revenue in the funds.</p>		86,973
<p>Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:</p>		
Deferred outflows of resources - TRS		24,047
Deferred outflows of resources - IMRF		141,468
Deferred outflows of resources - THIS		50,217
Deferred outflows of resources - Other		3,391
Deferred inflows of resources - TRS		(569,348)
Deferred inflows of resources - IMRF		(204,465)
Deferred inflows of resources - THIS		(105,459)
		(660,149)
<p>Some liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.</p>		
Capital lease obligations		(32,950)
Compensated absences		(16,979)
Net pension liability - TRS		(84,033)
Net pension liability - IMRF		(134,257)
Net OPEB liability - THIS		(881,463)
Total OPEB liability - Other		(189,520)
		(1,339,202)
Net position of governmental activities	\$	2,544,004

The 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, 2018

	Special Revenue				Total Governmental Funds
	General Fund	Institute Fund	Education Fund	Other Nonmajor Funds	
REVENUES:					
Local sources	\$ 677,447	\$ 608,000	\$ 110,987	\$ 50,332	\$ 1,446,766
State sources	4,772,285	-	1,872,801	4,018	6,649,104
Federal sources	-	-	1,125,168	-	1,125,168
On-behalf payments	1,664,825	-	-	-	1,664,825
Total revenues	7,114,557	608,000	3,108,956	54,350	10,885,863
EXPENDITURES:					
Instructional services:					
Salaries	207,761	11,911	1,153,204	-	1,372,876
Benefits	34,377	911	252,472	-	287,760
Pension expense	10,423	618	84,297	-	95,338
OPEB expense	1,382	-	7,579	-	8,961
Purchased services	177,611	16,529	1,468,509	12,773	1,675,422
Supplies and materials	33,569	3,213	174,225	1,816	212,823
Other objects	8,019	-	-	-	8,019
Capital outlay	2,940	-	44,295	970	48,205
Intergovernmental:					
Payments to other governments	4,458,393	98,133	8,858	-	4,565,384
Administrative:					
On-behalf payments	1,664,825	-	-	-	1,664,825
Debt service:					
Repayment of long-term lease payable	7,077	-	-	-	7,077
Financing cost	2,209	-	-	-	2,209
Total expenditures	6,608,586	131,315	3,193,439	15,559	9,948,899
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	505,971	476,685	(84,483)	38,791	936,964
OTHER FINANCING SOURCES (USES):					
Transfers in	1,252,131	-	415,812	-	1,667,943
Transfers out	(1,667,943)	-	-	-	(1,667,943)
Total other financing sources (uses)	(415,812)	-	415,812	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)	90,159	476,685	331,329	38,791	936,964
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	761,534	2,558,050	(193,502)	289,594	3,415,676
FUND BALANCE, END OF YEAR	\$ 851,693	\$ 3,034,735	\$ 137,827	\$ 328,385	\$ 4,352,640

The 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, 2018**

Net change in fund balance \$ 936,964

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	\$ 47,501	
Depreciation and disposition losses	<u>(64,052)</u>	<u>(16,551)</u>

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 2017 unavailable revenue recognized in fiscal year 2018	(461,726)	
Fiscal year 2018 unavailable revenue	<u>86,973</u>	<u>(374,753)</u>

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

Decrease in capital lease obligations	7,077	
Decrease in compensated absences	(9,015)	
Pension expense - TRS	272,259	
Pension expense - IMRF	2,750	
OPEB expense - THIS	(62,904)	
OPEB expense - Other	(15,139)	
OPEB expense - implicit rate subsidy - Other	<u>9,357</u>	
		<u>204,385</u>

Change in net position of governmental activities \$ 750,045

The 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, 2018

	<u>Business Type Activities - Enterprise Funds</u>			
	<u>Major Funds</u>		<u>Nonmajor Fund</u>	
	<u>Teacher Inservice for DuPage Educators</u>	<u>Local Services</u>	<u>Criminal Background Investigation</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 351,951	\$ -	\$ 143,435	\$ 495,386
Accounts receivable	-	27	-	27
Due from other governments	-	40,541	12,436	52,977
Due from other funds	8,848	34,373	117	43,338
Prepaid expenses	4,092	23,294	-	27,386
Total current assets	<u>364,891</u>	<u>98,235</u>	<u>155,988</u>	<u>619,114</u>
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
LIABILITIES				
Current liabilities:				
Accounts payable	74,474	14,084	-	88,558
Accrued expenses	-	980	-	980
Due to other governments	1,500	476	4,953	6,929
Due to other funds	45,050	119,774	12,605	177,429
Unearned revenue	66,025	-	-	66,025
Total current liabilities	<u>187,049</u>	<u>135,314</u>	<u>17,558</u>	<u>339,921</u>
DEFERRED INFLOWS OF RESOURCES				
None	-	-	-	-
NET POSITION				
Unrestricted	<u>177,842</u>	<u>(37,079)</u>	<u>138,430</u>	<u>279,193</u>
TOTAL NET POSITION	<u>\$ 177,842</u>	<u>\$ (37,079)</u>	<u>\$ 138,430</u>	<u>\$ 279,193</u>

The 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, 2018

	Business Type Activities - Enterprise Funds			Total
	Major Funds	Nonmajor Fund		
	Teacher Inservice for DuPage Educators	Local Services	Criminal Background Investigation	
OPERATING REVENUES:				
Local sources	\$ 683,120	\$ 470,874	\$ 80,108	\$ 1,234,102
OPERATING EXPENSES:				
Salaries	-	11,911	-	11,911
Purchased services	79,421	467,987	49,992	597,400
Supplies and materials	3,747	9,730	75	13,552
Payment to other governments	576,704	-	-	576,704
Capital outlay	1,025	31,176	-	32,201
Total operating expenses	<u>660,897</u>	<u>520,804</u>	<u>50,067</u>	<u>1,231,768</u>
OPERATING INCOME (LOSS)	22,223	(49,930)	30,041	2,334
NONOPERATING REVENUES				
Investment income	<u>715</u>	<u>1,534</u>	<u>-</u>	<u>2,249</u>
CHANGE IN NET POSITION BEFORE TRANSFERS	22,938	(48,396)	30,041	4,583
Transfers in	-	13,753	-	13,753
Transfers out	<u>(13,753)</u>	<u>-</u>	<u>-</u>	<u>(13,753)</u>
Total transfers	<u>(13,753)</u>	<u>13,753</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	9,185	(34,643)	30,041	4,583
NET POSITION, BEGINNING OF YEAR	<u>168,657</u>	<u>(2,436)</u>	<u>108,389</u>	<u>274,610</u>
NET POSITION, END OF YEAR	<u>\$ 177,842</u>	<u>\$ (37,079)</u>	<u>\$ 138,430</u>	<u>\$ 279,193</u>

The 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, 2018

	Business Type Activities - Enterprise Funds			
	Major Funds		Nonmajor Fund	
	Teacher Inservice for DuPage Educators	Local Services	Criminal Background Investigation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts for workshops and services	\$ 655,060	\$ 457,836	\$ 78,214	\$ 1,191,110
Payments to suppliers and providers of goods and services	(813,873)	(533,872)	(49,189)	(1,396,934)
Payments to employees	-	(11,373)	-	(11,373)
Net cash provided by (used in) operating activities	<u>(158,813)</u>	<u>(87,409)</u>	<u>29,025</u>	<u>(217,197)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund loans	18,971	69,507	114,410	202,888
Transfers from (to) other funds	(13,753)	13,753	-	-
Net cash provided by noncapital financing activities	<u>5,218</u>	<u>83,260</u>	<u>114,410</u>	<u>202,888</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	715	1,534	-	2,249
Net cash provided by investing activities	<u>715</u>	<u>1,534</u>	<u>-</u>	<u>2,249</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(152,880)	(2,615)	143,435	(12,060)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>504,831</u>	<u>2,615</u>	<u>-</u>	<u>507,446</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 351,951</u>	<u>\$ -</u>	<u>\$ 143,435</u>	<u>\$ 495,386</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 22,223	\$ (49,930)	\$ 30,041	\$ 2,334
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Effects of changes in assets and liabilities:				
Accounts receivable	-	275	-	275
Due from other governments	-	(7,674)	(1,894)	(9,568)
Prepaid expenses	(4,092)	(23,218)	-	(27,310)
Accounts payable	(150,384)	(2,237)	-	(152,621)
Accrued expenses	-	538	-	538
Due to other governments	1,500	476	878	2,854
Unearned revenue	(28,060)	(5,639)	-	(33,699)
Net cash provided by (used in) operating activities	<u>\$ (158,813)</u>	<u>\$ (87,409)</u>	<u>\$ 29,025</u>	<u>\$ (217,197)</u>

The 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, 2018**

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; inspecting and approving building plans to ensure compliance with State law; performing and reporting on annual building inspections; investigating bus drivers for valid bus driver permits and taking related action as may be required; maintaining a list of unfilled teaching positions and carrying out other related duties required or permitted by law.

The Regional Superintendent is responsible for inspection and approval or rejection of school 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, 2018**

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, 2018, 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, 2018**

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, 2018**

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, 2018**

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, 2018**

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.
- 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, 2018**

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, 2018**

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 in counseling students in the development of academic, career training, and 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 Districts 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.
- Education Innovation and Research - Federal funds used to improve public K-12 education for the neediest students and enable other educators to learn from these successful efforts.
- Supporting Effective Educator Development - This program supports the strengthening of leadership skills.
- Steans Family Foundation Grant - This grant is intended to serve as a match for the Education Innovation and Research grant. It is used to support meeting expense for the partners during the grant.

Nonmajor Special Revenue Funds - All other special revenue funds not classified under the 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.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary Funds

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

The ROE reported the following proprietary funds as major funds:

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

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

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 at fair value as of June 30, 2018.

F. Due From Other Governments

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

G. Capital Assets

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

General capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated 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, 2018**

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 revenue.

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. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the ROE's Plan. For this purpose, the ROE's Plan recognizes benefit payments when due and payable in accordance with the benefit terms. The ROE's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense for the ROE's single-employer defined benefit OPEB plan have been actuarially determined using the Alternative Measurement Method.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. 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.

M. 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 and OPEB expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

Deferred inflows of resources 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 consist of unrecognized items not yet charged to pension and OPEB expense.

N. 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.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. 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. The following funds have nonspendable fund balances: ROE Operations, Truant Minors in Need of Supervision (TMINS), Institute, Regional Safe Schools, Early Childhood Parenting Program, Truants' Alternative Program, ROE/ISC Operations, Parents as Teachers, and RSSPCE.

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

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

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

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. 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.

Q. 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.

R. Budgetary Data

The ROE did not formally adopt a budget for the year ended June 30, 2018 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
 - Mathematics and Science Partnerships
 - RSSPCE

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. New Accounting Pronouncements

In 2018, DuPage County Regional Office of Education No. 19 implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*; GASB Statement No. 81, *Irrevocable Split-Interest Agreements*; GASB Statement No. 85, *Omnibus 2017*; and GASB Statement No. 86, *Certain Debt Extinguishment Issues*. The implementation of GASB Statement No. 75 establishes standards for measuring and recognizing OPEB liabilities, deferred outflows of resources, deferred inflows of resources, expenses, and expenditures and identifies the note disclosure and RSI reporting requirements and resulted in a prior period restatement to net position. The implementation of GASB Statement No.'s 81, 85 and 86 had no impact on DuPage County Regional Office of Education No. 19's financial statements.

T. Subsequent Events

Management has evaluated subsequent events through November 5, 2020, 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 associations 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, 2018**

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, 2018, the cash book balance of the ROE totaled \$4,363,322 and the bank balance totaled \$6,547,830. 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 \$3,510,881 as of June 30, 2018.

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 - 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, 2018, 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 rates 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 a 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, 2018**

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, 2018, the ROE had approximately 60% 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 37% 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, 2018 is as follows:

	<u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2018</u>
Governmental Funds:				
Furniture and equipment	\$ 587,911	\$ 47,501	\$ 274,632	\$ 360,780
Building improvements	<u>103,300</u>	<u>-</u>	<u>-</u>	<u>103,300</u>
Total capital assets	<u>691,211</u>	<u>47,501</u>	<u>274,632</u>	<u>464,080</u>
Less: accumulated depreciation				
Furniture and equipment	483,608	22,650	236,945	269,313
Building improvements	<u>87,310</u>	<u>3,715</u>	<u>-</u>	<u>91,025</u>
Total accumulated depreciation	<u>570,918</u>	<u>26,365</u>	<u>236,945</u>	<u>360,338</u>
Capital assets, net	<u>\$ 120,293</u>	<u>\$ 21,136</u>	<u>\$ 37,687</u>	<u>\$ 103,742</u>
Proprietary Funds:				
Furniture and equipment	\$ 589	\$ -	\$ 589	\$ -
Less: accumulated depreciation				
Furniture and equipment	<u>589</u>	<u>-</u>	<u>589</u>	<u>-</u>
Capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Depreciation expense was charged as follows:				
Governmental Funds:				
Instructional services				\$ 26,365
Proprietary Funds:				
Professional development				<u>-</u>
Total depreciation expense				<u>\$ 26,365</u>

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 4 - LEASE COMMITMENTS

The following is a summary of changes in lease commitments for the year ended June 30, 2018:

	<u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2018</u>	<u>Due within one year</u>
Governmental Funds:					
Capital lease payable	\$ 40,027	\$ -	\$ 7,077	\$ 32,950	\$ 7,513

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, 2018 were as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 9,286
2020	9,286
2021	9,286
2022	<u>9,286</u>
Total minimum lease payments	37,144
Less: amount representing interest	<u>4,194</u>
Present value of minimum lease payments	<u>\$ 32,950</u>

Assets under capital leases amounted to \$32,021, and the related accumulated depreciation amounted to \$8,006.

The ROE leases office space for operations. The agreements generally require the ROE to pay executor costs. Rental expense for the year ended June 30, 2018 was \$224,737.

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, 2018**

NOTE 4 - LEASE COMMITMENTS (CONTINUED)

On August 22, 2017 the DuPage County Regional Office of Education No. 19 entered into a lease agreement with DuPage County for office space. The agreement commenced on August 22, 2017 and terminates on November 30, 2021. The lease calls for sixteen quarterly installments of \$35,250, totaling \$564,000 over the term of the agreement. In the event the Regional Office of Education's annual federal, state or county appropriations, including grants, is reduced from fiscal year 2017 levels or there are changes in state law that effect the Regional Office of Education's performance, the lease can be amended to consider such events or be terminated early.

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.

	June 30, 2017	Additions	Deletions	June 30, 2018	Due within one year
Governmental Funds:					
Compensated Absences	<u>\$ 7,964</u>	<u>\$ 18,030</u>	<u>\$ 9,015</u>	<u>\$ 16,979</u>	<u>\$ 16,979</u>

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

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 <http://www.trsil.org/financial/cafrs/fy2017>; 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.

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

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, 2017, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by 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, 2018, 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 \$569,333 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, 2018, were \$5,188 and are deferred because they were paid after the June 30, 2017 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 Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution to TRS and were much higher.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 7 - RETIREMENT FUND COMMITMENTS (CONTINUED)

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

For the year ended June 30, 2018, the employer pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$23,764 were paid from federal and special trust funds that required employer contributions of \$2,400. Actual contributions during the year ended June 30, 2018 were \$11,017. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. DuPage County Regional Office of Education No. 19 is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the 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, 2018, DuPage County Regional Office of Education No. 19 paid no employer contributions under the ERO program.

DuPage County Regional Office of Education No. 19 is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2018, 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, 2018, 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 follow below:

Employer's proportionate share of the net pension liability	\$ 84,033
State's proportionate share of the net pension liability associated with the employer	<u>5,785,012</u>
Total	<u>\$ 5,869,045</u>

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

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, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. 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, 2017, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2017, DuPage County Regional Office of Education No. 19's proportion was 0.0001099937 percent, which was a decrease of 0.0002371152 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, DuPage County Regional Office of Education No. 19 recognized pension expense of \$569,333 and revenue of \$569,333 for support provided by the state. For the year ended June 30, 2018, DuPage County Regional Office of Education No. 19 recognized pension benefit of \$256,054. At June 30, 2018, 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	\$ 913	\$ 38
Net difference between projected and actual earnings on pension plan investment	58	-
Changes of assumptions	5,608	2,415
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,263	566,895
Employer contributions subsequent to the measurement date	<u>16,205</u>	<u>-</u>
Total	<u>\$ 24,047</u>	<u>\$ 569,348</u>

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 7 - RETIREMENT FUND COMMITMENTS (CONTINUED)

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

\$16,205 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, 2019. 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:	
2019	\$ (262,908)
2020	(131,656)
2021	(112,519)
2022	(49,877)
2023	(4,546)
Total	<u>\$ (561,506)</u>

Actuarial assumptions

The total pension liability in the June 30, 2017 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. The same assumptions were used in the June 30, 2016 actuarial valuation.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

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, 2017, the discount rate used to measure the total pension liability was 7.0 percent, which was a change from the June 30, 2016 rate of 6.83 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, 2017 was projected to be available to make all projected future benefit payments to 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. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 7 - RETIREMENT FUND COMMITMENTS (CONTINUED)

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

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year 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 7.00 percent, as well as what DuPage County Regional Office of Education No. 19's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Regional Office of Education No. 19's proportionate share of the net pension liability	<u>\$ 103,246</u>	<u>\$ 84,033</u>	<u>\$ 68,297</u>

TRS fiduciary net position

Detailed information about the TRS's fiduciary net position as of June 30, 2017 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, 2018**

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, 2018**

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 fiscal year ended 2018 was 11.98% of covered payroll. For the year ended June 30, 2018, salaries totaling \$660,722 were paid that required employer contributions of \$79,133, which was equal to the Regional Office of Education's actual contributions.

Net Pension Liability

At June 30, 2018, the Regional Office of Education No. 19 reported a liability of \$134,257 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, 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 contributions to the plan for the year ended June 30, 2017 relative to the actual contributions of DuPage County as a whole. At June 30, 2018, the Regional Office of Education No. 19's proportion was 0.14%, which was a decrease of 0.02% from its proportion measured as of June 30, 2017.

Actuarial Assumptions

The Regional Office of Education No.19's net pension liability was measured as of December 31, 2017 (most recent available) and the total pension liability was used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2017
Actuarial cost method	Entry-age normal
Assumptions:	
Inflation	2.50%
Salary increases	3.39% to 14.25%
Interest rate	7.50%
Asset valuation method	Market Value

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 7 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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 project 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 project benefit payments to determine the total pension liability.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

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, 2018, the Regional Office of Education No. 19 recognized pension expense of \$76,383. At June 30, 2018, the Regional Office of Education No. 19 reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 20,219	\$ -
Changes in assumption	-	69,127
Net difference between projected and actual earnings on pension plan investments	-	135,338
Changes in proportion and differences between the ROE's contributions and the ROE's proportionate share of contributions	69,440	-
Contributions made after measurement date	<u>51,809</u>	<u>-</u>
TOTAL	<u>\$ 141,468</u>	<u>\$ 204,465</u>

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

Period ended <u>June 30,</u>	Net Deferred <u>Inflows</u>
2019	\$ (35,027)
2020	(10,762)
2021	(26,006)
2022	<u>(43,011)</u>
Total	<u>\$ (114,806)</u>

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

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 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	\$ 538,565	\$ 134,257	\$ (186,732)

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>2017</u>	<u>Additions</u>	<u>Deletions</u>	June 30, <u>2018</u>
Net pension liability - TRS	\$ 273,994	\$ -	\$ 189,961	\$ 84,033
Net pension liability - IMRF	<u>319,516</u>	<u>-</u>	<u>185,259</u>	<u>134,257</u>
Total net pension liability	<u>\$ 593,510</u>	<u>\$ -</u>	<u>\$ 375,220</u>	<u>\$ 218,290</u>

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS

Teachers' Health Insurance Security Fund

THIS Plan Description

DuPage County Regional Office of Education No. 19 participates in the Teachers' Health Insurance Security (THIS) Fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State-administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the Teachers' Retirement System (TRS).

Benefits Provided

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

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

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. For the year ended June 30, 2018, 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 OPEB liability associated with DuPage County Regional Office of Education No. 19, and recognized revenues and expenditures of \$82,141 in OPEB contributions from the State of Illinois.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Teachers' Health Insurance Security Fund (Continued)

Employer contributions to the THIS Fund

DuPage County Regional Office of Education No. 19 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.88 percent during the year ended June 30, 2018, and 0.84 and 0.80 percent during the years ended June 30, 2017 and 2016, respectively. For the year ended June 30, 2018, DuPage County Regional Office of Education No. 19 paid \$8,961 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2017 and 2016, DuPage County Regional Office of Education No. 19 paid \$6,571 and \$5,360 to the THIS Fund, respectively.

Further information on the THIS Fund

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.75%
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare costs on and after 2020 to account for the Excise Tax.

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Teachers' Health Insurance Security Fund (Continued)

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

Single Discount Rate

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

Since the THIS fund is financed on a pay-as-you-go basis, the sponsor has selected a discount rate consistent with the 20-year general obligation bond index described above. The discount rates are 2.85 percent as of June 30, 2016, and 3.56 percent as of June 30, 2017.

Sensitivity of the employer's proportionate share of the collective net OPEB liability to changes in the discount rate.

The following presents DuPage County Regional Office of Education No. 19's proportionate share of the collective net OPEB liability, as well as what DuPage County Regional Office of Education No. 19's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current discount rate:

	1% Decrease (2.56%)	Discount Rate (3.56%)	1% Increase (4.56%)
Regional Office of Education No. 19's proportionate share of the collective net OPEB liability	\$ 1,057,804	\$ 881,463	\$ 740,442

Sensitivity of the employer's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates.

The following table shows DuPage County Regional Office of Education No. 19's collective net OPEB liability as of June 30, 2017, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The key trend rates are 8.00% in 2018 decreasing to an ultimate trend rate of 5.09% in 2025, for non-Medicare coverage, and 9.00% in 2018 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Teachers' Health Insurance Security Fund (Continued)

	1% Decrease^a	Healthcare Cost Trend Rates	1% Increase^b
	(6.00%)	(7.00%)	(8.00%)
Regional Office of Education No. 19's proportionate share of the collective net OPEB liability	\$ 711,466	\$ 881,463	\$ 1,125,571

^a One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate rate of 4.09% in 2025 for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.

^b One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.09% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

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

At June 30, 2018, DuPage County Regional Office of Education No. 19 reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for State OPEB support provided to DuPage County Regional Office of Education No. 19. The amount recognized by DuPage County Regional Office of Education No. 19 as its proportionate share of the collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with DuPage County Regional Office of Education No. 19 is as follows:

DuPage County Regional Office of Education No. 19's proportionate share of the collective net OPEB liability	\$ 881,463
State's proportionate share of the collective net OPEB liability associated with DuPage County Regional Office of Education No. 19	<u>1,157,582</u>
Total	<u>\$ 2,039,045</u>

The collective net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2016 and was rolled forward to a June 30, 2017 measurement date. DuPage County Regional Office of Education No. 19's proportion of the collective net OPEB liability was based on a projection of DuPage County Regional Office of Education No. 19's long-term share of contributions to the OPEB plan relative to the projected contributions of DuPage County Regional Office of Education No. 19, actuarially determined.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Teachers' Health Insurance Security Fund (Continued)

At June 30, 2017, DuPage County Regional Office of Education No. 19's proportion was 0.003397 percent, which was a decrease of 0.284547 from its proportion measured as of June 30, 2016 (0.287944 percent). The State's support and total are for disclosure purposes only.

For the year ending June 30, 2018, DuPage County Regional Office of Education No. 19 recognized OPEB expense of \$82,141 and revenue of \$82,141 for support provided by the State. For the year ending June 30, 2018, DuPage County Regional Office of Education No. 19 recognized OPEB expense of \$71,865. At June 30, 2018, DuPage County Regional Office of Education No. 19 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 499
Net difference between projected and actual earnings on OPEB plan investments	-	10
Change of assumptions	-	104,950
Changes in proportion and differences between employer contributions and proportionate share of contributions	41,256	-
Employer contributions subsequent to the measurement date	8,961	-
Total	<u>\$ 50,217</u>	<u>\$ 105,459</u>

\$8,961 reported as deferred outflows of resources related to OPEB resulting from DuPage County Regional Office of Education No. 19 contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in DuPage County Regional Office of Education No. 19's OPEB expense as follows:

Year Ended June 30:	Net Deferred Outflows/(Inflows) of Resources
2019	\$ (9,863)
2020	(9,863)
2021	(9,863)
2022	(9,863)
2023	(9,861)
Thereafter	(14,890)
	<u>\$ (64,203)</u>

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Teachers' Health Insurance Security Fund (Continued)

THIS Fund Fiduciary Net Position

Detailed information about the THIS' fiduciary net position as of June 30, 2017, is available in the separately issued THIS financial report.

Other Postemployment Benefits - Other Health Insurance

Plan Description

DuPage County Regional Office of Education No. 19 provides a single-employer defined-benefit postemployment healthcare plan to retirees who participate in the IMRF and TRS retirement plans. This plan extends the same health benefits to annuitants as to active employees in the IMRF plan. The Governmental Accounting Standards Board (GASB) issued Statement No.'s 74 and 75 that established generally accepted accounting principles for the annual financial statements for postemployment benefit plans other than pension plans. The required information is as follows:

Eligibility Provisions

Full-Time Employees - IMRF

Tier I IMRF Full-Time employees:

Age 55 with at least 8 years of service (Reduced Pension)

Age 60 with at least 8 years of service (Full Pension)

Tier II IMRF Full-Time employees:

Age 62 with at least 10 years of service (Reduced Pension)

Age 67 with at least 10 years of service (Full Pension)

Full-Time Employees - TRS

Tier I TRS Full-Time employees:

Age 55 with at least 20 years of service

Age 55 with at least 35 years of service

Age 60 with at least 10 years of service

Age 62 with at least 5 years of service

Tier II TRS Full-Time employees:

Age 62 with at least 10 years of service

Age 67 with at least 10 years of service

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefits - Other Health Insurance (Continued)

Benefits Provided

DuPage County Regional Office of Education No. 19 provides continued health insurance coverage at the blended employer rate to all eligible retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. DuPage County Regional Office of Education No. 19 offers Medical HMO and PPO Plans to full-time IMRF and TRS employees. Retirees pay the full cost of coverage. Dependents may also continue coverage at the full cost. Coverage continues as long as required contributions are paid.

Membership

At June 30, 2018 membership consisted of:

	IMRF
Inactive employees currently receiving benefit payments	1
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	42
Total	43

Funding Policy and Contributions

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

The employer benefit payments of \$9,357 are related to the increase in active premiums due to the presence of retirees in the determination of blended retiree/active premiums.

Total OPEB Liability

The total OPEB liability for the current fiscal year has been developed based on the July 1, 2017 actuarial valuation date and adjusted to the June 30, 2018 measurement date based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

Actuarial Assumptions

Discount Rate used for the Total OPEB Liability	High Quality 20 Year Tax-Exempt G.O. Bond Rate. Beginning of the fiscal year was 3.13%, end of fiscal year was 2.98%
Long-Term Expected Rate of Return on Plan Assets	N/A. OPEB obligation is unfunded
Salary Increases	4.00%

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefits - Other Health Insurance (Continued)

Annual Blended Premiums	HMO premiums charged for coverage of retiree and spouse are \$7,317 and \$6,293, respectively. PPO premiums charged for coverage of retiree and spouse are \$13,070 and \$15,031, respectively.
Healthcare Trend Rates	For fiscal years on and after 2018, trend starts at 1.92% for HMO BA and (1.35%) for BI Ch PPO and gradually decreases to an ultimate trend of 4.50% for both HMO BA and BI CH PPO.
Retiree Contribution Rates	Same as Healthcare Trend Rates.

IMRF mortality assumptions follow the Pub-2010 Public Retirement Plans General Mortality Table. TRS mortality assumptions follow the Pub-2010 Public Retirement Plans Teachers Mortality Table.

For any active participant who will not meet the service requirement necessary to retire at the single retirement ages, it is assumed they have prior service with a different employer and therefore will be eligible to retire.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at July 1, 2017	\$ 180,347
Changes for the period:	
Service cost	9,022
Interest	5,785
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	3,113
Benefit payments	(9,357)
Other changes	610
Net changes	<u>9,173</u>
Balance at June 30, 2018	<u>\$ 189,520</u>

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefits - Other Health Insurance (Continued)

Discount Rate

The discount rate used in the determination of the total OPEB liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate. If the employer does not have a trust dedicated exclusively to the payment of OPEB benefits, as is the case with the DuPage County Regional Office of Education No. 19, then only the municipal bond rate is used in determining the total OPEB liability.

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

Municipal Bond Rate

The municipal bond rate assumption is based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The rates used were from the Standard & Poor's Municipal Bond 20-Year High-Grade Rate Index. The beginning of year rate of 3.13% is the June 30, 2017 rate and the end of the year rate of 2.98% is the June 30, 2018 rate.

Sensitivity of the Discount Rate

The following presents DuPage County Regional Office of Education No. 19's total OPEB liability calculated using a discount rate of 2.98%, as well as what the total OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point higher (3.98%) or 1-percentage-point lower (1.98%) than the current discount rate:

	1% Decrease (1.98%)	Current Discount Rate (2.98%)	1% Increase (3.98%)
Employer's total OPEB liability	\$ <u>176,866</u>	\$ <u>189,520</u>	\$ <u>203,610</u>

Sensitivity of the Healthcare Trend Rates

The following presents DuPage County Regional Office of Education No. 19's total OPEB liability, calculated using the healthcare cost trend rates as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Employer's total OPEB liability	\$ <u>209,353</u>	\$ <u>189,520</u>	\$ <u>172,960</u>

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefits - Other Health Insurance (Continued)

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

For the year ending June 30, 2018, DuPage County Regional Office of Education No. 19 recognized OPEB expense of \$15,139. At June 30, 2018 DuPage County Regional Office of Education No. 19 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	3,391	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	-	-
Total Deferred Amounts Related to OPEB	<u>\$ 3,391</u>	<u>\$ -</u>

When present, contributions subsequent to the measurement date may be recognized as a reduction to the total OPEB liability. Subsequent to the measurement date, the following amounts will be recognized in OPEB expense in the upcoming years:

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2019	\$ 332
2020	332
2021	332
2022	332
2023	332
Thereafter	<u>1,731</u>
Total	<u>\$ 3,391</u>

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Change in OPEB

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

	July 1, 2017, <u>as Restated</u>	<u>Additions</u>	<u>Deletions</u>	June 30, 2018
Net OPEB liability - THIS	\$ 880,372	\$ 1,091	\$ -	\$ 881,463
Total OPEB liability - Other	<u>180,347</u>	<u>9,173</u>	<u>-</u>	<u>189,520</u>
OPEB liabilities	<u>\$ 1,060,719</u>	<u>\$ 10,264</u>	<u>\$ -</u>	<u>\$ 1,070,983</u>

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	\$ 115,176
Regional Superintendent - benefits (includes state paid insurance)	7,281
Assistant Regional Superintendent - salary	103,656
Assistant Regional Superintendent - benefits (includes state paid insurance)	26,555
Salary and benefits of office employees paid by DuPage County	896,302
Other operating expense paid by DuPage County	<u>515,855</u>
Total on-behalf payments	<u>\$ 1,664,825</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 \$651,474 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 and Teachers' Health Insurance Security (THIS) OPEB 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.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 9 - ON-BEHALF PAYMENTS (CONTINUED)

State of Illinois on-behalf payments	\$1,664,825
ROE's share of TRS pension expense	569,333
ROE's share of THIS OPEB expense	<u>82,141</u>
Total	<u>\$2,316,299</u>

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	\$ 114,985
Education Fund	
Illinois State Board of Education	292,094
Local governments	435,524

Proprietary Funds:

Local Services	
Local governments	40,541
Nonmajor Fund	
Local government	<u>12,436</u>
Total	<u>\$ 895,580</u>

Due To Other Governments

Governmental Funds:

General Fund	
Illinois State Board of Education	\$ 365
Local governments	798
Education Fund	
Illinois State Board of Education	75,293
Local governments	43,025

Proprietary Funds:

Teacher Inservice for DuPage Educators	
Local governments	1,500
Local Services	
Local governments	476
Nonmajor Fund	
Local governments	<u>4,953</u>
Total	<u>\$ 126,410</u>

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 11 - DUE FROM/TO FUNDS

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

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 742,194	\$ 53,862
Institute Fund	13,956	16,197
Education Fund	-	552,478
Nonmajor Special Revenue Funds	478	-
Teacher Inservice for DuPage Educators	8,848	45,050
Local Services	34,373	119,774
Nonmajor Proprietary Fund	117	12,605
Total	<u>\$ 799,966</u>	<u>\$ 799,966</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, 2018:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
ROE Operations	\$ 977,361	-
Truant Minors in Need of Supervision (TMINS)	248,892	-
DuPage County Curriculum Directors	25,878	-
ALOP Safe Schools and GED Tuition	-	1,667,943
Education Fund		
Regional Safe Schools	415,812	-
Proprietary Funds		
Teacher Inservice for DuPage Educators	-	13,753
Local Services	13,753	-
Total	<u>\$ 1,681,696</u>	<u>\$ 1,681,696</u>

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 13 - DEFICIT FUND BALANCES

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

General Fund	
ROE Operations	\$ (7,789)
Superintendent Leadership Collaborative	(7,190)
Personnel Administrators Coming Together	(9,995)
Rebound	(886)
Education Fund	
Regional Safe Schools	(36,402)
Truants' Alternative Program	(10,561)
McKinney Education for Homeless Children	(2,628)
Career & Technical Education Improvement	(1,341)
Illinois Partnership Advancing Rigorous Training	(9,597)
Title II Teacher Quality Leadership	(2,000)
Title II Teacher Quality	(428)
Parents as Teachers	(5,774)
Mathematics and Science Partnerships	(40,003)
Supporting Effective Educator Development	(1,299)
Local Services	(37,079)

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. During fiscal year 2018, \$25,000 was paid as an employment dispute settlement.

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

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 15 - REGIONAL OFFICE OF EDUCATION RESTATEMENT

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* was implemented during fiscal year 2018. The implementation of GASB Statement No. 75 establishes standards for measuring and recognizing OPEB liabilities, deferred outflows of resources, deferred inflows of resources, expenses, and expenditures and identifies the note disclosure and RSI reporting requirements. During the transition year, as permitted, beginning balances for deferred outflows of resources, and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net OPEB liability. Beginning net position for governmental activities was restated to retroactively report the beginning net OPEB liability and deferred outflows of resources related to contributions made after the measurement date.

Governmental Activities Net Position

Net position, July 1, 2017, as previously reported	\$ 2,848,107
OPEB liabilities at July 1, 2017	(1,060,719)
Deferred outflows of resources related to contributions made after the June 30, 2016 measurement date	<u>6,571</u>
Net position, July 1, 2017, as restated	<u>\$ 1,793,959</u>

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, 2018

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's proportion of the net pension liability	.0001099937%	.0003471089%	.0009824668%	.0010022574%
Employer's proportionate share of the net pension liability	\$ 84,033	\$ 273,994	\$ 643,615	\$ 609,957
State's proportionate share of the net pension liability associated with the employer	<u>5,785,012</u>	<u>5,932,048</u>	<u>4,287,726</u>	<u>3,125,156</u>
Total	<u>\$ 5,869,045</u>	<u>\$ 6,206,042</u>	<u>\$ 4,931,341</u>	<u>\$ 3,735,113</u>
Employer's covered payroll	\$ 782,291	\$ 750,229	\$ 708,554	\$ 589,179
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	10.7%	36.5%	90.8%	103.5%
Plan fiduciary net position as a percentage of the total pension liability	39.3%	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, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily-required contribution	\$ 8,307	\$ 4,537	\$ 12,994	\$ 34,426	\$ 35,760
Contributions in relation to the statutorily-required contribution	<u>16,205</u>	<u>4,537</u>	<u>12,994</u>	<u>34,426</u>	<u>35,760</u>
Contribution deficiency (excess)	\$ (7,898)	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 1,018,338	\$ 782,291	\$ 750,229	\$ 708,554	\$ 589,179
Contributions as a percentage of covered payroll	1.59%	0.58%	1.73%	4.86%	6.07%

Notes to Required Supplementary Information

Changes of assumptions

For the 2017 and 2016 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real 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 was 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 also 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.

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

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
 FOR THE YEAR ENDED JUNE 30, 2018
 (AMOUNTS PRESENTED ARE FOR LAST FOUR CALENDAR YEARS)

	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Employer's proportion of the net pension liability	0.14%	0.16%	0.15%	0.16%
Employer's proportionate share of the net pension liability	\$ 134,257	\$ 319,516	\$ 317,849	\$ 120,960
Employer's covered payroll	\$ 512,343	\$ 360,267	\$ 295,105	\$ 322,444
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	26.2%	88.7%	107.7%	37.5%
Plan fiduciary net position as a percentage of the total pension liability	96.0%	86.5%	85.2%	90.3%

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

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

SCHEDULE OF EMPLOYER CONTRIBUTIONS
 ILLINOIS MUNICIPAL RETIREMENT FUND - DUPAGE COUNTY
 FOR THE YEAR ENDED JUNE 30, 2018
 LAST FOUR FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 79,133	\$ 52,017	\$ 43,654	\$ 36,778
Contributions in relation to the actuarially determined contribution	<u>79,133</u>	<u>52,017</u>	<u>43,654</u>	<u>36,778</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 660,722	\$ 435,162	\$ 338,830	\$ 310,588
Contributions as a percentage of covered payroll	11.98%	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 26 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.

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
SHARE OF THE COLLECTIVE NET OPEB LIABILITY
TEACHERS' HEALTH INSURANCE SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>2017</u>	<u>2016</u>
Employer's proportion of the collective net OPEB liability	.003397%	.287944%
Employer's proportionate share of the collective net OPEB liability	\$ 881,463	\$ 880,372
State's proportionate share of the collective net OPEB liability associated with the employer	<u>1,157,582</u>	<u>1,220,722</u>
Total	<u>\$ 2,039,045</u>	<u>\$ 2,101,094</u>
Employer's covered payroll	\$ 782,291	\$ 750,229
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	112.7%	117.3%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.17%	-0.22%

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

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' HEALTH INSURANCE SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily-required contribution	\$ 8,961	\$ 6,571	\$ 6,002
Contributions in relation to the statutorily-required contribution	<u>8,961</u>	<u>6,571</u>	<u>5,360</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 642</u>
Employer's covered payroll	\$ 1,018,338	\$ 782,291	\$ 750,229
Contributions as a percentage of covered payroll	0.88%	0.84%	0.71%

Notes to Required Supplementary Information

Changes of benefit terms

In the June 30, 2018 actuarial valuation, there have been no changes of benefit terms from the prior period.

Changes of assumptions

Because this is implementation year of GASB 74/75, the beginning Total OPEB Liability is based on the same assumptions, data and plan provisions as the ending Total OPEB Liability. For the purpose of developing changes in the OPEB Liability for GASB 74/75 reporting, there have been no changes of assumptions from the prior period.

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

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19

**SCHEDULE OF CHANGES IN THE TOTAL OPEB
LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS - OTHER HEALTH INSURANCE**

Fiscal Year Ended June 30,	<u>2018</u>
Total OPEB liability	
Service cost	\$ 9,022
Interest	5,785
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	3,113
Benefit payments	(9,357)
Other changes	<u>610</u>
Net Change in total OPEB liability	9,173
Total OPEB liability - beginning	<u>180,347</u>
Total OPEB liability - ending	<u><u>\$ 189,520</u></u>
Covered payroll	\$ 1,704,166
Total OPEB liability as a percentage of covered payroll	11.12%

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

OTHER SUPPLEMENTARY INFORMATION

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND ACCOUNTS
 June 30, 2018

	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	Total
ASSETS											
Cash and cash equivalents	\$ 23,075	\$ -	\$ 368	\$ 1,045	\$ 21,138	\$ -	\$ -	\$ -	\$ 40,305	\$ -	\$ 85,931
Due from other governments	-	16,080	-	150	-	-	-	-	97,810	945	114,985
Due from other funds	-	25,576	-	-	-	-	-	-	716,618	-	742,194
Prepaid expenses	-	13,428	-	-	786	-	-	-	-	-	14,214
Total assets	<u>23,075</u>	<u>55,084</u>	<u>368</u>	<u>1,195</u>	<u>21,924</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>854,733</u>	<u>945</u>	<u>957,324</u>
DEFERRED OUTFLOWS OF RESOURCES											
None	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 23,075</u>	<u>\$ 55,084</u>	<u>\$ 368</u>	<u>\$ 1,195</u>	<u>\$ 21,924</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 854,733</u>	<u>\$ 945</u>	<u>\$ 957,324</u>
LIABILITIES											
Accounts payable	\$ -	\$ 6,222	\$ -	\$ -	\$ 219	\$ -	\$ -	\$ -	\$ -	\$ 24	\$ 6,465
Accrued expenses	-	13,139	-	-	21,705	-	-	-	-	58	34,902
Due to other governments	-	795	368	-	-	-	-	-	-	-	1,163
Due to other funds	-	34,928	-	-	-	7,190	9,995	-	-	1,749	53,862
Total liabilities	<u>-</u>	<u>55,084</u>	<u>368</u>	<u>-</u>	<u>21,924</u>	<u>7,190</u>	<u>9,995</u>	<u>-</u>	<u>-</u>	<u>1,831</u>	<u>96,392</u>
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenue	-	7,789	-	150	-	-	-	-	1,300	-	9,239
FUND BALANCE (DEFICIT)											
Nonspendable	-	13,428	-	-	786	-	-	-	-	-	14,214
Unassigned	23,075	(21,217)	-	1,045	(786)	(7,190)	(9,995)	-	853,433	(886)	837,479
Total fund balance (deficit)	<u>23,075</u>	<u>(7,789)</u>	<u>-</u>	<u>1,045</u>	<u>-</u>	<u>(7,190)</u>	<u>(9,995)</u>	<u>-</u>	<u>853,433</u>	<u>(886)</u>	<u>851,693</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ 23,075</u>	<u>\$ 55,084</u>	<u>\$ 368</u>	<u>\$ 1,195</u>	<u>\$ 21,924</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 854,733</u>	<u>\$ 945</u>	<u>\$ 957,324</u>

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2018**

	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	\$ -	\$ 96,798	\$ -	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ 573,824	\$ 5,625	\$ 677,447
State sources	-	-	4,458,393	-	-	-	-	-	313,892	-	4,772,285
On-behalf payments	-	1,664,825	-	-	-	-	-	-	-	-	1,664,825
Total revenues	-	1,761,623	4,458,393	1,200	-	-	-	-	887,716	5,625	7,114,557
EXPENDITURES:											
Instructional services:											
Salaries	-	84,913	-	-	116,092	-	-	-	-	6,756	207,761
Benefits	-	9,712	-	-	24,566	-	-	-	-	99	34,377
Pension expense	-	10,145	-	-	239	-	-	-	-	39	10,423
OPEB expense	-	-	-	-	1,323	-	-	-	-	59	1,382
Purchased services	-	166,246	-	465	3,021	686	2,989	3,729	248	227	177,611
Supplies and materials	-	32,224	-	-	1,204	-	-	-	-	141	33,569
Other objects	-	8,019	-	-	-	-	-	-	-	-	8,019
Capital outlay	-	2,860	-	-	80	-	-	-	-	-	2,940
Intergovernmental:											
Payments to other governments	-	-	4,458,393	-	-	-	-	-	-	-	4,458,393
Administrative:											
On-behalf payments	-	1,664,825	-	-	-	-	-	-	-	-	1,664,825
Debt service:											
Repayment of long-term lease payable	-	7,077	-	-	-	-	-	-	-	-	7,077
Financing cost	-	2,209	-	-	-	-	-	-	-	-	2,209
Total expenditures	-	1,988,230	4,458,393	465	146,525	686	2,989	3,729	248	7,321	6,608,586
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(226,607)	-	735	(146,525)	(686)	(2,989)	(3,729)	887,468	(1,696)	505,971
OTHER FINANCING SOURCES (USES):											
Transfers in	-	977,361	-	-	248,892	-	-	25,878	-	-	1,252,131
Transfers out	-	-	-	-	-	-	-	-	(1,667,943)	-	(1,667,943)
Total other financing sources (uses)	-	977,361	-	-	248,892	-	-	25,878	(1,667,943)	-	(415,812)
NET CHANGE IN FUND BALANCE (DEFICIT)	-	750,754	-	735	102,367	(686)	(2,989)	22,149	(780,475)	(1,696)	90,159
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	23,075	(758,543)	-	310	(102,367)	(6,504)	(7,006)	(22,149)	1,633,908	810	761,534
FUND BALANCE (DEFICIT), END OF YEAR	\$ 23,075	\$ (7,789)	\$ -	\$ 1,045	\$ -	\$ (7,190)	\$ (9,995)	\$ -	\$ 853,433	\$ (886)	\$ 851,693

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2018

SCHEDULE 3

	<u>Regional Safe Schools</u>	<u>Early Childhood Parenting Program</u>	<u>Truants' Alternative Program</u>	<u>McKinney Education for Homeless Children</u>	<u>System of Support (RESPRO)</u>	<u>Technology for Success</u>
ASSETS						
Cash and cash equivalents	\$ 14,753	\$ 50,326	\$ 3,415	\$ 13,342	\$ 47,710	\$ 24,184
Due from other governments	71,753	-	6,636	-	17,376	-
Prepaid expenses	<u>7,232</u>	<u>1,817</u>	<u>611</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	93,738	52,143	10,662	13,342	65,086	24,184
DEFERRED OUTFLOWS OF RESOURCES						
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 93,738</u>	<u>\$ 52,143</u>	<u>\$ 10,662</u>	<u>\$ 13,342</u>	<u>\$ 65,086</u>	<u>\$ 24,184</u>
LIABILITIES						
Accounts payable	\$ 13,395	\$ 8,329	\$ 232	\$ 256	\$ 6,645	\$ 96
Accrued expenses	66,593	16,835	16,941	-	-	-
Due to other governments	13,750	-	4,050	15,714	51,358	877
Due to other funds	-	-	-	-	-	3,740
Unearned revenue	<u>-</u>	<u>26,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	93,738	51,184	21,223	15,970	58,003	4,713
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	<u>36,402</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT)						
Nonspendable	7,232	1,817	611	-	-	-
Restricted	-	-	-	-	7,083	19,471
Unassigned	<u>(43,634)</u>	<u>(858)</u>	<u>(11,172)</u>	<u>(2,628)</u>	<u>-</u>	<u>-</u>
Total fund balance (deficit)	<u>(36,402)</u>	<u>959</u>	<u>(10,561)</u>	<u>(2,628)</u>	<u>7,083</u>	<u>19,471</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)	<u>\$ 93,738</u>	<u>\$ 52,143</u>	<u>\$ 10,662</u>	<u>\$ 13,342</u>	<u>\$ 65,086</u>	<u>\$ 24,184</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2018

SCHEDULE 3
 (CONTINUED)

	Social Emotional Learning Standards Professional Development Program (SEL-PDP)	Illinois New Principal Mentoring	Teacher Mentoring Pilot Program	Career & Technical Education Improvement	ROE/ISC Operations	Illinois Partnership Advancing Rigorous Training
ASSETS						
Cash and cash equivalents	\$ 24,430	\$ 44,846	\$ 4,279	\$ 5,408	\$ 134,987	\$ -
Due from other governments	-	-	-	2,540	-	53,158
Prepaid expenses	-	-	-	-	9,107	-
Total assets	24,430	44,846	4,279	7,948	144,094	53,158
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
	\$ 24,430	\$ 44,846	\$ 4,279	\$ 7,948	\$ 144,094	\$ 53,158
LIABILITIES						
Accounts payable	\$ 18	\$ -	\$ -	\$ 9,279	\$ 2,190	\$ -
Accrued expenses	-	-	-	10	8,779	2,903
Due to other governments	-	-	2,929	-	-	-
Due to other funds	-	-	-	-	-	59,852
Unearned revenue	3,990	-	-	-	-	-
Total liabilities	4,008	-	2,929	9,289	10,969	62,755
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	-
FUND BALANCE (DEFICIT)						
Nonspendable	-	-	-	-	9,107	-
Restricted	20,422	44,846	1,350	-	124,018	-
Unassigned	-	-	-	(1,341)	-	(9,597)
Total fund balance (deficit)	20,422	44,846	1,350	(1,341)	133,125	(9,597)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)						
	\$ 24,430	\$ 44,846	\$ 4,279	\$ 7,948	\$ 144,094	\$ 53,158

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2018

SCHEDULE 3
 (CONTINUED)

	<u>Title II</u> <u>Teacher</u> <u>Quality</u> <u>Leadership</u>	<u>Title II</u> <u>Teacher</u> <u>Quality</u>	<u>Spelling</u> <u>Bee</u>	<u>Parents as</u> <u>Teachers</u>	<u>RSSPCE</u>	<u>Regional</u> <u>School</u> <u>Board</u> <u>Petition</u> <u>Grant</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ 18,978	\$ -	\$ 5,497	\$ 1,563
Due from other governments	3,499	-	-	14,765	3,956	-
Prepaid expenses	-	-	-	253	345	-
Total assets	3,499	-	18,978	15,018	9,798	1,563
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
	\$ 3,499	\$ -	\$ 18,978	\$ 15,018	\$ 9,798	\$ 1,563
LIABILITIES						
Accounts payable	\$ 99	\$ -	\$ -	\$ 66	\$ 873	\$ -
Accrued expenses	-	-	-	2,253	8,862	-
Due to other governments	-	-	-	-	-	-
Due to other funds	5,400	428	-	18,473	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	5,499	428	-	20,792	9,735	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	-
FUND BALANCE (DEFICIT)						
Nonspendable	-	-	-	253	345	-
Restricted	-	-	18,978	-	-	1,563
Unassigned	(2,000)	(428)	-	(6,027)	(282)	-
Total fund balance (deficit)	(2,000)	(428)	18,978	(5,774)	63	1,563
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)						
	\$ 3,499	\$ -	\$ 18,978	\$ 15,018	\$ 9,798	\$ 1,563

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND ACCOUNTS
 June 30, 2018

SCHEDULE 3
 (CONTINUED)

	<u>Mathematics and Science Partnerships</u>	<u>Education Innovation and Research</u>	<u>Supporting Effective Educator Development</u>	<u>Steans Family Foundation Grant</u>	<u>Totals</u>
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 20,000	\$ 413,718
Due from other governments	203,710	105,042	245,183	-	727,618
Prepaid expenses	-	-	-	-	19,365
Total assets	203,710	105,042	245,183	20,000	1,160,701
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
	\$ 203,710	\$ 105,042	\$ 245,183	\$ 20,000	\$ 1,160,701
LIABILITIES					
Accounts payable	\$ -	\$ 10,225	\$ 1,299	\$ -	\$ 53,002
Accrued expenses	34,324	4,182	9,680	-	171,362
Due to other governments	14,288	15,352	-	-	118,318
Due to other funds	155,098	75,283	234,204	-	552,478
Unearned revenue	-	-	-	20,000	50,010
Total liabilities	203,710	105,042	245,183	20,000	945,170
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	40,003	-	1,299	-	77,704
FUND BALANCE (DEFICIT)					
Nonspendable	-	-	-	-	19,365
Restricted	-	-	-	-	237,731
Unassigned	(40,003)	-	(1,299)	-	(119,269)
Total fund balance (deficit)	(40,003)	-	(1,299)	-	137,827
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)					
	\$ 203,710	\$ 105,042	\$ 245,183	\$ 20,000	\$ 1,160,701

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2018

SCHEDULE 4

	Regional Safe Schools	Early Childhood Parenting Program	Truants' Alternative Program	McKinney Education for Homeless Children	System of Support (RESPRO)	Technology for Success
REVENUES:						
Local sources	\$ -	\$ 701	\$ 69	\$ 41	\$ 116	\$ 400
State sources	580,054	468,099	175,495	-	-	47,826
Federal sources	-	-	-	50,600	63,201	-
Total revenues	<u>580,054</u>	<u>468,800</u>	<u>175,564</u>	<u>50,641</u>	<u>63,317</u>	<u>48,226</u>
EXPENDITURES:						
Instructional services:						
Salaries	392,253	245,959	81,520	-	-	-
Benefits	65,401	60,550	14,955	-	79	-
Pension expense	5,573	28,995	5,190	-	4	-
OPEB expense	3,197	82	353	-	7	-
Purchased services	296,559	50,174	18,713	43,325	47,036	1,463
Supplies and materials	42,465	74,319	3,804	6,614	1,417	-
Capital outlay	27,424	8,020	-	1,364	-	-
Intergovernmental:						
Payments to other governments	-	-	-	-	-	-
Total expenditures	<u>832,872</u>	<u>468,099</u>	<u>124,535</u>	<u>51,303</u>	<u>48,543</u>	<u>1,463</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(252,818)	701	51,029	(662)	14,774	46,763
OTHER FINANCING SOURCES:						
Transfers in	415,812	-	-	-	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)	162,994	701	51,029	(662)	14,774	46,763
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>(199,396)</u>	<u>258</u>	<u>(61,590)</u>	<u>(1,966)</u>	<u>(7,691)</u>	<u>(27,292)</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (36,402)</u>	<u>\$ 959</u>	<u>\$ (10,561)</u>	<u>\$ (2,628)</u>	<u>\$ 7,083</u>	<u>\$ 19,471</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2018

SCHEDULE 4
 (CONTINUED)

	Social Emotional Learning Standards Professional Development Program (SEL-PDP)	Illinois New Principal Mentoring	Teacher Mentoring Pilot Program	Career & Technical Education Improvement	ROE/ISC Operations	Illinois Partnership Advancing Rigorous Training
REVENUES:						
Local sources	\$ 21,010	\$ -	\$ -	\$ 191	\$ 9,633	\$ 3
State sources	-	-	-	126,860	358,190	-
Federal sources	-	-	-	-	-	72,598
Total revenues	21,010	-	-	127,051	367,823	72,601
EXPENDITURES:						
Instructional services:						
Salaries	-	-	-	-	189,027	34,159
Benefits	-	-	-	116	28,934	2,621
Pension expense	-	-	-	6	8,418	4,107
OPEB expense	-	-	-	9	983	-
Purchased services	11,134	-	-	75,099	167,143	40,468
Supplies and materials	1,018	-	-	22,808	1,638	848
Capital outlay	-	-	-	-	4,067	-
Intergovernmental:						
Payments to other governments	8,858	-	-	-	-	-
Total expenditures	21,010	-	-	98,038	400,210	82,203
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	29,013	(32,387)	(9,602)
OTHER FINANCING SOURCES:						
Transfers in	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	-	29,013	(32,387)	(9,602)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	20,422	44,846	1,350	(30,354)	165,512	5
FUND BALANCE (DEFICIT), END OF YEAR	\$ 20,422	\$ 44,846	\$ 1,350	\$ (1,341)	\$ 133,125	\$ (9,597)

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2018

SCHEDULE 4
 (CONTINUED)

	<u>Title II</u> <u>Teacher</u> <u>Quality</u> <u>Leadership</u>	<u>Title II</u> <u>Teacher</u> <u>Quality</u>	<u>Spelling</u> <u>Bee</u>	<u>Parents as</u> <u>Teachers</u>	<u>RSSPCE</u>	<u>Regional</u> <u>School</u> <u>Board</u> <u>Petition</u> <u>Grant</u>
REVENUES:						
Local sources	\$ 14	\$ -	\$ 6,280	\$ 69,110	\$ 33	\$ 3,386
State sources	-	-	-	-	116,277	-
Federal sources	17,002	-	-	-	-	-
Total revenues	17,016	-	6,280	69,110	116,310	3,386
EXPENDITURES:						
Instructional services:						
Salaries	-	-	-	35,708	46,111	-
Benefits	-	-	-	15,180	872	-
Pension expense	-	-	-	4,243	267	-
OPEB expense	-	-	-	-	406	-
Purchased services	17,715	-	3,691	10,276	8,579	781
Supplies and materials	99	-	576	4	8,233	-
Capital outlay	-	-	-	-	-	-
Intergovernmental:						
Payments to other governments	-	-	-	-	-	-
Total expenditures	17,814	-	4,267	65,411	64,468	781
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(798)	-	2,013	3,699	51,842	2,605
OTHER FINANCING SOURCES:						
Transfers in	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)	(798)	-	2,013	3,699	51,842	2,605
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	(1,202)	(428)	16,965	(9,473)	(51,779)	(1,042)
FUND BALANCE (DEFICIT), END OF YEAR	\$ (2,000)	\$ (428)	\$ 18,978	\$ (5,774)	\$ 63	\$ 1,563

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 EDUCATION FUND ACCOUNTS
 Year Ended June 30, 2018

SCHEDULE 4
 (CONTINUED)

	Mathematics and Science <u>Partnerships</u>	Education Innovation and <u>Research</u>	Supporting Effective Educator <u>Development</u>	Steans Family Foundation <u>Grant</u>	<u>Totals</u>
REVENUES:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 110,987
State sources	-	-	-	-	1,872,801
Federal sources	<u>387,138</u>	<u>245,102</u>	<u>289,527</u>	-	<u>1,125,168</u>
Total revenues	<u>387,138</u>	<u>245,102</u>	<u>289,527</u>	<u>-</u>	<u>3,108,956</u>
EXPENDITURES:					
Instructional services:					
Salaries	5,000	43,275	80,192	-	1,153,204
Benefits	50,579	4,068	9,117	-	252,472
Pension expense	12,607	5,210	9,677	-	84,297
OPEB expense	2,542	-	-	-	7,579
Purchased services	298,173	190,625	187,555	-	1,468,509
Supplies and materials	7,593	316	2,473	-	174,225
Capital outlay	-	1,608	1,812	-	44,295
Intergovernmental:					
Payments to other governments	-	-	-	-	8,858
Total expenditures	<u>376,494</u>	<u>245,102</u>	<u>290,826</u>	<u>-</u>	<u>3,193,439</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,644	-	(1,299)	-	(84,483)
OTHER FINANCING SOURCES:					
Transfers in	-	-	-	-	415,812
NET CHANGE IN FUND BALANCE (DEFICIT)	10,644	-	(1,299)	-	331,329
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>(50,647)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(193,502)</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (40,003)</u>	<u>\$ -</u>	<u>\$ (1,299)</u>	<u>\$ -</u>	<u>\$ 137,827</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2018

SCHEDULE 5

	Regional Safe Schools			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
State sources	\$ 425,263	\$ 425,263	\$ 580,054	\$ 154,791
EXPENDITURES:				
Instructional services:				
Salaries	366,825	338,289	392,253	(53,964)
Benefits	51,239	43,824	65,401	(21,577)
Pension expense	-	-	5,573	(5,573)
OPEB expense	-	-	3,197	(3,197)
Purchased services	6,157	42,350	296,559	(254,209)
Supplies and materials	1,042	800	42,465	(41,665)
Capital outlay	-	-	27,424	(27,424)
Total expenditures	425,263	425,263	832,872	(407,609)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	-	(252,818)	(252,818)
OTHER FINANCING SOURCES:				
Transfers in	-	-	415,812	415,812
NET CHANGE IN FUND BALANCE (DEFICIT)	\$ -	\$ -	162,994	\$ 162,994
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			(199,396)	
FUND BALANCE (DEFICIT), END OF YEAR			\$ (36,402)	

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2018

SCHEDULE 5
(CONTINUED)

Early Childhood Parenting Program				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -	\$ -	\$ 701	\$ 701
State sources	459,965	459,965	468,099	8,134
Total revenues	<u>459,965</u>	<u>459,965</u>	<u>468,800</u>	<u>8,835</u>
EXPENDITURES:				
Instructional services:				
Salaries	258,319	233,877	245,959	(12,082)
Benefits	131,142	120,584	60,550	60,034
Pension expense	-	-	28,995	(28,995)
OPEB expense	-	-	82	(82)
Purchased services	55,040	62,040	50,174	11,866
Supplies and materials	15,464	23,464	74,319	(50,855)
Capital outlay	-	20,000	8,020	11,980
Total expenditures	<u>459,965</u>	<u>459,965</u>	<u>468,099</u>	<u>(8,134)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	701	<u>\$ 701</u>
FUND BALANCE, BEGINNING OF YEAR			<u>258</u>	
FUND BALANCE, END OF YEAR			<u>\$ 959</u>	

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2018

SCHEDULE 5
(CONTINUED)

	Truants' Alternative Program			
	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Local sources	\$ -	\$ -	\$ 69	\$ 69
State sources	129,828	129,828	175,495	45,667
Total revenues	129,828	129,828	175,564	45,736
EXPENDITURES:				
Instructional services:				
Salaries	84,000	81,000	81,520	(520)
Benefits	28,694	28,694	14,955	13,739
Pension expense	-	-	5,190	(5,190)
OPEB expense	-	-	353	(353)
Purchased services	16,134	16,134	18,713	(2,579)
Supplies and materials	1,000	4,000	3,804	196
Total expenditures	129,828	129,828	124,535	5,293
NET CHANGE IN				
FUND BALANCE (DEFICIT)	\$ -	\$ -	51,029	\$ 51,029
FUND BALANCE (DEFICIT),				
BEGINNING OF YEAR			(61,590)	
FUND BALANCE (DEFICIT),				
END OF YEAR			\$ (10,561)	

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2018

SCHEDULE 5
(CONTINUED)

	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	\$ -	\$ -	\$ 191	\$ 191
State sources	107,630	107,630	126,860	19,230
Total revenues	107,630	107,630	127,051	19,421
EXPENDITURES:				
Instructional services:				
Benefits	-	-	116	(116)
Pension expense	-	-	6	(6)
OPEB expense	-	-	9	(9)
Purchased services	82,075	78,375	75,099	3,276
Supplies and materials	25,555	29,255	22,808	6,447
Total expenditures	107,630	107,630	98,038	9,592
NET CHANGE IN				
FUND BALANCE (DEFICIT)	\$ -	\$ -	29,013	\$ 29,013
FUND BALANCE (DEFICIT),				
BEGINNING OF YEAR			(30,354)	
FUND BALANCE (DEFICIT),				
END OF YEAR			\$ (1,341)	

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2018

SCHEDULE 5
(CONTINUED)

	ROE/ISC Operations			
	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Local sources	\$ -	\$ -	\$ 9,633	\$ 9,633
State sources	<u>358,190</u>	<u>358,190</u>	<u>358,190</u>	<u>-</u>
Total revenues	<u>358,190</u>	<u>358,190</u>	<u>367,823</u>	<u>9,633</u>
EXPENDITURES:				
Instructional services:				
Salaries	198,230	184,630	189,027	(4,397)
Benefits	45,343	39,700	28,934	10,766
Pension expense	-	-	8,418	(8,418)
OPEB expense	-	-	983	(983)
Purchased services	114,617	133,060	167,143	(34,083)
Supplies and materials	-	800	1,638	(838)
Capital outlay	<u>-</u>	<u>-</u>	<u>4,067</u>	<u>(4,067)</u>
Total expenditures	<u>358,190</u>	<u>358,190</u>	<u>400,210</u>	<u>(42,020)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(32,387)	<u>\$ (32,387)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>165,512</u>	
FUND BALANCE, END OF YEAR			<u>\$ 133,125</u>	

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2018

SCHEDULE 5
 (CONTINUED)

Title II Teacher Quality Leadership				
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local sources	\$ -	\$ -	\$ 14	\$ 14
Federal sources	17,002	17,002	17,002	-
Total revenues	<u>17,002</u>	<u>17,002</u>	<u>17,016</u>	<u>14</u>
EXPENDITURES:				
Instructional services:				
Purchased services	17,002	17,002	17,715	(713)
Supplies and materials	-	-	99	(99)
Total expenditures	<u>17,002</u>	<u>17,002</u>	<u>17,814</u>	<u>(812)</u>
NET CHANGE IN				
FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (798)</u>	<u>\$ (798)</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>(1,202)</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ (2,000)</u>	

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2018

SCHEDULE 5
 (CONTINUED)

Mathematics and Science Partnerships				
	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Federal sources	\$ 250,000	\$ 250,000	\$ 387,138	\$ 137,138
EXPENDITURES:				
Instructional services:				
Salaries	5,000	5,000	5,000	-
Benefits	1,000	1,000	50,579	(49,579)
Pension expense	-	-	12,607	(12,607)
OPEB expense	-	-	2,542	(2,542)
Purchased services	205,405	200,472	298,173	(97,701)
Supplies and materials	9,771	22,049	7,593	14,456
Intergovernmental:				
Payments to other governments	<u>28,824</u>	<u>21,479</u>	<u>-</u>	<u>21,479</u>
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>376,494</u>	<u>(126,494)</u>
NET CHANGE IN				
FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	10,644	<u>\$ 10,644</u>
FUND BALANCE (DEFICIT),				
BEGINNING OF YEAR				
			<u>(50,647)</u>	
FUND BALANCE (DEFICIT),				
END OF YEAR				
			<u>\$ (40,003)</u>	

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2018

SCHEDULE 5
(CONTINUED)

Pilot Regional Safe Schools Cooperative Education Program				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Local sources	\$ -	\$ -	\$ 33	\$ 33
State sources	74,983	74,983	116,277	41,294
Total revenues	74,983	74,983	116,310	41,327
EXPENDITURES:				
Instructional services:				
Salaries	49,470	46,070	46,111	(41)
Benefits	7,719	2,719	872	1,847
Pension expense	-	-	267	(267)
OPEB expense	-	-	406	(406)
Purchased services	1,380	14,544	8,579	5,965
Supplies and materials	16,414	9,400	8,233	1,167
Other objects	-	2,250	-	2,250
Total expenditures	74,983	74,983	64,468	10,515
NET CHANGE IN FUND BALANCE (DEFICIT)	\$ -	\$ -	51,842	\$ 51,842
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			(51,779)	
FUND BALANCE, END OF YEAR			\$ 63	

**DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2018**

	General Education <u>Development</u>	Bus Driver <u>Training</u>	<u>Supervisory</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ 40,058	\$ 289,986	\$ 343	\$ 330,387
Accounts receivable	-	50	-	50
Due from other funds	-	478	-	478
Total assets	<u>40,058</u>	<u>290,514</u>	<u>343</u>	<u>330,915</u>
DEFERRED OUTFLOWS OF RESOURCES				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
	<u>\$ 40,058</u>	<u>\$ 290,514</u>	<u>\$ 343</u>	<u>\$ 330,915</u>
LIABILITIES				
Accounts payable	\$ -	\$ 400	\$ -	\$ 400
Unearned revenue	-	2,100	-	2,100
Total liabilities	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	30	-	30
FUND BALANCE				
Restricted	<u>40,058</u>	<u>287,984</u>	<u>343</u>	<u>328,385</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
	<u>\$ 40,058</u>	<u>\$ 290,514</u>	<u>\$ 343</u>	<u>\$ 330,915</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, 2018

SCHEDULE 7

	<u>General Education Development</u>	<u>Bus Driver Training</u>	<u>Supervisory</u>	<u>Totals</u>
REVENUES:				
Local sources	\$ 8,477	\$ 41,855	\$ -	\$ 50,332
State sources	-	4,018	-	4,018
Total revenues	<u>8,477</u>	<u>45,873</u>	<u>-</u>	<u>54,350</u>
EXPENDITURES:				
Instructional services:				
Purchased services	182	12,591	-	12,773
Supplies and materials	1,093	723	-	1,816
Capital outlay	-	970	-	970
Total expenditures	<u>1,275</u>	<u>14,284</u>	<u>-</u>	<u>15,559</u>
NET CHANGE IN FUND BALANCE	7,202	31,589	-	38,791
FUND BALANCE, BEGINNING OF YEAR	<u>32,856</u>	<u>256,395</u>	<u>343</u>	<u>289,594</u>
FUND BALANCE, END OF YEAR	<u>\$ 40,058</u>	<u>\$ 287,984</u>	<u>\$ 343</u>	<u>\$ 328,385</u>

DUPAGE COUNTY REGIONAL OFFICE OF EDUCATION NO. 19
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

<u>Federal Grantor/Pass- Through Grantor, Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. Department of Education				
Direct Program				
Education Innovation and Research <i>Education Innovation and Research</i>	84.411A	U411C170142	\$ -	\$ 245,102
Passed Through Will County Regional Office of Education No. 56:				
Title I - Grants to Local Educational Agencies <i>System of Support (RESPRO)</i>	84.010A	18-4331-SS	-	41,651
Education for Homeless Children and Youth <i>McKinney Education for Homeless Children</i>	84.196A	18-4920-00	-	50,600
Passed Through Illinois State Board of Education:				
Improving Teacher Quality State Grants <i>Title II Teacher Quality Leadership</i>	84.367A	18-4935-02	-	17,002
Mathematics and Science Partnerships <i>Mathematics and Science Partnerships</i>	84.366B	M 17-4936-7B	-	148,442
<i>Mathematics and Science Partnerships</i>	84.366B	M 18-4936-7B	-	228,052
			-	376,494
Passed Through Illinois State University:				
School Leader Recruitment and Support <i>Illinois Partnership Advancing Rigorous Training</i>	84.363A	14D-0017-S006	-	72,598
Supporting Effective Educator Development <i>Supporting Effective Educator Development</i>	84.423A	M A18-0059-S008	-	290,826
Total U.S. Department of Education			-	1,094,273
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 1,094,273

(M) Program was audited as a major program

The accompanying notes are an integral part of this schedule.

**DUPAGE COUNTY
REGIONAL OFFICE OF EDUCATION NO. 19
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
For the Year Ended June 30, 2018**

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of DuPage County Regional Office of Education No. 19 under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the DuPage County Regional Office of Education No. 19, it is not intended to and does not present the financial position, changes in net position, or cash flows of the DuPage County Regional Office of Education No. 19.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. DuPage County Regional Office of Education No. 19 has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.