



**STATE OF ILLINOIS  
MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53**

**FINANCIAL AUDIT  
For the Year Ended June 30, 2020**

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

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53**

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**MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53**

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**MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53**

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**MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53**

**OFFICIALS**

Regional Superintendent  
(current and during the audit period)

Mr. Jeff Ekena

Assistant Regional Superintendent  
(current and during the audit period)

Mr. Jon Smith

Office is located at:

414 Court Street  
Pekin, Illinois 61554

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53  
FINANCIAL REPORT SUMMARY**

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

**AUDITOR’S REPORTS**

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

**SUMMARY OF AUDIT FINDINGS**

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

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

**SUMMARY OF FINDINGS AND RESPONSES**

<b><u>Item No.</u></b>	<b><u>Page</u></b>	<b><u>Description</u></b>	<b><u>Finding Type</u></b>
<i>Findings (Government Auditing Standards)</i>			
2020-001	11	Inadequate Controls Over Bank Reconciliation Process	Significant Deficiency
2020-002	12	Lack of Adequate Controls over the Review of Internal Controls over External Service Providers	Significant Deficiency

***Prior Audit Findings not Repeated (Government Auditing Standards)***

None

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53  
FINANCIAL REPORT SUMMARY**

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on November 18, 2020. Attending from the Regional Office of Education No. 53 were Jeff Ekena, Regional Superintendent; Jon Smith, Assistant Regional Superintendent; Laura Varichak, Bookkeeper; and from Adelfia LLC were Jennifer Roan and Maria Divina Valera, Partners. Responses to the recommendations were provided by Jeff Ekena, Regional Superintendent, on February 12, 2021.

**MASON, TAZEVELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53  
FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53 was performed by Adelfia LLC.

Based on their audit, the auditors expressed an unmodified opinion on the Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53's basic financial statements.



## INDEPENDENT AUDITOR'S REPORT

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

### **Report on the Financial Statements**

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund – Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios, Illinois Municipal Retirement Fund – Schedule of Employer Contributions, Teachers’ Retirement System of the State of Illinois – Schedule of the Employer’s Proportionate Share of the Net Pension Liability and Schedule of Employer Contributions, Teachers’ Health Insurance Security Fund – Schedule of the Employer’s Proportionate Share of the Collective Net Other Postemployment Benefit Liability and Schedule of Employer Contributions, and Western Area School Health Benefit Plan – Schedule of Changes in the Total OPEB Liability and Related Ratio on pages 64 through 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53's basic financial statements. The combining schedule of accounts, the budgetary comparison schedules, the combining fund financial statements and the Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2021 on our consideration of the Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53'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 Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Chicago, Illinois  
March 18, 2021



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

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53’s basic financial statements, and have issued our report thereon dated March 18, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53’s internal control over financial reporting (internal control) as a basis for designing 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 Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53’s internal control. Accordingly, we do not express an opinion on the effectiveness of Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2020-001 and 2020-002 that we consider to be significant deficiencies.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

#### Regional Office of Education No. 53's Responses to Findings

Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois  
March 18, 2021

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**SECTION I – SUMMARY OF AUDITOR’S RESULTS**  
**For the Year Ended June 30, 2020**

**Financial Statements in accordance with GAAP**

Type of auditor’s report issued:

*Unmodified*

Internal control over financial reporting:

Material weakness(es) identified?             yes      ✓ no

Significant deficiency(ies) identified?      ✓ yes             no

Noncompliance material to financial statements noted?             yes      ✓ no

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53  
SCHEDULE OF FINDINGS AND RESPONSES  
SECTION II – FINANCIAL STATEMENT FINDINGS  
For the Year Ended June 30, 2020**

**FINDING 2020-001 - Inadequate Controls Over Bank Reconciliation Process**

**CRITERIA/SPECIFIC REQUIREMENT:**

Effective internal control policies require complete and accurate accounting records of all transactions of the entity. Sound internal controls require bank reconciliations to be performed accurately and promptly. Reconciling items should be investigated immediately, and adjustments made to the general ledger. Bank reconciliations should also be reviewed and approved by a person independent of the preparer in a timely manner.

**CONDITION:**

The Regional Office of Education No. 53 maintains 5 bank accounts. During our audit, we noted 10 of 60 monthly reconciliations (17%) were performed more than a month late.

**EFFECT:**

Failure to prepare bank reconciliations on a timely basis may lead to loss or misuse of assets due to improper control and monitoring of bank accounts. Delay in the preparation of bank reconciliations renders this internal control procedure ineffective for immediately detecting irregularities and inaccuracies in the financial records.

**CAUSE:**

Regional Office of Education No. 53 Officials indicated bank reconciliations were delayed due to staff turnover and competing priorities.

**RECOMMENDATION:**

The Regional Office of Education No. 53 should prepare monthly bank reconciliations on a timely basis.

**MANAGEMENT'S RESPONSE:**

The Regional Office of Education No. 53 will prepare monthly bank reconciliations on a timely basis.

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53  
SCHEDULE OF FINDINGS AND RESPONSES  
SECTION II – FINANCIAL STATEMENT FINDINGS  
For the Year Ended June 30, 2020**

**FINDING 2020-002 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers**

**CRITERIA/SPECIFIC REQUIREMENT:**

The Regional Office of Education No. 53 is responsible for the design, implementation, and maintenance of internal controls related to information systems and operations to ensure resources and data are adequately protected from unauthorized or accidental disclosure, modifications, or destruction. This responsibility is not limited due to the process being outsourced.

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

**CONDITION:**

During testing, the auditors noted the Regional Office of Education No. 53 had not:

- Developed a formal process for identifying service providers and obtaining the Service Organization Controls (SOC) reports from the service providers on an annual basis.
- Documented its review of each of the SOC reports.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 53's operations.
- Obtained and reviewed SOC reports for subservice organizations or performed alternative procedures to determine the impact on its internal control environment.

**EFFECT:**

Without having obtained and reviewed a SOC report or another form of independent internal controls review, the Regional Office of Education No. 53 does not have assurance the external service provider's and its subservice organization's internal controls are adequate.

**CAUSE:**

Regional Office of Education No. 53 Officials stated that they understand the importance of a formal process to monitor service providers and did not realize the current process did not address all the issues noted.

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**SECTION II – FINANCIAL STATEMENT FINDINGS**  
**For the Year Ended June 30, 2020**

**FINDING 2020-002 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Concluded)**

**RECOMMENDATION:**

We recommend the Regional Office of Education No. 53 identify all third-party service providers and determine and document if a review of controls is required. If required, the Regional Office of Education No. 53 should:

- Obtain SOC reports or perform independent review of internal controls associated with outsourced systems at least annually.
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 53's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Regional Office of Education No. 53, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

**MANAGEMENT'S RESPONSE:**

The Regional Office of Education No. 53 will identify all third-party service providers and determine and document if a review of controls is required. If required, the Regional Office of Education No. 53 will:

- Obtain SOC reports or perform independent review of internal controls associated with outsourced systems at least annually.
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 53's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Regional Office of Education No. 53, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53  
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2020**

**CORRECTIVE ACTION PLAN**

**FINDING 2020-001 - Inadequate Controls Over Bank Reconciliation Process**

**CONDITION:**

The Regional Office of Education No. 53 maintains 5 bank accounts. During our audit, we noted 10 of 60 monthly reconciliations (17%) were performed more than a month late.

**PLAN:**

The Regional Office of Education No. 53 will prepare monthly bank reconciliations on a timely basis.

**ANTICIPATED DATE OF COMPLETION:**

June 30, 2021

**CONTACT PERSON:**

Honorable Jeff Ekena, Regional Superintendent of Schools

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53  
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2020**

**CORRECTIVE ACTION PLAN (Continued)**

**FINDING 2020-002 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers**

**CONDITION:**

During testing, the auditors noted the Regional Office of Education No. 53 had not:

- Developed a formal process for identifying service providers and obtaining the Service Organization Controls (SOC) reports from the service providers on an annual basis.
- Documented its review of each of the SOC reports.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 53's operations.
- Obtained and reviewed SOC reports for subservice organizations or performed alternative procedures to determine the impact on its internal control environment.

**PLAN:**

The Regional Office of Education No. 53 will identify all third-party service providers and determine and document if a review of controls is required. If required, the Regional Office of Education No. 53 will:

- Obtain SOC reports or perform independent review of internal controls associated with outsourced systems at least annually.
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 53's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Regional Office of Education No. 53, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

**ANTICIPATED DATE OF COMPLETION:**

June 30, 2021

**CONTACT PERSON:**

Honorable Jeff Ekena, Regional Superintendent of Schools

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED  
For the Year Ended June 30, 2020**

There were no prior audit findings.

## BASIC FINANCIAL STATEMENTS

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**STATEMENT OF NET POSITION**  
**June 30, 2020**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 3,716,323	\$ 175,947	\$ 3,892,270
Investments	54,694	-	54,694
Accounts receivable	285	2,077	2,362
Due from other governments:			
Local	27,632	-	27,632
State	24,312	-	24,312
Federal	4,286	-	4,286
Prepaid expenditures	2,049	-	2,049
Total current assets	<u>3,829,581</u>	<u>178,024</u>	<u>4,007,605</u>
Noncurrent Assets:			
Capital assets, net of depreciation	17,158	-	17,158
Net pension asset	28,267	-	28,267
Total noncurrent assets	<u>45,425</u>	<u>-</u>	<u>45,425</u>
<b>TOTAL ASSETS</b>	<u>3,875,006</u>	<u>178,024</u>	<u>4,053,030</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	788,503	-	788,503
Deferred outflows related to OPEB	90,877	-	90,877
Total deferred outflows of resources	<u>879,380</u>	<u>-</u>	<u>879,380</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	2,364	339	2,703
Accrued salaries and benefits	26,252	-	26,252
Due to other governments:			
Local	1,876	-	1,876
State	-	-	-
Unearned revenue	22,584	-	22,584
Total Current Liabilities	<u>53,076</u>	<u>339</u>	<u>53,415</u>
Noncurrent Liabilities:			
Net pension liability	33,411	-	33,411
OPEB liabilities	421,355	-	421,355
Total Noncurrent Liabilities	<u>454,766</u>	<u>-</u>	<u>454,766</u>
<b>TOTAL LIABILITIES</b>	<u>507,842</u>	<u>339</u>	<u>508,181</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	136,678	-	136,678
Deferred inflows related to OPEB	47,544	-	47,544
Total deferred inflows of resources	<u>184,222</u>	<u>-</u>	<u>184,222</u>
<b>NET POSITION</b>			
Net investment in capital assets	17,158	-	17,158
Restricted - other	520,986	-	520,986
Unrestricted	3,524,178	177,685	3,701,863
<b>TOTAL NET POSITION</b>	<u>\$ 4,062,322</u>	<u>\$ 177,685</u>	<u>\$ 4,240,007</u>

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

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2020**

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions		Governmental Activities	Primary Government	
			Charges for Services	Operating Grants and Contributions		Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
Instructional Services							
Salaries and benefits	\$ 652,506	\$ -	\$ 346,518	\$ (305,988)	\$ -	\$ -	\$ (305,988)
Purchased services	225,027	-	54,185	(170,842)	-	-	(170,842)
Supplies and materials	14,018	-	5,151	(8,867)	-	-	(8,867)
Other objects	94,570	-	2,627	(91,943)	-	-	(91,943)
Depreciation	4,653	-	-	(4,653)	-	-	(4,653)
Pension expense	142,025	-	-	(142,025)	-	-	(142,025)
OPEB expense	79,785	-	-	(79,785)	-	-	(79,785)
Administrative:							
On-behalf payments - State	580,391	-	-	(580,391)	-	-	(580,391)
Total Governmental Activities	<u>1,792,975</u>	<u>-</u>	<u>408,481</u>	<u>(1,384,494)</u>	<u>-</u>	<u>-</u>	<u>(1,384,494)</u>
Business-Type Activities:							
Charges for services	19,716	34,578	-	-	-	14,862	14,862
Total Business-Type Activities	<u>19,716</u>	<u>34,578</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,862</u>	<u>14,862</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 1,812,691</u>	<u>\$ 34,578</u>	<u>\$ 408,481</u>	<u>(1,384,494)</u>	<u>14,862</u>	<u>(1,369,632)</u>	
<b>GENERAL REVENUES:</b>							
Local sources					482,595	-	482,595
State sources					372,085	-	372,085
On-behalf payments - State					580,391	-	580,391
Transfers in (out)					-	-	-
Investment earnings					31,150	1,450	32,600
Total General Revenues and Transfers					<u>1,466,221</u>	<u>1,450</u>	<u>1,467,671</u>
<b>CHANGE IN NET POSITION</b>					<u>81,727</u>	<u>16,312</u>	<u>98,039</u>
<b>NET POSITION - BEGINNING</b>					<u>3,980,595</u>	<u>161,373</u>	<u>4,141,968</u>
<b>NET POSITION - ENDING</b>					<u>\$ 4,062,322</u>	<u>\$ 177,685</u>	<u>\$ 4,240,007</u>

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

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2020**

	General Fund	Education Fund	Institute Fund	Nonmajor		Total Governmental Funds
				Special Revenue Funds	Eliminations	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 3,253,524	\$ 25,145	\$ 308,336	\$ 129,318	\$ -	\$ 3,716,323
Investments	-	-	54,694	-	-	54,694
Accounts receivable	224	-	-	61	-	285
Due from other funds	24,160	-	-	-	(24,160)	-
Due from other governments:						
Local	27,322	-	-	310	-	27,632
State	705	23,607	-	-	-	24,312
Federal	-	4,286	-	-	-	4,286
Prepaid expenditures	2,049	-	-	-	-	2,049
<b>TOTAL ASSETS</b>	<b>\$ 3,307,984</b>	<b>\$ 53,038</b>	<b>\$ 363,030</b>	<b>\$ 129,689</b>	<b>\$ (24,160)</b>	<b>\$ 3,829,581</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 871	\$ 1,493	\$ -	\$ -	\$ -	\$ 2,364
Accrued salaries and benefits	20,222	6,030	-	-	-	26,252
Due to other funds	-	24,160	-	-	(24,160)	-
Due to other governments:						
Local	-	1,876	-	-	-	1,876
Unearned revenue	3,105	19,479	-	-	-	22,584
<b>Total Liabilities</b>	<b>24,198</b>	<b>53,038</b>	<b>-</b>	<b>-</b>	<b>(24,160)</b>	<b>53,076</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	-	-	-	-	-	-
<b>FUND BALANCE (DEFICIT)</b>						
Nonspendable	2,049	-	-	-	-	2,049
Restricted	-	-	363,030	129,689	-	492,719
Unassigned	3,281,737	-	-	-	-	3,281,737
<b>Total Fund Balance (Deficit)</b>	<b>3,283,786</b>	<b>-</b>	<b>363,030</b>	<b>129,689</b>	<b>-</b>	<b>3,776,505</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (DEFICIT)</b>	<b>\$ 3,307,984</b>	<b>\$ 53,038</b>	<b>\$ 363,030</b>	<b>\$ 129,689</b>	<b>\$ (24,160)</b>	<b>\$ 3,829,581</b>

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

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**June 30, 2020**

TOTAL FUND BALANCE — GOVERNMENTAL FUNDS	\$	3,776,505
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		17,158
Pension/OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and therefore are not reported in the governmental funds as follows:		
Deferred outflows of resources	\$ 879,380	
Deferred inflows of resources	<u>(184,222)</u>	695,158
Noncurrent assets related to pension benefits are collected but not payable in the current period and therefore, are not reported in the governmental funds.		
IMRF net pension asset	\$	28,267
Noncurrent liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
TRS net pension liability	\$ (33,411)	
OPEB liabilities	<u>(421,355)</u>	(454,766)
		<hr/>
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>4,062,322</u></u>

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

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2020**

	General Fund	Education Fund	Institute Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
<b>REVENUES</b>						
Local sources	\$ 420,411	\$ -	\$ 51,870	\$ 10,314	\$ -	\$ 482,595
State sources	371,381	404,939	-	1,704	-	778,024
On-behalf payments - State	300,792	-	-	-	-	300,792
Federal sources	705	23,481	-	-	-	24,186
Investment earnings	26,144	-	3,949	1,057	-	31,150
<b>Total Revenues</b>	<b>1,119,433</b>	<b>428,420</b>	<b>55,819</b>	<b>13,075</b>	<b>-</b>	<b>1,616,747</b>
<b>EXPENDITURES</b>						
Instructional Services:						
Salaries and benefits	272,859	344,814	31,371	3,462	-	652,506
Pension expense	12,025	-	-	-	-	12,025
OPEB expense	3,037	-	-	-	-	3,037
Purchased services	160,159	54,185	10,361	322	-	225,027
Supplies and materials	8,754	5,151	-	113	-	14,018
Other objects	64,708	2,627	27,185	50	-	94,570
Administrative:						
On-behalf payments - State	300,792	-	-	-	-	300,792
Capital outlay	4,150	-	-	-	-	4,150
<b>Total Expenditures</b>	<b>826,484</b>	<b>406,777</b>	<b>68,917</b>	<b>3,947</b>	<b>-</b>	<b>1,306,125</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>292,949</b>	<b>21,643</b>	<b>(13,098)</b>	<b>9,128</b>	<b>-</b>	<b>310,622</b>
<b>FUND BALANCE (DEFICIT) - BEGINNING</b>	<b>2,990,837</b>	<b>(21,643)</b>	<b>376,128</b>	<b>120,561</b>	<b>-</b>	<b>3,465,883</b>
<b>FUND BALANCE (DEFICIT) - ENDING</b>	<b>\$ 3,283,786</b>	<b>\$ -</b>	<b>\$ 363,030</b>	<b>\$ 129,689</b>	<b>\$ -</b>	<b>\$ 3,776,505</b>

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

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 53  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2020**

NET CHANGE IN FUND BALANCE — GOVERNMENTAL FUNDS \$ 310,622

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	\$ 4,150	
Depreciation	<u>(4,653)</u>	(503)

Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.

Current year unavailable revenue	\$ -	
Prior year unavailable revenue	<u>(21,644)</u>	(21,644)

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

Current year increase in net OPEB liability		(76,748)
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Governmental funds report pension contributions as expenditures; however, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Cost of benefits earned, net		<u>(130,000)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 81,727</u></u>
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The notes to the financial statements are an integral part of this statement.

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2020**

	Business-Type Activities Enterprise Fund	
	Nonmajor Enterprise Funds	Total
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 175,947	\$ 175,947
Accounts receivable	2,077	2,077
<b>TOTAL ASSETS</b>	<b>178,024</b>	<b>178,024</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	339	339
<b>TOTAL LIABILITIES</b>	<b>339</b>	<b>339</b>
<b>NET POSITION</b>		
Unrestricted	177,685	177,685
<b>TOTAL NET POSITION</b>	<b>\$ 177,685</b>	<b>\$ 177,685</b>

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

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2020**

	Business-Type Activities - Enterprise Fund	
	Nonmajor Enterprise Funds	Total
OPERATING REVENUES		
Charges for services	\$ 34,578	\$ 34,578
Total Operating Revenues	34,578	34,578
OPERATING EXPENSES		
Purchased services	8,399	8,399
Supplies and materials	849	849
Other objects	10,468	10,468
Total Operating Expenses	19,716	19,716
OPERATING INCOME	14,862	14,862
NONOPERATING REVENUE		
Interest income	1,450	1,450
Total Nonoperating Revenue	1,450	1,450
CHANGE IN NET POSITION	16,312	16,312
TOTAL NET POSITION - BEGINNING	161,373	161,373
TOTAL NET POSITION - ENDING	\$ 177,685	\$ 177,685

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

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2020**

	Business-Type Activities - Enterprise Fund	
	Nonmajor Enterprise Funds	Total
Cash Flows from Operating Activities:		
Receipts from customers	\$ 37,714	\$ 37,714
Payments to suppliers and providers of goods and services	(19,814)	(19,814)
Net Cash Provided by Operating Activities	<u>17,900</u>	<u>17,900</u>
Cash Flows from Investing Activities:		
Interest income	1,450	1,450
Net Cash Provided by Investing Activities	<u>1,450</u>	<u>1,450</u>
Net Increase in Cash and Cash Equivalents	19,350	19,350
Cash and cash equivalents - Beginning	<u>156,597</u>	<u>156,597</u>
Cash and cash equivalents - Ending	<u>\$ 175,947</u>	<u>\$ 175,947</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 14,862	\$ 14,862
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
(Increase) decrease in assets:		
Decrease in accounts receivable	3,136	3,136
Increase (decrease) in liabilities:		
Decrease in accounts payable	(98)	(98)
Net Cash Provided by Operating Activities	<u>\$ 17,900</u>	<u>\$ 17,900</u>

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

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
June 30, 2020**

	Private Purpose Trust Fund	Agency Funds
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 478
Due from other governments	-	486,369
Investments	42,086	-
	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 42,086</u>	<u>\$ 486,847</u>
<b>LIABILITIES</b>		
Due to other governments	\$ -	\$ 486,847
	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>-</u>	<u>\$ 486,847</u>
<b>NET POSITION</b>		
Held in trust for other purposes	<u>\$ 42,086</u>	

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

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
June 30, 2020**

	<u>Private Purpose Trust Fund</u>
ADDITIONS:	
Investment earnings:	
Interest	<u>\$ 529</u>
CHANGE IN NET POSITION	529
NET POSITION - BEGINNING	<u>41,557</u>
NET POSITION - ENDING	<u><u>\$ 42,086</u></u>

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

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

**A. DATE OF MANAGEMENT’S REVIEW**

Management has evaluated subsequent events through March 18, 2021, the date when the financial statements were available to be issued.

**B. FINANCIAL REPORTING ENTITY**

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

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education No. 53’s districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with State law; performing and reporting on annual building inspections; investigating bus drivers for valid bus driver permits and taking related action as may be required; maintaining a list of unfilled teaching positions; and carrying out other related duties required or permitted by law.

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

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

For the period ended June 30, 2020, the Regional Office of Education No. 53 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. 53. Such activities are reported as a single special revenue fund (Education Fund).

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**C. SCOPE OF THE REPORTING ENTITY**

The Regional Office of Education No. 53’s reporting entity includes all related organizations for which it exercises oversight responsibility.

The Regional Office of Education No. 53 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the region, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education No. 53 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education No. 53 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education No. 53 is not aware of any entity that would exercise such oversight as to result in the Regional Office of Education No. 53 being considered a component unit of the entity.

**D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education No. 53’s activities, with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Regional Office of Education has one business-type activity that relies on fees and charges for support.

The Regional Office of Education No. 53’s government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present a summary of governmental and business-type activities for the Regional Office of Education No. 53 accompanied by a total column. These statements are presented on an “economic resources” measurement focus as prescribed by GASB Statement No. 34. All of the Regional Office of Education No. 53’s assets and liabilities, including capital assets, are included in the accompanying Statement of Net Position. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges for services and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as payables, receivables, and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and on the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements.

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

The purpose of interfund borrowing and permanent transfers is to cover temporary or permanent short falls in cash flow within grant programs and funds or to close funds that are no longer needed or required.

**E. PROPRIETARY FUND FINANCIAL STATEMENTS**

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and nonmajor funds aggregated.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. PROPRIETARY FUND FINANCIAL STATEMENTS (Concluded)

Operating revenues in the proprietary fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The governmental fund financial statements have been prepared in accordance with generally accepted accounting principles on the modified accrual basis. The governmental funds financial statements focus on the measurement of spending, or “financial flow,” and the determination of changes in financial position rather than upon net income determination. This means that generally only current assets and current liabilities are included on their balance sheets. Current assets include prepaid expenses which are recorded using the consumption method. The reported fund balance (net current assets) is considered a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on a specific purpose or project before any amounts will be paid to the Regional Office of Education No. 53; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

Under the terms of grant agreements, Regional Office of Education No. 53 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is Regional Office of Education No. 53’s policy to first apply restricted funds to such programs, and then unrestricted funds. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned funds if any.

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING

The Regional Office of Education No. 53 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education No. 53 uses governmental, proprietary, and fiduciary funds.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are reported. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources.

Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets (including deferred outflows) and liabilities (including deferred inflows) is reported as fund balance.

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: (1) total assets (including deferred outflows), liabilities (including deferred inflows), revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and (2) total assets (including deferred outflows), liabilities (including deferred inflows), revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education No. 53 has presented all major funds that met the above qualifications.

The Regional Office of Education No. 53 reports the following major governmental funds:

General Fund – The General Fund is the operating fund of the Regional Office of Education No. 53. It is used to account for the expenditures that benefit all school districts in the Region except those required to be accounted for and reported in other funds. General Funds include the following:

Alternative School Program - Evidence Based Funding (EBF) – To provide funding to the Regional Office of Education No. 53 Alternative Academy.

Regional Safe Schools – Evidence Based Funding (EBF) – To provide funding to the Regional Office of Education No. 53 Regional Safe School.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

General Fund (Concluded)

Regional Office of Education Local - To account for local monies received that are not assigned to or need to be reported in another fund and to account for on-behalf support provided to the Regional Office of Education No. 53 from the State of Illinois.

County Support- To account for monies and services received from the three counties that the Regional Office of Education No. 53 serves.

Vision & Hearing Screening – To coordinate vision/hearing screening for school districts that wish to share the costs of these services. This fund was closed during the year ended June 30, 2020.

Western Illinois University Cohort – To account for tuition money sent to the Regional Office of Education for the Superintendent Cohort classes held in the region by Western Illinois University. This fund was closed during the year ended June 30, 2020.

Major Special Revenue Funds – Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (other than fiduciary or major capital projects) that are restricted to expenditures for specified purposes. Major special revenue funds include the following:

Education Fund – This fund is used to account for and report the proceeds of specific revenue sources that are restricted by grant agreements or contracts to expenditures for specified purposes supporting education enhancement programs as follows:

McKinney Education for Homeless Children – To provide services to all homeless children and youths through a designated Homeless Liaison.

Regional Safe Schools – To account for professional staff salaries at the Regional Safe Schools.

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

Title II Leadership Grant – To account for Title II Teacher Quality Leadership grant from the State, which is for the purpose of implementing the purchase of the principal and/or teacher evaluation training.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Concluded)

Education Fund (Concluded)

Truants Alternative/Optional Education – To account for the salary of the part-time truancy caseworker and to pay for truancy prevention programs and services for monitoring truants.

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

The Regional Office of Education No. 53 reports the following Nonmajor Special Revenue Funds:

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

Supervisory – To account for monies received from the State of Illinois for expenditures incurred providing supervisory services in the counties. This fund was closed during the year ended June 30, 2020.

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

PROPRIETARY FUND

Proprietary Fund – The proprietary fund accounts for revenues and expenses related to services provided to organizations inside the Region on a cost-reimbursement basis. The Regional Office of Education No. 53 reports the following proprietary fund:

Fingerprinting Fund – To account for revenues earned and expenses incurred in connection with the fingerprinting of teachers and others.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

FIDUCIARY FUNDS

The Regional Office of Education No. 53 reports the following Fiduciary Funds:

Private Purpose Trust Fund – The Ogle fund was established to provide periodic interest distributions to designated school districts.

Agency Funds – Agency funds are used to account for assets held by the Regional Office of Education No. 53 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Regional Office of Education No. 53 reports the following agency funds:

Detachment/Annexation Fund – This fund accounts for monies from parents who want to detach from their school district or annex into another school district.

Distributive Fund – This fund accounts for pass-through state aid and other monies from the Regional Office of Education No. 53 to various entities within the region. Interest earned on Distributive Fund assets is used to fund existing programs.

Mason County School Facility Tax Fund – This fund accounts for pass-through School Occupation Facility Tax that is being passed through the Regional Office of Education No. 53 to the school districts of Mason County.

Woodford County School Facility Tax Fund – This fund accounts for pass-through School Occupation Facility Tax that is being passed through the Regional Office of Education No. 53 to the school districts of Woodford County.

H. GOVERNMENTAL FUND BALANCES

Fund balance is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in a governmental fund. The following types of fund balances may be presented in the Governmental Funds Balance Sheet and Governmental Funds Combining Schedule of Accounts:

Nonspendable Fund Balance – The portion of a governmental fund’s net position that is not available to be spent, either short term or long term, due to either their form or legal restrictions. The Regional Office of Education #53 had nonspendable fund balance in the Regional Safe Schools- EBF fund.

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

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. GOVERNMENTAL FUND BALANCES (Concluded)

Committed Fund Balance – The portion of a governmental fund’s net position with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Regional Office of Education No. 53 has no committed fund balances.

Assigned Fund Balance – The portion of a governmental fund’s net position for which an intended use of resources has been denoted. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The Regional Office of Education No. 53 has no assigned fund balances.

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The fund balances of the following General Fund accounts are comprised of unassigned fund balances: Alternative School Program – EBF, Regional Safe Schools – EBF, Regional Office of Education Local, and County Support.

I. NET POSITION

Equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

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

J. CASH AND CASH EQUIVALENTS

The Regional Office of Education No. 53’s cash and cash equivalents are considered to be demand deposits and short-term investments. All interest income is recognized as revenue in the appropriate fund’s Statement of Revenues, Expenditures, and Changes in Fund Balances.

K. ESTIMATES

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

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$1,500 or more and estimated useful lives of greater than one year are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over 3-7 years.

M. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

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

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year (60 Days). Deferred inflows of resources are reported in the governmental fund financial statements as unavailable revenue and represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of grant receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

N. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

For purposes of measuring the Regional Office of Education No. 53’s OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Regional Office of Education No. 53’s OPEB Plan and additions to/deductions from the Regional Office of Education No. 53’s fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education No. 53’s Plan. For this purpose, the Regional Office of Education No. 53’s Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

O. COMPENSATED ABSENCES

Noncertified and certified employees who work 12 calendar months can earn up to 21 vacation days for a full year of service. No vacation time may be carried over to next year and will be lost if an employee does not use the time during the year. Therefore, the Regional Office of Education No. 53 did not accrue any vacation benefits for the current year. In the event that a program terminates, no vacation days will be honored past the ending date of the program. Certified employees who work less than 12 calendar months per year do not earn vacation days.

Employees receive up to 12 sick days annually and the unused portion is accumulated up to 240 days. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay, and therefore, no liability is accrued.

P. BUDGET INFORMATION

The Regional Office of Education No. 53 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Funds. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted nor are they required to be. Certain programs within the General Fund and Special Revenue Funds do not have separate budgets. Comparisons of budgeted and actual results are presented as supplementary information. Budgetary comparison schedules have been provided in supplementary schedules for the following funds: McKinney Education for Homeless Children, Regional Safe Schools, ROE/ISC Operations, Title II Leadership Grant, and Truants Alternative/Optional Education.

Q. NEW ACCOUNTING PRONOUNCEMENT

The global pandemic, coronavirus disease (COVID-19), has resulted in significant business disruptions due to mandated temporary work stoppages, limitations on travel, limitations on the size and duration of group meetings, and employee absences. In light of the pandemic, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement postpones the effective dates for certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. Based on this guidance, the Regional Office of Education No. 53 has postponed implementation of GASB Statement No. 84 – *Fiduciary Activities*, and GASB Statement No. 90 – *Majority Equity Interest – an amendment of GASB Statements No. 14 and 61* until the fiscal year ending June 30, 2021.

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NOTE 2 – CASH AND INVESTMENTS

The Regional Office of Education No. 53's investment policy is to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7.

A. DEPOSITS

At June 30, 2020, the carrying amounts of the Regional Office of Education No. 53's government-wide fund and agency fund deposits were \$3,946,964 and \$42,564, respectively, and the bank balances were \$3,955,262 and \$42,564, respectively. Of the total bank balances as of June 30, 2020, \$3,954,981 was secured by federal depository insurance and \$42,845 was invested in the Illinois Funds Money Market Fund.

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits with financial institutions is the risk that, in the event of bank failure, the Regional Office of Education No. 53's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the Regional Office of Education No. 53's investment policy requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of the Regional Office of Education No. 53.

B. INVESTMENTS

The Regional Office of Education No. 53's investment policy requires that funds should be invested solely in investments authorized by 30 ILCS 235/2 and 6 and 105 ILCS 5/8-7. As of June 30, 2020, the Regional Office of Education No. 53's investments consisted of certificates of deposit with original maturity dates of more than three months. Certificates of deposit comprised the \$54,694 shown as investments for governmental activities. Fiduciary funds had certificates of deposit of \$42,086 at June 30, 2020. Certificates of deposit are considered deposits and, as such, are included in the deposits note (2A) above.

At June 30, 2020, the carrying amount of the Regional Office of Education No. 53's deposits in the Illinois Funds Money Market Fund for the governmental activities was \$42,845. These deposits are included in cash and cash equivalents in the Regional Office of Education No. 53's governmental activities.

CREDIT RISK

At June 30, 2020, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

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NOTE 2 – CASH AND INVESTMENTS (Concluded)

B. INVESTMENTS (Concluded)

CONCENTRATION OF CREDIT RISK

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

INTEREST RATE RISK

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

NOTE 3 – DEFINED BENEFIT PENSION PLAN

**IMRF Plan Description**

The Regional Office of Education No. 53's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education No. 53's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the following "Benefits Provided" section. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**Benefits Provided**

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

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**NOTE 3 – DEFINED BENEFIT PENSION PLAN** (Continued)

**Benefits Provided (Concluded)**

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.

**Employees Covered by Benefit Terms**

As of December 31, 2019, the following employees were covered by the benefit terms:

	<b>IMRF</b>
Retirees and Beneficiaries currently receiving benefits	25
Inactive Plan Members entitled to but not yet receiving benefits	16
Active Plan Members	8
<b>Total</b>	<b>49</b>

**Contributions**

As set by statute, the Regional Office of Education No. 53’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education No. 53’s annual contribution rate for calendar year 2019 was 2.3%. For the fiscal year ended 2020, the Regional Office of Education No. 53 contributed \$10,110 to the plan. The Regional Office of Education No. 53 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

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**NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)**

**Net Pension Liability**

The Regional Office of Education No. 53’s net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- The **Actuarial Cost Method** used was Entry Age Normal
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.35% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates for **Mortality** were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	37%	5.75%
International Equity	18%	6.50%
Fixed Income	28%	3.25%
Real Estate	9%	5.20%
Alternative Investments	7%	
Private Equity		7.60%
Commodities		3.60%
Cash Equivalents	1%	1.85%
Total	100%	

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**NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)**

**Single Discount Rate**

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%.

**Changes in the Net Pension Liability**

	<b>Total Pension Liability (A)</b>	<b>Plan Fiduciary Net Position (B)</b>	<b>Net Pension Liability (Asset) (A) - (B)</b>
<b>Balances at December 31, 2018</b>	\$ 1,071,527	\$ 1,018,427	\$ 53,100
<b>Changes for the year:</b>			
Service Cost	20,076	-	20,076
Interest on the Total Pension Liability	75,725	-	75,725
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(41,734)	-	(41,734)
Changes of Assumptions	-	-	-
Contributions - Employer	-	4,822	(4,822)
Contributions - Employees	-	10,498	(10,498)
Net Investment Income	-	120,908	(120,908)
Benefit Payments, including Refunds of Employee Contributions	(74,156)	(74,156)	-
Other (Net Transfer)	-	(794)	794
Net Changes	(20,089)	61,278	(81,367)
<b>Balances at December 31, 2019</b>	<b>\$ 1,051,438</b>	<b>\$ 1,079,705</b>	<b>\$ (28,267)</b>

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
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**NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)**

**Sensitivity of the Net Pension Asset to Changes in the Discount Rate**

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

	<b>1% Lower</b>	<b>Current Discount</b>	<b>1% Higher</b>
	<b>6.25%</b>	<b>Rate</b>	<b>8.25%</b>
	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
<b>Net Pension Liability (Asset)</b>	\$ 86,888	\$ (28,267)	\$ (124,582)

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

For the year ending June 30, 2020, the Regional Office of Education No. 53 recognized pension expense of \$138,369. At June 30, 2020, the Regional Office of Education No. 53 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Amounts Related to Pensions</b>	<b>Deferred</b>	<b>Deferred</b>
	<b>Outflows of</b>	<b>Inflows of</b>
	<b>Resources</b>	<b>Resources</b>
	<u>Resources</u>	<u>Resources</u>
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 767,509	\$ 14,112
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	113,651
	<u>-</u>	<u>113,651</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>767,509</u>	<u>127,763</u>
Pension Contributions made subsequent to the Measurement Date	<u>7,812</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 775,321</u>	<u>\$ 127,763</u>

\$7,812 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

**MASON, TAZEVELL, AND WOODFORD COUNTIES**  
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NOTE 3 – DEFINED BENEFIT PENSION PLAN (Concluded)

<b>Year Ending December 31</b>	<b>Net Deferred Outflows of Resources</b>
2020	\$ (43,319)
2021	94,600
2022	115,223
2023	84,049
2024	94,579
Thereafter	294,614
Total	<u>\$ 639,746</u>

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

The Regional Office of Education No. 53 participates in the Teachers’ Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor’s approval. The TRS Board of Trustees is responsible for the System’s administration.

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/financial/cafrs/fy2019>; 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.

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.

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

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

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

**Contributions**

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2019, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education No. 53.

**On-behalf contributions to TRS.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 53. For the year ended June 30, 2020, State of Illinois contributions recognized by the Regional Office of Education No. 53 were based on the State’s proportionate share of the collective net pension liability associated with the Regional Office of Education No. 53, and the Regional Office of Education No. 53 recognized revenue and expenditures of \$258,173 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, 2020, were \$1,915, and are deferred because they were paid after the June 30, 2019, measurement date.

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

**Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education No. 53, there is a statutory requirement for the Regional Office of Education No. 53 to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018. Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, there were no salaries paid from federal and special trust funds that required employer contributions.

**Employer retirement cost contributions.** Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education No. 53 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, 2020, the Regional Office of Education No. 53 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent and no payments for sick leave days granted in excess of the normal allotment.

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

At June 30, 2020, the Regional Office of Education No. 53 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State’s support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the employer follows below:

Employer’s proportionate share of the net pension liability	\$ 33,411
State’s proportionate share of the net pension liability associated with the employer	<u>2,377,832</u>
Total	<u>\$2,411,243</u>

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

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. The Regional Office of Education No. 53’s proportion of the net pension liability was based on the employer’s share of contributions to TRS for the measurement year ended June 30, 2019, relative to the contributions of all participating TRS employers and the State during that period. On June 30, 2019, the Regional Office of Education No. 53’s proportion was .0000411933 percent, which was a decrease of .0000025239 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Regional Office of Education No. 53 recognized pension expense of \$258,173 and revenue of \$258,173 for support provided by the State. For the year ended June 30, 2020, the Regional Office of Education No. 53 recognized pension expense of \$3,656. At June 30, 2020, the Regional Office of Education No. 53 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 548	\$ -
Net difference between projected and actual earnings on pension plan investments	53	-
Change of assumptions	749	641
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,917	8,274
Employer contributions subsequent to the measurement date	1,915	-
<b>Total</b>	<b>\$ 13,182</b>	<b>\$ 8,915</b>

\$1,915 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2021	\$ 368
2022	673
2023	1,065
2024	385
2025	(139)
	<b>\$ 2,352</b>

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
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**NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)**

**Actuarial assumptions**

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<b>Inflation</b>	2.50 percent
<b>Salary Increase</b>	varies by amount of service credit
<b>Investment rate of return</b>	7.00 percent, net of pension plan investment expense, including inflation

In the June 30, 2019 actuarial valuation, 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-2017. In the June 30, 2018 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

The long-term (20-year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. equities large cap	15.0%	6.3
U.S. equities small/mid cap	2.0	7.7
International equities developed	13.6	7.0
Emerging market equities	3.4	9.5
U.S. bonds core	8.0	2.2
U.S. bonds high yield	4.2	4.0
International debt developed	2.2	1.1
Emerging international debt	2.6	4.4
Real estate	16.0	5.2
Real return	4.0	1.8
Absolute return	14.0	4.1
Private equity	15.0	9.7
Total	100.0%	

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
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**NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**  
(Concluded)

**Discount Rate**

At June 30, 2019, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2018 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS’s fiduciary net position at June 30, 2019 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.

**Sensitivity of the Regional Office of Education No. 53’s proportionate share of the net pension liability to changes in the discount rate**

The following presents the Regional Office of Education No. 53’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the employer’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate.

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	(6.00%)	(7.00%)	(8.00%)
Employer's proportionate share of the net pension liability	\$ 40,809	\$ 33,411	\$ 27,329

**TRS fiduciary net position**

Detailed information about the TRS’s fiduciary net position as of June 30, 2019, is available in the separately issued TRS *Comprehensive Annual Financial Report*.

**NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND**

**THIS Plan Description**

The Regional Office of Education No. 53 participates in the Teachers’ Health Insurance Security (THIS) fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits.

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

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 the Regional Office of Education No. 53. For the year ended June 30, 2020, State of Illinois contributions recognized by the Regional Office of Education No. 53 were based on the State’s proportionate share of the collective net OPEB liability associated with the Regional Office of Education No. 53, and recognized revenue and expenditures of \$21,426 in OPEB contributions from the State of Illinois.

**Employer contributions to the THIS Fund**

The Regional Office of Education No. 53 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2020, and 0.92 and 0.88 percent during the years ended June 30, 2019 and 2018, respectively. For the year ended June 30, 2020, the Regional Office of Education No. 53 paid \$3,037 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2019 and 2018, the Regional Office of Education No. 53 paid \$2,914 and \$2,620 to the THIS Fund, respectively, which was 100 percent of the required contribution.

**Further information on the THIS Fund**

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

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

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

**Actuarial Assumptions (Concluded)**

Inflation	2.5%
Wage Inflation	Depends on service and ranges from 9.50% at 1 year of service to 4.0% 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, for all plan years.
Healthcare cost trend rates	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare cost on and after 2022 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-2017. The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period of July 1, 2014 through June 30, 2017.

**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, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity’s index’s “20-year Municipal GO AA Index” has been selected. The discount rates are 3.62 percent as of June 30, 2018, and 3.13 percent as of June 30, 2019.

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

The following presents the Regional Office of Education No. 53’s proportionate share of the collective net OPEB liability, as well as what the ROE’s proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current discount rate:

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

	<b>1% Decrease (2.13%)</b>	<b>Current Discount Rate (3.13%)</b>	<b>1% Increase (4.13%)</b>
Employer’s proportionate share of the collective net OPEB liability	\$ 434,516	\$ 361,385	\$ 303,627

**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 the Regional Office of Education No. 53’s net OPEB liability as of June 30, 2019, 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 2020 decreasing to an ultimate trend rate of 4.81% in 2027, for non-Medicare coverage, and 9.00% in 2020 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	<b>1% Decrease<sup>a</sup></b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase<sup>b</sup></b>
Employer’s proportionate share of the collective net OPEB liability	\$ 291,970	\$ 361,385	\$ 455,139

<sup>a</sup> One percentage point decrease in healthcare trend rates are 7.00% in 2020 decreasing to an ultimate trend rate of 3.81% in 2027, for non-Medicare coverage, and 8.00% in 2020 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.

<sup>b</sup> One percentage point increase in healthcare trend rates are 9.00% in 2020 decreasing to an ultimate trend rate of 5.81% in 2027, for non-Medicare coverage, and 10.00% in 2020 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, 2020, the Regional Office of Education No. 53 reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for State OPEB support provided to the Regional Office of Education No. 53. The amount recognized by the Regional Office of Education No. 53 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 the Regional Office of Education No. 53 were as follow:

Employer’s proportionate share of the collective net OPEB liability	\$ 361,385
State’s proportionate share of the collective net OPEB liability associated with the employer	<u>489,986</u>
<b>Total</b>	<b><u>\$ 851,371</u></b>

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
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**NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)**

The collective net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2018 but was rolled forward to the June 30, 2019 measurement date. The Regional Office of Education No. 53’s proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education No. 53’s long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education No. 53, actuarially determined. At June 30, 2019, the Regional Office of Education No. 53’s proportion was 0.001306 percent, which was an increase of 0.000130 from its proportion measured as of June 30, 2018 (0.001176 percent). The State’s support and total are for disclosure purposes only.

For the year ending June 30, 2020, the Regional Office of Education No. 53 recognized OPEB expense of \$21,426 and revenue of \$21,426 for support provided by the State. For the year ending June 30, 2020, the Regional Office of Education No. 53 recognized OPEB expense of \$31,755. At June 30, 2020, the Regional Office of Education No. 53 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 137	\$ 5,997
Changes of assumptions	-	41,426
Net difference between projected and actual earnings on OPEB plan investments	-	12
Changes in proportion and differences between employer contributions and proportionate share of contributions	87,703	109
Employer contributions subsequent to the measurement date	3,037	
Total Deferred Amounts Related to OPEB	\$ 90,877	\$ 47,544

\$3,037 reported as deferred outflows of resources related to OPEB resulting from the Regional Office of Education No. 53 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Regional Office of Education No. 53’s OPEB expense as follows:

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**NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Concluded)**

<b>Year Ending June 30,</b>	<b>Net Deferred Outflows of Resources</b>
2021	\$ 5,528
2022	5,528
2023	5,528
2024	5,528
2025	5,528
Thereafter	12,656
Total	\$ 40,296

**THIS Fiduciary Net Position**

Detailed information about the THIS Fund fiduciary net position as of June 30, 2019, is available in the separately issued THIS Financial Report.

**NOTE 6 - WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB)**

**Plan Description**

The Regional Office of Education No. 53 provides a single-employer defined benefit OPEB plan by participating in the Western Area School Health Benefit Plan (the WAS Plan) as a member of the Western Area School Association. Benefit terms can be amended by WAS at any time. All full time, permanent employees and their spouses are eligible to participate in the plan and have the option to continue participation upon retirement. The WAS Plan is funded through the Western Area School Employee Benefit Trust, which is a trust that does not meet the criteria in paragraph 4 of statement 75 due to contributions made to the plan being revocable.

**Eligibility Provisions**

*Full-Time Employees - IMRF*

Tier I IMRF Full-Time employees:

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

Tier II IMRF Full-Time employees:

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

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**NOTE 6 - WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Continued)**

*Full-Time Employees - TRS*

Tier I TRS Full-Time employees:

- Age 55 with at least 20 years of service (Reduced Pension)
- Age 55 with at least 35 years of service (Full Pension)
- Age 60 with at least 10 years of service (Full Pension)
- Age 62 with at least 5 years of service (Full Pension)

Tier II TRS 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)

**Benefits Provided**

Benefits for the WAS Plan include Medical, prescription drug, dental and vision. The plans vary by deductible. Retirees and spouses pay the full monthly contribution rate for benefits.

**Membership**

At June 30, 2020 membership consisted of:

Inactive Employees Currently Receiving Benefit Payments	0
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	0
Active Employees	<u>9</u>
<b>TOTAL</b>	<b><u>9</u></b>

**Funding Policy and Contributions**

Benefits are paid by the WAS Plan for Medical, prescription drug, dental and vision benefits as they occur. The total OPEB liabilities are currently an unfunded obligation.

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

**Total OPEB Liability**

The total OPEB liability for the current fiscal year has been developed based on the July 1, 2020 actuarial valuation date and adjusted to the June 30, 2020 measurement date based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

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NOTE 6 - WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Continued)

**Actuarial Assumptions**

Discount Rate used for the Total OPEB Liability	2.21%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	2.21%
Premiums	Annual premiums charged for medical coverage of retiree and spouse are \$9,555 and \$11,694, respectively with a \$1,000 deductible. Premiums charged for medical coverage of retiree and spouse are \$9,240 and \$9,603, respectively with a \$2,000 deductible. Premiums charged for medical coverage of retiree and spouse are \$8,676 and \$7,329, respectively with a \$3,000 deductible.

Healthcare Trend Rates	The initial trend rate is based on the 2020 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates selected fall within a generally accepted range. (Paragraph 57a of GASB 74). For fiscal years on and after 2020, trend starts at 6.80% and 7.00% for the PPO Plans and H.S.A. Plan, respectively, for both non-Medicare costs and Medicare costs decreasing to an ultimate trend rate of 5.00%.
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Mortality rates for IMRF eligible employees are based on RP-2014 with Blue Collar Adjustment and MP-2016 Improvement, weighted per IMRF Experience Study dated November 8, 2017; Age 85 for males, Age 88 for females. Mortality rates for TRS eligible employees are based on RP-2014 with White Collar Adjustment and MP-2017 Improvement, weighted per TRS Experience Study Report dated September 18, 2018; Age 88 for males, Age 89 for females. All mortality rates are adjusted for retirement status. Spouses use the same mortality tables as retirees. For any active participant who will not meet the service requirement necessary to retire at assumed retirement ages, it is assumed they have prior service with a different Employer and therefore will be eligible to retire. In the current valuation, there is 1 participant impacted by this assumption. All assumptions were made in accordance with the Alternative Measurement Method for GASB Statement 74/75.

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2020**

NOTE 6 - WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Continued)

**Changes in the Total OPEB Liability**

	Total OPEB Liability
<b>Balance at July 1, 2019</b>	\$ 20,284
<b>Changes for the period:</b>	
Service Cost	314
Interest Cost	710
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(6,675)
Changes in Assumptions	45,337
Benefit Payments	-
Net Change	39,686
 <b>Balance at June 30, 2020</b>	 \$ 59,970

**Discount Rate**

The discount rate used to measure the total OPEB liability was 2.21% which reflects The Bond Buyer 20-Bond GO index rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Aa2 (Moody's) or AA (Standard and Poor's).

**Sensitivity of the Discount Rate**

The following presents the Regional Office of Education #1's total OPEB liability calculated using a discount rate of 2.21%, as well as what the ROE's total OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	<b>1% Decrease</b>	<b>Current Discount</b>	<b>1% Increase</b>
	(1.21%)	(2.21%)	(3.21%)
ROE's Total OPEB Liability	\$ 71,517	\$ 59,970	\$ 50,601

**MASON, TAZEVELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2020**

NOTE 6 - WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Concluded)

**Sensitivity of the Healthcare Trend Rates**

The following presents the Regional Office of Education #1's total OPEB liability, calculated using the healthcare cost trend rates as well as what the ROE's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. For fiscal years on and after 2020, trends start at 6.80% and 7.00% for the PPO Plans and H.S.A Plan, respectively, for both non-Medicare costs and Medicare costs decreasing to an ultimate trend rate of 5.00% in 2030.

	<u>1% Decrease</u> (Varies)	<u>Healthcare Cost</u> <u>Trend Rates</u> (Varies)	<u>1% Increase</u> (Varies)
ROE's Total OPEB Liability	\$ 49,979	\$ 59,970	\$ 72,137

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ending June 30, 2020, the Regional Office of Education No. 53 recognized OPEB expense related to this plan of \$48,030. At June 30, 2020, the Regional Office of Education No. 53 had no deferred inflows of resources or deferred outflows of resources related to this plan.

NOTE 7 – OPERATING LEASES

The Regional Office of Education No. 53 leases classroom and office space 110 Fandel Rd., Germantown Hills, IL 61548 under a 1-year lease (\$17,258 per quarter during the year ended June 30, 2020). Subsequent to June 30, 2020 the Regional Office of Education entered into a new agreement to lease this property through June 30, 2021 under similar terms to the year ended June 30, 2020. The Regional Office of Education No. 53 also leases copy and printing equipment under 2 leases from Digital Copy Systems, LLC. The first of these leases requires a payment of \$225 per month plus various overage charges with a lease term from May 1, 2017 to April 30, 2022. The second of these leases requires a payment of \$84 per month with a lease term from July 17, 2018 to May 16, 2022.

Rent expense for the year ended June 30, 2020 related to these leases, was \$73,400. Future minimum rentals are as follows for the years ending June 30:

2021	\$ 72,740
2022	<u>3,132</u>
	<u>\$ 75,872</u>

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 8 – CAPITAL ASSETS**

The Regional Office of Education No. 53 reports capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases of capital assets by business-type activities are capitalized when purchased. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2020:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>Governmental Activities</b>				
Capital assets being depreciated:				
Equipment	\$ 115,121	\$ 4,150	\$ (67,133)	\$ 52,138
Total Capital Assets	115,121	4,150	(67,133)	52,138
Less: Accumulated Depreciation	<u>(97,460)</u>	<u>(4,653)</u>	<u>67,133</u>	<u>(34,980)</u>
<b>Governmental Activities</b>				
Investment in Capital Assets, Net	<u>\$ 17,661</u>	<u>\$ (503)</u>	<u>\$ -</u>	<u>\$ 17,158</u>
 <b>Business-Type Activities</b>				
Capital assets being depreciated:				
Equipment	\$ 1,079	\$ -	\$ (1,079)	\$ -
Total Capital Assets	1,079	-	(1,079)	-
Less: Accumulated Depreciation	<u>(1,079)</u>	<u>-</u>	<u>1,079</u>	<u>-</u>
<b>Business-Type Activities</b>				
Investment in Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2020, of \$4,653 and \$0- was charged to governmental activities instructional services function and business-type activities, respectively, on the government-wide Statement of Activities.

**NOTE 9 – RISK MANAGEMENT**

The Regional Office of Education No. 53 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education No. 53 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2020**

NOTE 10 – ON-BEHALF PAYMENTS AND NONMONETARY TRANSACTIONS

The State of Illinois paid the following salaries on behalf of the Regional Office of Education No. 53:

Regional Superintendent Salary	\$ 119,832
Assistant Regional Superintendent Salary	107,844
Regional Superintendent Benefits (Includes State-paid insurance)	36,913
Assistant Regional Superintendent Benefits (Includes State-paid insurance)	<u>36,203</u>
Total	<u>\$ 300,792</u>

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

The Regional Office of Education No. 53 also recorded \$258,173 in revenue and expenses as on-behalf payments from ISBE for the Regional Office’s share of the State’s Teachers’ Retirement System (TRS) pension expense and \$21,426 in revenue and expenses as on-behalf payments from the THIS fund for the Regional Office of Education No. 53’s share of the OPEB expense in the Statement of Activities. In addition, the Regional Office of Education No. 53 has not included any on-behalf payments related to the State’s TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois Salaries and Benefits	\$ 300,792
ROE No. 53’s share of TRS pension expense	258,173
State of Illinois THIS on-behalf payments	<u>21,426</u>
Total	<u>\$ 580,391</u>

The County’s served by Regional Office of Education No. 53 provide operating support each year to the Regional Office of Education No. 53. The majority of this support is provided through monetary payments; however, in lieu of a portion of the funds owed to Regional Office of Education No. 53, Tazewell County provides the Regional office of Education an office building and utilities. The amount by which cash payments are reduced each year by Tazewell County is \$85,259 which is the approximate value of the service provided. This amount have been recognized as local support and purchased services in the governmental funds. Ownership of the office building remains with Tazewell County and, accordingly, the cost of these assets are not included in the Regional Office of Education No. 53’s financial statements.

**MASON, TAZEVELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2020**

NOTE 11 – INTERFUND ACTIVITY

**DUE TO/FROM OTHER FUNDS**

Interfund due to/from other fund balances at June 30, 2020, consist of the following individual due to/from other funds in the Governmental Fund Balance Sheet. The balances between governmental funds were eliminated in the government-wide Statement of Net Position.

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 24,160	\$ -
Education Fund	-	24,160
Totals	<u>\$ 24,160</u>	<u>\$ 24,160</u>

**TRANSFER IN/OUT**

There were no transfers in and out of funds during the year ended June 30, 2020, transfers recorded were all between accounts within the general fund itself.

NOTE 12 – DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education No. 53’s General Fund, Education Fund, Nonmajor Special Revenue Funds, and Agency Fund have funds due to/from various other governmental units which consist of the following:

Due from Other Governments:

General Fund	
Local Governments	\$ 27,322
Illinois State Board of Education	705
Education Fund	
ROE #26	4,286
Illinois State Board of Education	23,607
Nonmajor Special Revenue Funds	
Local Governments	310
Agency Fund	
Illinois State Board of Education	70,447
Illinois Comptroller General	415,922
Total	<u>\$ 542,599</u>

Due to Other Governments:

Education Fund	
Local Governments	\$ 1,876
Agency Fund	
Local Governments	486,847
Total	<u>\$ 488,723</u>

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2020**

NOTE 13 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure of certain information concerning individual funds which are presented only in combination on the financial statements. Funds having deficit fund balances/net position and funds which over expend appropriations during the year are required to be disclosed. No accounts within the Education Fund had a fund balance deficit as of June 30, 2020.

NOTE 14 – NONCURRENT LIABILITIES

Changes in noncurrent liabilities for the year ended June 30, 2020 are summarized as follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020
Governmental activities:				
Net pension liability	\$ 87,175	\$ -	\$ 53,764	\$ 33,411
OPEB liabilities	330,065	91,290	-	421,355
Total	<u>\$ 417,240</u>	<u>\$ 91,290</u>	<u>\$ 53,764</u>	<u>\$ 454,766</u>

NOTE 15 – IMPACT OF COVID-19 PANDEMIC

As a result of the COVID-19 pandemic, economic uncertainties have arisen which may negatively impact the operations and financial condition of the Regional Office of Education No. 53. The potential impact and duration of the pandemic is unknown as of the date the financial statements were available to be issued.

Regional Office of Education No. 53 continued to function efficiently while their staff were sheltered at home due to the pandemic from March 17, 2020 until May 31, 2020. Regional Office of Education No. 53 is no longer working remotely and is at full capacity at all its physical locations.

If the pandemic continues for longer than anticipated, it is possible that the Regional Office of Education No. 53's revenue stream for the year 2021 could be negatively impacted. However, Regional Office of Education No. 53 management has no such expectation at this time.

REQUIRED SUPPLEMENTARY INFORMATION

MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) & RELATED RATIOS**  
ILLINOIS MUNICIPAL RETIREMENT FUND  
LAST SIX CALENDAR YEARS  
UNAUDITED

	2019	2018	2017	2016	2015	2014
Calendar Year Ended December 31,						
<b>Total Pension Liability</b>	\$ 20,076	\$ 18,228	\$ 21,262	\$ 18,681	\$ 25,971	\$ 314
Service Cost	75,725	75,092	76,372	2,042	83,395	36,613
Interest on the Total Pension Liability	-	-	-	-	-	-
Changes of Benefit Terms	(41,734)	729	2,354	1,051,342	(1,119,442)	2,179
Differences Between Expected and Actual Experience of the Total Pension Liability	-	25,249	(35,349)	-	-	22,765
Changes of Assumptions	(74,156)	(79,774)	(80,605)	(80,532)	(61,469)	(38,562)
Benefit Payments, including Refunds of Employee Contributions	(20,089)	39,524	(15,966)	991,533	(1,071,545)	23,309
<b>Net Change in Total Pension Liability</b>						
<b>Total Pension Liability - Beginning</b>	1,071,527	1,032,003	1,047,969	56,436	1,127,981	507,300
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 1,051,438</u>	<u>\$ 1,071,527</u>	<u>\$ 1,032,003</u>	<u>\$ 1,047,969</u>	<u>\$ 56,436</u>	<u>\$ 530,609</u>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 4,822	\$ 15,297	\$ 6,711	\$ 14,705	\$ 13,312	\$ 25,847
Contributions - Employees	10,498	9,930	8,515	7,822	5,422	95
Net Investment Income	120,908	(71,567)	177,199	660,644	(801,203)	41,089
Benefit Payments, including Refunds of Employee Contributions	(74,156)	(79,774)	(80,605)	(80,532)	(61,469)	(38,562)
Other (Net Transfer)	(794)	(1,390)	(955)	(14,856)	112,749	(1,707)
<b>Net Change in Plan Fiduciary Net Position</b>	61,278	(127,504)	110,865	587,783	(731,189)	26,762
<b>Plan Fiduciary Net Position - Beginning</b>	1,018,427	1,145,931	1,035,066	447,283	1,178,472	539,203
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 1,079,705</u>	<u>\$ 1,018,427</u>	<u>\$ 1,145,931</u>	<u>\$ 1,035,066</u>	<u>\$ 447,283</u>	<u>\$ 565,965</u>
<b>Net Pension Liability (Asset) - Ending (A) - (B)</b>	<u>\$ (28,267)</u>	<u>\$ 53,100</u>	<u>\$ (113,928)</u>	<u>\$ 12,903</u>	<u>\$ (390,847)</u>	<u>\$ (35,356)</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</b>	102.69%	95.04%	111.04%	98.77%	792.55%	106.66%
<b>Covered Payroll</b>	\$ 209,655	\$ 198,406	\$ 187,455	\$ 173,823	\$ 120,491	\$ 2,112
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	-13.48%	26.76%	-60.78%	7.42%	-324.38%	-1674.05%

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

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
FOR THE YEAR ENDED JUNE 30, 2020  
UNAUDITED**

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2015	\$ 11,441	\$ 25,925	(14,484)	42,845	60.51%
2016	14,764	14,764	-	174,510	8.46%
2017	10,137	10,137	-	175,386	5.78%
2018	11,266	11,266	-	194,946	5.78%
2019	9,818	9,818	-	204,366	4.80%
2020	10,110	10,110	-	213,603	4.73%

**Notes to Schedule:**

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

**Valuation Date:**

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which is 6 months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine 2019 Contribution Rates\*:**

<i>Actuarial Cost Method:</i>	Aggregate entry age = normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	24-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.25%
<i>Price Inflation:</i>	2.50%
<i>Salary Increases:</i>	3.35% to 14.25%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
<i>Mortality:</i>	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 Healthy 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 adjustment 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.

***Other Information:***

*Notes:* There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2017, actuarial valuation; note two-year lag between valuation and rate setting.

MASON, TAZEWELL, AND WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 53  
 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, 2020 \*  
 UNAUDITED

	FY19*	FY18*	FY17*	FY16*	FY15*	FY14*
Employer's proportion of the net pension liability	0.0000411933%	0.0000437172%	0.0000337260%	0.0000156667%	0.0000438375%	0.0000337260%
Employer's proportionate share of the net pension liability	\$ 33,411	\$ 34,075	\$ 25,766	\$ 25,819	\$ 28,718	\$ 14,621
State's proportionate share of the net pension liability associated with the employer	2,377,832	2,334,304	2,577,654	636,206	1,364,228	911,750
<b>Total</b>	<b>\$ 2,411,243</b>	<b>\$ 2,368,379</b>	<b>\$ 2,603,420</b>	<b>\$ 662,025</b>	<b>\$ 1,392,946</b>	<b>\$ 926,371</b>
Employer's covered payroll	\$ 305,852	\$ 297,690	\$ 230,369	\$ 214,804	\$ 154,950	\$ 167,011
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	10.92%	11.45%	11.18%	12.02%	18.53%	8.75%
Plan fiduciary net position as a percentage of the total pension liability	39.6%	40.0%	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, 2020 †  
 UNAUDITED

	FY20	FY19	FY18	FY17	FY16	FY15	FY14
Statutorily-required contribution	\$ 1,915	\$ 1,774	\$ 1,727	\$ 1,336	\$ 1,245	\$ 899	\$ 857
Contributions in relation to the statutorily-required contribution	1,915	1,908	1,684	1,389	1,261	897	863
Contribution deficiency (excess)	\$ -	\$ (134)	\$ 43	\$ (53)	\$ (16)	\$ 2	\$ (6)
Covered payroll	\$ 330,127	\$ 305,852	\$ 297,690	\$ 230,369	\$ 214,804	\$ 154,950	\$ 167,011
Contributions as a percentage of covered payroll	0.58%	0.62%	0.57%	0.60%	0.59%	0.58%	0.52%

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

**Notes to TRS Required Supplementary Information**  
 Changes of assumptions

For the 2016 through 2019 measurement year, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit, but the rates of increase in the 2018 measurement year were slightly higher.

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

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

MASON, TAZEWELL, AND WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 53  
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE  
 SHARE OF THE COLLECTIVE NET OTHER POSTEMPLOYMENT BENEFIT LIABILITY  
 TEACHERS HEALTH INSURANCE SECURITY FUND  
 For the Year Ended June 30, 2020  
 UNAUDITED

	2019	2018	2017	Last 4 Fiscal Years* 2016
Employer's proportion of the collective net OPEB liability	0.001306%	.001176%	.001054%	.000888%
Employer's proportionate share of the collective net OPEB liability	\$ 361,385	\$ 309,781	\$ 273,362	\$ 242,867
State's proportionate share of the collective net OPEB liability associated with the employer	\$ 489,986	\$ 415,986	\$ 359,055	\$ 336,660
Total	<u>\$ 851,371</u>	<u>\$ 725,767</u>	<u>\$ 632,417</u>	<u>\$ 579,527</u>
Employer's covered payroll	\$ 305,852	\$ 297,690	\$ 230,369	\$ 214,804
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	118.16%	104.06%	118.66%	113.06%
Plan fiduciary net position as a percentage of the total OPEB liability	0.25%	-0.07%	-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, 2020  
 UNAUDITED

	2020	2019	2018	2017	2016
Statutorily-required contribution	\$ 3,037	\$ 2,814	\$ 2,620	\$ 1,935	\$ 1,718
Contributions in relation to the statutorily-required contributor	3,037	2,814	2,620	1,935	1,718
Contribution deficiency (excess)	<u>\$ -</u>				
Employer's covered payroll	\$ 330,127	\$ 305,852	\$ 297,690	\$ 230,369	\$ 214,804
Contributions as a percentage of covered payroll	0.92%	0.92%	0.88%	0.84%	0.80%

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

**Notes to THIS Schedule**

**Change of Benefit Term**

In the June 30, 2018 actuarial valuation (June 30, 2019 Measurement Date), there have been no changes of benefit terms from the prior period.

**Changes of Assumptions**

For the 2019 measurement year, the assumed investment rate of return was of 0 percent, including an inflation rate of 2.50 percent. For the 2018 and 2017 measurement years, the assumed investment rate of return was of 0 percent, including an inflation rate of 2.75 percent. Salary increases were assumed to vary by service credit and were the same for the 2019, 2018 and 2017 measurement years. For the 2019 measurement period, the actual trend was used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare costs on and after 2022 to account for the Excise Tax. For the 2018 measurement period, the actual trend was used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare costs on and after 2022 to account for the Excise Tax. For the 2017 measurement period, actual trend was 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 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.

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**WESTERN AREA SCHOOL HEALTH BENEFIT PLAN**  
**For the Year Ended June 30, 2020 †**  
**UNAUDITED**

	FY20	FY19	FY18
Total OPEB Liability			
Service Cost	\$ 314	\$ 1,051	\$ 1,245
Interest Cost	710	722	331
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(6,675)	2,876	-
Change in Assumptions	45,337	5,991	
Benefit Payments	-	-	-
Net Change in Total OPEB Liability	39,686	10,640	1,576
Total OPEB Liability - Beginning	20,284	9,644	8,068
Total OPEB Liability - Ending	\$ 59,970	\$ 20,284	\$ 9,644
Covered Payroll	\$ 324,123	\$ 178,255	\$ 174,333
Total OPEB Liability as a Percentage of Covered Payroll	18.50%	11.38%	5.53%

**Notes to Schedule:**

No assets are held in a trust to pay benefits related to this plan.

**Changes of Benefit Terms**

For fiscal year 2020, there have been no changes of benefit terms from the prior period.

**Changes of Assumptions**

For Fiscal year 2020 the following assumptions were changed from the prior year.

The percent of active employees assumed to elect coverage at retirement was decreased from 40% to 30%. Of those assumed to elect coverage in retirement, the percent assumed to elect spousal coverage was increased from 40% to 50%. The changes in the assumptions were made to better reflect the future anticipated experience in the plan. The changes included a review of the experience studies for the underlying pension systems for the employee groups and the requirements of GASB 75. The changes in assumptions resulted in a net increase in the Total OPEB Liability in the current year of approximately \$45,000.

The Discount Rate was decreased from 3.50% for the Fiscal Year-Ended June 30, 2019 to 2.21% to better reflect the current high-quality fixed income environment. The underlying index used is the Bond Buyer 20-Bond G.O. Index. The rate has been updated to the current Fiscal Year-End based on changes in market conditions as reflected in the index. The rate selected is as of June 25, 2020, and is the most recent rate available prior to the Measurement Date. The change was made to reflect our understanding of the requirements for reporting under GASB Statement 75.

Since the ROE does not have a trust dedicated exclusively to the payment of OPEB benefits, the discount rate used in the determination of the Total OPEB Liability was also changed from 3.87% to 3.5%.

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

SUPPLEMENTAL INFORMATION

MASON, TAZEWELL, AND WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 53  
 COMBINING SCHEDULE OF ACCOUNTS  
 GENERAL FUND  
 June 30, 2020

	Alternative School Program - EBF	Regional Safe Schools - EBF	Regional Office of Education Local	County Support	Vision & Hearing Screening	Western Illinois University Cohort	TOTALS
<b>ASSETS</b>							
Cash and cash equivalents	\$ 653,186	\$ 1,760,588	\$ 356,130	\$ 483,620	\$ -	\$ -	\$ 3,253,524
Accounts receivable	-	6	218	-	-	-	224
Due from other funds	-	24,160	-	-	-	-	24,160
Due from other governments							
Local	-	9,265	800	17,257	-	-	27,322
State	-	-	705	-	-	-	705
Prepaid expenditures	-	2,049	-	-	-	-	2,049
<b>TOTAL ASSETS</b>	<b>\$ 653,186</b>	<b>\$ 1,796,068</b>	<b>\$ 357,853</b>	<b>\$ 500,877</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,307,984</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ 846	\$ 25	\$ -	\$ -	\$ 871
Accrued salaries and benefits	9,304	10,751	-	167	-	-	20,222
Unearned revenue	-	-	500	2,605	-	-	3,105
Total Liabilities	9,304	10,751	1,346	2,797	-	-	24,198
<b>FUND BALANCE</b>							
Nonspendable	-	2,049	-	-	-	-	2,049
Unassigned	643,882	1,783,268	356,507	498,080	-	-	3,281,737
Total Fund Balance	643,882	1,785,317	356,507	498,080	-	-	3,283,786
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 653,186</b>	<b>\$ 1,796,068</b>	<b>\$ 357,853</b>	<b>\$ 500,877</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,307,984</b>

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GENERAL FUND ACCOUNTS**  
**For the Year Ended June 30, 2020**

	Alternative School Program - EBF	Regional Safe Schools - EBF	Regional Office of Education Local	County Support	Vision & Hearing Screening	Western Illinois University Cohort	Eliminations	TOTALS
<b>REVENUES</b>								
Local sources	\$ 5,750	\$ 47,206	\$ 63,098	\$ 304,357	\$ -	\$ -	\$ -	\$ 420,411
State sources	67,577	303,804	-	-	-	-	-	371,381
On-behalf payments - State	-	-	300,792	-	-	-	-	300,792
Federal sources	-	-	705	-	-	-	-	705
Interest income	5,602	13,918	2,758	3,866	-	-	-	26,144
<b>Total Revenues</b>	<b>78,929</b>	<b>364,928</b>	<b>367,353</b>	<b>308,223</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,119,433</b>
<b>EXPENDITURES</b>								
Instructional Services:								
Salaries and benefits	46,584	74,147	12,200	139,928	-	-	-	272,859
Pension expense	3,981	2,279	-	5,765	-	-	-	12,025
OPEB expense	1,027	1,165	-	845	-	-	-	3,037
Purchased services	23,972	13,149	22,544	100,494	-	-	-	160,159
Supplies and materials	483	7,566	705	-	-	-	-	8,754
Other objects	-	40,717	23,173	818	-	-	-	64,708
Capital outlay	-	4,150	-	-	-	-	-	4,150
Administrative:								
On-behalf expenditures - State	-	-	300,792	-	-	-	-	300,792
<b>Total Expenditures</b>	<b>76,047</b>	<b>143,173</b>	<b>359,414</b>	<b>247,850</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>826,484</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,882</b>	<b>221,755</b>	<b>7,939</b>	<b>60,373</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>292,949</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	348,568	437,707	-	-	(786,275)	-
Transfers out	(347,236)	(437,707)	-	-	(1,317)	(15)	786,275	-
<b>Total Other Financing Sources (Uses)</b>	<b>(347,236)</b>	<b>(437,707)</b>	<b>348,568</b>	<b>437,707</b>	<b>(1,317)</b>	<b>(15)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(344,354)</b>	<b>(215,952)</b>	<b>356,507</b>	<b>498,080</b>	<b>(1,317)</b>	<b>(15)</b>	<b>-</b>	<b>292,949</b>
<b>FUND BALANCE - BEGINNING</b>	<b>988,236</b>	<b>2,001,269</b>	<b>-</b>	<b>-</b>	<b>1,317</b>	<b>15</b>	<b>-</b>	<b>2,990,837</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 643,882</b>	<b>\$ 1,785,317</b>	<b>\$ 356,507</b>	<b>\$ 498,080</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,283,786</b>

MASON, TAZEWELL, AND WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 53  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 June 30, 2020

	McKinney Education for Homeless Children	Regional Safe Schools	ROE/ISC Operations	Title II Leadership Grant	Truants Alternative/ Optional Education	TOTALS
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ 25,145	\$ -	\$ -	\$ 25,145
Due from other governments:						
State	-	9,006	-	1,876	12,725	23,607
Federal	4,286	-	-	-	-	4,286
<b>TOTAL ASSETS</b>	<b>\$ 4,286</b>	<b>\$ 9,006</b>	<b>\$ 25,145</b>	<b>\$ 1,876</b>	<b>\$ 12,725</b>	<b>\$ 53,038</b>
LIABILITIES						
Accounts payable	\$ 1,493	\$ -	\$ -	\$ -	\$ -	\$ 1,493
Accrued salaries and benefits	-	-	5,666	-	364	6,030
Due to other funds	2,793	9,006	-	-	12,361	24,160
Due to other governments:						
Local	-	-	-	1,876	-	1,876
Unearned revenue	-	-	19,479	-	-	19,479
<b>Total Liabilities</b>	<b>4,286</b>	<b>9,006</b>	<b>25,145</b>	<b>1,876</b>	<b>12,725</b>	<b>53,038</b>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	-
FUND BALANCE (DEFICIT)						
Unassigned	-	-	-	-	-	-
Total Fund Balance (Deficit)	-	-	-	-	-	-
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (DEFICIT)</b>	<b>\$ 4,286</b>	<b>\$ 9,006</b>	<b>\$ 25,145</b>	<b>\$ 1,876</b>	<b>\$ 12,725</b>	<b>\$ 53,038</b>

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2020**

	McKinney Education for Homeless Children	Regional Safe Schools	ROE/ISC Operations	Title II Leadership Grant	Truants Alternative/ Optional Education	TOTALS
<b>REVENUES</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	116,998	122,511	-	165,430	404,939
Federal sources	21,098	-	-	2,383	-	23,481
<b>Total Revenues</b>	<b>21,098</b>	<b>116,998</b>	<b>122,511</b>	<b>2,383</b>	<b>165,430</b>	<b>428,420</b>
<b>EXPENDITURES</b>						
Salaries and benefits	10,750	108,079	88,000	-	137,985	344,814
Purchased services	6,293	-	31,347	2,383	14,162	54,185
Supplies and materials	4,055	-	537	-	559	5,151
Other objects	-	-	2,627	-	-	2,627
<b>Total Expenditures</b>	<b>21,098</b>	<b>108,079</b>	<b>122,511</b>	<b>2,383</b>	<b>152,706</b>	<b>406,777</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>8,919</b>	<b>-</b>	<b>-</b>	<b>12,724</b>	<b>21,643</b>
<b>FUND BALANCE (DEFICIT) - BEGINNING</b>	<b>-</b>	<b>(8,919)</b>	<b>-</b>	<b>-</b>	<b>(12,724)</b>	<b>(21,643)</b>
<b>FUND BALANCE (DEFICIT) - ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
MCKINNEY EDUCATION FOR HOMELESS CHILDREN  
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 21,900	\$ 21,900	\$ 21,098
Total Revenue	<u>21,900</u>	<u>21,900</u>	<u>21,098</u>
EXPENDITURES			
Salaries and benefits	10,750	10,750	10,750
Purchased services	7,000	7,000	6,293
Supplies and materials	4,150	4,150	4,055
Total Expenditures	<u>21,900</u>	<u>21,900</u>	<u>21,098</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 53  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNT  
 REGIONAL SAFE SCHOOLS  
 For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 108,079	\$ 108,079	\$ 116,998
Total Revenue	<u>108,079</u>	<u>108,079</u>	<u>116,998</u>
EXPENDITURES			
Salaries and benefits	<u>108,079</u>	<u>108,079</u>	<u>108,079</u>
Total Expenditures	<u>108,079</u>	<u>108,079</u>	<u>108,079</u>
NET CHANGE IN FUND BALANCE	-	-	8,919
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(8,919)</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 53  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNT  
 ROE/ISC OPERATIONS  
 For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 141,990	\$ 141,990	\$ 122,511
Total Revenue	<u>141,990</u>	<u>141,990</u>	<u>122,511</u>
EXPENDITURES			
Salaries and benefits	108,400	108,400	88,000
Purchased services	30,590	30,590	31,347
Supplies and materials	500	500	537
Other objects	2,500	2,500	2,627
Total Expenditures	<u>141,990</u>	<u>141,990</u>	<u>122,511</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 53  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNT  
 TITLE II LEADERSHIP GRANT  
 For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 2,383	\$ 2,383	\$ 2,383
Total Revenue	<u>2,383</u>	<u>2,383</u>	<u>2,383</u>
EXPENDITURES			
Purchased services	<u>2,383</u>	<u>2,383</u>	<u>2,383</u>
Total Expenditures	<u>2,383</u>	<u>2,383</u>	<u>2,383</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION  
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 152,705	\$ 152,705	\$ 165,430
Total Revenue	<u>152,705</u>	<u>152,705</u>	<u>165,430</u>
EXPENDITURES			
Salaries and benefits	137,852	137,852	137,985
Purchased services	13,937	13,937	14,162
Supplies and materials	916	916	559
Total Expenditures	<u>152,705</u>	<u>152,705</u>	<u>152,706</u>
NET CHANGE IN FUND BALANCE	-	-	12,724
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(12,724)</u>
FUND BALANCE (DEFICIT) - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

MASON, TAZEWELL, AND WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 53  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 June 30, 2020

	General Education Development	Supervisory	Transportation	TOTALS
ASSETS				
Cash and cash equivalents	\$ 91,302	\$ -	\$ 38,016	\$ 129,318
Accounts receivable	61	-	-	61
Due from other governments - Local	-	-	310	310
TOTAL ASSETS	<u>\$ 91,363</u>	<u>\$ -</u>	<u>\$ 38,326</u>	<u>\$ 129,689</u>
FUND BALANCES				
Restricted	91,363	-	38,326	129,689
Total Fund Balances	<u>91,363</u>	<u>-</u>	<u>38,326</u>	<u>129,689</u>
TOTAL FUND BALANCE	<u>\$ 91,363</u>	<u>\$ -</u>	<u>\$ 38,326</u>	<u>\$ 129,689</u>

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2020**

	General Education	Development	Supervisory	Transportation	TOTALS
<b>REVENUES</b>					
Local sources	\$	4,624	-	\$ 5,690	\$ 10,314
State sources		-	-	1,704	1,704
Interest income		756	-	301	1,057
<b>Total Revenues</b>		<b>5,380</b>	<b>-</b>	<b>7,695</b>	<b>13,075</b>
<b>EXPENDITURES</b>					
Salaries and benefits		-	-	3,462	3,462
Purchased services		-	30	292	322
Supplies and materials		113	-	-	113
Other objects		-	-	50	50
<b>Total Expenditures</b>		<b>113</b>	<b>30</b>	<b>3,804</b>	<b>3,947</b>
<b>NET CHANGE IN FUND BALANCE</b>		<b>5,267</b>	<b>(30)</b>	<b>3,891</b>	<b>9,128</b>
<b>FUND BALANCE - BEGINNING</b>		<b>86,096</b>	<b>30</b>	<b>34,435</b>	<b>120,561</b>
<b>FUND BALANCE - ENDING</b>		<b>\$ 91,363</b>	<b>\$ -</b>	<b>\$ 38,326</b>	<b>\$ 129,689</b>

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53  
COMBINING STATEMENT OF NET POSITION  
NONMAJOR PROPRIETARY FUND  
June 30, 2020**

	Business-Type Activities Enterprise Fund	
	Fingerprinting Fund	Total
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 175,947	\$ 175,947
Accounts receivable	2,077	2,077
Total current assets	178,024	178,024
TOTAL ASSETS	178,024	178,024
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	339	339
Total current liabilities	339	339
TOTAL LIABILITIES	339	339
<b>NET POSITION</b>		
Unrestricted	177,685	177,685
TOTAL NET POSITION	\$ 177,685	\$ 177,685

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
NONMAJOR PROPRIETARY FUND  
For the Year Ended June 30, 2020**

	Business-Type Activities - Enterprise Fund	
	Fingerprinting Fund	Total
OPERATING REVENUES		
Charges for services	\$ 34,578	\$ 34,578
Total Operating Revenues	34,578	34,578
OPERATING EXPENSES		
Purchased services	8,399	8,399
Supplies and materials	849	849
Other objects	10,468	10,468
Total Operating Expenses	19,716	19,716
OPERATING INCOME	14,862	14,862
NONOPERATING REVENUE		
Interest income	1,450	1,450
Total Nonoperating Revenue	1,450	1,450
CHANGE IN NET POSITION	16,312	16,312
TOTAL NET POSITION - BEGINNING	161,373	161,373
TOTAL NET POSITION - ENDING	\$ 177,685	\$ 177,685

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 53  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
For the Year Ended June 30, 2020**

	Business-Type Activities - Enterprise Fund	
	Fingerprinting Fund	Total
Cash Flows from Operating Activities:		
Receipts from customers	\$ 37,714	\$ 37,714
Payments to suppliers and providers of goods and services	(19,814)	(19,814)
Net Cash Provided by (Used for) Operating Activities	17,900	17,900
Cash Flows from Investing Activities:		
Interest income	1,450	1,450
Net Cash Provided by Investing Activities	1,450	1,450
Net Increase in Cash and Cash Equivalents	19,350	19,350
Cash and cash equivalents - Beginning	156,597	156,597
Cash and cash equivalents - Ending	\$ 175,947	\$ 175,947
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:		
Operating income	\$ 14,862	\$ 14,862
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:		
(Increase) decrease in assets:		
Increase in accounts receivable	3,136	3,136
Increase (decrease) in liabilities:		
Increase in accounts payable	(98)	(98)
Net Cash Provided by Operating Activities	\$ 17,900	\$ 17,900

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 53  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 AGENCY FUNDS  
 June 30, 2020**

	Detachment/ Annexation Fund	Distributive Fund	Mason County School Facility Tax Fund	Woodford County School Facility Tax Fund	TOTALS
<b>ASSETS</b>					
Cash and cash equivalents	\$ 478	\$ -	\$ -	\$ -	\$ 478
Due from other governments	-	70,447	129,110	286,812	486,369
<b>TOTAL ASSETS</b>	<b>\$ 478</b>	<b>\$ 70,447</b>	<b>\$ 129,110</b>	<b>\$ 286,812</b>	<b>\$ 486,847</b>
<b>LIABILITIES</b>					
Due to other governments	\$ 478	\$ 70,447	\$ 129,110	\$ 286,812	\$ 486,847
<b>TOTAL LIABILITIES</b>	<b>\$ 478</b>	<b>\$ 70,447</b>	<b>\$ 129,110</b>	<b>\$ 286,812</b>	<b>\$ 486,847</b>

**MASON, TAZEWELL, AND WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION NO. 53**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended June 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>Detachment/ Annexation Fund</u>				
ASSETS				
Cash and cash equivalents	\$ 478	\$ 1,000	\$ 1,000	\$ 478
Total Assets	<u>\$ 478</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 478</u>
LIABILITIES				
Due to other governments	\$ 478	\$ 1,000	\$ 1,000	\$ 478
Total Liabilities	<u>\$ 478</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 478</u>
<u>Distributive Fund</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 745,673	\$ 745,673	\$ -
Due from other governments	24,594	70,447	24,594	70,447
Total Assets	<u>\$ 24,594</u>	<u>\$ 816,120</u>	<u>\$ 770,267</u>	<u>\$ 70,447</u>
LIABILITIES				
Due to other governments	\$ 24,594	\$ 791,526	\$ 745,673	\$ 70,447
Total Liabilities	<u>\$ 24,594</u>	<u>\$ 791,526</u>	<u>\$ 745,673</u>	<u>\$ 70,447</u>
<u>Mason County School Facility Tax Fund</u>				
ASSETS				
Cash and cash equivalents	\$ -	871,446	\$ 871,446	\$ -
Due from other governments	162,588	129,110	162,588	129,110
Total Assets	<u>\$ 162,588</u>	<u>\$ 1,000,556</u>	<u>\$ 1,034,034</u>	<u>\$ 129,110</u>
LIABILITIES				
Due to other governments	\$ 162,588	\$ 837,968	\$ 871,446	\$ 129,110
Total Liabilities	<u>\$ 162,588</u>	<u>\$ 837,968</u>	<u>\$ 871,446</u>	<u>\$ 129,110</u>
<u>Woodford County School Facility Tax Fund</u>				
ASSETS				
Cash and cash equivalents	\$ -	52,473	\$ 52,473	\$ -
Due from other governments	339,285	286,812	339,285	286,812
Total Assets	<u>\$ 339,285</u>	<u>\$ 339,285</u>	<u>\$ 391,758</u>	<u>\$ 286,812</u>
LIABILITIES				
Due to other governments	\$ 339,285	\$ 1,841,651	\$ 1,894,124	\$ 286,812
Total Liabilities	<u>\$ 339,285</u>	<u>\$ 1,841,651</u>	<u>\$ 1,894,124</u>	<u>\$ 286,812</u>
<u>TOTALS</u>				
ASSETS				
Cash and cash equivalents	\$ 478	\$ 1,670,592	\$ 1,670,592	\$ 478
Due from other governments	526,467	486,369	526,467	486,369
Total Assets	<u>\$ 526,945</u>	<u>\$ 2,156,961</u>	<u>\$ 2,197,059</u>	<u>\$ 486,847</u>
LIABILITIES				
Due to other governments	\$ 526,945	\$ 3,472,145	\$ 3,512,243	\$ 486,847
Total Liabilities	<u>\$ 526,945</u>	<u>\$ 3,472,145</u>	<u>\$ 3,512,243</u>	<u>\$ 486,847</u>

**MASON, TAZEWELL, AND WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION NO. 53  
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS  
 AND OTHER ENTITIES  
 DISTRIBUTIVE FUND  
 For the Year Ended June 30, 2020**

	Project, Warrant, or Contract #	Funding
<b>State Funds</b>		
Career & Tech Ed Improvement (CTEI)	3220	\$ 546,771
<b>Total State Funds</b>		546,771
<b>Federal Funds</b>		
CTE-Perkins-Secondary	4745	198,902
<b>Total Federal Funds</b>		198,902
<b>TOTAL DISTRIBUTIONS</b>		\$ 745,673