

**State of Illinois**  
**MASON/TAZEWELL/WOODFORD COUNTIES**  
**REGIONAL OFFICE OF EDUCATION #53**  
**FINANCIAL AUDIT**  
**For the Year Ended June 30, 2017**

**Performed as Special Assistant Auditors**  
**For the Office of the Auditor General**

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
JUNE 30, 2017

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MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
JUNE 30, 2017

OFFICIALS

Regional Superintendent  
(Current and during the audit period)

Mr. Patrick Durley

Assistant Regional Superintendent  
(Current and during the audit period)

Mr. Jeff Ekena

Office is located at:

414 Court Street  
Pekin, IL 61554

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
JUNE 30, 2017

FINANCIAL REPORT SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

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

SUMMARY OF FINDINGS AND RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
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FINDINGS (*GOVERNMENT AUDITING STANDARDS*)

2017-001	11a-11b	Controls over Financial Statement Preparation	Material Weakness
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PRIOR AUDIT FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

None

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
JUNE 30, 2017

FINANCIAL REPORT SUMMARY (Concluded)

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on September 1, 2017. Attending were Mr. Patrick Durley, Regional Superintendent; Aimee Grant, Bookkeeper; and Tami Knight, CPA, Kemper CPA Group LLP. Responses to the recommendations were provided by Mr. Patrick Durley, Regional Superintendent on April 11, 2018.

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
JUNE 30, 2017

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Regional Office of Education #53 was performed by Kemper CPA Group LLP, Certified Public Accountants and Consultants.

Based on their audit, the auditors expressed an unmodified opinion on the Regional Office of Education #53's basic financial statements.

INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

**Report on the Financial Statements**

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #53, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Regional Office of Education #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.

**Auditors' Responsibility**

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

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



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

## **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 Regional Office of Education #53, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund Schedule of Changes in the Net Pension Liability (Asset), & 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 Teachers' Retirement System of Illinois Schedule of Employer Contributions on pages 54 through 56 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 Regional Office of Education #53's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, the combining fund financial statements, and the Schedule of Disbursements to School District Treasurers and Other Entities – Distributive Fund, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2018 on our consideration of the Regional Office of Education #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 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 Regional Office of Education #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 Regional Office of Education #53’s internal control over financial reporting and compliance.

**SIGNED ORIGINAL ON FILE**

*Certified Public Accountants  
and Consultants*

Mattoon, Illinois  
April 11, 2018

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

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Regional Office of Education #53, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Regional Office of Education #53's basic financial statements and have issued our report thereon dated April 11, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Regional Office of Education #53's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Regional Office of Education #53's internal control. Accordingly, we do not express an opinion on the effectiveness of Regional Office of Education #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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses, as item 2017-001 that we consider to be a material weakness.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Regional Office of Education #53's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Mason/Tazewell/Woodford Counties Regional Office of Education #53's Responses to Findings

Regional Office of Education #53's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. Regional Office of Education #53's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### 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 Regional Office of Education #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 Regional Office of Education #53's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**SIGNED ORIGINAL ON FILE**

*Certified Public Accountants  
and Consultants*

Mattoon, Illinois  
April 11, 2018

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2017

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements in accordance with GAAP**

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	Yes
• Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2017

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Finding No. 2017-001 – Controls over Financial Statement Preparation (Repeat of Finding 16-001)**

**Criteria/Specific Requirement:**

The Regional Office of Education #53 (ROE) is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The ROE internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare GAAP basis financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

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

**Condition:**

The Regional Office of Education #53 did not have sufficient internal controls over the financial reporting process in order to record and present the pension information in accordance with these standards. The ROE maintains its accounting records on cash basis accounting during the fiscal year and posts year-end accrual and other applicable entries for financial statement purposes. While the ROE maintains controls over the processing of most accounting transactions and prepares its financial statements, there were not sufficient controls over the preparation of GAAP basis financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

Through inquiries and discussions with the ROE's accounting personnel and Regional Superintendent, auditors noted the ROE did not have adequate controls to record and report the ROE's net accrued pension liabilities/assets, deferred outflows of resources, deferred inflows of resources, and pension expenses in accordance with GAAP.

**Effect:**

The Regional Office of Education #53's management or its employees, in the normal course of performing their assigned functions, may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2017

**SECTION II – FINANCIAL STATEMENT FINDINGS (Concluded)**

**Finding No. 2017-001 – Controls over Financial Statement Preparation (Repeat of Finding 16-001)  
(Concluded)**

**Cause:**

The complex requirements of GASB Statements No. 68 and No. 71 will require additional time and training before the ROE can fully implement the requirements on its own.

**Auditors' Recommendation:**

As part of internal control over the preparation of financial statements, the ROE should implement comprehensive preparation procedures to ensure the financial statements are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of the applicable GAAP, GASB pronouncements, and knowledge of the ROE's activities and operations.

**Management's Response:**

The Regional Office of Education #53 has taken steps to properly record financial transactions and follow GAAP. In regards to the standards related to financial reporting for pensions, we will review internal controls and determine what can be done within agency resources to mitigate or eliminate this internal control deficiency.

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
SCHEDULE OF FINDINGS AND RESPONSES  
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2017

**Corrective Action Plan**

**Finding No. 2017-001 – Controls over Financial Statement Preparation**

**Condition:**

The Regional Office of Education #53 did not have sufficient internal controls over the financial reporting process in order to record and present the pension information in accordance with these standards. The ROE maintains its accounting records on cash basis accounting during the fiscal year and posts year-end accrual and other applicable entries for financial statement purposes. While the ROE maintains controls over the processing of most accounting transactions and prepares its financial statements, there were not sufficient controls over the preparation of GAAP basis financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

Through inquiries and discussions with the ROE's accounting personnel and Regional Superintendent, auditors noted the ROE did not have adequate controls to record and report the ROE's net accrued pension liabilities/assets, deferred outflows of resources, deferred inflows of resources, and pension expenses in accordance with GAAP.

**Plan:**

The Regional Office of Education #53 understands the nature of this finding and realizes that this circumstance is not unusual in an organization this size. The Regional Office will continue to seek qualified accounting expertise to provide assistance in preparing financial statements and implementing new accounting standards.

The Regional Office of Education will continue to provide training for staff in utilizing the full range of financial technology that exists.

**Anticipated Date of Completion:**

Ongoing

**Contact Person Responsible for Corrective Action:**

Honorable Patrick Durley, Regional Superintendent of Schools



MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED  
JUNE 30, 2017

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
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There were no prior audit findings not repeated.

## BASIC FINANCIAL STATEMENTS

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
STATEMENT OF NET POSITION  
JUNE 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 2,494,351	\$ 123,992	\$ 2,618,343
Investments	52,392	-	52,392
Accounts receivable	-	5,355	5,355
Due from other governments:			
State	260,479	-	260,479
Federal	22,177	-	22,177
Total Current Assets	<u>2,829,399</u>	<u>129,347</u>	<u>2,958,746</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	3,119	-	3,119
Total Noncurrent Assets	<u>3,119</u>	<u>-</u>	<u>3,119</u>
<b>TOTAL ASSETS</b>	<u>2,832,518</u>	<u>129,347</u>	<u>2,961,865</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	<u>2,558,947</u>	<u>-</u>	<u>2,558,947</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	10,064	947	11,011
Accrued salaries and benefits	18,155	-	18,155
Due to other governments:			
Local	1,240	-	1,240
State	56,424	-	56,424
Unearned revenue	685	-	685
Total Current Liabilities	<u>86,568</u>	<u>947</u>	<u>87,515</u>
Noncurrent Liabilities:			
Net pension liability	38,722	-	38,722
Total Noncurrent Liabilities	<u>38,722</u>	<u>-</u>	<u>38,722</u>
<b>TOTAL LIABILITIES</b>	<u>125,290</u>	<u>947</u>	<u>126,237</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	<u>1,491,790</u>	<u>-</u>	<u>1,491,790</u>
<b>NET POSITION</b>			
Invested in capital assets	3,119	-	3,119
Restricted other	484,611	-	484,611
Unrestricted	3,286,655	128,400	3,415,055
<b>TOTAL NET POSITION</b>	<u>\$ 3,774,385</u>	<u>\$ 128,400</u>	<u>\$ 3,902,785</u>

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

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

FUNCTIONS/PROGRAMS	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:						
Governmental Activities:						
Instructional Services						
Salaries and benefits	\$ 510,329	\$ -	\$ 289,350	\$ (220,979)	\$ -	\$ (220,979)
Purchased services	136,594	-	28,258	(108,336)	-	(108,336)
Supplies and materials	5,974	-	4,526	(1,448)	-	(1,448)
Other objects	6,160	-	-	(6,160)	-	(6,160)
Depreciation	7,038	-	-	(7,038)	-	(7,038)
Capital outlay	-	-	1,440	1,440	-	1,440
Payments to other governments	2,000	-	1,000	(1,000)	-	(1,000)
Pension (income)	(246,848)	-	-	246,848	-	246,848
Administrative:						
On-behalf payments - Local	85,259	-	-	(85,259)	-	(85,259)
On-behalf payments - State	322,200	-	-	(322,200)	-	(322,200)
Total Governmental Activities	<u>828,706</u>	<u>-</u>	<u>324,574</u>	<u>(504,132)</u>	<u>-</u>	<u>(504,132)</u>
Business-Type Activities:						
Charges for services	4,915	37,625	-	-	32,710	32,710
Total Business-Type Activities	<u>4,915</u>	<u>37,625</u>	<u>-</u>	<u>-</u>	<u>32,710</u>	<u>32,710</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 833,621</u>	<u>\$ 37,625</u>	<u>\$ 324,574</u>	<u>(504,132)</u>	<u>32,710</u>	<u>(471,422)</u>
<b>GENERAL REVENUES:</b>						
Local sources				334,795	-	334,795
State sources				426,166	-	426,166
On-behalf payments - Local				85,259	-	85,259
On-behalf payments - State				322,200	-	322,200
Investment earnings				6,675	-	6,675
Total General Revenues and Transfers				<u>1,175,095</u>	<u>-</u>	<u>1,175,095</u>
<b>CHANGE IN NET POSITION</b>				<u>670,963</u>	<u>32,710</u>	<u>703,673</u>
<b>NET POSITION - BEGINNING,</b>				<u>3,103,422</u>	<u>95,690</u>	<u>3,199,112</u>
<b>NET POSITION - ENDING</b>				<u>\$ 3,774,385</u>	<u>\$ 128,400</u>	<u>\$ 3,902,785</u>

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

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017

	General Fund	Education Fund	Institute Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,003,167	\$ 73,468	\$ 317,024	\$ 100,692	\$ -	\$ 2,494,351
Investments	-	-	52,392	-	-	52,392
Due from other funds	228,522	-	-	-	(228,522)	-
Due from other governments:						
State	41,258	219,221	-	-	-	260,479
Federal	-	22,177	-	-	-	22,177
<b>TOTAL ASSETS</b>	<b>\$ 2,272,947</b>	<b>\$ 314,866</b>	<b>\$ 369,416</b>	<b>\$ 100,692</b>	<b>\$ (228,522)</b>	<b>\$ 2,829,399</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 7,071	\$ 1,455	\$ 1,538	\$ -	\$ -	\$ 10,064
Accrued salaries and benefits	6,416	11,739	-	-	-	18,155
Due to other funds	-	228,522	-	-	(228,522)	-
Due to other governments:						
Local	1,240	-	-	-	-	1,240
State	-	56,424	-	-	-	56,424
Unearned revenue	-	685	-	-	-	685
<b>Total Liabilities</b>	<b>14,727</b>	<b>298,825</b>	<b>1,538</b>	<b>-</b>	<b>(228,522)</b>	<b>86,568</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	-	134,621	-	-	-	134,621
<b>FUND BALANCE (DEFICIT)</b>						
Restricted	-	16,041	367,878	100,692	-	484,611
Assigned	1,317	-	-	-	-	1,317
Unassigned	2,256,903	(134,621)	-	-	-	2,122,282
<b>Total Fund Balance (Deficit)</b>	<b>2,258,220</b>	<b>(118,580)</b>	<b>367,878</b>	<b>100,692</b>	<b>-</b>	<b>2,608,210</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>	<b>\$ 2,272,947</b>	<b>\$ 314,866</b>	<b>\$ 369,416</b>	<b>\$ 100,692</b>	<b>\$ (228,522)</b>	<b>\$ 2,829,399</b>

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

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
JUNE 30, 2017

TOTAL FUND BALANCE — GOVERNMENTAL FUNDS		\$ 2,608,210
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		3,119
<p>Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and therefore are not reported in the governmental funds as follows:</p>		
Deferred outflows of resources	\$ 2,558,947	
Deferred inflows of resources	<u>(1,491,790)</u>	1,067,157
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
IMRF net pension liability	(12,903)	
TRS net pension liability	<u>(25,819)</u>	(38,722)
<p>Some revenues will not be collected for several months after the Regional Office's fiscal year ends; they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.</p>		
State		<u>134,621</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 3,774,385</u>

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

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Education Fund	Institute Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
<b>REVENUES</b>						
Local sources	\$ 255,429	\$ -	\$ 66,211	\$ 13,155	\$ -	\$ 334,795
On-behalf payments - Local	85,259	-	-	-	-	85,259
State sources	347,712	232,256	-	1,711	-	581,679
On-behalf payments - State	259,721	-	-	-	-	259,721
Federal sources	-	34,440	-	-	-	34,440
Investment earnings	5,973	-	702	-	-	6,675
<b>Total Revenues</b>	<b>954,094</b>	<b>266,696</b>	<b>66,913</b>	<b>14,866</b>	<b>-</b>	<b>1,302,569</b>
<b>EXPENDITURES</b>						
Instructional Services:						
Salaries and benefits	138,529	371,571	-	229	-	510,329
Pension expense	1,722	1,788	-	-	-	3,510
Purchased services	65,538	42,892	23,816	4,348	-	136,594
Supplies and materials	873	4,527	512	62	-	5,974
Other objects	5,338	-	322	500	-	6,160
Payments to other governments	-	2,000	-	-	-	2,000
On-behalf payments - Local	85,259	-	-	-	-	85,259
On-behalf payments - State	259,721	-	-	-	-	259,721
Capital outlay	-	1,440	-	-	-	1,440
<b>Total Expenditures</b>	<b>556,980</b>	<b>424,218</b>	<b>24,650</b>	<b>5,139</b>	<b>-</b>	<b>1,010,987</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>397,114</b>	<b>(157,522)</b>	<b>42,263</b>	<b>9,727</b>	<b>-</b>	<b>291,582</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	32,803	22,903	-	-	(55,706)	-
Transfers out	(55,706)	-	-	-	55,706	-
<b>Total Other Financing Sources (Uses)</b>	<b>(22,903)</b>	<b>22,903</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>374,211</b>	<b>(134,619)</b>	<b>42,263</b>	<b>9,727</b>	<b>-</b>	<b>291,582</b>
<b>FUND BALANCE - BEGINNING</b>	<b>1,884,009</b>	<b>16,039</b>	<b>325,615</b>	<b>90,965</b>	<b>-</b>	<b>2,316,628</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 2,258,220</b>	<b>\$ (118,580)</b>	<b>\$ 367,878</b>	<b>\$ 100,692</b>	<b>\$ -</b>	<b>\$ 2,608,210</b>

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

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #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, 2017

NET CHANGE IN FUND BALANCE — GOVERNMENTAL FUNDS \$ 291,582

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	\$ 1,440	
Depreciation	<u>(7,038)</u>	(5,598)

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	134,621
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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	
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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>250,358</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 670,963</u></u>
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The notes to the financial statements are an integral part of this statement.



MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017

	Business-Type Activities Enterprise Fund	
	Nonmajor Enterprise Funds	Total
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 123,992	\$ 123,992
Accounts receivable	5,355	5,355
<b>TOTAL ASSETS</b>	129,347	129,347
 <b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	947	947
<b>TOTAL LIABILITIES</b>	947	947
 <b>NET POSITION</b>		
Unrestricted	128,400	128,400
<b>TOTAL NET POSITION</b>	\$ 128,400	\$ 128,400

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

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	Business-Type Activities - Enterprise Fund	
	Nonmajor Enterprise Funds	Total
<b>OPERATING REVENUES</b>		
Charges for services	\$ 37,625	\$ 37,625
Total Operating Revenues	37,625	37,625
<b>OPERATING EXPENSES</b>		
Salaries and benefits	2,270	2,270
Purchased services	1,883	1,883
Supplies and materials	431	431
Other objects	331	331
Total Operating Expenses	4,915	4,915
<b>OPERATING INCOME (LOSS)</b>	32,710	32,710
<b>CHANGE IN NET POSITION</b>	32,710	32,710
<b>TOTAL NET POSITION - BEGINNING</b>	95,690	95,690
<b>TOTAL NET POSITION - ENDING</b>	\$ 128,400	\$ 128,400

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

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	Business-Type Activities - Enterprise Fund	
	Nonmajor Enterprise Funds	Total
Cash Flows from Operating Activities:		
Receipts from customers	\$ 33,789	\$ 33,789
Payments to suppliers and providers of goods and services	(1,717)	(1,717)
Payments to employees	(2,270)	(2,270)
Net Cash Provided by (Used for) Operating Activities	29,802	29,802
Net Increase/(Decrease) in Cash and Cash Equivalents	29,802	29,802
Cash and cash equivalents - Beginning	94,190	94,190
Cash and cash equivalents - Ending	\$ 123,992	\$ 123,992
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:		
Operating income	\$ 32,710	\$ 32,710
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:		
(Increase) decrease in assets:		
Increase in accounts receivable	(3,836)	(3,836)
Increase (decrease) in liabilities:		
Increase in accounts payable	928	928
Net Cash Provided by Operating Activities	\$ 29,802	\$ 29,802

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

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2017

	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 81,589
Due from other governments	-	859,111
Investments	<u>40,569</u>	<u>-</u>
Total Assets	<u>\$ 40,569</u>	<u>\$ 940,700</u>
<b>LIABILITIES</b>		
Due to other governments	<u>\$ -</u>	<u>\$ 940,700</u>
Total Liabilities	<u>-</u>	<u>\$ 940,700</u>
<b>NET POSITION</b>		
Held in trust for other purposes	<u>\$ 40,569</u>	

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

MASON/TAZEWELL/WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #53  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2017

	Private Purpose Trust Fund
ADDITIONS:	
Investment earnings:	
Interest	\$ 485
CHANGE IN NET POSITION	485
NET POSITION - BEGINNING	40,084
NET POSITION - ENDING	\$ 40,569

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

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Mason/Tazewell/Woodford Counties Regional Office of Education #53 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2017, the Regional Office of Education #53 implemented Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; GASB Statement No. 77, *Tax Abatement Disclosures*; GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Pension Plans*; GASB Statement No. 80, *Blending Requirements for Certain Component Units*; and GASB Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The Regional Office of Education #53 implemented these standards during the current year. The implementation of GASB Statement No. 74 establishes standards for the financial reports of defined benefit OPEB plans administered through trusts that meet specified criteria. The implementation of GASB Statement No. 77 requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. The implementation of GASB Statement No. 78 amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local government employers through cost-sharing multiple-employer defined pension plan and establishes requirements for recognition and measurement of pension expense, expenditures, liabilities, note disclosures, and required supplementary information for pensions. The implementation of GASB Statement No. 80 provides clarity on how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The implementation of GASB Statement No. 82 clarifies the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in the Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee or plan member contribution requirements.

A. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through April 11, 2018, 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.

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FINANCIAL REPORTING ENTITY (Concluded)

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 #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, 2017, the Regional Office of Education #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 #53. Such activities are reported as a single special revenue fund (Education Fund).

C. SCOPE OF THE REPORTING ENTITY

The Regional Office of Education #53's reporting entity includes all related organizations for which it exercises oversight responsibility.

The Regional Office of Education #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 #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.

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. SCOPE OF THE REPORTING ENTITY (Concluded)

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 #53 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #53 is not aware of any entity that would exercise such oversight as to result in the Regional Office of Education #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 #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 #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 #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 #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.

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.



MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

Operating revenues in the proprietary funds 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.

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 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. 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 #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 #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 #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.

G. FUND ACCOUNTING

The Regional Office of Education #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 #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.

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

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 #53 has presented all major funds that met the above qualifications.

The Regional Office of Education #53 reports the following major governmental funds:

General Fund – The General Fund is the operating fund of the Regional Office of Education #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 General State Aid (GSA) – To provide General State Aid funding to the Regional Office of Education #53 Alternative Academy and to account for funds received from ISBE that are unrestricted for use.

Operating Fund – This fund accounts for unrestricted funding of the Regional Office of Education and any unrestricted activity not recorded elsewhere.

Regional Safe Schools – General State Aid (GSA) – To provide General State Aid for the students' needs at the Regional Safe Schools and to account for support from Mason, Tazewell, and Woodford counties.

Vision & Hearing Screening – To coordinate vision/hearing screening for school districts that wish to share the costs of these services.

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

General Fund (Concluded)

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.

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 Liason.

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

Regional Safe Schools Cooperative Education Program (RSSCEP) – This program provides activities for disruptive students who are eligible for suspension or expulsion. The activities provide individually designed curriculum, social skills training, career exploration and work experience opportunities, and opportunities to work toward re-entry into the traditional programs, if appropriate.

Restricted Funds MIEC – To account for funds that were received from Mid-Illini Educational Cooperative that are restricted for use.

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

School & Community Assistance Team – A program that trains individuals for crisis management.

Statewide System of Support Foundational Services Grant – To provide guidance and support to districts and schools in the implementation of the new Illinois Learning Standards in English/Language Arts (ELA) and Math, engagement in Continuous Improvement Planning, and utilization of Balanced Assessment/Evaluation.

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Concluded)

Education Fund (Concluded)

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.

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 #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.

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 FUNDS

Proprietary Funds – Proprietary funds account for revenues and expenses related to services provided to organizations inside the Region on a cost-reimbursement basis. The Regional Office of Education #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 (Concluded)

PROPRIETARY FUNDS (Concluded)

Proprietary Funds (Concluded)

Local Fund – To account for revenues earned and expenses incurred in connection with conducting educational workshops.

FIDUCIARY FUNDS

The Regional Office of Education #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 #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 #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 #53 to various entities within the region.

Interest on Distributions to Other Governmental Units – The schools within the Regional Office of Education #53's geographic responsibility have signed formal agreements which allow the Regional Office of Education #53 to retain any interest earned during the year.

School Facility Tax Fund – This fund accounts for pass-through School Occupation Facility Tax that is being passed through the Regional Office of Education #53 to the school districts of Mason 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:

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. GOVERNMENTAL FUND BALANCES (Concluded)

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 has no nonspendable fund balance.

Restricted Fund Balance – The portion of a governmental fund’s net position that is subject to external enforceable legal restrictions. The following fund balances are restricted by Illinois Statute: Institute, General Education Development, Supervisory, and Transportation. The following Education Funds are restricted by grantor or donor restrictions: McKinney Education for Homeless Children and Restricted Funds MIEC.

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 #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 following General Fund accounts have assigned fund balances: Vision & Hearing Screening.

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 – GSA, Regional Safe Schools, Regional Safe Schools – GSA, RSSCEP, and Truants Alternative/Optional Education.

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.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. CASH AND CASH EQUIVALENTS

The Regional Office of Education #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.

L. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$500 or more and estimated useful lives of greater than three years 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. 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.



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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

N. 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 #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.

O. BUDGET INFORMATION

The Regional Office of Education #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, Regional Safe Schools Cooperative Education Program (RSSCEP), ROE/ISC Operations, Statewide System of Support Foundational Services Grant, Title II Leadership Grant, and Truants Alternative/Optional Education.

NOTE 2 – CASH AND INVESTMENTS

The Regional Office of Education #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, 2017, the carrying amounts of the Regional Office of Education #53's government-wide fund and agency fund deposits were \$2,618,343 and \$81,589, respectively, and the bank balances were \$2,626,653 and \$81,848, respectively. Of the total bank balances as of June 30, 2017, \$250,000 was secured by federal depository insurance, \$2,422,044 was fully collateralized, and \$36,457 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 #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 #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 #53.

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NOTE 2 – CASH AND INVESTMENTS (Concluded)

**B. INVESTMENTS**

The Regional Office of Education #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, 2017, the Regional Office of Education #53's investments consisted of certificates of deposit with original maturity dates of more than three months. Certificates of deposit comprised the \$52,392 shown as investments for governmental activities. Fiduciary funds had certificates of deposit of \$40,569 at June 30, 2017. Certificates of deposit are considered deposits and, as such, are included in the deposits note (2A) above.

At June 30, 2017, the carrying amount of the Regional Office of Education #53's deposits in the Illinois Funds Money Market Fund for the governmental activities was \$36,457. These deposits are included in cash and cash equivalents in the Regional Office of Education #53's governmental activities.

**CREDIT RISK**

At June 30, 2017, 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.

**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.

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NOTE 3 – DEFINED BENEFIT PENSION PLAN

**IMRF Plan Description**

The Regional Office of Education #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 #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).

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.

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NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

**Employees Covered by Benefit Terms**

As of December 31, 2016, the following employees were covered by the benefit terms:

	<b>IMRF</b>
Retirees and Beneficiaries currently receiving benefits	24
Inactive Plan Members entitled to but not yet receiving benefits	18
Active Plan Members	8
<b>Total</b>	<b>50</b>

**Contributions**

As set by statute, the Regional Office of Education #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 #53’s annual contribution rate for calendar year 2016 was 8.46%. For the calendar year ended 2016, the Regional Office of Education #53 contributed \$14,705 to the plan. The Regional Office of Education #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.

**Net Pension Liability**

The Regional Office of Education #53’s net pension liability was measured as of December 31, 2016. 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, 2016:

- 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 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.

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NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). 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-2014 (base year 2014). 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, 2016:

<b>Asset Class</b>	<b>Portfolio Target Percentage</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65-7.35%
Cash Equivalents	1%	2.25%
Total	100%	

**Single Discount Rate**

A Single Discount Rate of 7.50% 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).

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

**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, 2015</b>	\$ 56,436	\$ 447,283	\$ (390,847)
<b>Changes for the year:</b>			
Service Cost	18,681	-	18,681
Interest on the Total Pension Liability	2,042	-	2,042
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	1,051,342	-	1,051,342
Changes of Assumptions	-	-	-
Contributions - Employer	-	14,705	(14,705)
Contributions - Employees	-	7,822	(7,822)
Net Investment Income	-	660,644	(660,644)
Benefit Payments, including Refunds of Employee Contributions	(80,532)	(80,532)	-
Other (Net Transfer)	-	(14,856)	14,856
<b>Net Changes</b>	<b>991,533</b>	<b>587,783</b>	<b>403,750</b>
<b>Balances at December 31, 2016</b>	<b>\$ 1,047,969</b>	<b>\$ 1,035,066</b>	<b>\$ 12,903</b>

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	<b>1% Lower 6.50%</b>	<b>Current Discount 7.50%</b>	<b>1% Higher 8.50%</b>
<b>Net Pension Liability (Asset)</b>	\$ 121,172	\$ 12,903	\$ (78,624)

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NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ending June 30, 2017, the Regional Office of Education #53 recognized pension income of \$246,848. At June 30, 2017, the Regional Office of Education #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 Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 1,051,246	\$ 435
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	<u>1,479,194</u>	<u>1,461,918</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>2,530,440</u>	<u>1,462,353</u>
Pension Contributions made subsequent to the Measurement Date	<u>3,448</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 2,533,888</u></u>	<u><u>\$ 1,462,353</u></u>

\$3,448 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

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NOTE 3 – DEFINED BENEFIT PENSION PLAN (Concluded)

<b>Year Ending December 31</b>	<b>Net Deferred Outflows of Resources</b>
2017	\$ 142,002
2018	142,002
2019	140,376
2020	(29,222)
2021	137,272
Thereafter	535,657
Total	\$ 1,068,087

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

The Regional Office of Education #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/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

**Benefits provided**

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

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



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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.

**Contributions**

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education #53.

**On-behalf contributions to TRS.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #53. For the year ended June 30, 2017, State of Illinois contributions recognized by the Regional Office of Education #53 were based on the State’s proportionate share of the collective net pension liability associated with the Regional Office of Education #53, and the Regional Office of Education #53 recognized revenue and expenditures of \$62,479 in pension contributions from the State of Illinois.

**2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2017, were \$471, and are deferred because they were paid after the June 30, 2016, measurement date.

**Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #53, there is a statutory requirement for the Regional Office of Education #53 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the State contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

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

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

**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 #53 is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member’s age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the Regional Office of Education #53 paid no employer ERO contributions.

The Regional Office of Education #53 is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree’s final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2017, the Regional Office of Education #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, 2017, the Regional Office of Education #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 were as follow:

Employers proportionate share of the net pension liability (asset)	\$ 25,819
State’s proportionate share of the net pension liability associated with the employer	<u>636,206</u>
<b>Total</b>	<b><u>\$ 662,025</u></b>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward to June 30, 2016. The Regional Office of Education #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, 2016, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2016, the Regional Office of Education #53’s proportion was .0000325553 percent, which was a .0000067516 percent from its proportion measured as of June 30, 2015.

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

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

For the year ended June 30, 2017, the Regional Office of Education #53 recognized pension expense of \$62,479 and revenue of \$62,479 for support provided by the State. For the year ended June 30, 2017, the Regional Office of Education #53 recognized pension income of \$601. At June 30, 2017, the Regional Office of Education #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	\$ 191	\$ 17
Net difference between projected and actual earnings on pension plan investments	730	-
Change of assumptions	2,217	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,532	29,420
Employer contributions subsequent to the measurement date	1,389	-
<b>Total</b>	<b><u>\$ 25,059</u></b>	<b><u>\$ 29,437</u></b>

\$1,389 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>		
2018	\$	(2,420)
2019		(2,420)
2020		(86)
2021		(656)
2022		(185)
	<b><u>\$</u></b>	<b><u>(5,767)</u></b>

**Actuarial assumptions**

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

<b>Inflation</b>	2.75 percent
<b>Salary Increase</b>	9.13 percent, average, including inflation
<b>Investment rate of return</b>	7.50 percent, net of pension plan investment expense, including inflation

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

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

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

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.50 percent to 7.0 percent. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	14.4 %	6.94 %
U.S. equities small/mid cap	3.6	8.09
International equities developed	14.4	7.46
Emerging markets equities	3.6	10.15
U.S. bonds core	10.7	2.44
International debt developed	5.3	1.7
Real estate	15	5.44
Commodities (real return)	11	4.28
Hedge funds (absolute return)	8	4.16
Private equity	14	10.63
<b>Total</b>	<u>100 %</u>	

**Discount Rate**

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

MASON/TAZEWELL/WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #53  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2017

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

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

At June 30, 2015, the discount rate used to measure the total pension liability was 7.47 percent. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS’s fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

**Sensitivity of the Regional Office of Education #53’s proportionate share of the net pension liability to changes in the discount rate**

The following presents the Regional Office of Education #53’s proportionate share of the net pension liability calculated using the discount rate of 6.83 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 (5.83 percent) or 1 percentage point higher (7.83 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	5.83	6.83	7.83
Employer's proportionate share of the net pension liability	\$ 31,578	\$ 25,819	\$ 21,116

**TRS fiduciary net position**

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

**NOTE 5 – TEACHER HEALTH INSURANCE SECURITY**

The Regional Office of Education #53 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers’ Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the State-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plan.

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 5 – TEACHER HEALTH INSURANCE SECURITY (Concluded)

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of 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 requires all active contributors to TRS who are not employees of the State to make a contribution to the THIS Fund.

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

**On-behalf contributions to the THIS Fund.** The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #53. State contributions are intended to match contributions to the THIS Fund from active members which were 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$2,580, and the Regional Office of Education #53 recognized revenue and expenditures of this amount during the year.

**Employer contributions to the THIS Fund.** The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.84 percent during the year ended June 30, 2017. For the years ended June 30, 2016 and 2015, the employer paid \$1,935 and \$1,178 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” (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Prior reports are available under “Healthcare and Family Services” (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS

The Regional Office of Education #53 participates in the Western Area School Health Benefit Plan (“Plan”) as a member of the Western Area School Association (“Association”). The Plan is a cost-sharing, multiple-employer defined-benefit postemployment health care plan that was established by certain Illinois local governmental units constituting the Association pursuant to the Illinois Intergovernmental Cooperation Act, 5 ILCS 220/1 et seq., for the benefit of certain employees (and their dependents) of the members of the Association. The Plan is funded through the Western Area School Employee Benefits Trust (“Trust”) which is also controlled by the Association. The Association, Plan, and Trust together constitute a joint insurance pool under 5 ILCS 220/6. The Association is the administrator of the Plan. The MidAmerica National Bank, N.A., is the trustee of the Trust. In addition, the Regional Office of Education #53 has no explicit subsidy as defined in GASB S-45.

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 7 – OPERATING LEASES

During fiscal year 2017, the Regional Office of Education #53 leased classroom and office space located at 107 Riverview Road, Creve Coeur, Illinois, from Creve Coeur Elementary School District #76, for \$2,500 per month. The lease term is from August 1, 2015, to July 31, 2017. The Regional Office of Education #53 also leases a copier from Digital Copy Systems, LLC for \$225 per month. The lease term is from May 1, 2017 to April 30, 2022.

Rent expense for the year ended June 30, 2017, was \$30,450. Future minimum rentals are as follows for the years ending June 30:

2018	\$	5,200
2019		2,700
2020		2,700
2021		2,700
2022 and thereafter		2,250
		\$ 15,550

NOTE 8 – CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education #53 has reported 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, 2017:

	Balance 7/1/2016	Additions	Disposals	Balance 6/30/2017
Governmental Activities				
Capital assets being depreciated:				
Equipment	\$ 138,751	\$ 1,440	\$ (16,090)	\$ 124,101
Total Capital Assets	138,751	1,440	(16,090)	124,101
Less: Accumulated Depreciation	(130,034)	(7,038)	16,090	(120,982)
Governmental Activities				
Investment in Capital Assets, Net	\$ 8,717	\$ (5,598)	\$ -	\$ 3,119

MASON/TAZEWELL/WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #53  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2017

NOTE 8 – CAPITAL ASSETS (Concluded)

	<u>Balance 7/1/2016</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 6/30/2017</u>
Business-Type Activities				
Capital assets being depreciated:				
Equipment	\$ 1,079	\$ -	\$ -	\$ 1,079
Total Capital Assets	1,079	-	-	1,079
Less: Accumulated Depreciation	(1,079)	-	-	(1,079)
Business-Type Activities				
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, 2017, of \$7,038 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 #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 #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.

NOTE 10 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2017, 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	\$ 228,522	\$ -
Education Fund	-	228,522
Totals	<u>\$ 228,522</u>	<u>\$ 228,522</u>



MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 10 – INTERFUND ACTIVITY (Concluded)

TRANSFERS

Interfund transfers in/out to other fund balances at June 30, 2017, consist of the following individual transfers in/out to other funds in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 32,803	\$ 55,706
Education Fund	22,903	-
	\$ 55,706	\$ 55,706

NOTE 11 – DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #53’s General Fund, Education Fund, and Agency Fund have funds due to/from various other governmental units which consist of the following:

Due from Other Governments:

General Fund	
Illinois State Board of Education	\$ 41,258
Education Fund	
ROE #26	15,748
ROE #51	3,071
Illinois State Board of Education	222,579
Agency Fund	
Illinois Comptroller	265,301
Illinois State Board of Education	593,810
Total	\$ 1,141,767

Due to Other Governments:

General Fund	
Local Governments	\$ 1,240
Education Fund	
Illinois State Board of Education	56,424
Agency Fund	
Local Governments	940,700
Total	\$ 998,364

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 12 – ON-BEHALF PAYMENTS

The State of Illinois paid the following salaries on behalf of the Regional Office of Education #53:

Regional Superintendent Salary	\$ 112,800
Assistant Regional Superintendent Salary	101,520
Regional Superintendent Benefits (Includes State-paid insurance)	36,399
Assistant Regional Superintendent Benefits (Includes State-paid insurance)	6,422
Teachers’ Health Insurance Security Contribution	2,580
Total	\$ 259,721

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.

Regional Office of Education #53 also recorded \$62,479 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 in the Statement of Activities. In addition, the Regional Office of Education #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 on-behalf payments	\$ 259,721
ROE #53’s share of TRS pension expense	62,479
Total	\$ 322,200

The Regional Office of Education #53’s office building and utilities are provided by In Kind support by Mason, Tazewell, and Woodford counties in the amount of \$85,259. Ownership of those fixed assets remains with the Mason, Tazewell, and Woodford counties and, accordingly, the cost of these assets are not included in the Regional Office of Education #53’s financial statements.

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 overexpend appropriations during the year are required to be disclosed. The following fund had a fund deficit as of June 30, 2017:

Education Fund	
Regional Safe Schools	\$ 51,539
RSSCEP	19,028
Truants Alternative/Optional Education	64,054
	\$ 134,621

REQUIRED SUPPLEMENTARY INFORMATION

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) & RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
LAST THREE CALENDAR YEARS  
UNAUDITED

Calendar Year Ended December 31,	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>			
Service Cost	\$ 18,681	\$ 25,971	\$ 314
Interest on the Total Pension Liability	2,042	83,395	36,613
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	1,051,342	(1,119,442)	2,179
Changes of Assumptions	-	-	22,765
Benefit Payments, including Refunds of Employee Contributions	(80,532)	(61,469)	(38,562)
<b>Net Change in Total Pension Liability</b>	<u>991,533</u>	<u>(1,071,545)</u>	<u>23,309</u>
<b>Total Pension Liability - Beginning</b>	<u>56,436</u>	<u>1,127,981</u>	<u>507,300</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 1,047,969</u>	<u>\$ 56,436</u>	<u>\$ 530,609</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 14,705	\$ 13,312	\$ 25,847
Contributions - Employees	7,822	5,422	95
Net Investment Income	660,644	(801,203)	41,089
Benefit Payments, including Refunds of Employee Contributions	(80,532)	(61,469)	(38,562)
Other (Net Transfer)	(14,856)	112,749	(1,707)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>587,783</u>	<u>(731,189)</u>	<u>26,762</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>447,283</u>	<u>1,178,472</u>	<u>539,203</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 1,035,066</u>	<u>\$ 447,283</u>	<u>\$ 565,965</u>
<b>Net Pension Liability (Asset) - Ending (A) - (B)</b>	<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>	98.77%	792.55%	106.66%
<b>Covered Payroll</b>	\$ 173,823	\$ 120,491	\$ 2,112
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	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/WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #53  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 ILLINOIS MUNICIPAL RETIREMENT FUND  
 FOR THE LAST THREE CALENDAR YEARS  
 UNAUDITED

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2016	\$ 14,705	\$ 14,705	\$ -	\$ 173,823	8.46%
2015	13,312	6,825	6,487	120,491	5.66%
2014	4,876	25,847	(20,971)	2,112	1,223.82%

**Notes to Schedule:**

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2016 Contribution Rate\**

**Valuation Date:**

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine 2016 Contribution Rates:**

*Actuarial Cost Method:* Aggregate entry age = normal  
*Amortization Method:* Level percentage of payroll, closed  
*Remaining Amortization Period:* 27-year closed period  
*Asset Valuation Method:* 5-year smoothed market; 20% corridor  
*Wage Growth:* 3.50%  
*Price Inflation:* 2.75%, approximate; no explicit price inflation assumption is used in this valuation.  
*Salary Increases:* 3.75% to 14.50%, including inflation  
*Investment Rate of Return:* 7.50%  
*Retirement Age:* Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.  
*Mortality:* RP-2014 Blue Collar Health Annuitant Mortality Table, adjusted to match current IMRF experience. For disabled lives, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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-2014 (base year 2014). 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, 2014, actuarial valuation; note two-year lag between valuation and rate setting.

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/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #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, 2017 \*  
UNAUDITED

	FY16*	FY15*	FY14*
Employer's proportion of the net pension liability	0.0000156667%	0.0000438375%	0.0000240000%
Employer's proportionate share of the net pension liability	\$ 25,819	\$ 28,718	\$ 14,621
State's proportionate share of the net pension liability associated with the employer	636,206	1,364,228	911,750
<b>Total</b>	<u>\$ 662,025</u>	<u>\$ 1,392,946</u>	<u>\$ 926,371</u>
Employer's covered payroll	\$ 214,804	\$ 154,950	\$ 167,011
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	12.02%	18.53%	8.75%
Plan fiduciary net position as a percentage of the total pension liability	36.4%	41.5%	43.0%

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

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

	FY16	FY15	FY14
Statutorily-required contribution	\$ 1,336	\$ 1,245	\$ 899
Contributions in relation to the statutorily-required contribution	1,389	1,261	897
Contribution deficiency (excess)	<u>\$ (53)</u>	<u>\$ (16)</u>	<u>\$ 2</u>
Covered payroll	\$ 230,369	\$ 214,804	\$ 154,950
Contributions as a percentage of covered payroll	0.60%	0.59%	0.58%

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

**Notes to This Required Supplementary Information**

*Changes of assumptions*

For the 2016 measurement year, the assumed investment rate of return was of 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.

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.

OTHER SUPPLEMENTARY INFORMATION

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
JUNE 30, 2017

	Alternative School Program - GSA	Operating Fund	Regional Safe Schools - GSA	Vision & Hearing Screening	Western Illinois University Cohort	TOTALS
<b>ASSETS</b>						
Cash and cash equivalents	\$ 888,241	\$ -	\$ 1,113,609	\$ 1,317	\$ -	\$ 2,003,167
Due from other funds	-	-	228,522	-	-	228,522
Due from other governments State	225	-	41,033	-	-	41,258
<b>TOTAL ASSETS</b>	<b>\$ 888,466</b>	<b>\$ -</b>	<b>\$ 1,383,164</b>	<b>\$ 1,317</b>	<b>\$ -</b>	<b>\$ 2,272,947</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,650	\$ -	\$ 5,421	\$ -	\$ -	\$ 7,071
Accrued expenses	-	-	6,416	-	-	6,416
Due to other governments - Local	-	-	1,240	-	-	1,240
<b>Total Liabilities</b>	<b>1,650</b>	<b>-</b>	<b>13,077</b>	<b>-</b>	<b>-</b>	<b>14,727</b>
<b>FUND BALANCE</b>						
Assigned	-	-	-	1,317	-	1,317
Unassigned	886,816	-	1,370,087	-	-	2,256,903
<b>Total Fund Balance</b>	<b>886,816</b>	<b>-</b>	<b>1,370,087</b>	<b>1,317</b>	<b>-</b>	<b>2,258,220</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 888,466</b>	<b>\$ -</b>	<b>\$ 1,383,164</b>	<b>\$ 1,317</b>	<b>\$ -</b>	<b>\$ 2,272,947</b>



MASON/TAZEWELL/WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #53  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GENERAL FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2017

	Alternative School Program - GSA	Operating Fund	Regional Safe Schools - GSA	Vision & Hearing Screening	Western Illinois University Cohort	TOTALS
<b>REVENUES</b>						
Local sources	\$ 19,163	\$ -	\$ 236,266	\$ -	\$ -	\$ 255,429
On-behalf payments - Local	-	-	85,259	-	-	85,259
State sources	43,934	-	303,778	-	-	347,712
On-behalf payments - State	-	-	259,721	-	-	259,721
Interest income	5,973	-	-	-	-	5,973
<b>Total Revenues</b>	<b>69,070</b>	<b>-</b>	<b>885,024</b>	<b>-</b>	<b>-</b>	<b>954,094</b>
<b>EXPENDITURES</b>						
Salaries and benefits	4	-	138,525	-	-	138,529
Pension expense	-	-	1,722	-	-	1,722
Purchased services	11,254	-	54,284	-	-	65,538
Supplies and materials	-	-	873	-	-	873
Other objects	713	-	4,625	-	-	5,338
On-behalf expenditures - Local	-	-	85,259	-	-	85,259
On-behalf expenditures - State	-	-	259,721	-	-	259,721
<b>Total Expenditures</b>	<b>11,971</b>	<b>-</b>	<b>545,009</b>	<b>-</b>	<b>-</b>	<b>556,980</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>57,099</b>	<b>-</b>	<b>340,015</b>	<b>-</b>	<b>-</b>	<b>397,114</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	32,803	-	-	-	-	32,803
Transfers out	-	(29,370)	(22,903)	-	(3,433)	(55,706)
<b>Total Other Financing Sources (Uses)</b>	<b>32,803</b>	<b>(29,370)</b>	<b>(22,903)</b>	<b>-</b>	<b>(3,433)</b>	<b>(22,903)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>89,902</b>	<b>(29,370)</b>	<b>317,112</b>	<b>-</b>	<b>(3,433)</b>	<b>374,211</b>
<b>FUND BALANCE - BEGINNING</b>	<b>796,914</b>	<b>29,370</b>	<b>1,052,975</b>	<b>1,317</b>	<b>3,433</b>	<b>1,884,009</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 886,816</b>	<b>\$ -</b>	<b>\$ 1,370,087</b>	<b>\$ 1,317</b>	<b>\$ -</b>	<b>\$ 2,258,220</b>

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2017

	McKinney Education for Homeless Children	Regional Safe Schools	RSSCEP	Restricted Funds MIEC	ROE/ISC Operations	School & Community Assistance Team
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 14,904	\$ 57,879	\$ 685
Due from other governments:						
State	-	77,849	38,318	-	-	-
Federal	15,748	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 15,748</b>	<b>\$ 77,849</b>	<b>\$ 38,318</b>	<b>\$ 14,904</b>	<b>\$ 57,879</b>	<b>\$ 685</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	1,455	\$ -
Accrued salaries and benefits	-	11,739	-	-	-	-
Due to other funds	14,611	66,110	38,318	-	-	-
Due to other governments:						
State	-	-	-	-	56,424	-
Unearned revenue	-	-	-	-	-	685
<b>Total Liabilities</b>	<b>14,611</b>	<b>77,849</b>	<b>38,318</b>	<b>-</b>	<b>57,879</b>	<b>685</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	-	51,539	19,028	-	-	-
<b>FUND BALANCE (DEFICIT)</b>						
Restricted	1,137	-	-	14,904	-	-
Unassigned	-	(51,539)	(19,028)	-	-	-
<b>Total Fund Balance (Deficit)</b>	<b>1,137</b>	<b>(51,539)</b>	<b>(19,028)</b>	<b>14,904</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (DEFICIT)</b>	<b>\$ 15,748</b>	<b>\$ 77,849</b>	<b>\$ 38,318</b>	<b>\$ 14,904</b>	<b>\$ 57,879</b>	<b>\$ 685</b>

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
JUNE 30, 2017

	Statewide System of Support Foundational Services Grant	Title II Leadership Grant	Truants Alternative/ Optional Education	TOTALS
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 73,468
Due from other governments:				
State	-	-	103,054	219,221
Federal	3,071	3,358	-	22,177
<b>TOTAL ASSETS</b>	<u>\$ 3,071</u>	<u>\$ 3,358</u>	<u>\$ 103,054</u>	<u>\$ 314,866</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,455
Accrued salaries and benefits	-	-	-	11,739
Due to other funds	3,071	3,358	103,054	228,522
Due to other governments:				
State	-	-	-	56,424
Unearned revenue	-	-	-	685
<b>Total Liabilities</b>	<u>3,071</u>	<u>3,358</u>	<u>103,054</u>	<u>298,825</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	-	64,054	134,621
<b>FUND BALANCE (DEFICIT)</b>				
Restricted	-	-	-	16,041
Unassigned	-	-	(64,054)	(134,621)
<b>Total Fund Balance (Deficit)</b>	<u>-</u>	<u>-</u>	<u>(64,054)</u>	<u>(118,580)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (DEFICIT)</b>	<u>\$ 3,071</u>	<u>\$ 3,358</u>	<u>\$ 103,054</u>	<u>\$ 314,866</u>

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2017

	McKinney Education for Homeless Children	Regional Safe Schools	RSSCEP	Restricted Funds MIEC	ROE/ISC Operations	School & Community Assistance Team
<b>REVENUES</b>						
State sources	\$ -	\$ 55,620	\$ 19,290	\$ -	\$ 76,641	\$ -
Federal sources	21,603	-	-	-	-	-
<b>Total Revenues</b>	<b>21,603</b>	<b>55,620</b>	<b>19,290</b>	<b>-</b>	<b>76,641</b>	<b>-</b>
<b>EXPENDITURES</b>						
Salaries and benefits	12,005	129,564	38,100	-	58,856	-
Pension expense	578	498	218	-	-	-
Purchased services	4,620	-	-	-	16,345	-
Supplies and materials	3,398	-	-	-	-	-
Capital outlay	-	-	-	-	1,440	-
Payments to other governments	1,000	-	-	-	-	-
<b>Total Expenditures</b>	<b>21,601</b>	<b>130,062</b>	<b>38,318</b>	<b>-</b>	<b>76,641</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2</b>	<b>(74,442)</b>	<b>(19,028)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	22,903	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>22,903</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>2</b>	<b>(51,539)</b>	<b>(19,028)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (DEFICIT) - BEGINNING</b>	<b>1,135</b>	<b>-</b>	<b>-</b>	<b>14,904</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (DEFICIT) - ENDING</b>	<b>\$ 1,137</b>	<b>\$ (51,539)</b>	<b>\$ (19,028)</b>	<b>\$ 14,904</b>	<b>\$ -</b>	<b>\$ -</b>

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2017

	Statewide System of Support Foundational Services Grant	Title II Leadership Grant	Truants Alternative/ Optional Education	TOTALS
<b>REVENUES</b>				
State sources	\$ -	\$ -	\$ 80,705	\$ 232,256
Federal sources	6,879	5,958	-	34,440
<b>Total Revenues</b>	<b>6,879</b>	<b>5,958</b>	<b>80,705</b>	<b>266,696</b>
<b>EXPENDITURES</b>				
Salaries and benefits	2,670	-	130,376	371,571
Pension expense	-	-	494	1,788
Purchased services	2,553	5,958	13,416	42,892
Supplies and materials	656	-	473	4,527
Capital outlay	-	-	-	1,440
Payments to other governments	1,000	-	-	2,000
<b>Total Expenditures</b>	<b>6,879</b>	<b>5,958</b>	<b>144,759</b>	<b>424,218</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(64,054)</b>	<b>(157,522)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	22,903
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,903</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>(64,054)</b>	<b>(134,619)</b>
<b>FUND BALANCE (DEFICIT) - BEGINNING</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,039</b>
<b>FUND BALANCE (DEFICIT) - ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (64,054)</b>	<b>\$ (118,580)</b>

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
MCKINNEY EDUCATION FOR HOMELESS CHILDREN  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUE</b>			
Federal sources	\$ 22,239	\$ 22,239	\$ 21,603
Total Revenue	<u>22,239</u>	<u>22,239</u>	<u>21,603</u>
<b>EXPENDITURES</b>			
Salaries and benefits	12,840	12,840	12,005
Pension expense	-	-	578
Purchased services	5,999	5,999	4,620
Supplies and materials	3,400	3,400	3,398
Payments to other governments	-	-	1,000
Total Expenditures	<u>22,239</u>	<u>22,239</u>	<u>21,601</u>
 NET CHANGE IN FUND BALANCE	 -	 -	 2
 FUND BALANCE - BEGINNING	 <u>-</u>	 <u>-</u>	 <u>1,135</u>
 FUND BALANCE - ENDING	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 1,137</u>

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
REGIONAL SAFE SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUE			
State sources	\$ 107,159	\$ 107,159	\$ 55,620
Total Revenue	<u>107,159</u>	<u>107,159</u>	<u>55,620</u>
EXPENDITURES			
Salaries and benefits	107,159	107,159	129,564
Pension expense	-	-	498
Total Expenditures	<u>107,159</u>	<u>107,159</u>	<u>130,062</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(74,442)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	22,903
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>22,903</u>
NET CHANGE IN FUND BALANCE	-	-	(51,539)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (51,539)</u>

MASON/TAZEWELL/WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #53  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNT  
 RSSCEP  
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
<b>REVENUE</b>			
State sources	\$ 40,980	\$ 40,980	\$ 19,290
Total Revenue	<u>40,980</u>	<u>40,980</u>	<u>19,290</u>
<b>EXPENDITURES</b>			
Salaries and benefits	38,253	38,253	38,100
Pension expense	-	-	218
Purchased services	2,527	2,527	-
Supplies and materials	200	200	-
Total Expenditures	<u>40,980</u>	<u>40,980</u>	<u>38,318</u>
 NET CHANGE IN FUND BALANCE	 -	 -	 (19,028)
 FUND BALANCE - BEGINNING	 <u>-</u>	 <u>-</u>	 <u>-</u>
 FUND BALANCE - ENDING	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ (19,028)</u></u>



MASON/TAZEWELL/WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #53  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNT  
 ROE/ISC OPERATIONS  
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
<b>REVENUE</b>			
State sources	\$ 133,065	\$ 133,065	\$ 76,641
Total Revenue	<u>133,065</u>	<u>133,065</u>	<u>76,641</u>
<b>EXPENDITURES</b>			
Salaries and benefits	74,980	74,980	58,856
Purchased services	50,065	50,065	16,345
Supplies and materials	5,020	5,020	-
Other objects	3,000	3,000	-
Capital outlay	-	-	1,440
Total Expenditures	<u>133,065</u>	<u>133,065</u>	<u>76,641</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-
<b>FUND BALANCE - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MASON/TAZEWELL/WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #53  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNT  
 STATEWIDE SYSTEM OF SUPPORT FOUNDATIONAL SERVICES GRANT  
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
<b>REVENUE</b>			
Federal sources	\$ 74,996	\$ 74,996	\$ 6,879
Total Revenue	<u>74,996</u>	<u>74,996</u>	<u>6,879</u>
<b>EXPENDITURES</b>			
Salaries and benefits	56,176	56,176	2,670
Purchased services	15,819	15,819	2,553
Supplies and materials	3,001	3,001	656
Other objects	-	-	-
Capital outlay	-	-	-
Payments to other governments	-	-	1,000
Total Expenditures	<u>74,996</u>	<u>74,996</u>	<u>6,879</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MASON/TAZEWELL/WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #53  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNT  
 TITLE II LEADERSHIP GRANT  
 FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 5,958	\$ 5,958	\$ 5,958
Total Revenue	<u>5,958</u>	<u>5,958</u>	<u>5,958</u>
EXPENDITURES			
Purchased services	<u>5,958</u>	<u>5,958</u>	<u>5,958</u>
Total Expenditures	<u>5,958</u>	<u>5,958</u>	<u>5,958</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNT  
TRUANTS ALTERNATIVE/OPTIONAL EDUCATION  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
<b>REVENUE</b>			
State sources	\$ 152,705	\$ 152,705	\$ 80,705
Total Revenue	<u>152,705</u>	<u>152,705</u>	<u>80,705</u>
<b>EXPENDITURES</b>			
Salaries and benefits	138,116	138,116	130,376
Pension expense	-	-	494
Purchased services	13,918	13,918	13,416
Supplies and materials	671	671	473
Total Expenditures	<u>152,705</u>	<u>152,705</u>	<u>144,759</u>
 NET CHANGE IN FUND BALANCE	 -	 -	 (64,054)
 FUND BALANCE - BEGINNING	 <u>-</u>	 <u>-</u>	 <u>-</u>
 FUND BALANCE - ENDING	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ (64,054)</u></u>

MASON/TAZEWELL/WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #53  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2017

	<u>General Education Development</u>	<u>Supervisory</u>	<u>Transportation</u>	<u>TOTALS</u>
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 73,279</u>	<u>\$ 758</u>	<u>\$ 26,655</u>	<u>\$ 100,692</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 73,279</u></u>	<u><u>\$ 758</u></u>	<u><u>\$ 26,655</u></u>	<u><u>\$ 100,692</u></u>
<b>FUND BALANCES</b>				
Restricted	<u>\$ 73,279</u>	<u>\$ 758</u>	<u>\$ 26,655</u>	<u>\$ 100,692</u>
<b>TOTAL FUND BALANCE</b>	<u><u>\$ 73,279</u></u>	<u><u>\$ 758</u></u>	<u><u>\$ 26,655</u></u>	<u><u>\$ 100,692</u></u>

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	General Education Development	Supervisory	Transportation	TOTALS
<b>REVENUES</b>				
Local sources	\$ 6,805	\$ -	\$ 6,350	\$ 13,155
State sources	-	-	1,711	1,711
<b>Total Revenues</b>	<b>6,805</b>	<b>-</b>	<b>8,061</b>	<b>14,866</b>
<b>EXPENDITURES</b>				
Salaries and benefits	-	-	229	229
Purchased services	-	243	4,105	4,348
Supplies and materials	62	-	-	62
Other objects	175	-	325	500
<b>Total Expenditures</b>	<b>237</b>	<b>243</b>	<b>4,659</b>	<b>5,139</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>6,568</b>	<b>(243)</b>	<b>3,402</b>	<b>9,727</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>6,568</b>	<b>(243)</b>	<b>3,402</b>	<b>9,727</b>
<b>FUND BALANCE - BEGINNING</b>	<b>66,711</b>	<b>1,001</b>	<b>23,253</b>	<b>90,965</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 73,279</b>	<b>\$ 758</b>	<b>\$ 26,655</b>	<b>\$ 100,692</b>

MASON/TAZEWELL/WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #53  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR PROPRIETARY FUNDS  
 JUNE 30, 2017

	Business-Type Activities Enterprise Fund		
	Fingerprinting Fund	Local Fund	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 106,645	\$ 17,347	\$ 123,992
Accounts receivable	2,955	2,400	5,355
Total current assets	109,600	19,747	129,347
Noncurrent assets:			
Capital assets, being depreciated, net	-	-	-
Total noncurrent assets	-	-	-
<b>TOTAL ASSETS</b>	109,600	19,747	129,347
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	947	-	947
Total current liabilities	947	-	947
<b>TOTAL LIABILITIES</b>	947	-	947
<b>NET POSITION</b>			
Net investment in capital assets	-	-	-
Unrestricted	108,653	19,747	128,400
<b>TOTAL NET POSITION</b>	\$ 108,653	\$ 19,747	\$ 128,400

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
NONMAJOR PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	Business-Type Activities - Enterprise Fund		
	Fingerprinting Fund	Local Fund	Total
OPERATING REVENUES			
Charges for services	\$ 25,532	\$ 12,093	\$ 37,625
Total Operating Revenues	25,532	12,093	37,625
OPERATING EXPENSES			
Salaries and benefits	-	2,270	2,270
Purchased services	1,527	356	1,883
Supplies and materials	391	40	431
Other objects	331	-	331
Total Operating Expenses	2,249	2,666	4,915
OPERATING INCOME (LOSS)	23,283	9,427	32,710
CHANGE IN NET POSITION	23,283	9,427	32,710
TOTAL NET POSITION - BEGINNING	85,370	10,320	95,690
TOTAL NET POSITION - ENDING	\$ 108,653	\$ 19,747	\$ 128,400



MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	Business-Type Activities - Enterprise Fund		
	Fingerprinting Fund	Local Fund	Total
Cash Flows from Operating Activities:			
Receipts from customers	\$ 24,096	\$ 9,693	\$ 33,789
Payments to suppliers and providers of goods and services	(1,321)	(396)	(1,717)
Payments to employees	-	(2,270)	(2,270)
Net Cash Provided by (Used for) Operating Activities	22,775	7,027	29,802
Net Increase/(Decrease) in Cash and Cash Equivalents	22,775	7,027	29,802
Cash and cash equivalents - Beginning	83,870	10,320	94,190
Cash and cash equivalents - Ending	\$ 106,645	\$ 17,347	\$ 123,992
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating income	\$ 23,283	\$ 9,427	\$ 32,710
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:			
(Increase) decrease in assets:			
Increase in accounts receivable	(1,436)	(2,400)	(3,836)
Increase (decrease) in liabilities:			
Increase in accounts payable	928	-	928
Net Cash Provided by Operating Activities	\$ 22,775	\$ 7,027	\$ 29,802

MASON/TAZEWELL/WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #53  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 AGENCY FUNDS  
 JUNE 30, 2017

	Detachment/ Annexation Fund	Distributive Fund	Interest on Distributions to Other Governmental Units	School Facility Tax Fund	TOTALS
<b>ASSETS</b>					
Cash and cash equivalents	\$ 478	\$ -	\$ -	\$ 81,111	\$ 81,589
Due from other governments	-	593,810	-	265,301	859,111
<b>TOTAL ASSETS</b>	<b>\$ 478</b>	<b>\$ 593,810</b>	<b>\$ -</b>	<b>\$ 346,412</b>	<b>\$ 940,700</b>
<b>LIABILITIES</b>					
Due to other governments	\$ 478	\$ 593,810	\$ -	\$ 346,412	\$ 940,700
<b>TOTAL LIABILITIES</b>	<b>\$ 478</b>	<b>\$ 593,810</b>	<b>\$ -</b>	<b>\$ 346,412</b>	<b>\$ 940,700</b>

MASON/TAZEWELL/WOODFORD COUNTIES  
REGIONAL OFFICE OF EDUCATION #53  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<u>Detachment/ Annexation Fund</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 478	\$ -	\$ 478
Total Assets	<u>\$ -</u>	<u>\$ 478</u>	<u>\$ -</u>	<u>\$ 478</u>
LIABILITIES				
Due to other governments	\$ -	\$ 478	\$ -	\$ 478
Total Liabilities	<u>\$ -</u>	<u>\$ 478</u>	<u>\$ -</u>	<u>\$ 478</u>
<u>Distributive Fund</u>				
ASSETS				
Due from other governments	\$ 136,096	\$ 1,258,143	\$ 800,429	\$ 593,810
Total Assets	<u>\$ 136,096</u>	<u>\$ 1,258,143</u>	<u>\$ 800,429</u>	<u>\$ 593,810</u>
LIABILITIES				
Due to other governments	\$ 136,096	\$ 1,258,143	\$ 800,429	\$ 593,810
Total Liabilities	<u>\$ 136,096</u>	<u>\$ 1,258,143</u>	<u>\$ 800,429</u>	<u>\$ 593,810</u>
<u>Interest on Distributions to Other Governmental Units</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 3,039	\$ 3,039	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 3,039</u>	<u>\$ 3,039</u>	<u>\$ -</u>
LIABILITIES				
Due to other governments	\$ -	\$ 3,039	\$ 3,039	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 3,039</u>	<u>\$ 3,039</u>	<u>\$ -</u>
<u>School Facility Tax Fund</u>				
ASSETS				
Cash and cash equivalents	\$ -	747,024	\$ 665,913	\$ 81,111
Due from other governments	243,332	154,555	132,586	265,301
Total Assets	<u>\$ 243,332</u>	<u>\$ 901,579</u>	<u>\$ 798,499</u>	<u>\$ 346,412</u>
LIABILITIES				
Due to other governments	\$ 243,332	\$ 346,412	\$ 243,332	\$ 346,412
Total Liabilities	<u>\$ 243,332</u>	<u>\$ 346,412</u>	<u>\$ 243,332</u>	<u>\$ 346,412</u>
<u>TOTALS</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 750,541	\$ 668,952	\$ 81,589
Due from other governments	379,428	1,412,698	933,015	859,111
Total Assets	<u>\$ 379,428</u>	<u>\$ 2,163,239</u>	<u>\$ 1,601,967</u>	<u>\$ 940,700</u>
LIABILITIES				
Due to other governments	\$ 379,428	\$ 1,608,072	\$ 1,046,800	\$ 940,700
Total Liabilities	<u>\$ 379,428</u>	<u>\$ 1,608,072</u>	<u>\$ 1,046,800</u>	<u>\$ 940,700</u>

MASON/TAZEWELL/WOODFORD COUNTIES  
 REGIONAL OFFICE OF EDUCATION #53  
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES  
 DISTRIBUTIVE FUND  
 FOR THE YEAR ENDED JUNE 30, 2017

	Project, Warrant, or Contract #	Funding 07/01/16-06/30/17
<b>State Funds</b>		
Career & Tech Ed Improvement (CTEI)	3220	\$ 571,402
<b>Total State Funds</b>		571,402
<b>Federal Funds</b>		
CTE-Perkins-Secondary	4745	229,027
<b>Total Federal Funds</b>		229,027
<b>TOTAL DISTRIBUTIONS</b>		800,429