

State of Illinois
MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
FINANCIAL AUDIT
For the Year Ended June 30, 2018

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

MASON/TAZEWELL/WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #53
 JUNE 30, 2018

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MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
JUNE 30, 2018

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, 2018

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	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*)

2018-001	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, 2018

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 12, 2018. Attending were Mr. Patrick Durley, Regional Superintendent; Patty Moye, Bookkeeper; and Tami Knight, CPA, Kemper CPA Group LLP. Responses to the recommendations were provided by Mr. Patrick Durley, Regional Superintendent on September 12, 2018.

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
JUNE 30, 2018

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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As disclosed in Note 1 in the notes to the financial statements, the Regional Office of Education No. 53 adopted GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents 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 supplementary information as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was 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 supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2019 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.

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
February 25, 2019



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, 2018, 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 February 25, 2019.

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 2018-001 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.

*Certified Public Accountants
and Consultants*

Mattoon, Illinois
February 25, 2019

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2018

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, 2018

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding No. 2018-001 – Controls over Financial Statement Preparation (Repeat of Finding 17-001 and 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.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures in regards to the accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee 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 and OPEB information in accordance with GASB 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, OPEB liabilities/assets, deferred outflows of resources, deferred inflows of resources, pension expense/income, and OPEB expense/income in accordance with GASB.

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018

SECTION II – FINANCIAL STATEMENT FINDINGS (Concluded)

Finding No. 2018-001 – Controls over Financial Statement Preparation (Repeat of Finding 17-001 and 16-001) (Concluded)

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.

Cause:

The complex requirements of GASB Statements No. 68, No. 71, and No. 75 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, 2018

Corrective Action Plan

Finding No. 2018-001 – 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 and OPEB information in accordance with GASB 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, OPEB liabilities/assets, deferred outflows of resources, deferred inflows of resources, and pension expense/income, and OPEB expense/income 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 YEAR FINDINGS NOT REPEATED
JUNE 30, 2018

<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, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 3,051,991	\$ 149,019	\$ 3,201,010
Investments	53,077	-	53,077
Accounts receivable	492	3,042	3,534
Due from other governments:			
Local	23,145	-	23,145
State	51,773	-	51,773
Federal	22,125	-	22,125
Total current assets	<u>3,202,603</u>	<u>152,061</u>	<u>3,354,664</u>
Noncurrent Assets:			
Capital assets, net of depreciation	2,925	-	2,925
Net pension asset	113,928	-	113,928
Total noncurrent assets	<u>116,853</u>	<u>-</u>	<u>116,853</u>
TOTAL ASSETS	<u>3,319,456</u>	<u>152,061</u>	<u>3,471,517</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	2,051,015	-	2,051,015
Deferred outflows related to OPEB	41,556	-	41,556
Total deferred outflows of resources	<u>2,092,571</u>	<u>-</u>	<u>2,092,571</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	6,593	1,347	7,940
Accrued salaries and benefits	26,455	-	26,455
Due to other governments:			
Local	7,562	-	7,562
State	6,284	-	6,284
Unearned revenue	685	-	685
Total Current Liabilities	<u>47,579</u>	<u>1,347</u>	<u>48,926</u>
Noncurrent Liabilities:			
Net pension liability	25,766	-	25,766
Net OPEB liability	283,006	-	283,006
Total Noncurrent Liabilities	<u>308,772</u>	<u>-</u>	<u>308,772</u>
TOTAL LIABILITIES	<u>356,351</u>	<u>1,347</u>	<u>357,698</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,211,593	-	1,211,593
Deferred inflows related to OPEB	32,705	-	32,705
Total deferred inflows of resources	<u>1,244,298</u>	<u>-</u>	<u>1,244,298</u>
NET POSITION			
Net investment in capital assets	2,925	-	2,925
Restricted - other	669,589	-	669,589
Unrestricted	3,138,864	150,714	3,289,578
TOTAL NET POSITION	<u>\$ 3,811,378</u>	<u>\$ 150,714</u>	<u>\$ 3,962,092</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, 2018

FUNCTIONS/PROGRAMS	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary Government:						
Governmental Activities:						
Instructional Services						
Salaries and benefits	\$ 584,338	\$ -	\$ 249,340	\$ (334,998)	\$ -	\$ (334,998)
Purchased services	144,915	-	34,293	(110,622)	-	(110,622)
Supplies and materials	7,716	-	3,165	(4,551)	-	(4,551)
Other objects	57,490	-	-	(57,490)	-	(57,490)
Depreciation	1,464	-	-	(1,464)	-	(1,464)
Capital outlay	-	-	1,270	1,270	-	1,270
Pension expense	115,606	-	-	(115,606)	-	(115,606)
OPEB expense	27,876	-	-	(27,876)	-	(27,876)
Intergovernmental:						
Payments to other governments	7,870	-	7,870	-	-	-
Administrative:						
On-behalf payments - Local	85,259	-	-	(85,259)	-	(85,259)
On-behalf payments - State	558,567	-	-	(558,567)	-	(558,567)
Total Governmental Activities	<u>1,591,101</u>	<u>-</u>	<u>295,938</u>	<u>(1,295,163)</u>	<u>-</u>	<u>(1,295,163)</u>
Business-Type Activities:						
Charges for services	14,640	36,954	-	-	22,314	22,314
Total Business-Type Activities	<u>14,640</u>	<u>36,954</u>	<u>-</u>	<u>-</u>	<u>22,314</u>	<u>22,314</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 1,605,741</u>	<u>\$ 36,954</u>	<u>\$ 295,938</u>	<u>(1,295,163)</u>	<u>22,314</u>	<u>(1,272,849)</u>
GENERAL REVENUES:						
Local sources				409,172	-	409,172
State sources				495,124	-	495,124
On-behalf payments - Local				85,259	-	85,259
On-behalf payments - State				558,567	-	558,567
Investment earnings				32,933	-	32,933
Total General Revenues and Transfers				<u>1,581,055</u>	<u>-</u>	<u>1,581,055</u>
CHANGE IN NET POSITION				285,892	22,314	308,206
NET POSITION - BEGINNING						
(Restated, See Note 14)				<u>3,525,486</u>	<u>128,400</u>	<u>3,653,886</u>
NET POSITION - ENDING				<u>\$ 3,811,378</u>	<u>\$ 150,714</u>	<u>\$ 3,962,092</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, 2018

	General Fund	Education Fund	Institute Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,538,276	\$ 23,568	\$ 381,608	\$ 108,539	\$ -	\$ 3,051,991
Investments	-	-	53,077	-	-	53,077
Accounts receivable	-	-	-	492	-	492
Due from other funds	55,004	-	-	-	(55,004)	-
Due from other governments:						
Local	23,145	-	-	-	-	23,145
State	-	51,773	-	-	-	51,773
Federal	-	22,125	-	-	-	22,125
TOTAL ASSETS	\$ 2,616,425	\$ 97,466	\$ 434,685	\$ 109,031	\$ (55,004)	\$ 3,202,603
LIABILITIES						
Accounts payable	\$ 743	\$ 5,590	\$ 211	\$ 49	\$ -	\$ 6,593
Accrued salaries and benefits	11,457	14,998	-	-	-	26,455
Due to other funds	-	55,004	-	-	(55,004)	-
Due to other governments:						
Local	7,562	-	-	-	-	7,562
State	-	6,284	-	-	-	6,284
Unearned revenue	-	685	-	-	-	685
Total Liabilities	19,762	82,561	211	49	(55,004)	47,579
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	21,624	-	-	-	21,624
FUND BALANCE (DEFICIT)						
Restricted	-	14,904	434,474	108,982	-	558,360
Assigned	1,332	-	-	-	-	1,332
Unassigned	2,595,331	(21,623)	-	-	-	2,573,708
Total Fund Balance (Deficit)	2,596,663	(6,719)	434,474	108,982	-	3,133,400
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (DEFICIT)	\$ 2,616,425	\$ 97,466	\$ 434,685	\$ 109,031	\$ (55,004)	\$ 3,202,603

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 GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2018

TOTAL FUND BALANCE — GOVERNMENTAL FUNDS		\$ 3,133,400
<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>		2,925
<p>Pension/OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and therefore are not reported in the governmental funds as follows:</p>		
Deferred outflows of resources	\$ 2,092,571	
Deferred inflows of resources	<u>(1,244,298)</u>	848,273
<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 asset	\$ 113,928	
TRS net pension liability	(25,766)	
Net OPEB liability	<u>(283,006)</u>	(194,844)
<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 revenue		<u>21,624</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 3,811,378</u></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, 2018

	General Fund	Education Fund	Institute Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
REVENUES						
Local sources	\$ 309,899	\$ -	\$ 87,235	\$ 12,038	\$ -	\$ 409,172
On-behalf payments - Local	85,259	-	-	-	-	85,259
State sources	347,713	510,895	-	1,663	-	860,271
On-behalf payments - State	279,409	-	-	-	-	279,409
Federal sources	-	43,788	-	-	-	43,788
Investment earnings	31,779	-	1,154	-	-	32,933
Total Revenues	1,054,059	554,683	88,389	13,701	-	1,710,832
EXPENDITURES						
Instructional Services:						
Salaries and benefits	228,264	352,941	-	3,133	-	584,338
Pension expense	7,595	7,160	-	-	-	14,755
OPEB expense	843	1,777	-	-	-	2,620
Purchased services	64,112	68,378	11,750	675	-	144,915
Supplies and materials	2,723	4,696	-	297	-	7,716
Other objects	47,411	-	10,043	36	-	57,490
Intergovernmental:						
Payments to other governments	-	7,870	-	-	-	7,870
Administrative:						
On-behalf payments - Local	85,259	-	-	-	-	85,259
On-behalf payments - State	279,409	-	-	-	-	279,409
Capital outlay	-	-	-	1,270	-	1,270
Total Expenditures	715,616	442,822	21,793	5,411	-	1,185,642
NET CHANGE IN FUND BALANCE	338,443	111,861	66,596	8,290	-	525,190
FUND BALANCE (DEFICIT) - BEGINNING	2,258,220	(118,580)	367,878	100,692	-	2,608,210
FUND BALANCE (DEFICIT) - ENDING	\$ 2,596,663	\$ (6,719)	\$ 434,474	\$ 108,982	\$ -	\$ 3,133,400

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, 2018

NET CHANGE IN FUND BALANCE — GOVERNMENTAL FUNDS \$ 525,190

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	\$ 1,270	
Depreciation	<u>(1,464)</u>	(194)

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	\$ 21,624	
Prior year unavailable revenue	<u>(134,621)</u>	(112,997)

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		(25,256)
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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>(100,851)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 285,892

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, 2018

	Business-Type Activities Enterprise Fund	
	Nonmajor Enterprise Funds	Total
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 149,019	\$ 149,019
Accounts receivable	3,042	3,042
TOTAL ASSETS	152,061	152,061
LIABILITIES		
Current liabilities:		
Accounts payable	1,347	1,347
TOTAL LIABILITIES	1,347	1,347
NET POSITION		
Unrestricted	150,714	150,714
TOTAL NET POSITION	\$ 150,714	\$ 150,714

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, 2018

	Business-Type Activities - Enterprise Fund	
	Nonmajor Enterprise Funds	Total
OPERATING REVENUES		
Charges for services	\$ 36,954	\$ 36,954
Total Operating Revenues	36,954	36,954
OPERATING EXPENSES		
Salaries and benefits	1,400	1,400
Purchased services	10,984	10,984
Supplies and materials	1,195	1,195
Other objects	1,061	1,061
Total Operating Expenses	14,640	14,640
OPERATING INCOME (LOSS)	22,314	22,314
CHANGE IN NET POSITION	22,314	22,314
TOTAL NET POSITION - BEGINNING	128,400	128,400
TOTAL NET POSITION - ENDING	\$ 150,714	\$ 150,714

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, 2018

	Business-Type Activities - Enterprise Fund	
	Nonmajor Enterprise Funds	Total
Cash Flows from Operating Activities:		
Receipts from customers	\$ 39,267	\$ 39,267
Payments to suppliers and providers of goods and services	(12,840)	(12,840)
Payments to employees	(1,400)	(1,400)
Net Cash Provided by (Used for) Operating Activities	25,027	25,027
 Net Increase/(Decrease) in Cash and Cash Equivalents	 25,027	 25,027
 Cash and cash equivalents - Beginning	 123,992	 123,992
Cash and cash equivalents - Ending	\$ 149,019	\$ 149,019
 Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:		
Operating income	\$ 22,314	\$ 22,314
 Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:		
(Increase) decrease in assets:		
Increase in accounts receivable	2,313	2,313
Increase (decrease) in liabilities:		
Increase in accounts payable	400	400
 Net Cash Provided by Operating Activities	\$ 25,027	\$ 25,027

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, 2018

	Private Purpose Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 62,812
Due from other governments	-	252,953
Investments	41,059	-
Total Assets	\$ 41,059	\$ 315,765
LIABILITIES		
Due to other governments	\$ -	\$ 315,765
Total Liabilities	-	\$ 315,765
NET POSITION		
Held in trust for other purposes	\$ 41,059	

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, 2018

	Private Purpose Trust Fund
ADDITIONS:	
Investment earnings:	
Interest	\$ 490
CHANGE IN NET POSITION	490
NET POSITION - BEGINNING	40,569
NET POSITION - ENDING	\$ 41,059

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, 2018

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 2018, the Regional Office of Education #53 implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*; GASB Statement No. 81, *Irrevocable Split-Interest Agreements*; GASB Statement No. 85, *Omnibus 2017*; and GASB Statement No. 86, *Certain Debt Extinguishment Issues*. The implementation of GASB Statement No. 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, expenditures and identifies the note disclosure and RSI reporting requirements for other postemployment benefits (OPEB) other than pensions. The implementation of GASB Statement No. 81, GASB Statement No. 85, and GASB Statement No. 86 had no significant impact on the financial statements of the Regional Office of Education #53.

A. DATE OF MANAGEMENT’S REVIEW

Management has evaluated subsequent events through February 25, 2019, the date when the financial statements were available to be issued.

B. FINANCIAL REPORTING ENTITY

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

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #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.

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FINANCIAL REPORTING ENTITY (Concluded)

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, 2018, 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.

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 two business-type activities that relies on fees and charges for support.

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

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.

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:

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

General Fund (Concluded)

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.

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.

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 Liaison.

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.

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Concluded)

Education Fund (Concluded)

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.

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.

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

Nonmajor Special Revenue Funds (Concluded)

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.

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.

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Concluded)

FIDUCIARY FUNDS (Concluded)

Agency Fund (Concluded)

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:

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: 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 and Western Illinois University Cohort.

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. GOVERNMENTAL FUND BALANCES (Concluded)

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, Regional Safe Schools, ROE/ISC Operations, 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.

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.

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
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JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

N. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

For purposes of measuring the Regional Office of Education #53's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Regional Office of Education #53's OPEB Plan and additions to/deductions from the Regional Office of Education #53's fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education #53's Plan. For this purpose, the Regional Office of Education #53's Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

O. COMPENSATED ABSENCES

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

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

P. BUDGET INFORMATION

The Regional Office of Education #53 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Funds. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted nor are they required to be. Certain programs within the General Fund and Special Revenue Funds do not have separate budgets. Comparisons of budgeted and actual results are presented as supplementary information. Budgetary comparison schedules have been provided in supplementary schedules for the following funds: McKinney Education for Homeless Children, Regional Safe Schools, ROE/ISC Operations, 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, 2018, the carrying amounts of the Regional Office of Education #53's government-wide fund and agency fund deposits were \$3,201,010 and \$62,812, respectively, and the bank balances were \$3,132,859 and \$61,475, respectively. Of the total bank balances as of June 30, 2018, \$3,017,438 was secured by federal depository insurance and \$176,896 was invested in the Illinois Funds Money Market Fund.

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 – CASH AND INVESTMENTS (Continued)

A. DEPOSITS (Concluded)

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.

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, 2018, 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 \$53,077 shown as investments for governmental activities. Fiduciary funds had certificates of deposit of \$41,059 at June 30, 2018. Certificates of deposit are considered deposits and, as such, are included in the deposits note (2A) above.

At June 30, 2018, the carrying amount of the Regional Office of Education #53's deposits in the Illinois Funds Money Market Fund for the governmental activities was \$176,896. These deposits are included in cash and cash equivalents in the Regional Office of Education #53's governmental activities.

CREDIT RISK

At June 30, 2018, 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.

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 2 – CASH AND INVESTMENTS (Concluded)

B. INVESTMENTS (Concluded)

INTEREST RATE RISK

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

NOTE 3 – DEFINED BENEFIT PENSION PLAN

IMRF Plan Description

The Regional Office of Education #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.

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.

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NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

Benefits Provided (Concluded)

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

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

Employees Covered by Benefit Terms

As of December 31, 2017, the following employees were covered by the benefit terms:

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

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 3.58%. For the calendar year ended 2017, the Regional Office of Education #53 contributed \$6,711 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, 2017. 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, 2017:

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REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions (Concluded)

- The **Actuarial Cost Method** used was Entry Age Normal
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, 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 2017 valuation according to an experience study from years 2014 to 2016.
- For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates for **Mortality** were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	37%	6.85%
International Equity	18%	6.75%
Fixed Income	28%	3.00%
Real Estate	9%	5.75%
Alternative Investments	7%	
Private Equity		7.35%
Hedge Funds		5.05%
Commodities		2.65%
Cash Equivalents	1%	2.25%
Total	100%	

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NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

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).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2016	\$ 1,047,969	\$ 1,035,066	\$ 12,903
Changes for the year:			
Service Cost	21,262	-	21,262
Interest on the Total Pension Liability	76,372	-	76,372
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	2,354	-	2,354
Changes of Assumptions	(35,349)	-	(35,349)
Contributions - Employer	-	6,711	(6,711)
Contributions - Employees	-	8,515	(8,515)
Net Investment Income	-	177,199	(177,199)
Benefit Payments, including Refunds of Employee Contributions	(80,605)	(80,605)	-
Other (Net Transfer)	-	(955)	955
Net Changes	(15,966)	110,865	(126,831)
Balances at December 31, 2017	\$ 1,032,003	\$ 1,145,931	\$ (113,928)

MASON/TAZEWELL/WOODFORD COUNTIES
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JUNE 30, 2018

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

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

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

	1% Lower 6.50%	Current Discount 7.50%	1% Higher 8.50%
Net Pension Liability (Asset)	\$ (9,456)	\$ (113,928)	\$ (202,227)

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

For the year ending June 30, 2018, the Regional Office of Education #53 recognized pension expense of \$103,006. At June 30, 2018, the Regional Office of Education #53 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 957,374	\$ -
Changes of assumptions	-	10,612
Net difference between projected and actual earnings on pension plan investments	1,066,075	1,179,143
Total Deferred Amounts to be recognized in pension expense in future periods	2,023,449	1,189,755
Pension Contributions made subsequent to the Measurement Date	8,004	-
Total Deferred Amounts Related to Pensions	\$ 2,031,453	\$ 1,189,755

\$8,004 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

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 REGIONAL OFFICE OF EDUCATION #53
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NOTE 3 – DEFINED BENEFIT PENSION PLAN (Concluded)

Year Ending December 31	Net Deferred Outflows of Resources
2018	\$ 111,476
2019	119,758
2020	(49,849)
2021	73,958
2022	94,579
Thereafter	483,772
Total	\$ 833,694

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/cafrs/fy2017>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675.

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.

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

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2017, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by 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, 2018, 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 \$253,680 in pension contributions from the State of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2018, were \$1,684, and are deferred because they were paid after the June 30, 2017, measurement date.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by 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 Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

For the year ended June 30, 2018, the employer pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, there were no salaries paid from federal and special trust funds that required employer contributions.

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018, 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, 2018, 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, 2018, 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 follows below:

Employers proportionate share of the net pension liability (asset)	\$ 25,766
State’s proportionate share of the net pension liability associated with the employer	<u>2,577,654</u>
Total	<u>\$ 2,603,420</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. 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, 2017, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2017, the Regional Office of Education #53’s proportion was .0000337260 percent, which was a decrease of .0000011707 percent from its proportion measured as of June 30, 2016.

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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

For the year ended June 30, 2018, the Regional Office of Education #53 recognized pension expense of \$253,680 and revenue of \$253,680 for support provided by the State. For the year ended June 30, 2018, the Regional Office of Education #53 recognized pension income of \$471. At June 30, 2018, the Regional Office of Education #53 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 280	\$ 12
Net difference between projected and actual earnings on pension plan investments	18	-
Change of assumptions	1,720	740
Changes in proportion and differences between employer contributions and proportionate share of contributions	15,860	21,086
Employer contributions subsequent to the measurement date	1,684	-
Total	\$ 19,562	\$ 21,838

\$1,684 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:

Year ended June 30:	
2019	\$ (2,571)
2020	(229)
2021	(805)
2022	(354)
2023	(1)
	\$ (3,960)

Actuarial assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS
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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. The same assumptions were used in the June 30, 2016 actuarial valuation.

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
Total	100 %	

Discount Rate

At June 30, 2017, the discount rate used to measure the total pension liability was 7.0 percent, which was a change from the June 30, 2016 rate of 6.83 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS’s fiduciary net position at June 30, 2017 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier I’s liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 JUNE 30, 2018

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

Discount Rate (Concluded)

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate lower than the actuarially-assumed rate of return on investments that year because TRS’s fiduciary net position and the subsidy provided by Tier II were 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 7.00 percent, as well as what the employer’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	\$ 31,657	\$ 25,766	\$ 20,941

TRS fiduciary net position

Detailed information about the TRS’s fiduciary net position as of June 30, 2017, is available in the separately issued TRS *Comprehensive Annual Financial Report*.

NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND

THIS Plan Description

The Regional Office of Education #53 participates in the Teachers’ Health Insurance Security (THIS) fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor’s Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the Teachers’ Retirement System (TRS).

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
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NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

Benefits Provided

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

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

On-behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #53. For the year ended June 30, 2018, State of Illinois contributions recognized by the Regional Office of Education #53 were based on the State’s proportionate share of the collective net OPEB liability associated with the Regional Office of Education #53, and recognized revenue and expenditures of \$25,478 in OPEB contributions from the State of Illinois

Employer contributions to the THIS Fund

The Regional Office of Education #53 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.88 percent during the year ended June 30, 2018, and 0.84 and 0.80 percent during the years ended June 30, 2017 and 2016, respectively. For the year ended June 30, 2018, the Regional Office of Education #53 paid \$2,620 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2017 and 2016, the Regional Office of Education #53 paid \$1,935 and \$1,718 to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further information on the THIS Fund

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

Actuarial Assumptions

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

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 REGIONAL OFFICE OF EDUCATION #53
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

Actuarial Assumptions (Concluded)

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

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

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

Single Discount Rate

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

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

MASON/TAZEWELL/WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #53
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018

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

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

The following presents the Regional Office of Education #53’s proportionate share of the collective net OPEB liability, as well as what the ROE’s proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current discount rate:

	1% Decrease <u>(2.56%)</u>	Current Discount Rate <u>(3.56%)</u>	1% Increase <u>(4.56%)</u>
Employer’s proportionate share of the collective net OPEB liability	\$ 328,209	\$ 273,362	\$ 229,740

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

The following table shows the Regional Office of Education #53’s net OPEB liability as of June 30, 2017, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The key trend rates are 8.00% in 2018 decreasing to an ultimate trend rate of 5.09% in 2025, for non-Medicare coverage, and 9.00% in 2018 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	<u>1% Decrease^a</u>	Healthcare Cost <u>Trend Rates</u>	<u>1% Increase^b</u>
Employer’s proportionate share of the collective net OPEB liability	\$ 220,749	\$ 273,362	\$ 349,235

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

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

MASON/TAZEWELL/WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #53
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

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

At June 30, 2018, the Regional Office of Education #53 reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the Regional Office of Education #53. The amount recognized by the Regional Office of Education #53 as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Regional Office of Education #53 were as follow:

Employer’s proportionate share of the net OPEB liability	\$ 273,362
State’s proportionate share of the net OPEB liability associated with the employer	<u>359,055</u>
Total	<u>\$ 632,417</u>

The collective net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2016 but was rolled forward to the June 30, 2017 measurement date. The Regional Office of Education #53’s proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education #53’s long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education #53, actuarially determined. At June 30, 2017, the Regional Office of Education #53’s proportion was 0.001053 percent, which was an increase of 0.000165 from its proportion measured as of June 30, 2016 (0.000888 percent). The State’s support and total are for disclosure purposes only.

For the year ending June 30, 2018, the Regional Office of Education #53 recognized OPEB expense of \$25,478 and revenue of \$25,478 for support provided by the State. For the year ending June 30, 2018, the Regional Office of Education #53 recognized OPEB expense of \$26,300. At June 30, 2018, the Regional Office of Education #53 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 155
Changes of assumptions	-	32,547
Net difference between projected and actual earnings on OPEB plan investments	-	3
Changes in proportion and differences between employer contributions and proportionate share of contributions	38,936	-
Employer contributions subsequent to the measurement date	<u>2,620</u>	<u> </u>
Total Deferred Amounts Related to OPEB	<u>\$ 41,556</u>	<u>\$ 32,705</u>

\$2,620 reported as deferred outflows of resources related to OPEB resulting from the Regional Office of Education #53 contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Regional Office of Education #53’s OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2019	\$ 957
2020	957
2021	957
2022	957
2023	958
Thereafter	<u>1,446</u>
Total	<u>\$ 6,232</u>

THIS Fiduciary Net Position

Detailed information about the THIS Fund fiduciary net position as of June 30, 2017, is available in the separately issued THIS Financial Report.

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REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6 - WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB)

Plan Description

The Regional Office of Education #53 provides a single-employer defined benefit OPEB plan by participating in the Western Area School Health Benefit Plan (the WAS Plan) as a member of the Western Area School Association. Benefit terms can be amended by WAS at any time. All full time, permanent employees and their spouses are eligible to participate in the plan and have the option to continue participation upon retirement. The WAS Plan is funded through the Western Area School Employee Benefit Trust, which is a trust that does not meet the criteria in paragraph 4 of statement 75 due to contributions made to the plan being revocable.

Benefits Provided

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

Membership

At June 30, 2017 membership consisted of:

Inactive Employees Currently Receiving Benefit Payments	0
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	0
Active Employees	<u>6</u>
TOTAL	<u>6</u>

Funding Policy and Contributions

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

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

Total OPEB Liability

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

MASON/TAZEWELL/WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #53
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 JUNE 30, 2018

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

Actuarial Assumptions

Discount Rate used for the Total OPEB Liability	3.56%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.56%
Premiums	Premiums charged for medical coverage of retiree and spouse are \$688 and \$818, respectively with a \$1,000 deductible. Premiums charged for medical coverage of retiree and spouse are \$661 and \$643, respectively with a \$2,000 deductible. Premiums charged for dental coverage of retiree and spouse are \$24 and \$21, respectively. Premiums charged for vision coverage of retiree and spouse are \$12 and \$14, respectively.
Healthcare Trend Rates	Trend rates are based on review of actual Western Area School experience and projections of the Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Expenditure Projections 2017-2026, Table 3, Aggregate and per Capita Amounts, Percent Distribution and Annual Percent Change by Source of Funds: Calendar Years 2010-2026. For fiscal years on and after 2018, trend starts at 8.0% and gradually decreases to an ultimate trend of 5.0% in 2023.

Mortality rates were based on the RP-2014 "Healthy Annuitants" Mortality Table with projected mortality.

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 REGIONAL OFFICE OF EDUCATION #53
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 JUNE 30, 2018

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2017	\$ 8,068
Changes for the period:	
Service Cost	1,245
Interest Cost	331
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes in Assumptions	-
Benefit Payments	-
Net Change	1,576
 Balance at June 30, 2018	 \$ 9,644

Discount Rate

The discount rate used to measure the total OPEB liability was 3.56% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Sensitivity of the Discount Rate

The following presents the Regional Office of Education #1's total OPEB liability calculated using a discount rate of 3.56%, as well as what the ROE's total OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point lower (2.56%) or 1-percentage-point higher (4.56%) than the current discount rate:

	1% Decrease (2.56%)	Healthcare Cost Trend Rates (3.56%)	1% Increase (4.56%)
ROE's Total OPEB Liability	\$ 12,227	\$ 9,644	\$ 7,748

Sensitivity of the Healthcare Trend Rates

The following presents the Regional Office of Education #1's total OPEB liability, calculated using the healthcare cost trend rates as well as what the ROE's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.0% in 2018 decreasing to an ultimate trend rate of 5.0% in 2023.

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
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NOTE 6 - WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Concluded)

	<u>1% Decrease</u> (7.0% decreasing to 4.0%)	Healthcare Cost <u>Trend Rates</u> (8.0% decreasing to 5.0%)	<u>1% Increase</u> (9.0% decreasing to 6.0%)
ROE's Total OPEB Liability	\$ 7,888	\$ 9,644	\$ 11,902

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

For the year ending June 30, 2018, the Regional Office of Education #1 recognized OPEB expense of \$1,577. At June 30, 2018 the Regional Office of Education #1 had no deferred outflows of resources or deferred inflows of resources related to OPEB.

NOTE 7 – OPERATING LEASES

During fiscal year 2018, 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. The Regional Office of Education #53 also entered into a new lease at 110 Fandel Rd., Germantown Hills, IL 61548 for \$12,379 a quarter. The lease term is from July 1, 2017 to June 30, 2018.

Rent expense for the year ended June 30, 2018, was \$54,715. Future minimum rentals are as follows for the years ending June 30:

2019	\$ 2,700
2020	2,700
2021	2,700
2022	2,250
	<u>\$ 10,350</u>

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018:

	Balance 7/1/2017	Additions	Disposals	Balance 6/30/2018
Governmental Activities				
Capital assets being depreciated:				
Equipment	\$ 124,101	\$ 1,270	\$ -	\$ 125,371
Total Capital Assets	124,101	1,270	-	125,371
Less: Accumulated Depreciation	(120,982)	(1,464)	-	(122,446)
Governmental Activities				
Investment in Capital Assets, Net	\$ 3,119	\$ (194)	\$ -	\$ 2,925
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	\$ -	\$ -	\$ -	\$ -

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, 2018, of \$1,464 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.

MASON/TAZEWELL/WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #53
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 10 – ON-BEHALF PAYMENTS

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

Regional Superintendent Salary	\$ 115,176
Assistant Regional Superintendent Salary	103,656
Regional Superintendent Benefits (Includes State-paid insurance)	30,693
Assistant Regional Superintendent Benefits (Includes State-paid insurance)	<u>29,884</u>
 Total	 <u>\$ 279,409</u>

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

Regional Office of Education #53 also recorded \$253,680 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 TRS on-behalf payments	\$ 279,409
ROE #53’s share of TRS pension expense	253,680
State of Illinois THIS on-behalf payments	<u>25,478</u>
Total	<u>\$ 558,567</u>

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.

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2018, 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	\$ 55,004	\$ -
Education Fund	-	55,004
Totals	<u>\$ 55,004</u>	<u>\$ 55,004</u>

NOTE 12 – 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	
Local Governments	\$ 23,145
Education Fund	
ROE #51	20,346
Illinois State Board of Education	53,552
Agency Fund	
Illinois State Board of Education	75,469
Illinois Comptroller General	177,484
Total	<u>\$ 349,996</u>

Due to Other Governments:

General Fund	
Local Governments	\$ 7,562
Education Fund	
ROE #26	2,612
Illinois State Board of Education	3,672
Agency Fund	
Local Governments	315,765
Total	<u>\$ 329,611</u>

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018:

Education Fund	
Regional Safe Schools	\$ 8,919
ROE/ISC Operations	2,700
Truants Alternative/Optional Education	12,704
	\$ 24,323

NOTE 14 – RESTATEMENT

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

Governmental Activities Net Position:

Net position – July 1, 2017	\$ 3,774,386
Change in outflows of resources related to contributions made after June 30, 2016 measurement date	2,036
Net OPEB liability at July 1, 2017	(250,936)
Net position, restated – July 1, 2017	\$ 3,525,486

NOTE 15 – LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2018 are summarized as follows:

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Due within one year
Governmental activities:					
Net pension liability	\$ 38,722	\$ -	\$ 12,956	\$ 25,766	\$ -
Net OPEB liability	250,936	32,070	-	283,006	-
Total	\$ 289,658	\$ 32,070	\$ 12,956	\$ 308,772	\$ -

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 FOUR CALENDAR YEARS
UNAUDITED

Calendar Year Ended December 31,	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability				
Service Cost	\$ 21,262	\$ 18,681	\$ 25,971	\$ 314
Interest on the Total Pension Liability	76,372	2,042	83,395	36,613
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	2,354	1,051,342	(1,119,442)	2,179
Changes of Assumptions	(35,349)	-	-	22,765
Benefit Payments, including Refunds of Employee Contributions	(80,605)	(80,532)	(61,469)	(38,562)
Net Change in Total Pension Liability	<u>(15,966)</u>	<u>991,533</u>	<u>(1,071,545)</u>	<u>23,309</u>
Total Pension Liability - Beginning	<u>1,047,969</u>	<u>56,436</u>	<u>1,127,981</u>	<u>507,300</u>
Total Pension Liability - Ending (A)	<u>\$ 1,032,003</u>	<u>\$ 1,047,969</u>	<u>\$ 56,436</u>	<u>\$ 530,609</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 6,711	\$ 14,705	\$ 13,312	\$ 25,847
Contributions - Employees	8,515	7,822	5,422	95
Net Investment Income	177,199	660,644	(801,203)	41,089
Benefit Payments, including Refunds of Employee Contributions	(80,605)	(80,532)	(61,469)	(38,562)
Other (Net Transfer)	(955)	(14,856)	112,749	(1,707)
Net Change in Plan Fiduciary Net Position	<u>110,865</u>	<u>587,783</u>	<u>(731,189)</u>	<u>26,762</u>
Plan Fiduciary Net Position - Beginning	<u>1,035,066</u>	<u>447,283</u>	<u>1,178,472</u>	<u>539,203</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 1,145,931</u>	<u>\$ 1,035,066</u>	<u>\$ 447,283</u>	<u>\$ 565,965</u>
Net Pension Liability (Asset) - Ending (A) - (B)	<u>\$ (113,928)</u>	<u>\$ 12,903</u>	<u>\$ (390,847)</u>	<u>\$ (35,356)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	111.04%	98.77%	792.55%	106.66%
Covered Payroll	\$ 187,455	\$ 173,823	\$ 120,491	\$ 2,112
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-60.78%	7.42%	-324.38%	-1674.05%

Notes to Schedule:

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

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
FOR THE LAST FOUR 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
2017	\$ 6,711	\$ 6,711	\$ -	\$ 187,455	3.58%
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 2017 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 2017 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age = normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	26-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.50%
<i>Price Inflation:</i>	2.75%, approximate; no explicit price inflation assumption is used in this valuation.
<i>Salary Increases:</i>	3.75% to 14.50%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.
<i>Mortality:</i>	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, 2018 *
 UNAUDITED

	FY17*	FY16*	FY15*	FY14*
Employer's proportion of the net pension liability	0.0033726000%	0.0000156667%	0.0000438375%	0.0000337260%
Employer's proportionate share of the net pension liability	\$ 25,766	\$ 25,819	\$ 28,718	\$ 14,621
State's proportionate share of the net pension liability associated with the employer	<u>2,577,654</u>	<u>636,206</u>	<u>1,364,228</u>	<u>911,750</u>
Total	<u>\$ 2,603,420</u>	<u>\$ 662,025</u>	<u>\$ 1,392,946</u>	<u>\$ 926,371</u>
Employer's covered payroll	\$ 230,369	\$ 214,804	\$ 154,950	\$ 167,011
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	11.18%	12.02%	18.53%	8.75%
Plan fiduciary net position as a percentage of the total pension liability	39.3%	36.4%	41.5%	43.0%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 FOR THE YEAR ENDED JUNE 30, 2018 †
 UNAUDITED

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

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

Notes to This Required Supplementary Information

Changes of assumptions

For the 2017 and 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.

MASON/TAZEWELL/WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #53
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
 SHARE OF THE OTHER POSTEMPLOYMENT BENEFIT LIABILITY
 TEACHER HEALTH INSURANCE SECURITY FUND
 FOR THE YEAR ENDED JUNE 30, 2018

	Last 2 Fiscal Years *	
	2017	2016
Employer's proportion of the collective net OPEB liability	.001054%	.000888%
Employer's proportionate share of the collective net OPEB liability	\$ 273,362	\$ 242,867
Employer's covered payroll	\$ 230,369	\$ 214,804
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	118.66%	113.06%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.17%	-0.22%

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

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

	2018	2017	2016
Statutorily-required contribution	\$ 2,620	\$ 1,935	\$ 1,718
Contributions in relation to the statutorily-required contribution	2,620	1,935	1,718
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 297,690	\$ 230,369	\$ 214,804
Contributions as a percentage of covered payroll	0.88%	0.84%	0.80%

Notes to Schedule

Change of Benefit Term

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

Changes of assumptions

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

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

MASON/TAZEWELL/WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #53
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
 WESTERN AREA SCHOOL HEALTH BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2018 †
 (UNAUDITED)

	FY18
Total OPEB Liability	
Service Cost	\$ 1,245
Interest Cost	331
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Benefit Payments	-
Net Change in Total OPEB Liability	1,576
Total OPEB Liability - Beginning	8,068
Total OPEB Liability - Ending	\$ 9,644
Covered Payroll	\$ 174,333
Total OPEB Liability as a Percentage of Covered Payroll	5.53%

Notes to Schedule:

Changes of Benefit Terms

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

Changes of Assumptions

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

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

OTHER SUPPLEMENTARY INFORMATION

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
JUNE 30, 2018

	Alternative School Program - GSA	Regional Safe Schools - GSA	Vision & Hearing Screening	Western Illinois University Cohort	TOTALS
ASSETS					
Cash and cash equivalents	\$ 965,333	\$ 1,571,611	\$ 1,317	\$ 15	\$ 2,538,276
Due from other funds	-	55,004	-	-	55,004
Due from other governments					
Local	933	22,212	-	-	23,145
TOTAL ASSETS	\$ 966,266	\$ 1,648,827	\$ 1,317	\$ 15	\$ 2,616,425
LIABILITIES					
Accounts payable	\$ 141	\$ 602	\$ -	\$ -	\$ 743
Accrued expenses	3,125	8,332	-	-	11,457
Due to other governments					
Local	-	7,562	-	-	7,562
Total Liabilities	3,266	16,496	-	-	19,762
FUND BALANCE					
Assigned	-	-	1,317	15	1,332
Unassigned	963,000	1,632,331	-	-	2,595,331
Total Fund Balance	963,000	1,632,331	1,317	15	2,596,663
TOTAL LIABILITIES AND FUND BALANCE	\$ 966,266	\$ 1,648,827	\$ 1,317	\$ 15	\$ 2,616,425

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, 2018

	Alternative School Program - GSA	Regional Safe Schools - GSA	Vision & Hearing Screening	Western Illinois University Cohort	TOTALS
REVENUES					
Local sources	\$ 33,168	\$ 276,566	\$ -	\$ 165	\$ 309,899
On-behalf payments - Local	-	85,259	-	-	85,259
State sources	43,935	303,778	-	-	347,713
On-behalf payments - State	-	279,409	-	-	279,409
Interest income	31,779	-	-	-	31,779
	<u>108,882</u>	<u>945,012</u>	<u>-</u>	<u>165</u>	<u>1,054,059</u>
EXPENDITURES					
Salaries and benefits	14,985	213,279	-	-	228,264
Pension expense	34	7,561	-	-	7,595
OPEB expense	-	843	-	-	843
Purchased services	11,907	52,055	-	150	64,112
Supplies and materials	-	2,723	-	-	2,723
Other objects	5,772	41,639	-	-	47,411
On-behalf expenditures - Local	-	85,259	-	-	85,259
On-behalf expenditures - State	-	279,409	-	-	279,409
	<u>32,698</u>	<u>682,768</u>	<u>-</u>	<u>150</u>	<u>715,616</u>
NET CHANGE IN FUND BALANCE	76,184	262,244	-	15	338,443
FUND BALANCE - BEGINNING	<u>886,816</u>	<u>1,370,087</u>	<u>1,317</u>	<u>-</u>	<u>2,258,220</u>
FUND BALANCE - ENDING	<u>\$ 963,000</u>	<u>\$ 1,632,331</u>	<u>\$ 1,317</u>	<u>\$ 15</u>	<u>\$ 2,596,663</u>

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2018

	McKinney Education for Homeless Children	Regional Safe Schools	RSSCEP	Restricted Funds MIEC	ROE/ISC Operations
ASSETS					
Cash and cash equivalents	\$ 2,612	\$ -	\$ -	\$ 14,904	\$ 5,367
Due from other governments:					
State	-	17,838	-	-	8,485
Federal	-	-	-	-	-
TOTAL ASSETS	\$ 2,612	\$ 17,838	\$ -	\$ 14,904	\$ 13,852
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 5,590
Accrued salaries and benefits	-	7,408	-	-	7,590
Due to other funds	-	10,430	-	-	-
Due to other governments:					
State	2,612	-	-	-	672
Unearned revenue	-	-	-	-	-
Total Liabilities	2,612	17,838	-	-	13,852
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	8,919	-	-	-
FUND BALANCE (DEFICIT)					
Restricted	-	-	-	14,904	-
Unassigned	-	(8,919)	-	-	-
Total Fund Balance (Deficit)	-	(8,919)	-	14,904	-
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (DEFICIT)	\$ 2,612	\$ 17,838	\$ -	\$ 14,904	\$ 13,852

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
JUNE 30, 2018

	School & Community Assistance Team	Statewide System of Support Foundational Services Grant	Title II Leadership Grant	Truants Alternative/ Optional Education	TOTALS
ASSETS					
Cash and cash equivalents	\$ 685	\$ -	\$ -	\$ -	\$ 23,568
Due from other governments:					
State	-	-	-	25,450	51,773
Federal	-	20,346	1,779	-	22,125
TOTAL ASSETS	\$ 685	\$ 20,346	\$ 1,779	\$ 25,450	\$ 97,466
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 5,590
Accrued salaries and benefits	-	-	-	-	14,998
Due to other funds	-	20,346	1,779	22,449	55,004
Due to other governments:					
State	-	-	-	3,000	6,284
Unearned revenue	685	-	-	-	685
Total Liabilities	685	20,346	1,779	25,449	82,561
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	12,705	21,624
FUND BALANCE (DEFICIT)					
Restricted	-	-	-	-	14,904
Unassigned	-	-	-	(12,704)	(21,623)
Total Fund Balance (Deficit)	-	-	-	(12,704)	(6,719)
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (DEFICIT)	\$ 685	\$ 20,346	\$ 1,779	\$ 25,450	\$ 97,466

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, 2018

	McKinney Education for Homeless Children	Regional Safe Schools	RSSCEP	Restricted Funds MIEC	ROE/ISC Operations
REVENUES					
State sources	\$ -	\$ 149,648	\$ 19,028	\$ -	\$ 141,165
Federal sources	18,299	-	-	-	-
Total Revenues	<u>18,299</u>	<u>149,648</u>	<u>19,028</u>	<u>-</u>	<u>141,165</u>
EXPENDITURES					
Salaries and benefits	12,824	105,508	-	-	105,264
Pension expense	56	604	-	-	285
OPEB expense	-	916	-	-	-
Purchased services	3,560	-	-	-	34,085
Supplies and materials	1,796	-	-	-	1,531
Intergovernmental: Payments to other governments	1,200	-	-	-	-
Total Expenditures	<u>19,436</u>	<u>107,028</u>	<u>-</u>	<u>-</u>	<u>141,165</u>
NET CHANGE IN FUND BALANCE	(1,137)	42,620	19,028	-	-
FUND BALANCE (DEFICIT) - BEGINNING	<u>1,137</u>	<u>(51,539)</u>	<u>(19,028)</u>	<u>14,904</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ (8,919)</u>	<u>\$ -</u>	<u>\$ 14,904</u>	<u>\$ -</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, 2018

	School & Community Assistance Team	Statewide System of Support Foundational Services Grant	Title II Leadership Grant	Truants Alternative/ Optional Education	TOTALS
REVENUES					
State sources	\$ -	\$ -	\$ -	\$ 201,054	\$ 510,895
Federal sources	-	22,510	2,979	-	43,788
Total Revenues	-	22,510	2,979	201,054	554,683
EXPENDITURES					
Salaries and benefits	-	199	-	129,146	352,941
Pension expense	-	-	-	6,215	7,160
OPEB expense	-	-	-	861	1,777
Purchased services	-	14,272	2,979	13,482	68,378
Supplies and materials	-	1,369	-	-	4,696
Intergovernmental: Payments to other governments	-	6,670	-	-	7,870
Total Expenditures	-	22,510	2,979	149,704	442,822
NET CHANGE IN FUND BALANCE	-	-	-	51,350	111,861
FUND BALANCE (DEFICIT) - BEGINNING	-	-	-	(64,054)	(118,580)
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ -	\$ -	\$ (12,704)	\$ (6,719)

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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUE			
Federal sources	\$ 23,236	\$ 23,236	\$ 18,299
Total Revenue	<u>23,236</u>	<u>23,236</u>	<u>18,299</u>
EXPENDITURES			
Salaries and benefits	13,590	13,590	12,824
Pension expense	-	-	56
Purchased services	5,996	5,996	3,560
Supplies and materials	2,650	2,650	1,796
Payments to other governments	1,000	1,000	1,200
Total Expenditures	<u>23,236</u>	<u>23,236</u>	<u>19,436</u>
 NET CHANGE IN FUND BALANCE	 -	 -	 (1,137)
 FUND BALANCE - BEGINNING	 <u>-</u>	 <u>-</u>	 <u>1,137</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
 REGIONAL SAFE SCHOOLS
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUE			
State sources	\$ 107,028	\$ 107,028	\$ 149,648
Total Revenue	<u>107,028</u>	<u>107,028</u>	<u>149,648</u>
EXPENDITURES			
Salaries and benefits	107,028	107,028	105,508
Pension expense	-	-	604
OPEB expense	-	-	916
Total Expenditures	<u>107,028</u>	<u>107,028</u>	<u>107,028</u>
 NET CHANGE IN FUND BALANCE	 -	 -	 42,620
 FUND BALANCE (DEFICIT) - BEGINNING	 <u>-</u>	 <u>-</u>	 <u>(51,539)</u>
 FUND BALANCE (DEFICIT) - ENDING	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ (8,919)</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
REVENUE			
State sources	\$ 133,352	\$ 141,837	\$ 141,165
Total Revenue	<u>133,352</u>	<u>141,837</u>	<u>141,165</u>
EXPENDITURES			
Salaries and benefits	84,000	105,300	105,264
Pension expense	-	-	285
Purchased services	44,750	31,935	34,085
Supplies and materials	2,602	2,602	1,531
Other objects	2,000	2,000	-
Total Expenditures	<u>133,352</u>	<u>141,837</u>	<u>141,165</u>
 NET CHANGE IN FUND BALANCE	 -	 -	 -
 FUND BALANCE - BEGINNING	 <u>-</u>	 <u>-</u>	 <u>-</u>
 FUND BALANCE (DEFICIT) - ENDING	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

MASON/TAZEWELL/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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
Federal sources	\$ 84,563	\$ 84,563	\$ 22,510
Total Revenue	<u>84,563</u>	<u>84,563</u>	<u>22,510</u>
EXPENDITURES			
Salaries and benefits	57,974	57,974	199
Purchased services	13,774	13,774	14,272
Supplies and materials	2,315	2,315	1,369
Payments to other governments	10,500	10,500	6,670
Total Expenditures	<u>84,563</u>	<u>84,563</u>	<u>22,510</u>
 NET CHANGE IN FUND BALANCE	 -	 -	 -
 FUND BALANCE - BEGINNING	 <u>-</u>	 <u>-</u>	 <u>-</u>
 FUND BALANCE - ENDING	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

MASON/TAZEWELL/WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #53
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 TITLE II LEADERSHIP GRANT
 FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 2,979	\$ 2,979	\$ 2,979
Total Revenue	<u>2,979</u>	<u>2,979</u>	<u>2,979</u>
EXPENDITURES			
Purchased services	<u>2,979</u>	<u>2,979</u>	<u>2,979</u>
Total Expenditures	<u>2,979</u>	<u>2,979</u>	<u>2,979</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
REVENUE			
State sources	\$ 152,705	\$ 152,705	\$ 201,054
Total Revenue	<u>152,705</u>	<u>152,705</u>	<u>201,054</u>
EXPENDITURES			
Salaries and benefits	138,500	138,500	129,146
Pension expense	-	-	6,215
OPEB Expense	-	-	861
Purchased services	13,505	13,505	13,482
Supplies and materials	700	700	-
Payments to other governments	-	-	-
Total Expenditures	<u>152,705</u>	<u>152,705</u>	<u>149,704</u>
NET CHANGE IN FUND BALANCE	-	-	51,350
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>-</u>	<u>(64,054)</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,704)</u>

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	General Education Development	Supervisory	Transportation	TOTALS
ASSETS				
Cash and cash equivalents	\$ 77,308	\$ 758	\$ 30,473	\$ 108,539
Accounts receivable	492	-	-	492
TOTAL ASSETS	<u>\$ 77,800</u>	<u>\$ 758</u>	<u>\$ 30,473</u>	<u>\$ 109,031</u>
LIABILITIES				
Accounts payable	-	-	49	49
Total Liabilities	-	-	49	49
FUND BALANCES				
Restricted	77,800	758	30,424	108,982
Total Fund Balances	77,800	758	30,424	108,982
TOTAL FUND BALANCE	<u>\$ 77,800</u>	<u>\$ 758</u>	<u>\$ 30,473</u>	<u>\$ 109,031</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, 2018

	General Education Development	Supervisory	Transportation	TOTALS
REVENUES				
Local sources	\$ 6,088	\$ -	\$ 5,950	\$ 12,038
State sources	-	-	1,663	1,663
Total Revenues	6,088	-	7,613	13,701
EXPENDITURES				
Salaries and benefits	-	-	3,133	3,133
Purchased services	-	-	675	675
Supplies and materials	297	-	-	297
Capital outlay	1,270	-	-	1,270
Other objects	-	-	36	36
Total Expenditures	1,567	-	3,844	5,411
NET CHANGE IN FUND BALANCE	4,521	-	3,769	8,290
FUND BALANCE - BEGINNING	73,279	758	26,655	100,692
FUND BALANCE - ENDING	\$ 77,800	\$ 758	\$ 30,424	\$ 108,982

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2018

	Business-Type Activities Enterprise Fund		
	Fingerprinting Fund	Local Fund	Total
	ASSETS		
Current assets:			
Cash and cash equivalents	\$ 129,894	\$ 19,125	\$ 149,019
Accounts receivable	3,042	-	3,042
Total current assets	132,936	19,125	152,061
 TOTAL ASSETS	 132,936	 19,125	 152,061
 LIABILITIES			
Current liabilities:			
Accounts payable	1,347	-	1,347
Total current liabilities	1,347	-	1,347
 TOTAL LIABILITIES	 1,347	 -	 1,347
 NET POSITION			
Unrestricted	131,589	19,125	150,714
TOTAL NET POSITION	\$ 131,589	\$ 19,125	\$ 150,714

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, 2018

	Business-Type Activities - Enterprise Fund		
	Fingerprinting Fund	Local Fund	Total
OPERATING REVENUES			
Charges for services	\$ 35,997	\$ 957	\$ 36,954
Total Operating Revenues	35,997	957	36,954
OPERATING EXPENSES			
Salaries and benefits	-	1,400	1,400
Purchased services	10,805	179	10,984
Supplies and materials	1,195	-	1,195
Other objects	1,061	-	1,061
Total Operating Expenses	13,061	1,579	14,640
OPERATING INCOME (LOSS)	22,936	(622)	22,314
CHANGE IN NET POSITION	22,936	(622)	22,314
TOTAL NET POSITION - BEGINNING	108,653	19,747	128,400
TOTAL NET POSITION - ENDING	\$ 131,589	\$ 19,125	\$ 150,714

MASON/TAZEWELL/WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION #53
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Fund		
	Fingerprinting Fund	Local Fund	Total
Cash Flows from Operating Activities:			
Receipts from customers	\$ 35,910	\$ 3,357	\$ 39,267
Payments to suppliers and providers of goods and services	(12,661)	(179)	(12,840)
Payments to employees	-	(1,400)	(1,400)
Net Cash Provided by (Used for) Operating Activities	23,249	1,778	25,027
Net Increase/(Decrease) in Cash and Cash Equivalents	23,249	1,778	25,027
Cash and cash equivalents - Beginning	106,645	17,347	123,992
Cash and cash equivalents - Ending	\$ 129,894	\$ 19,125	\$ 149,019
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating income	\$ 22,936	\$ (622)	\$ 22,314
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:			
(Increase) decrease in assets:			
Increase in accounts receivable	(87)	2,400	2,313
Increase (decrease) in liabilities:			
Increase in accounts payable	400	-	400
Net Cash Provided by Operating Activities	\$ 23,249	\$ 1,778	\$ 25,027

MASON/TAZEWELL/WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION #53
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 JUNE 30, 2018

	Detachment/ Annexation Fund	Distributive Fund	Interest on Distributions to Other Governmental Units	School Facility Tax Fund	TOTALS
ASSETS					
Cash and cash equivalents	\$ 478	\$ 62,334	\$ -	\$ -	\$ 62,812
Due from other governments	-	75,469	-	177,484	252,953
TOTAL ASSETS	\$ 478	\$ 137,803	\$ -	\$ 177,484	\$ 315,765
LIABILITIES					
Due to other governments	\$ 478	\$ 137,803	\$ -	\$ 177,484	\$ 315,765
TOTAL LIABILITIES	\$ 478	\$ 137,803	\$ -	\$ 177,484	\$ 315,765

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, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<u>Detachment/ Annexation Fund</u>				
ASSETS				
Cash and cash equivalents	\$ 478	\$ -	\$ -	\$ 478
Total Assets	<u>\$ 478</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 478</u>
LIABILITIES				
Due to other governments	\$ 478	\$ -	\$ -	\$ 478
Total Liabilities	<u>\$ 478</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 478</u>
<u>Distributive Fund</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 856,449	\$ 794,115	\$ 62,334
Due from other governments	593,810	75,469	593,810	75,469
Total Assets	<u>\$ 593,810</u>	<u>\$ 931,918</u>	<u>\$ 1,387,925</u>	<u>\$ 137,803</u>
LIABILITIES				
Due to other governments	\$ 593,810	\$ 931,918	\$ 1,387,925	\$ 137,803
Total Liabilities	<u>\$ 593,810</u>	<u>\$ 931,918</u>	<u>\$ 1,387,925</u>	<u>\$ 137,803</u>
<u>Interest on Distributions to Other Governmental Units</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 31,779	\$ 31,779	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 31,779</u>	<u>\$ 31,779</u>	<u>\$ -</u>
LIABILITIES				
Due to other governments	\$ -	\$ 31,779	\$ 31,779	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 31,779</u>	<u>\$ 31,779</u>	<u>\$ -</u>
<u>School Facility Tax Fund</u>				
ASSETS				
Cash and cash equivalents	\$ 81,111	872,821	\$ 953,932	\$ -
Due from other governments	265,301	177,484	265,301	177,484
Total Assets	<u>\$ 346,412</u>	<u>\$ 1,050,305</u>	<u>\$ 1,219,233</u>	<u>\$ 177,484</u>
LIABILITIES				
Due to other governments	\$ 346,412	\$ 177,484	\$ 346,412	\$ 177,484
Total Liabilities	<u>\$ 346,412</u>	<u>\$ 177,484</u>	<u>\$ 346,412</u>	<u>\$ 177,484</u>
<u>TOTALS</u>				
ASSETS				
Cash and cash equivalents	\$ 81,589	\$ 1,761,049	\$ 1,779,826	\$ 62,812
Due from other governments	\$ 859,111	252,953	859,111	252,953
Total Assets	<u>\$ 940,700</u>	<u>\$ 2,014,002</u>	<u>\$ 2,638,937</u>	<u>\$ 315,765</u>
LIABILITIES				
Due to other governments	\$ 940,700	\$ 1,141,181	\$ 1,766,116	\$ 315,765
Total Liabilities	<u>\$ 940,700</u>	<u>\$ 1,141,181</u>	<u>\$ 1,766,116</u>	<u>\$ 315,765</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, 2018

	Project, Warrant, or Contract #	Funding 07/01/17-06/30/18
State Funds		
Career & Tech Ed Improvement (CTEI)	3220	\$ 571,310
Total State Funds		571,310
Federal Funds		
CTE-Perkins-Secondary	4745	222,805
Total Federal Funds		222,805
TOTAL DISTRIBUTIONS		\$ 794,115