



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

**FINANCIAL AUDIT
For the Year Ended June 30, 2021**

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

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

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

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

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

OFFICIALS

Regional Superintendent
(current and during the audit period)

Mr. Jeff Ekena

Assistant Regional Superintendent
(current and during the audit period)

Mr. Jon Smith

Office is located at:

414 Court Street
Pekin, Illinois 61554

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

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

AUDITOR’S REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

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>
<i>Finding (Government Auditing Standards)</i>			
2021-001	11	Lack of Adequate Controls over the Review of Internal Controls over External Service Providers	Significant Deficiency
<i>Prior Audit Finding not Repeated (Government Auditing Standards)</i>			
2020-001	14	Inadequate Controls Over Bank Reconciliation Process	Significant Deficiency

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

EXIT CONFERENCE

The finding and recommendation appearing in this report was discussed with Agency personnel at an exit conference on February 24, 2022. Attending from the Regional Office of Education No. 53 were Jeff Ekena, Regional Superintendent; Jon Smith, Assistant Regional Superintendent; Laura Varichak, Bookkeeper; and from Adelfia LLC were Jennifer Roan, Stella Marie Santos, and Maria Divina Valera, Partners. Response to the recommendation was provided by Jeff Ekena, Regional Superintendent, on March 1, 2022.

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

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

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



INDEPENDENT AUDITOR'S REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund – Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios, Illinois Municipal Retirement Fund – Schedule of Employer Contributions, Teachers’ Retirement System of the State of Illinois – Schedule of the Employer’s Proportionate Share of the Net Pension Liability and Schedule of Employer Contributions, Teachers’ Health Insurance Security Fund – Schedule of the Employer’s Proportionate Share of the Collective Net Other Postemployment Benefit Liability and Schedule of Employer Contributions, and Western Area School Health Benefit Plan – Schedule of Changes in the Total OPEB Liability and Related Ratio on pages 63 through 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2022 on our consideration of the Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
April 11, 2022



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53’s basic financial statements, and have issued our report thereon dated April 11, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

Regional Office of Education No. 53's Response to Finding

Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. Mason, Tazewell, and Woodford Counties Regional Office of Education No. 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 the Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Mason, Tazewell, and Woodford Counties Regional Office of Education No. 53's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
April 11, 2022

**MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
SCHEDULE OF FINDINGS AND RESPONSES
SECTION I – SUMMARY OF AUDITOR’S RESULTS
For the Year Ended June 30, 2021**

Financial Statements in accordance with GAAP

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes no

Significant deficiency(ies) identified?

yes no

Noncompliance material to financial statements noted?

yes no

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021

FINDING 2021-001 – Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Repeat from Finding 20-002)

CRITERIA/SPECIFIC REQUIREMENT:

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

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

CONDITION:

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

- Developed a formal process for identifying service providers and for either obtaining the Service Organization Controls (SOC) reports from the service providers and related subservice organization or performing alternative procedures to determine the impact of such services on its internal control environment prior to signing an agreement with the service provider.
- Documented its review of each of the SOC reports or performed alternative procedures, to evaluate any issues relevant to the ROE's internal controls.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 53's operations.

EFFECT:

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

CAUSE:

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

**MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

FINDING 2021-001 – Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Repeat from Finding 20-002) (Concluded)

RECOMMENDATION:

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

- Obtain SOC reports or perform independent review of internal controls associated with outsourced systems including services provided by subservice organizations, prior to signing agreements with the providers and annually thereafter.
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 53's operations.
- Document its review of the SOC reports or perform alternative procedures to evaluate all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Regional Office of Education No. 53, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

MANAGEMENT'S RESPONSE:

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

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

**MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
For the Year Ended June 30, 2021**

FINDING 2021-001 - Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Repeat from Finding 20-002)

CONDITION:

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

- Developed a formal process for identifying service providers and for either obtaining the Service Organization Controls (SOC) reports from the service providers and related subservice organization or performing alternative procedures to determine the impact of such services on its internal control environment prior to signing an agreement with the service provider.
- Documented its review of each of the SOC reports or performed alternative procedures, to evaluate any issues relevant to the ROE's internal controls.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 53's operations.

PLAN:

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

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

ANTICIPATED DATE OF COMPLETION:

June 30, 2022

CONTACT PERSON:

Honorable Jeff Ekena, Regional Superintendent of Schools

**MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
For the Year Ended June 30, 2021**

2020-001 Inadequate Controls over Bank Reconciliation Not Repeated
Process

During the current audit, the Regional Office of Education No. 53 implemented corrective action to ensure bank reconciliations are prepared timely.

BASIC FINANCIAL STATEMENTS

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 3,920,398	\$ 173,112	\$ 4,093,510
Investments	55,520	-	55,520
Accounts receivable	181	3,458	3,639
Due from other governments:			
Local	67,927	-	67,927
State	13,347	-	13,347
Prepaid expenditures	2,149	8,768	10,917
Total current assets	<u>4,059,522</u>	<u>185,338</u>	<u>4,244,860</u>
Noncurrent Assets:			
Capital assets, net of depreciation	23,856	4,352	28,208
Net pension asset	115,939	-	115,939
Total noncurrent assets	<u>139,795</u>	<u>4,352</u>	<u>144,147</u>
TOTAL ASSETS	<u>4,199,317</u>	<u>189,690</u>	<u>4,389,007</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	690,845	-	690,845
Deferred outflows related to OPEB	74,523	-	74,523
Total deferred outflows of resources	<u>765,368</u>	<u>-</u>	<u>765,368</u>
LIABILITIES			
Current Liabilities:			
Accrued salaries and benefits	\$ 9,928	\$ -	\$ 9,928
Unearned revenue	76,480	-	76,480
Total Current Liabilities	<u>86,408</u>	<u>-</u>	<u>86,408</u>
Noncurrent Liabilities:			
Net pension liability	31,493	-	31,493
OPEB liability	380,761	-	380,761
Total Noncurrent Liabilities	<u>412,254</u>	<u>-</u>	<u>412,254</u>
TOTAL LIABILITIES	<u>498,662</u>	<u>-</u>	<u>498,662</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	63,542	-	63,542
Deferred inflows related to OPEB	74,084	-	74,084
Total deferred inflows of resources	<u>137,626</u>	<u>-</u>	<u>137,626</u>
NET POSITION			
Net investment in capital assets	23,856	4,352	28,208
Restricted - other	616,041	-	616,041
Unrestricted	3,688,500	185,338	3,873,838
TOTAL NET POSITION	<u>\$ 4,328,397</u>	<u>\$ 189,690</u>	<u>\$ 4,518,087</u>

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

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2021

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	\$ 568,509	\$ -	\$ 237,799	\$ (330,710)	\$ -	\$ (330,710)
Purchased services	274,694	-	57,093	(217,601)	-	(217,601)
Supplies and materials	20,368	-	16,538	(3,830)	-	(3,830)
Other objects	56,978	-	2,422	(54,556)	-	(54,556)
Depreciation	6,606	-	-	(6,606)	-	(6,606)
Pension expense (benefit)	(48,750)	-	-	48,750	-	48,750
OPEB expense	4,520	-	-	(4,520)	-	(4,520)
Administrative:						
On-behalf payments - State	585,266	-	-	(585,266)	-	(585,266)
Total Governmental Activities	1,468,191	-	313,852	(1,154,339)	-	(1,154,339)
Business-Type Activities:						
Charges for services	20,169	32,086	-	-	11,917	11,917
Total Business-Type Activities	20,169	32,086	-	-	11,917	11,917
TOTAL PRIMARY GOVERNMENT	\$ 1,488,360	\$ 32,086	\$ 313,852	(1,154,339)	11,917	(1,142,422)
GENERAL REVENUES:						
Local sources				451,184	-	451,184
State sources				380,932	-	380,932
On-behalf payments - State				585,266	-	585,266
Investment earnings				3,032	88	3,120
Total General Revenues			1,420,414	88	88	1,420,502
CHANGE IN NET POSITION			266,075	12,005		278,080
NET POSITION - BEGINNING			4,062,322	177,685		4,240,007
NET POSITION - ENDING			\$ 4,328,397	\$ 189,690	\$	\$ 4,518,087

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

EXHIBIT C

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2021

	General Fund	Education Fund	Institute Fund	Special Revenue Funds	Eliminations	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 3,450,064	\$ 23,073	\$ 306,373	\$ 140,888	\$ -	\$ 3,920,398
Investments	-	-	55,520	-	-	55,520
Accounts receivable	-	-	181	-	-	181
Due from other funds	31,018	-	-	-	(31,018)	-
Due from other governments:						
Local	49,496	17,671	-	760	-	67,927
State	-	13,347	-	-	-	13,347
Prepaid expenditures	2,149	-	-	-	-	2,149
TOTAL ASSETS	\$ 3,532,727	\$ 54,091	\$ 362,074	\$ 141,648	\$ (31,018)	\$ 4,059,522
LIABILITIES						
Accrued salaries and benefits	\$ 4,587	\$ 5,341	\$ -	\$ -	\$ -	\$ 9,928
Due to other funds	-	31,018	-	-	(31,018)	-
Unearned revenue	55,128	17,732	-	3,620	-	76,480
Total Liabilities	59,715	54,091	-	3,620	(31,018)	86,408
FUND BALANCE						
Nonspendable	2,149	-	-	-	-	2,149
Restricted	-	-	362,074	138,028	-	500,102
Unassigned	3,470,863	-	-	-	-	3,470,863
Total Fund Balance	3,473,012	-	362,074	138,028	-	3,973,114
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 3,532,727	\$ 54,091	\$ 362,074	\$ 141,648	\$ (31,018)	\$ 4,059,522

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

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 GOVERNMENTAL FUNDS
 JUNE 30, 2021

TOTAL FUND BALANCE — GOVERNMENTAL FUNDS		\$ 3,973,114
<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>		23,856
<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	\$ 765,368	
Deferred inflows of resources	<u>(137,626)</u>	627,742
<p>Noncurrent assets related to pension benefits are collected but are not payable in the current period and therefore, are not reported in the governmental funds.</p>		
IMRF net pension Asset		115,939
<p>Noncurrent liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
TRS net pension liability	\$ (31,493)	
OPEB liability	<u>(380,761)</u>	<u>(412,254)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 4,328,397</u>

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

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Education Fund	Institute Fund	Nonmajor Special Revenue Funds	Eliminations	Total Governmental Funds
REVENUES						
Local sources	\$ 388,903	\$ -	\$ 52,710	\$ 9,571	\$ -	\$ 451,184
State sources	371,381	252,732	-	1,702	-	625,815
On-behalf payments - State	309,695	-	-	-	-	309,695
Federal sources	-	68,969	-	-	-	68,969
Investment earnings	1,997	-	1,012	23	-	3,032
Total Revenues	1,071,976	321,701	53,722	11,296	-	1,458,695
EXPENDITURES						
Instructional Services						
Salaries and benefits	313,534	236,097	16,604	2,274	-	568,509
Pension expense	16,318	-	-	-	-	16,318
OPEB expense	2,220	-	-	-	-	2,220
Purchased services	179,431	57,093	37,582	588	-	274,694
Supplies and materials	3,830	16,538	-	-	-	20,368
Other objects	53,969	2,422	492	95	-	56,978
Administrative						
On-behalf payments - State	309,695	-	-	-	-	309,695
Capital outlay	3,753	9,551	-	-	-	13,304
Total Expenditures	882,750	321,701	54,678	2,957	-	1,262,086
NET CHANGE IN FUND BALANCE	189,226	-	(956)	8,339	-	196,609
FUND BALANCE - BEGINNING	3,283,786	-	363,030	129,689	-	3,776,505
FUND BALANCE - ENDING	\$ 3,473,012	\$ -	\$ 362,074	\$ 138,028	\$ -	\$ 3,973,114

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

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

NET CHANGE IN FUND BALANCE — GOVERNMENTAL FUNDS \$ 196,609

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	\$ 13,304	
Depreciation	<u>(6,606)</u>	6,698

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		(2,300)
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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>65,068</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 266,075

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

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 June 30, 2021

	Business-Type Activities Enterprise Fund	
	Nonmajor Enterprise Funds	Total
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 173,112	\$ 173,112
Accounts receivable	3,458	3,458
Prepaid expense	8,768	8,768
Total current assets	185,338	185,338
Noncurrent assets:		
Capital assets, being depreciated, net	4,352	4,352
Total noncurrent assets	4,352	4,352
TOTAL ASSETS	189,690	189,690
LIABILITIES		
	-	-
TOTAL LIABILITIES	-	-
NET POSITION		
Net investment in capital assets	4,352	4,352
Unrestricted	185,338	185,338
TOTAL NET POSITION	\$ 189,690	\$ 189,690

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

EXHIBIT H

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Fund	
	Nonmajor Enterprise Funds	Total
OPERATING REVENUES		
Charges for services	\$ 32,086	\$ 32,086
Total Operating Revenues	32,086	32,086
OPERATING EXPENSES		
Purchased services	8,812	8,812
Supplies and materials	1,554	1,554
Other objects	9,319	9,319
Depreciation	484	484
Total Operating Expenses	20,169	20,169
OPERATING INCOME	11,917	11,917
NONOPERATING REVENUE		
Interest income	88	88
Total Nonoperating Revenue	88	88
CHANGE IN NET POSITION	12,005	12,005
TOTAL NET POSITION - BEGINNING	177,685	177,685
TOTAL NET POSITION - ENDING	\$ 189,690	\$ 189,690

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

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Fund	
	Nonmajor Enterprise Funds	Total
Cash Flows from Operating Activities:		
Receipts from customers	\$ 30,705	\$ 30,705
Payments to suppliers and providers of goods and services	(28,792)	(28,792)
Net Cash Provided by Operating Activities	1,913	1,913
Cash Flows from Capital and Related Financing Activities:		
Acquisition of capital assets	(4,836)	(4,836)
Net Cash Used For Capital and Related Financing Activities	(4,836)	(4,836)
Cash Flows from Investing Activities:		
Interest income	88	88
Net Cash Provided by Investing Activities	88	88
Net Decrease in Cash and Cash Equivalents	(2,835)	(2,835)
Cash and cash equivalents - Beginning	175,947	175,947
Cash and cash equivalents - Ending	\$ 173,112	\$ 173,112
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 11,917	\$ 11,917
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation expense	484	484
(Increase) decrease in assets:		
Increase in accounts receivable	(1,381)	(1,381)
Increase in prepaid expenses	(8,768)	(8,768)
Increase (decrease) in liabilities:		
Decrease in accounts payable	(339)	(339)
Net Cash Provided by Operating Activities	\$ 1,913	\$ 1,913

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

EXHIBIT J

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2021

	Private Purpose Trust Fund	Custodial Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ -	\$ 478
Due from other governments	-	651,324
Investments	42,624	-
	<u> </u>	<u> </u>
Total assets	<u>\$ 42,624</u>	<u>\$ 651,802</u>
LIABILITIES		
Due to other governments	\$ -	\$ 651,324
	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>\$ 651,324</u>
NET POSITION		
Restricted-for other individuals & governments	-	478
Held in trust for other purposes	42,624	-
	<u> </u>	<u> </u>
Total net position	<u>\$ 42,624</u>	<u>\$ 478</u>

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

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Private Purpose Trust Fund	Custodial Funds
	<u> </u>	<u> </u>
ADDITIONS:		
County schools facility sales tax	\$ -	\$ 3,146,107
Intergovernmental receipts for others	-	806,278
Interest	538	-
	<u> </u>	<u> </u>
Total additions	<u>\$ 538</u>	<u>\$ 3,952,385</u>
DEDUCTIONS:		
County schools facility sales tax	\$ -	\$ 3,146,107
Intergovernmental disbursements for others	-	805,278
Other	-	1,000
	<u> </u>	<u> </u>
Total deductions	<u>-</u>	<u>3,952,385</u>
Net increase in fiduciary net position	538	-
NET POSITION - BEGINNING	<u>42,086</u>	<u>-</u>
Change in accounting principle	<u>-</u>	<u>478</u>
Net position, July 1, as RESTATED	42,086	478
Net position - end of year	<u>\$ 42,624</u>	<u>\$ 478</u>

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

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. DATE OF MANAGEMENT’S REVIEW

Management has evaluated subsequent events through April 11, 2022, the date when the financial statements were available to be issued.

B. FINANCIAL REPORTING ENTITY

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

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

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

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

For the period ended June 30, 2021, the Regional Office of Education No. 53 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education No. 53. Such activities are reported as a single special revenue fund (Education Fund).

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. SCOPE OF THE REPORTING ENTITY

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

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

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

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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 is to cover temporary short falls in cash flow within grant programs and funds.

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund 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. Current assets include prepaid expenses which are recorded using the consumption method. The reported fund balance (net current assets) is considered a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

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

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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

G. FUND ACCOUNTING

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

GOVERNMENTAL FUNDS

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

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

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

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

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

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

General Fund (Concluded)

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

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

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

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

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.

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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 payment of expenditures for assisting schools in all areas of school improvement.

Digital Equity Grant- This fund accounts for grant monies received for and payment of expenditures for improving digital tools at the regional safe school and academy.

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.

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

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

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

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.

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND ACCOUNTING (Continued)

PROPRIETARY FUND

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

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

FIDUCIARY FUNDS

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

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

Custodial Funds – Custodial funds are used to account for assets held by the Regional Office of Education No. 53 in a trustee or custodial capacity for individuals, private organizations, and other governmental units. The Regional Office of Education No. 53 reports the following custodial funds:

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

Distributive Fund – This fund accounts for pass-through state aid and other monies from the Regional Office of Education No. 53 to various entities within the region. The Regional Office of Education No. 53 has agreements with all districts in the region whereby the Regional Office of Education No. 53 is allowed to keep the interest on the Distributive Fund for expenditures benefiting all districts.

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

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

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. All nonspendable fund balance reported by the Regional Office of Education No. 53 are related to prepaid expenses which are not in a spendable form. The Regional Office of Education No. 53 had a nonspendable fund balance in the Regional Office of Education Local and County Support funds.

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

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

Assigned Fund Balance – The portion of a governmental fund’s net position for which an intended use of resources has been denoted. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent.

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

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. NET POSITION

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

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

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

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

J. CASH AND CASH EQUIVALENTS

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

K. ESTIMATES

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

L. CAPITAL ASSETS

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

M. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

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

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

N. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

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

O. COMPENSATED ABSENCES

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

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

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

P. BUDGET INFORMATION

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

Q. NEW ACCOUNTING PRONOUNCEMENT

In 2021, the Regional Office of Education No. 53 implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Due to the implementation of this statement, the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position was presented for the ROE's Private Purpose Trust Fund and Custodial Funds.

The ROE also implemented GASB Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*, and applicable sections of GASB Statement No. 92, *Omnibus 2020*. The implementation of these standards did not have a significant effect on the ROE's financial statements.

NOTE 2 – CASH AND INVESTMENTS

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

A. DEPOSITS

At June 30, 2021, the carrying amounts of the Regional Office of Education No. 53's government-wide and fiduciary fund deposits were \$4,149,030 and \$43,102, respectively, and the bank balances were \$4,208,478 and \$43,102, respectively. Of the total bank balances as of June 30, 2021, \$4,217,759 was secured by federal depository insurance and \$33,821 was invested in the Illinois Funds Money Market Fund.

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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

B. INVESTMENTS

The Regional Office of Education No. 53's investment policy requires that funds should be invested solely in investments authorized by 30 ILCS 235/2 and 6 and 105 ILCS 5/8-7. As of June 30, 2021, the Regional Office of Education No. 53's investments consisted of certificates of deposit with original maturity dates of more than three months. Certificates of deposit comprised the \$55,520 shown as investments for governmental activities. Fiduciary funds had certificates of deposit of \$42,624 at June 30, 2021. Certificates of deposit are considered deposits and, as such, are included in the deposits note (2A) above.

At June 30, 2021, the carrying amount of the Regional Office of Education No. 53's deposits in the Illinois Funds Money Market Fund for the governmental activities was \$33,821. These deposits are included in cash and cash equivalents in the Regional Office of Education No. 53's governmental activities.

CREDIT RISK

At June 30, 2021, the Illinois Funds Money Market Fund had a Fitch AAmmf 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, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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 No. 53's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education No. 53's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the following "Benefits Provided" section. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive 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.

MASON, TAZEWELL, AND WOODFORD COUNTIES
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 NOTES TO THE FINANCIAL STATEMENTS
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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, 2020, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	25
Inactive Plan Members entitled to but not yet receiving benefits	15
Active Plan Members	8
Total	48

Contributions

As set by statute, the Regional Office of Education No. 53’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education No. 53’s annual contribution rate for calendar year 2020 was 6.87%. For the fiscal year ended June 30, 2021, the Regional Office of Education No. 53 contributed \$14,918 to the plan. The Regional Office of Education No. 53 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability (Asset)

The Regional Office of Education No. 53’s net pension liability (asset) was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability (asset) 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, 2020:

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- **Mortality** For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020

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, 2020:

Asset Class	Target Allocation	Projected return
Equities	37%	5.00%
International Equities	18%	6.00%
Fixed Income	28%	1.30%
Real Estate	9%	6.20%
Alternatives	7%	
Private Equity		6.95%
Hedge Funds		N/A
Commodities		2.85%
Cash Equivalents	1%	0.70%
	<u>100%</u>	

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2020. 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 as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2019	\$ 1,051,438	\$ 1,079,705	\$ (28,267)
Changes for the year:			
Service Cost	22,181	-	22,181
Interest on the Total Pension Liability	74,328	-	74,328
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	6,604	-	6,604
Changes of Assumptions	(10,988)	-	(10,988)
Contributions - Employer	-	14,411	(14,411)
Contributions - Employees	-	10,815	(10,815)
Net Investment Income	-	155,303	(155,303)
Benefit Payments, including Refunds of Employee Contributions	(74,632)	(74,632)	-
Other (Net Transfer)	-	(732)	732
Net Changes	17,493	105,165	(87,672)
Balances at December 31, 2020	\$ 1,068,931	\$ 1,184,870	\$ (115,939)

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

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

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

	1% Lower 6.25%	Current Discount 7.25%	1% Higher 8.25%
Net Pension Liability (Asset)	\$ 3,181	\$ (115,939)	\$ (211,977)

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

For the year ending June 30, 2021, the Regional Office of Education No. 53 recognized pension income of \$51,154. At June 30, 2021, the Regional Office of Education No. 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	\$ 675,432	\$ -
Changes of assumptions	-	4,164
Net difference between projected and actual earnings on pension plan investments	-	53,629
Total Deferred Amounts to be recognized in pension expense in future periods	675,432	57,793
Pension Contributions made subsequent to the Measurement Date	8,319	-
Total	\$ 683,751	\$ 57,793

MASON, TAZEWELL, AND WOODFORD COUNTIES
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 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Concluded)

\$8,319 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, 2022. 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:

Year Ending December 31	Net Deferred Outflows of Resources
2021	\$ 76,998
2022	99,282
2023	68,108
2024	78,639
2025	94,579
Thereafter	<u>200,033</u>
Total	<u>\$ 617,639</u>

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

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

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/cafrs/fy2020>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits provided

TRS provides retirement, disability, and death benefits. Tier 1 members have TRS or reciprocal system service prior to January 1, 2011. Tier 1 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 consecutive 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.

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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

Tier 2 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 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different from Tier 1.

Essentially all Tier 1 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 2 annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member’s first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 Hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and will be funded by bonds issued by the State of Illinois.

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2020, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education No. 53.

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 53. For the year ended June 30, 2021, State of Illinois contributions recognized by the Regional Office of Education No. 53 were based on the State’s proportionate share of the collective net pension liability associated with the Regional Office of Education No. 53, and the Regional Office of Education No. 53 recognized revenue and expenditures of \$262,709 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, 2021, were \$1,400, and are deferred because they were paid after the June 30, 2020, measurement date.

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

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

For the year ended June 30, 2021, the employer pension contribution was 10.41 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2021, there were no salaries paid from federal and special trust funds that required employer contributions.

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education No. 53 required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree’s final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2021, the Regional Office of Education No. 53 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent and no payments for sick leave days granted in excess of the normal allotment.

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

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

Employer’s proportionate share of the net pension liability	\$ 31,493
State’s proportionate share of the net pension liability associated with the employer	<u>2,466,734</u>
Total	<u>\$ 2,498,227</u>

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
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NOTE 4 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. The Regional Office of Education No. 53’s proportion of the net pension liability was based on the employer’s share of contributions to TRS for the measurement year ended June 30, 2020, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2020, the Regional Office of Education No. 53’s proportion was .0000365289 percent, which was a decrease of .00000004664 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Regional Office of Education No. 53 recognized pension expense of \$262,709 and revenue of \$262,709 for support provided by the State. For the year ended June 30, 2021, the Regional Office of Education No. 53 recognized pension expense of \$2,404. At June 30, 2021, the Regional Office of Education No. 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	\$ 305	\$ 8
Net difference between projected and actual earnings on pension plan investments	940	-
Change of assumptions	129	330
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,320	5,411
Employer contributions subsequent to the measurement date	1,400	-
Total	\$ 7,094	\$ 5,749

\$1,400 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, 2022. 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:	
2022	\$ 254
2023	621
2024	(65)
2025	(577)
2026	(288)
	\$ (55)

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

Actuarial assumptions

The total pension liability in the June 30, 2020 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

In the June 30, 2020 actuarial valuation, Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2017. In the June 30, 2019 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	16.5%	6.1%
U.S. equities small/mid cap	2.3	7.2
International equities developed	12.2	7.0
Emerging market equities	3.0	9.4
U.S. bonds core	7.0	2.2
U.S. bonds high yield	2.5	4.1
International debt developed	3.1	1.5
Emerging international debt	3.2	4.5
Real estate	16.0	5.7
Private debt	5.2	6.3
Hedge funds	10.0	4.3
Private equity	15.0	10.5
Infrastructure	4.0	6.2
Total	100.0%	

Discount Rate

At June 30, 2020, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2019 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

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

Based on those assumptions, TRS’s fiduciary net position at June 30, 2020 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier 1’s liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	\$ 38,227	\$ 31,493	\$ 25,950

TRS fiduciary net position

Detailed information about the TRS’s fiduciary net position as of June 30, 2020, is available in the separately issued TRS *Comprehensive Annual Financial Report*.

NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND

THIS Plan Description

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

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

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

On-behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 53. For the year ended June 30, 2021, State of Illinois contributions recognized by the Regional Office of Education No. 53 were based on the State’s proportionate share of the collective net OPEB liability associated with the Regional Office of Education No. 53, and recognized revenue and expenditures of \$12,862 in OPEB contributions from the State of Illinois

Employer contributions to the THIS Fund

The Regional Office of Education No. 53 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2021, and 0.92 and 0.92 percent during the years ended June 30, 2020 and 2019, respectively. For the year ended June 30, 2021, the Regional Office of Education No. 53 paid \$2,220 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2020 and 2019, the Regional Office of Education No. 53 paid \$3,037 and \$2,914 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, 2019 projected to the measurement date of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

Actuarial Assumptions (Concluded)

Inflation	2.5%
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.0% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Healthcare cost trend rates	Trend for fiscal year 2020 based on expected increases used to develop average costs. For fiscal years after 2021, trend starts at 8.25% for non-Medicare costs and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017. The same assumptions were used in the June 30, 2018 valuation.

Single Discount Rate

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

Since the THIS fund is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity’s index’s “20-year Municipal GO AA Index” has been selected. The discount rates are 2.45 percent as of June 30, 2020 and 3.13 percent as of June 30, 2019.

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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 No. 53’s proportionate share of the collective net OPEB liability, as well as what the ROE’s proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.45 percent) or 1-percentage-point higher (3.45 percent) than the current discount rate:

	1% Decrease <u>(1.45%)</u>	Current Discount Rate <u>(2.45%)</u>	1% Increase <u>(3.45%)</u>
Employer’s proportionate share of the collective net OPEB liability	\$ 409,341	\$ 340,590	\$ 286,122

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

The following table shows the Regional Office of Education No. 53’s proportionate share of the collective net OPEB liability as of June 30, 2020 using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The current key trend rates are 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037.

	<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	\$ 273,938	\$ 340,590	\$ 430,691

(a) *One percentage point decrease in healthcare trend rates are 7.25% in 2021 decreasing to an ultimate rate of 3.25% in 2037.*

(b) *One percentage point increase in healthcare trend rates are 9.25% in 2021 decreasing to an ultimate trend rate of 5.25% in 2037.*

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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, 2021, the Regional Office of Education No. 53 reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for State OPEB support provided to the Regional Office of Education No. 53. The amount recognized by the Regional Office of Education No. 53 as its proportionate share of the collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the Regional Office of Education No. 53 were as follow:

Employer’s proportionate share of the collective net OPEB liability	\$ 340,590
State’s proportionate share of the collective net OPEB liability associated with the employer	<u>461,442</u>
Total	<u>\$ 802,032</u>

The collective net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2019 but was rolled forward to the June 30, 2020 measurement date. The Regional Office of Education No. 53’s proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education No. 53’s long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education No. 53, actuarially determined. At June 30, 2020, the Regional Office of Education No. 53’s proportion was 0.001274 percent, which was a decrease of 0.000032 from its proportion measured as of June 30, 2019 (0.001306 percent). The State’s support and total are for disclosure purposes only.

For the year ending June 30, 2021, the Regional Office of Education No. 53 recognized OPEB expense of \$12,862 and revenue of \$12,862 for support provided by the State. For the year ending June 30, 2021, the Regional Office of Education No. 53 recognized OPEB expense of \$24,319. At June 30, 2021, the Regional Office of Education No. 53 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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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	\$ 115	\$ 9,049
Changes of assumptions	-	56,180
Net difference between projected and actual earnings on OPEB plan investments	-	10
Changes in proportion and differences between employer contributions and proportionate share of contributions	72,188	8,845
Employer contributions subsequent to the measurement date	<u>2,220</u>	<u> </u>
Total Deferred Amounts Related to OPEB	<u>\$ 74,523</u>	<u>\$ 74,084</u>

\$2,220 reported as deferred outflows of resources related to OPEB resulting from the Regional Office of Education No. 53 contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Regional Office of Education No. 53’s OPEB expense as follows:

<u>Year Ending June 30,</u>		<u>Net Deferred Inflows of Resources</u>
2022	\$	243
2023		243
2024		243
2025		243
2026		243
Thereafter		<u>566</u>
Total	\$	<u><u>1,781</u></u>

THIS Fiduciary Net Position

Detailed information about the THIS Fund fiduciary net position as of June 30, 2020, is available in the separately issued THIS Financial Report.

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
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NOTE 6 – WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB)

Plan Description

The Regional Office of Education No. 53 provides a single-employer defined benefit OPEB plan, by participating in the Western Area School Benefit Health Plan (“the Plan”) as a member of the Western Area School Association. The plan provides OPEB for eligible retirees, spouses, and surviving spouses through The Regional Office of Education No. 53’s group health insurance plan, which covers both active and retired members. The benefits, benefit levels, employee contributions, and employer contributions are governed by the Regional Office of Education No. 53 and can be amended by the Regional Office of Education through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and Illinois Compiled Statutes (ILCS). The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The Plan does not issue a stand-alone financial report. 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 GASB Statement No. 75 due to contributions made to the plan being revocable.

Eligibility Provisions

Full-Time Employees- IMRF

Tier I IMRF Full-Time employees:

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

Tier II IMRF Full-Time employees:

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

Full-Time Employees- TRS

Tier I TRS Full-Time employees:

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

Tier II TRS Full-Time employees:

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

Benefits Provided

Benefits for Plan include Medical, prescription drug, dental, vision and life insurance. The plans vary by deductible. Retirees and spouses pay the full monthly contribution rate for benefits. This benefit creates an implicit subsidy of retiree health insurance.

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

Membership

At June 30, 2021 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 Plan for medical, prescription drug, dental, vision and life insurance 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, 2021 actuarial valuation date and adjusted to the June 30, 2021 measurement date based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

Actuarial Assumptions

Discount Rate used for the Total OPEB Liability	2.16%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	2.16%
Premiums	Annual premiums charged for medical coverage of retiree and spouse are \$7,398 each with a \$500 deductible. Premiums charged for medical coverage of retiree and spouse are \$6,217 each with a \$2,500 deductible.
Healthcare Trend Rates	Initial trend rate of 7.70% decreasing to an ultimate trend rate of 5.00% in 2031. The initial trend rate is based on the 2021 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates selected fall within a generally accepted range. (Paragraph 57a of GASB 74).
Salary Increases	The salary increase assumption of 2.50% was based on a review of the IMRF Experience Study Report dated November 8, 2017 and the TRS Experience Study dated September 18, 2018.

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

Mortality rates for IMRF eligible employees are based on RP-2014 with Blue Collar Adjustment and MP-2016 Improvement, weighted per IMRF Experience Study dated November 8, 2017; Age 85 for males, Age 88 for females. Mortality rates for TRS eligible employees are based on RP-2014 with White Collar adjustment and MP-2017 Improvement, weighted per TRS Experience Study Report dated September 18, 2018; Age 88 for males, Age 89 for females.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at July 1, 2020	\$ 59,970
Changes for the period:	
Service Cost	3,071
Interest Cost	1,325
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(26,806)
Changes in Assumptions	2,611
Benefit Payments	-
Net Change	(19,799)
 Balance at June 30, 2021	 \$ 40,171

Discount Rate

The discount rate used in the determination of the total OPEB liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate. If the employer does not have a trust dedicated exclusively to the payment of OPEB benefits, as is the case with the Regional Office of Education No. 1, then only the municipal bond rate is used in determining the total OPEB liability.

If the postretirement plan is funded, cash flow projections are used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the total OPEB liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the total OPEB liability associated with those payments.

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

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

Sensitivity of the Discount Rate

The following presents the Regional Office of Education #1's total OPEB liability calculated using a discount rate of 2.16%, as well as what the ROE's total OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	<u>1% Decrease</u> (1.16%)	<u>Current Discount</u> <u>Rate</u> (2.16%)	<u>1% Increase</u> (3.16%)
ROE's Total OPEB Liability	\$ 47,899	\$ 40,171	\$ 33,906

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 7.7% in 2021 decreasing to an ultimate trend rate of 5.0% in 2031.

	<u>1% Decrease</u> (6.7% decreasing to 4.0%)	<u>Healthcare Cost</u> <u>Trend Rates</u> (7.7% decreasing to 5.0%)	<u>1% Increase</u> (8.7% decreasing to 6.0%)
ROE's Total OPEB Liability	\$ 33,358	\$ 40,171	\$ 48,504

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

For the year ending June 30, 2021, the Regional Office of Education No. 53 recognized OPEB income related to this plan of (\$19,799). At June 30, 2021, the Regional Office of Education No. 53 had no deferred inflows of resources or deferred outflows of resources related to this plan.

NOTE 7 – OPERATING LEASES

The Regional Office of Education No. 53 leases classroom and office space at 110 Fandel Rd., Germantown Hills, IL 61548 under a 1-year lease (\$17,371 per quarter during the year ended June 30, 2021). During June of 2021 the Regional Office of Education entered into a new agreement to lease this property through June 30, 2022 under similar terms to the year ended June 30, 2021 with an estimated quarterly payment of \$18,330. The Regional Office of Education No. 53 also leases copy and printing equipment under 2 leases. The first of these leases requires a payment of \$225 per month plus various overage charges with a lease term from May 1, 2017 to April 30, 2022. This lease was cancelled and replaced in April of 2021 with a lease that requires a payment of \$215 per month plus various overage charges with a lease term of April 16, 2021 to April 15, 2026. The second of these leases requires a payment of \$84 per month with a lease term from July 17, 2018 to May 16, 2022.

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NOTE 7 – OPERATING LEASES (Concluded)

Rent expense for the year ended June 30, 2021 related to these leases, was \$73,036. Future minimum rentals are as follows for the years ending June 30:

2022	\$ 76,741
2023	2,580
2024	2,580
2025	2,580
2026	<u>2,150</u>
	<u>\$ 86,631</u>

NOTE 8 – CAPITAL ASSETS

The Regional Office of Education No. 53 reports capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases of capital assets by business-type activities are capitalized when purchased. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2021:

	Balance 7/1/2020	Additions	Disposals	Balance 6/30/2021
Governmental Activities				
Capital assets being depreciated:				
Equipment	\$ 52,138	\$ 13,304	\$ -	\$ 65,442
Total Capital Assets	<u>52,138</u>	<u>13,304</u>	<u>-</u>	<u>65,442</u>
Less: Accumulated Depreciation	<u>(34,980)</u>	<u>(6,606)</u>	<u>-</u>	<u>(41,586)</u>
Governmental Activities				
Investment in Capital Assets, Net	<u>\$ 17,158</u>	<u>\$ 6,698</u>	<u>\$ -</u>	<u>\$ 23,856</u>
Business-Type Activities				
Capital assets being depreciated:				
Equipment	\$ -	\$ 4,836	\$ -	\$ 4,836
Total Capital Assets	<u>-</u>	<u>4,836</u>	<u>-</u>	<u>4,836</u>
Less: Accumulated Depreciation	<u>-</u>	<u>(484)</u>	<u>-</u>	<u>(484)</u>
Business-Type Activities				
Investment in Capital Assets, Net	<u>\$ -</u>	<u>\$ 4,352</u>	<u>\$ -</u>	<u>\$ 4,352</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2021, of \$6,606 and \$484 was charged to governmental activities instructional services function and business-type activities, respectively, on the government-wide Statement of Activities.

MASON, TAZEWELL, AND WOODFORD COUNTIES
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NOTE 9 – RISK MANAGEMENT

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

NOTE 10 – ON-BEHALF PAYMENTS AND NONMONETARY TRANSACTIONS

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

Regional Superintendent Salary	\$ 122,592
Assistant Regional Superintendent Salary	110,328
Regional Superintendent Benefits (Includes State-paid insurance)	38,757
Assistant Regional Superintendent Benefits (Includes State-paid insurance)	<u>38,018</u>
Total	<u>\$ 309,695</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 No. 53 recorded \$262,709 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. Regional Office of Education No. 53 also recorded \$12,862 in revenue and expenses as on-behalf payments from ISBE for the Regional Office’s share of the State’s Teachers’ Health Insurance Security Fund (THIS) in the Statement of Activities. In addition, the Regional Office of Education No. 53 has not included any on-behalf payments related to the State’s TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois Salaries and Benefits	\$ 309,695
ROE No. 53’s share of TRS pension expense	262,709
ROE No. 53’s share of THIS OPEB expense	<u>12,862</u>
Total	<u>\$ 585,266</u>

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

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 11 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2021, 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.

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 31,018	\$ -
Education Fund	-	31,018
Totals	<u>\$ 31,018</u>	<u>\$ 31,018</u>

TRANSFER IN/OUT

There were no transfers in and out of funds during the year ended June 30, 2021.

NOTE 12 – DUE TO/FROM OTHER GOVERNMENTS

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

Due from Other Governments:	
General Fund	
Local Governments	\$ 49,496
Education Fund	
ROE #26	17,671
Illinois State Board of Education	13,347
Nonmajor special revenue funds	
Local Governments	760
Custodial funds	
Illinois State Board of Education	23,484
Illinois Comptroller General	627,840
Total	<u>\$ 732,598</u>
Due to Other Governments:	
Custodial Funds	
Local Governments	<u>\$ 651,324</u>

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 13 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure of certain information concerning individual funds which are presented only in combination on the financial statements. Funds having deficit fund balances/net position and funds which over expend appropriations during the year are required to be disclosed. There were no funds with deficit balances/net position and no appropriations are set for individual funds.

NOTE 14 – LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2021 are summarized as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021
Governmental activities:				
Net pension liability	\$ 33,411	\$ -	\$ 1,918	\$ 31,493
OPEB liabilities	421,355	-	40,594	\$ 380,761
Total	<u>\$ 454,766</u>	<u>\$ -</u>	<u>\$ 42,512</u>	<u>\$ 412,254</u>

NOTE 15 – CHANGE IN ACCOUNTING PRINCIPLE

During the year ended June 30, 2021 the Regional Office of Education No. 53 recorded a prior period adjustment for the implementation of GASB Statement No.84 to recognize the effect of certain agency funds being converted to custodial fund presentation. This includes establishing a net position of \$478 for custodial funds in Statement of Fiduciary Net Position – Fiduciary Funds. The custodial fund type replaced the agency fund type. The agency funds did not report net position.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2020	2019	2018	2017	2016	2015	2014
Calendar Year Ended December 31,							
Total Pension Liability	\$ 22,181	\$ 20,076	\$ 18,228	\$ 21,262	\$ 18,681	\$ 25,971	\$ 314
Service Cost	74,328	75,725	75,092	76,372	2,042	83,395	36,613
Interest on the Total Pension Liability	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	6,604	(41,734)	729	2,354	1,051,342	(1,119,442)	2,179
Changes of Assumptions	(10,988)	-	25,249	(35,349)	-	-	22,765
Benefit Payments, including Refunds of Employee Contributions	(74,632)	(74,156)	(79,774)	(80,605)	(80,532)	(61,469)	(38,562)
Net Change in Total Pension Liability	17,493	(20,089)	39,524	(15,966)	991,533	(1,071,545)	23,309
Total Pension Liability - Beginning	1,051,438	1,071,527	1,032,003	1,047,969	56,436	1,127,981	507,300
Total Pension Liability - Ending (A)	1,068,931	1,051,438	1,071,527	1,032,003	1,047,969	56,436	530,609
Plan Fiduciary Net Position							
Contributions - Employer	\$ 14,411	\$ 4,822	\$ 15,297	\$ 6,711	\$ 14,705	\$ 13,312	\$ 25,847
Contributions - Employees	10,815	10,498	9,930	8,515	7,822	5,422	95
Net Investment Income	155,303	120,908	(71,567)	177,199	660,644	(801,203)	41,089
Benefit Payments, including Refunds of Employee Contributions	(74,632)	(74,156)	(79,774)	(80,605)	(80,532)	(61,469)	(38,562)
Other (Net Transfer)	(732)	(794)	(1,390)	(955)	(14,856)	112,749	(1,707)
Net Change in Plan Fiduciary Net Position	105,165	61,278	(127,504)	110,865	587,783	(731,189)	26,762
Plan Fiduciary Net Position - Beginning	1,079,705	1,018,427	1,145,931	1,035,066	447,283	1,178,472	539,203
Plan Fiduciary Net Position - Ending (B)	1,184,870	1,079,705	1,018,427	1,145,931	1,035,066	447,283	565,965
Net Pension Liability (Asset) - Ending (A) - (B)	\$ (115,939)	\$ (28,267)	\$ 53,100	\$ (113,928)	\$ 12,903	\$ (390,847)	\$ (35,356)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	110.85%	102.69%	95.04%	111.04%	98.77%	792.55%	106.66%
Covered Payroll	\$ 209,766	\$ 209,655	\$ 198,406	\$ 187,455	\$ 173,823	\$ 120,491	\$ 2,112
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-55.27%	-13.48%	26.76%	-60.78%	7.42%	-324.38%	-1674.05%

Notes to Schedule:

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

Changes in assumptions:

For 2014, changes are primarily from adopting an IMRF specific mortality tables with fully generational projection scale MP-2014 (base year 2014) developed from the RP-2014 mortality tables.
 For 2015, changes are primarily from a change in the calculated single discount rate from 7.49% in 2014 to 7.47% in 2015.
 For 2016, changes are primarily from a change in the calculated single discount rate from 7.47% in 2015 to 7.50% in 2016.
 For 2017, changes are primarily from adopting an IMRF specific mortality tables with fully generational projection scale MP-2017 (base year 2015) developed from the RP-2014 mortality tables.
 For 2018, the assumed investment rate of return was lowered from 7.50% to 7.25%.
 For 2020, changes are primarily from adopting the Pub-2010, amount weighted, general mortality tables for retirees and active members.

MASON, TAZEWELL, AND WOODFORD COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 53
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
FOR THE LAST SEVEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2015	\$ 11,441	\$ 25,925	(14,484)	42,845	60.51%
2016	14,764	14,764	-	174,510	8.46%
2017	10,137	10,137	-	175,386	5.78%
2018	11,266	11,266	-	194,946	5.78%
2019	9,818	9,818	-	204,366	4.80%
2020	10,110	10,110	-	213,603	4.73%
2021	14,918	14,918	-	197,379	7.56%

Notes to Schedule:

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

Valuation Date:

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

Methods and Assumptions Used to Determine 2020 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>	23-year rolling period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.25%
<i>Price Inflation:</i>	2.50%
<i>Salary Increases:</i>	3.35% to 14.25%, including inflation
<i>Investment Rate of Return:</i>	7.25%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
<i>Mortality:</i>	For non-disabled retirees, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2018, actuarial valuation; note two-year lag between valuation and rate setting.

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 SCHEDULE OF THE EMPLOYERS' PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 FOR THE YEAR ENDED JUNE 30, 2021 *
 UNAUDITED

	FY20*	FY19*	FY18*	FY17*	FY16*	FY15*	FY14*
Employer's proportion of the net pension liability	0.0000365289%	0.0000411933%	0.0000437172%	0.0000337260%	0.0000156667%	0.0000438375%	0.0000337260%
Employer's proportionate share of the net pension liability	\$ 31,493	\$ 33,411	\$ 34,075	\$ 25,766	\$ 25,819	\$ 28,718	\$ 14,621
State's proportionate share of the net pension liability associated with the employer	2,466,734	2,377,832	2,334,304	2,577,654	636,206	1,364,228	911,750
Total	\$ 2,498,227	\$ 2,411,243	\$ 2,368,379	\$ 2,603,420	\$ 662,025	\$ 1,392,946	\$ 926,371
Employer's covered payroll	\$ 330,127	\$ 305,852	\$ 297,690	\$ 230,369	\$ 214,804	\$ 154,950	\$ 167,011
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	9.54%	10.92%	11.45%	11.18%	12.02%	18.53%	8.75%
Plan fiduciary net position as a percentage of the total pension liability	37.8%	39.6%	40.0%	39.3%	36.4%	41.5%	43.0%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 FOR THE YEAR ENDED JUNE 30, 2021 †
 UNAUDITED

	FY21	FY20	FY19	FY18	FY17	FY16	FY15	FY14
Statutorily-required contribution	\$ 964	\$ 1,915	\$ 1,774	\$ 1,727	\$ 1,336	\$ 1,245	\$ 899	\$ 857
Contributions in relation to the statutorily-required contribution	1,400	1,915	1,908	1,684	1,389	1,261	897	863
Contribution deficiency (excess)	\$ (436)	\$ -	\$ (134)	\$ 43	\$ (53)	\$ (16)	\$ 2	\$ (6)
Covered payroll	\$ 166,313	\$ 330,127	\$ 305,852	\$ 297,690	\$ 230,369	\$ 214,804	\$ 154,950	\$ 167,011
Contributions as a percentage of covered payroll	0.84%	0.58%	0.62%	0.57%	0.60%	0.59%	0.58%	0.52%

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

Notes to TRS Required Supplementary Information
 Changes of assumptions

For the 2016 through 2020 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 and were consistent in 2019 and 2020. The actuarial assumptions were based on an experience study dated September 18, 2018.

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 change in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

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

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
 SHARE OF THE COLLECTIVE NET OTHER POSTEMPLOYMENT BENEFIT LIABILITY
 TEACHER HEALTH INSURANCE SECURITY FUND
 FOR THE YEAR ENDED JUNE 30, 2021

	Last 5 Fiscal Years *				
	2020	2019	2018	2017	2016
Employer's proportion of the collective net OPEB liability	0.001274%	0.001306%	.001176%	.001054%	.000888%
Employer's proportionate share of the collective net OPEB liability	\$ 340,590	\$ 361,385	\$ 309,781	\$ 273,362	\$ 242,867
State's proportionate share of the collective net OPEB liability associated with the employer	\$ 461,442	\$ 489,986	\$ 415,986	\$ 359,055	\$ 336,660
Total	\$ 802,032	\$ 851,371	\$ 725,767	\$ 632,417	\$ 579,527
Employer's covered payroll	\$ 330,127	\$ 305,852	\$ 297,690	\$ 230,369	\$ 214,804
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	103.17%	118.16%	104.06%	118.66%	113.06%
Plan fiduciary net position as a percentage of the total OPEB liability	0.70%	0.25%	-0.07%	-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, 2021

	Last 5 Fiscal Years *				
	2021	2020	2019	2018	2017
Statutorily-required contribution	\$ 2,220	\$ 3,037	\$ 2,814	\$ 2,620	\$ 1,935
Contributions in relation to the statutorily-required contribution	2,220	3,037	2,814	2,620	1,935
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 166,313	\$ 330,127	\$ 305,852	\$ 297,690	\$ 214,804
Contributions as a percentage of covered payroll	1.33%	0.92%	0.92%	0.88%	0.80%

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

Notes to This Required Supplementary Information

Change of Benefit Term

For the year ended June 30, 2021, there have been no changes of benefit terms from the prior period.

Changes of assumptions

For the 2018 and 2017 measurement years, the assumed investment rate of return was of 0 percent, including an inflation rate of 2.75 percent. Salary increases were assumed to depend on service and range from 9.25 percent at 1 year of service to 3.25 percent at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

For the 2020 and 2019 measurement year, the assumed investment rate of return was 0 percent, including an inflation rate of 2.50 percent. Salary increases were assumed to depend on service and range from 9.50 percent at 1 year of service to 4.00 percent at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

For the 2020 measurement period, the actual trend was used for fiscal year 2020. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare costs and Medicare costs, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of the Excise Tax.

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
 WESTERN AREA SCHOOL HEALTH BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2021 †
 (UNAUDITED)

	FY21	FY20	FY19	FY18
Total OPEB Liability				
Service Cost	\$ 3,071	\$ 314	\$ 1,051	\$ 1,245
Interest Cost	1,325	710	722	331
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	(26,806)	(6,675)	2,876	-
Change in Assumptions	2,611	45,337	5,991	
Benefit Payments	-	-	-	-
Net Change in Total OPEB Liability	(19,799)	39,686	10,640	1,576
Total OPEB Liability - Beginning	59,970	20,284	9,644	8,068
Total OPEB Liability - Ending	\$ 40,171	\$ 59,970	\$ 20,284	\$ 9,644
Covered Payroll	\$ 263,329	\$ 324,123	\$ 178,255	\$ 174,333
Total OPEB Liability as a Percentage of Covered Payroll	15.26%	18.50%	11.38%	5.53%

Notes to Schedule:

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

Changes of Benefit Terms

For fiscal year 2021, there have been no changes of benefit terms from the prior period.

Changes in Assumptions

In the year ended June 30, 2020 The percent of active employees assumed to elect coverage at retirement was decreased from 40% to 30%. Of those assumed to elect coverage in retirement, the percent assumed to elect spousal coverage was increased from 40% to 50%. The changes in the assumptions were made to better reflect the future anticipated experience in the plan. The changes included a review of the experience studies for the underlying pension systems for the employee groups and the requirements of GASB 75.

The assumed rate on High Quality 20-year Tax Exempt G.O. Bonds was changed from 3.50% for the Fiscal Year-Ended June 30, 2019 to 2.21% at June 30, 2020 and 2.16% at June 30, 2021. The underlying index used is the Bond Buyer 20-Bond G.O. Index. The choice of index is unchanged from the prior year. The rate has been updated to each Fiscal Year-End based on changes in market conditions as reflected in the index. The change was made to reflect our understanding of the requirements for reporting under GASB Statement 75. Since the ROE does not have a trust dedicated exclusively to the payment of OPEB benefits, the discount rate used in the determination of the Total OPEB Liability was also changed to match the assumed rate on High Quality 20-year Tax Exempt G.O. Bonds.

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

SUPPLEMENTAL INFORMATION

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

GENERAL FUND

JUNE 30, 2021

	Alternative School Program - EBF	Regional Office of Education		County Support	TOTALS
		Regional Safe Schools - EBF	Local		
ASSETS					
Cash and cash equivalents	\$ 562,163	\$ 1,952,827	\$ 385,241	\$ 549,833	\$ 3,450,064
Due from other funds	-	31,018	-	-	31,018
Due from other governments					
Local	-	675	15,805	33,016	49,496
Prepaid expenditures	-	-	1,440	709	2,149
TOTAL ASSETS	\$ 562,163	\$ 1,984,520	\$ 402,486	\$ 583,558	\$ 3,532,727
LIABILITIES					
Accrued salaries and benefits	\$ 4,490	\$ 97	\$ -	\$ -	\$ 4,587
Unearned revenue	-	-	18,010	37,118	55,128
Total Liabilities	4,490	97	18,010	37,118	59,715
FUND BALANCE					
Nonspendable	-	-	1,440	709	2,149
Unassigned	557,673	1,984,423	383,036	545,731	3,470,863
Total Fund Balance	557,673	1,984,423	384,476	546,440	3,473,012
TOTAL LIABILITIES AND FUND BALANCE	\$ 562,163	\$ 1,984,520	\$ 402,486	\$ 583,558	\$ 3,532,727

SCHEDULE 2

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2021

	Alternative School Program - EBF	Regional Safe Schools - EBF	Regional Office of Education Local	County Support	TOTALS
REVENUES					
Local sources	\$ 3,773	\$ 9,866	\$ 67,003	\$ 308,261	\$ 388,903
State sources	67,577	303,804	-	-	371,381
On-behalf payments - State	-	-	309,695	-	309,695
Interest income	355	1,071	275	296	1,997
Total Revenues	71,705	314,741	376,973	308,557	1,071,976
EXPENDITURES					
Instructional Services					
Salaries and benefits	126,519	43,034	4,875	139,106	313,534
Pension expense	5,898	2,531	-	7,889	16,318
OPEB expense	759	716	-	745	2,220
Purchased services	23,473	22,768	26,237	106,953	179,431
Supplies and materials	1,265	2,565	-	-	3,830
Other objects	-	40,268	8,197	5,504	53,969
Capital outlay	-	3,753	-	-	3,753
Administrative					
On-behalf expenditures - State	-	-	309,695	-	309,695
Total Expenditures	157,914	115,635	349,004	260,197	882,750
NET CHANGE IN FUND BALANCE	(86,209)	199,106	27,969	48,360	189,226
FUND BALANCE - BEGINNING	643,882	1,785,317	356,507	498,080	3,283,786
FUND BALANCE - ENDING	\$ 557,673	\$ 1,984,423	\$ 384,476	\$ 546,440	\$ 3,473,012

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2021

	McKinney Education for Homeless Children	Regional Safe Schools	ROE/ISC Operations	Digital Equity Grant	Title II Leadership Grant	TOTALS
ASSETS						
Cash and cash equivalents	\$ -	\$ 10,995	\$ 12,078	\$ -	\$ -	\$ 23,073
Due from other governments:						
Local	17,671	-	-	-	-	17,671
State	-	-	-	12,255	1,092	13,347
TOTAL ASSETS	\$ 17,671	\$ 10,995	\$ 12,078	\$ 12,255	\$ 1,092	\$ 54,091
LIABILITIES						
Accrued salaries and benefits	\$ -	\$ 5,341	\$ -	\$ -	\$ -	\$ 5,341
Due to other funds	17,671	-	-	12,255	1,092	31,018
Unearned revenue	-	5,654	12,078	-	-	17,732
Total Liabilities	17,671	10,995	12,078	12,255	1,092	54,091
FUND BALANCE						
Unassigned	-	-	-	-	-	-
Total Fund Balance	-	-	-	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 17,671	\$ 10,995	\$ 12,078	\$ 12,255	\$ 1,092	\$ 54,091

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2021

	McKinney Education for Homeless Children	Regional Safe Schools	ROE/ISC Operations	Digital Equity Grant	Title II Leadership Grant	TOTALS
REVENUES						
State sources	\$ -	\$ 102,886	\$ 149,846	\$ -	\$ -	\$ 252,732
Federal sources	38,389	-	-	29,488	1,092	68,969
Total Revenues	38,389	102,886	149,846	29,488	1,092	321,701
EXPENDITURES						
Instructional Services						
Salaries and benefits	19,811	102,886	113,400	-	-	236,097
Purchased services	14,097	-	29,718	12,186	1,092	57,093
Supplies and materials	4,481	-	4,306	7,751	-	16,538
Other objects	-	-	2,422	-	-	2,422
Capital outlay	-	-	-	9,551	-	9,551
Total Expenditures	38,389	102,886	149,846	29,488	1,092	321,701
NET CHANGE IN FUND BALANCE	-	-	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 MCKINNEY EDUCATION FOR HOMELESS CHILDREN
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 38,796	\$ 38,796	\$ 38,389
Total Revenue	<u>38,796</u>	<u>38,796</u>	<u>38,389</u>
EXPENDITURES			
Instructional Services			
Salaries and benefits	19,560	19,560	19,811
Purchased services	14,736	14,736	14,097
Supplies and materials	4,500	4,500	4,481
Total Expenditures	<u>38,796</u>	<u>38,796</u>	<u>38,389</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, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 REGIONAL SAFE SCHOOLS
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 108,540	\$ 108,540	\$ 102,886
Total Revenue	<u>108,540</u>	<u>108,540</u>	<u>102,886</u>
EXPENDITURES			
Instructional Services			
Salaries and benefits	108,540	108,540	102,886
Total Expenditures	<u>108,540</u>	<u>108,540</u>	<u>102,886</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 ROE/ISC OPERATIONS
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
State sources	\$ 142,445	\$ 142,445	\$ 149,846
Total Revenue	<u>142,445</u>	<u>142,445</u>	<u>149,846</u>
EXPENDITURES			
Instructional Services			
Salaries and benefits	105,400	105,000	113,400
Purchased services	30,590	29,290	29,718
Supplies and materials	3,955	5,655	4,306
Other objects	2,500	2,500	2,422
Total Expenditures	<u>142,445</u>	<u>142,445</u>	<u>149,846</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 DIGITAL EQUITY GRANT FUND
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 29,571	\$ 29,571	\$ 29,488
Total Revenue	<u>29,571</u>	<u>29,571</u>	<u>29,488</u>
EXPENDITURES			
Instructional Services			
Salaries and benefits	-	-	-
Purchased services	7,700	12,970	12,186
Supplies and materials	13,296	7,051	7,751
Other objects	-	-	-
Capital outlay	8,575	9,550	9,551
Intergovernmental			
Payments to other governments	-	-	-
Total Expenditures	<u>29,571</u>	<u>29,571</u>	<u>29,488</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, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 TITLE II LEADERSHIP GRANT
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUE			
Federal sources	\$ 1,787	\$ 1,787	\$ 1,092
Total Revenue	<u>1,787</u>	<u>1,787</u>	<u>1,092</u>
EXPENDITURES			
Instructional Services			
Purchased services	1,787	1,787	1,092
Total Expenditures	<u>1,787</u>	<u>1,787</u>	<u>1,092</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE 10

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

	General Education			TOTALS
	Development	Transportation		
ASSETS				
Cash and cash equivalents	\$ 95,627	\$ 45,261	\$	140,888
Due from other governments - Local	-	760		760
TOTAL ASSETS	\$ 95,627	\$ 46,021	\$	\$ 141,648
LIABILITIES				
Unearned revenue	-	\$ 3,620	\$	3,620
Total Liabilities	-	3,620		3,620
FUND BALANCES				
Restricted	95,627	42,401		138,028
Total Fund Balance	95,627	42,401		138,028
TOTAL LIABILITIES AND FUND BALANCE	\$ 95,627	\$ 46,021	\$	\$ 141,648

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	General Education Development	Transportation	TOTALS
REVENUES			
Local sources	\$ 4,241	\$ 5,330	\$ 9,571
State sources	-	1,702	1,702
Interest income	23	-	23
Total Revenues	4,264	7,032	11,296
EXPENDITURES			
Instructional Services			
Salaries and benefits	-	2,274	2,274
Purchased services	-	588	588
Other objects	-	95	95
Total Expenditures	-	2,957	2,957
NET CHANGE IN FUND BALANCE	4,264	4,075	8,339
FUND BALANCE - BEGINNING	91,363	38,326	129,689
FUND BALANCE - ENDING	\$ 95,627	\$ 42,401	\$ 138,028

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR PROPRIETARY FUND
 June 30, 2021

	Business-Type Activities Enterprise Fund	
	Fingerprinting Fund	Total
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 173,112	\$ 173,112
Accounts receivable	3,458	3,458
Prepaid expenses	8,768	8,768
Total current assets	185,338	185,338
Noncurrent assets:		
Capital assets, being depreciated, net	4,352	4,352
Total noncurrent assets	4,352	4,352
TOTAL ASSETS	189,690	189,690
LIABILITIES		
TOTAL LIABILITIES	-	-
NET POSITION		
Net investment in capital assets	4,352	4,352
Unrestricted	185,338	185,338
TOTAL NET POSITION	\$ 189,690	\$ 189,690

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 NONMAJOR PROPRIETARY FUND
 FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Fund	
	Fingerprinting Fund	Total
OPERATING REVENUES		
Charges for services	\$ 32,086	\$ 32,086
Total Operating Revenues	32,086	32,086
OPERATING EXPENSES		
Purchased services	8,812	8,812
Supplies and materials	1,554	1,554
Other objects	9,319	9,319
Depreciation	484	484
Total Operating Expenses	20,169	20,169
OPERATING INCOME	11,917	11,917
NONOPERATING REVENUE		
Interest income	88	88
Total Nonoperating Revenue	88	88
CHANGE IN NET POSITION	12,005	12,005
TOTAL NET POSITION - BEGINNING	177,685	177,685
TOTAL NET POSITION - ENDING	\$ 189,690	\$ 189,690

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Fund	
	Fingerprinting Fund	Total
Cash Flows from Operating Activities:		
Receipts from customers	\$ 30,705	\$ 30,705
Payments to suppliers and providers of goods and services	(28,792)	(28,792)
Net Cash Provided by Operating Activities	1,913	1,913
Cash Flows from Capital and Related Financing Activities:		
Acquisition of capital assets	(4,836)	(4,836)
Net Cash Used For Capital and Related Financing Activities	(4,836)	(4,836)
Cash Flows from Investing Activities:		
Interest income	88	88
Net Cash Provided by Investing Activities	88	88
Net Decrease in Cash and Cash Equivalents	(2,835)	(2,835)
Cash and cash equivalents - Beginning	175,947	175,947
Cash and cash equivalents - Ending	\$ 173,112	\$ 173,112
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 11,917	\$ 11,917
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation expense	484	484
(Increase) decrease in assets:		
Increase in accounts receivable	(1,381)	(1,381)
Increase in prepaid expenses	(8,768)	(8,768)
Increase (decrease) in liabilities:		
Decrease in accounts payable	(339)	(339)
Net Cash Provided by Operating Activities	\$ 1,913	\$ 1,913

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2021

	Detachment/ Annexation Fund	Distributive Fund	Mason County School Facility Tax Fund	Woodford County School Facility Tax Fund	TOTALS
ASSETS					
Cash and cash equivalents	\$ 478	\$ -	\$ -	\$ -	\$ 478
Due from other governments	-	23,484	179,953	447,887	651,324
TOTAL ASSETS	\$ 478	\$ 23,484	\$ 179,953	\$ 447,887	\$ 651,802
LIABILITIES					
Due to other governments					
Local	\$ -	\$ 23,484	\$ 179,953	\$ 447,887	\$ 651,324
TOTAL LIABILITIES	-	23,484	179,953	447,887	651,324
NET POSITION					
Restricted for other individuals and governments:					
Other	478	-	-	-	\$ 478
Total net position	\$ 478	\$ -	\$ -	\$ -	\$ 478

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Detachment/ Annexation Fund	Distributive Fund	Mason County School Facility Tax Fund	Woodford County School Facility Tax Fund	Total
Additions					
County schools facility sales taxes	\$ -	\$ -	\$ 863,957	\$ 2,282,150	\$ 3,146,107
Intergovernmental receipts for others	1,000	805,278	-	-	806,278
Other receipts	-	-	-	-	-
Interest earned	-	-	-	-	-
Total additions	\$ 1,000	\$ 805,278	\$ 863,957	\$ 2,282,150	\$ 3,952,385
Deductions					
County schools facility sales taxes	\$ -	\$ -	\$ 863,957	\$ 2,282,150	\$ 3,146,107
Intergovernmental disbursements to others	-	805,278	-	-	805,278
Other	1,000	-	-	-	1,000
Total deductions	1,000	805,278	863,957	2,282,150	3,952,385
Net increase (decrease) in fiduciary net position	-	-	-	-	-
Net position - beginning of year	-	-	-	-	-
Change in accounting principle	478	-	-	-	478
Net position, July 1, as RESTATED	478	-	-	-	478
Net position - end of year	\$ 478	\$ -	\$ -	\$ -	\$ 478

MASON, TAZEWELL, AND WOODFORD COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 53
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
 DISTRIBUTIVE FUND
 FOR THE YEAR ENDED JUNE 30, 2021

	Project #	Funding
State Funds		
Career & Tech Ed Improvement (CTEI)	3220	\$ 583,971
Career & Tech Ed Improvement (CTEI)	3220-CE	25,000
Total State Funds		<u>608,971</u>
Federal Funds		
CTE-Perkins-Secondary	4745	193,548
Emergency relief	4998-ER	857
ESSER 2	4998-E2	1,902
Total Federal Funds		<u>196,307</u>
TOTAL DISTRIBUTIONS		<u><u>\$ 805,278</u></u>