

**State of Illinois
PEORIA COUNTY
REGIONAL OFFICE OF EDUCATION #48
FINANCIAL AUDIT
(In Accordance with the Single Audit Act
and OMB Circular A-133)
For the Year Ended June 30, 2011**

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

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PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

OFFICIALS

Regional Superintendent
(Current and During the Audit Period)

Mr. Gerald M. Brookhart

Assistant Regional Superintendent
(Acting Effective January 1, 2011)

Ms. Elizabeth Crider-Olcott

Assistant Regional Superintendent
(During the Audit period, Acting Effective from
July 1, 2010 through December 31, 2010)

Mr. Randy Stueve

Offices are located at:

Peoria County Regional Office of Education
324 Main Street
Peoria, IL 61602

Two Rivers & Area III
10112 W. Dubois Rd.
Edwards, IL 61528

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
COMPLIANCE REPORT SUMMARY

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

AUDITOR'S REPORTS

The auditor's reports on compliance and on internal controls 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 | 3 | 4 |
| Repeated audit findings | 2 | 1 |
| Prior recommendations implemented or not repeated | 2 | 4 |

An additional 2 matters, which are less than significant deficiencies or material weaknesses, but more than inconsequential, have been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, these issues may have been included as an immaterial finding in the auditor's reports.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

| <u>Item No.</u> | <u>Page</u> | <u>Description</u> | <u>Finding Type</u> |
|--|-------------|---|---------------------|
| FINDINGS (GOVERNMENT AUDITING STANDARDS) | | | |
| 11-1 | 12a | Inadequate Internal Controls Over Compliance | Material Weakness |
| 11-2 | 12f | Controls Over Financial Statement Preparation | Material Weakness |
| 11-3 | 12h | Departure from Generally Accepted Accounting Principle | Material Weakness |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
COMPLIANCE REPORT SUMMARY (Concluded)

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

| <u>Item No.</u> | <u>Page</u> | <u>Description</u> | <u>Finding Type</u> |
|-----------------|-------------|---|---------------------|
| 11-1 | 12a | Inadequate Internal Controls Over Compliance | Material Weakness |

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

| | | | |
|------|----|---|--|
| 10-1 | 15 | Lack of Adequate Policies and Procedures Over Certain Administrative Functions | |
| 10-3 | 15 | Use of Designated Grant Balances | |

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

| | | | |
|------|----|---|--|
| 10-1 | 15 | Lack of Adequate Policies and Procedures Over Certain Administrative Functions | |
|------|----|---|--|

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on August 26, 2011. Attending were Gerald Brookhart, Regional Superintendent, Michelle D. Smith, Manager, Kemper CPA Group LLP. Responses to the recommendations were provided by Gerald Brookhart, Regional Superintendent on October 11, 2011.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Peoria County Regional Office of Education #48 was performed by Kemper CPA Group LLP.

Based on their audit, the auditors expressed a qualified opinion on the Peoria County Regional Office of Education #48's basic financial statements.



INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

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 Peoria County Regional Office of Education #48, as of and for the year ended June 30, 2011, which collectively comprise the Peoria County Regional Office of Education #48's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Peoria County Regional Office of Education #48's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The Peoria County Regional Office of Education #48 did not recognize and disclose postemployment benefits other than pensions (OPEB) in their financial statements as required by Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. In our opinion, disclosure of that information is required to conform with accounting principles generally accepted in the United States of America. The effects of this departure from accounting principles generally accepted in the United States of America on the financial statements of the Peoria County Regional Office of Education #48 is not reasonably determinable.

In our opinion, except for the effects of not recognizing a liability for postemployment benefits other than pensions in the Statement of Net Assets and the Statement of Activities as described in the preceding paragraph, 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 Peoria County Regional Office of Education #48, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the Regional Office of Education #48 adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended June 30, 2011. The statement changed the classifications of governmental fund balances and clarified the definitions of existing fund types. The adoption of this statement had no effect on any of the Regional Office of Education #48's governmental funds' assets or liabilities nor was there any effect to the total amount of any of the Regional Office of Education #48's governmental fund balances as of and for the year ended June 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 20, 2011, on our consideration of the Peoria County Regional Office of Education #48's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 16a-16g, and 59 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Peoria County Regional Office of Education #48's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Evansville, Indiana
December 20, 2011



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 William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Peoria County Regional Office of Education #48, as of and for the year ended June 30, 2011, which collectively comprise the Peoria County Regional Office of Education #48's basic financial statements and have issued our report thereon dated December 20, 2011. 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.

Internal Control Over Financial Reporting

Management of the Peoria County Regional Office of Education #48 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Peoria County Regional Office of Education #48's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the Peoria County Regional Office of Education #48's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Peoria County Regional Office of Education #48's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies described in findings 11-1, 11-2, and 11-3 in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Peoria County Regional Office of Education #48's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain matters which we have reported to management of the Peoria County Regional Office of Education #48 in a separate letter dated December 20, 2011.

Peoria County Regional Office of Education #48's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Peoria County Regional Office of Education #48's responses and, accordingly, express no opinion on them.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, others within the organization, Illinois State Board of Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Evansville, Indiana
December 20, 2011



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the Peoria County Regional Office of Education #48's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Peoria County Regional Office of Education #48's major federal programs for the year ended June 30, 2011. The Peoria County Regional Office of Education #48's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Peoria County Regional Office of Education #48's management. Our responsibility is to express an opinion on the Peoria County Regional Office of Education #48's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Peoria County Regional Office of Education #48's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Peoria County Regional Office of Education #48's compliance with those requirements.

In our opinion, the Peoria County Regional Office of Education #48 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of the Peoria County Regional Office of Education #48 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Peoria County Regional Office of Education #48's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Peoria County Regional Office of Education #48's internal control over compliance.

Our consideration of internal control over compliance was limited for the purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance 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, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 11-1 to be a material weakness.

Peoria County Regional Office of Education #48's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Peoria County Regional Office of Education #48's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, others within the entity, Illinois State Board of Education, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Evansville, Indiana

December 20, 2011

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2011

SECTION 1 – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Qualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? No
- Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? No

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)? No

Identification of major programs:

| CFDA Number(s) | Name of Federal Program or Cluster |
|----------------|---|
| | Title I – Part A Cluster |
| 84.010 | Title I Grants to Local Educational Agencies |
| 84.389 | ARRA – Title I Grants to Local Educational Agencies |
| 84.357 | Title I- Reading First Part B SEA |

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? No

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding No. 11-1– Inadequate Internal Controls over Compliance

Federal Program Name: Special Education- Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities

Project #: H326K080001

CFDA#: 84.326K

Passed Through: University of North Carolina – Chapel Hill

Federal Agency: U.S. Department of Education

Federal Program Name: Title I Grants to Local Educational Agencies

Project #'s: 11-4331-SS, 10-4331-SS

CFDA#: 84.010

Passed Through: Illinois State Board of Education

Federal Agency: U.S. Department of Education

Federal Program Name: ARRA -Title I Grants to Local Educational Agencies

Project #: 11-4854-00

CFDA#: 84.389

Passed Through: Illinois State Board of Education

Federal Agency: U.S. Department of Education

Federal Program Name: Special Education – State Personnel Development

Project #: 11-4631-RC

CFDA#: 84.323A

Passed Through: Illinois State Board of Education

Federal Agency: U.S. Department of Education

Criteria/Specific Requirement:

As a recipient of federal, State, and local funds from various grantor agencies, the Regional Office must incorporate certain procedures into their operations in order to comply with the grant agreements with these entities. The Regional Office is required to accurately spend funding in accordance with budgets submitted to grantors and accurately submit expenditure reports timely. In addition, the Regional Office must supply any subrecipients of its federal awards with certain information on the related federal program.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 11-1– Inadequate Internal Controls over Compliance (Continued)

Condition:

- A. State Program – Communities for Youth Truants Alternative – Inaccurate expenditures were reported on the expenditure report submitted to the Illinois State Board of Education (ISBE). There was no control in place to ensure that someone independent of preparing the expenditure report would review and approve the report before submitting it to ISBE.
- B. Federal Program – Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities – The Regional Office transferred funds received from the University of North Carolina to cover expenses for their own Scaling Up of Evidence Based Practices (SISEP) program. The agreement with the University of North Carolina contains a budget and any budget changes must be pre-approved. Because of the transfer to the Regional Office’s own SISEP program, total expenses were not in line with budget line items for the University of North Carolina agreement.
- C. Federal Program – Title I Grants to Local Educational Agencies – During testing of information provided to subrecipients of this program, it was noted that the information did not include the name of the awarding federal agency and there was no statement that the subrecipient signed stating they were informed, understood, and agreed to comply with the applicable compliance requirements.
- D. Federal Program – ARRA – Title I Grants to Local Educational Agencies – During review of expenditure reports submitted to ISBE, it was noted that the project was frozen due to untimely filing of the expenditure reports.
- E. Federal Program – Special Education – State Personnel Development – The Regional Office recorded reimbursements from other local governments for joint costs incurred to put on a professional development workshop by crediting expense accounts instead of crediting a revenue account.
- F. State Program – ROE/ISC Operations – Payments to subrecipients are budgeted, expended and reported by line item in which the Regional Office believes the subrecipient will use the funding instead of being budgeted, expended and reported as payments to other governments.

Questioned Costs:

There are no questioned costs associated with any of the conditions noted.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 11-1– Inadequate Internal Controls over Compliance (Continued)

Context:

- A. N/A
- B. In total, the Regional Office expended all funds from the University of North Carolina. However, expenditures were over (under) budgeted by the following:

Administrative Salaries/Benefits: (\$1,977)

Supplies: (\$2,226)

Administrative Travel: (\$4,607)

Other Travel: (\$11)

Professional Development: \$3,732

Food costs: (\$6,078)

Equipment & Software: (\$3,800)

Transfers out: \$17,205

- C. N/A
- D. N/A
- E. N/A
- F. N/A

Effect:

- A. ISBE did not receive an accurate representation of expenditures for this program.
- B. The Regional Office is not in compliance with the agreement with the University of North Carolina.
- C. The Regional Office is not in compliance with requirements for this federal program.
- D. Funding for this federal program was suspended until the expenditure report was filed.
- E. Revenues and expenses were understated for this federal program.
- F. ISBE did not receive an accurate representation of how the Regional Office of Education #48 expended the funds for this State program.

Cause:

- A. The Regional Office does not have internal controls in place over this program that require the Program Director to submit the expenditure reports, for approval, to someone independent of recording the expenditures prior to submission to ISBE.
- B. The Regional Office staff was not aware there was a budgeting process for the Regional Office's agreement with the University of North Carolina.
- C. The Regional Office staff was not aware of all the requirements related to required information in subrecipient agreements.
- D. The expenditure report was inadvertently filed late.
- E. The Regional Office was not aware of the proper reporting of cost reimbursements for joint activities.
- F. The Regional Office was not aware of the proper reporting of payments to subrecipients for this grant program.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 11-1– Inadequate Internal Controls over Compliance (Concluded)

Recommendation:

- A. The Regional Office should require that all expenditure reports be reviewed by someone independent of recording the expenditures prior to submission.
- B. The Regional Office should submit an amended budget to grantors if planned expenditures changed from the original budget.
- C. Regional Office staff should review all compliance requirements related to information required to be communicated to subrecipients prior to sending any Federal funding to the subrecipients.
- D. The Regional Office should have procedures in place to ensure all required reports are submitted to grantors prior to the due dates.
- E. The Regional Office should record cost reimbursements for joint functions as revenues from other local governments.
- F. For any grant program for which the Regional Office has subrecipients, payments to the subrecipients should be recorded as payments to other governments in accounting software. Budget and expenditure reports should reflect this as well.

Management's Response:

- A. For most grants the Regional Office already requires someone other than the preparer to review grant reports prior to submission. The Regional Office has implemented additional procedures to ensure that these grant reports are reviewed prior to submission. The Regional Office also filed an amended grant report with the Illinois State Board of Education to correct the inaccurate expenditures reported.
- B. Many of grants that the Regional Office receives have differing budgetary requirements and controls are in place to ensure budgetary compliance. However, in this case a misunderstanding about the specific budgetary requirements for this grant occurred. The Regional Office is currently investigating what procedures can be implemented to improve the Regional Office's controls to ensure that the budgetary requirements of each unique grant are met.
- C. The Regional Office is in the process of revising sub-recipient agreements to include the omitted information and going forward the Regional Office will regularly review the agreements to ensure that required information is included.
- D. The Regional Office has controls in place to ensure that reports are filed timely; however, the Regional Office will increase monitoring of this control to ensure that it is operating effectively. Further control changes will be considered if it is determined the controls are not operating effectively.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

**Finding No. 11-1— Inadequate Internal Controls over Compliance (Concluded)
Management's Response (Concluded):**

- E. This has been noted and the Regional Office will change its method of accounting for these items going forward.
- F. This has been noted and the Regional Office will change its method of accounting for these items going forward.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 11-2– Controls Over Financial Statement Preparation (Repeat of Finding 10-2, 09-3, 08-3 and 07-1)

Criteria/Specific Requirement:

The Regional Office of Education #48 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

Condition:

The Regional Office of Education #48 does not have sufficient internal controls over the financial reporting process. While the Regional Office maintains controls over the processing of some accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted that material adjusting entries were required to present the financial statements in accordance with generally accepted accounting principles.

Effect:

Management or employees in the normal course of performing their assigned functions may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

Cause:

According to Regional Office officials, although they have hired an outside Certified Public Accountant (CPA) to help review financials, there was not adequate funding to employ a full-time CPA to review the financials on a continuous basis.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 11-2– Controls Over Financial Statement Preparation (Repeat of Finding 10-2, 09-3, 08-3 and 07-1) (Concluded)

Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #48 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

Management's Response:

The Regional Office is working to implement controls and procedures to improve the accounting records that underlie the financial statements in order to reduce and eliminate the material adjustments required, as noted by the auditors, to present the financial statements in accordance with generally accepted accounting principles. While the Regional Office has from time to time hired a CPA to work on special projects, the Regional Office will consider whether resources are available to provide for hiring experienced help in reviewing the financial statements, including disclosures.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 11-3 – Departure from Generally Accepted Accounting Principle (Repeat of Finding 10-4)

Criteria/Specific Requirement:

The Illinois Administrative Code (74 Ill. Adm. Code 420.320 (c) (1) and (2)) requires that each Regional Office of Education maintain the accounting records necessary to prepare financial statements in accordance with generally accepted accounting principles (GAAP).

Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (OPEB), requires that employers recognize and disclose OPEB expense. Net OPEB obligations, if any, should be reported as liabilities (or assets, if overfunded) in the financial statements. For financial reporting purposes, an actuarial valuation is required to measure and disclose the annual OPEB cost. In certain circumstances, an alternative measurement method can be applied instead of obtaining an actuarial valuation.

Condition:

The Peoria County Regional Office of Education #48 participates in a defined benefit OPEB plan that provides postemployment benefits other than pensions to its employees in exchange for employee services rendered. Under accrual accounting, the cost of OPEB, and any related OPEB liability, should generally be recorded in the period when the exchange for the employees' services occurs, rather than when the benefits are paid. Currently, the Peoria County Regional Office of Education #48's OPEB plan is financed on a pay-as-you-go basis, and as such, the financial statements do not report the financial effects of OPEB until the promised benefits are paid. During fiscal year 2011, the Peoria County Regional Office of Education #48 had 14 active employees and contributions to the OPEB plan totaled \$12,440. The Peoria County Regional Office of Education #48 did not obtain an actuarial valuation of its postemployment benefits other than pension liability, or apply the alternative measurement method in order to be in compliance with GASB Statement No. 45.

In the absence of the actuarial valuation, or the application of the alternative measurement method, the auditors could not reasonably determine the amount by which this departure would affect the liabilities, fund balances, and expenditures of the Peoria County Regional Office of Education #48 as of June 30, 2011.

Effect:

Failure to apply the accounting and reporting requirements of GASB Statement No. 45 could result in misstatements of the Peoria County Regional Office of Education #48's financial statements. This could also result in inaccurate and incomplete disclosure of the OPEB plan description, the funding policy, and the annual OPEB and net OPEB obligation.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS (Concluded)

Finding No. 11-3 – Departure from Generally Accepted Accounting Principle (Repeat of Finding 10-4) (Concluded)

Cause:

According to Regional Office management, noncompliance with GASB Statement No. 45 was due to budget restraints and the overall complexity of the pronouncement.

Recommendation:

We recommend the Peoria County Regional Office of Education #48 obtain or perform an actuarial valuation of its other postemployment benefit liability to be in compliance with GASB Statement No. 45 and include all disclosures required by the Statement in its financial statements.

Management's Response:

The Peoria County Regional Office of Education #48 is aware of the requirements of GASB Statement no. 45, but has not obtained an actuarial valuation or pursued alternative methods due to the cost of doing so. The Regional Office is exploring more cost effective options of implementing this requirement and is considering implementing it in 2012.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

INSTANCES OF NONCOMPLIANCE:

None

MATERIAL WEAKNESSES:

Finding No. 11-1 – Inadequate Internal Controls over Compliance (details on pages 12a-12e)

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2011

Corrective Action Plan

Finding No. 11-1– Inadequate Internal Controls over Compliance

Condition:

- A. State Program – Communities for Youth Truants Alternative – Inaccurate expenditures were reported on the expenditure report submitted to the Illinois State Board of Education (ISBE). There was no control in place to ensure that someone independent of preparing the expenditure report would review and approve the report before submitting it to ISBE.
- B. Federal Program – Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities – The Regional Office transferred funds received from the University of North Carolina to cover expenses for their own Scaling Up of Evidence Based Practices (SISEP) program. The agreement with the University of North Carolina contains a budget and any budget changes must be pre-approved. Because of the transfer to the Regional Office’s own SISEP program, total expenses were not in line with budget line items for the University of North Carolina agreement.
- C. Federal Program – Title I Grants to Local Educational Agencies – During testing of information provided to subrecipients of this program, it was noted that the information did not include the name of the awarding federal agency and there was no statement that the subrecipient signed stating they were informed, understood, and agreed to comply with the applicable compliance requirements.
- D. Federal Program – ARRA – Title I Grants to Local Educational Agencies – During review of expenditure reports submitted to ISBE, it was noted that the project was frozen due to untimely filing of the expenditure reports.
- E. Federal Program – Special Education – State Personnel Development – The Regional Office recorded reimbursements from other local governments for joint costs incurred to put on a professional development workshop by crediting expense accounts instead of crediting a revenue account.
- F. State Program – ROE/ISC Operations – Payments to subrecipients are budgeted, expended and reported by line item in which the Regional Office believes the subrecipient will use the funding instead of being budgeted, expended and reported as payments to other governments.

Plan:

- A. For most grants the Regional Office already requires someone other than the preparer to review grant reports prior to submission. The Regional Office has implemented additional procedures to ensure that these grant reports are reviewed prior to submission. The Regional Office also filed an amended grant report with the Illinois State Board of Education to correct the inaccurate expenditures reported.
- B. Many of grants that the Regional Office receives have differing budgetary requirements and controls are in place to ensure budgetary compliance. However, in this case a misunderstanding about the specific budgetary requirements for this grant occurred. The Regional Office is currently investigating what procedures can be implemented to improve the Regional Office’s controls to ensure that the budgetary requirements of each unique grant are met.
- C. The Regional Office is in the process of revising sub-recipient agreements to include the omitted information and going forward the Regional Office will regularly review the agreements to ensure that required information is included.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2011

Corrective Action Plan (Continued)

Finding No. 11-1– Inadequate Internal Controls over Compliance (Concluded)

- D. The Regional Office has controls in place to ensure that reports are filed timely; however, the Regional Office will increase monitoring of this control to ensure that it is operating effectively. Further control changes will be considered if it is determined the controls are not operating effectively.
- E. This has been noted and the Regional Office will change its method of accounting for these items going forward.
- F. This has been noted and the Regional Office will change its method of accounting for these items going forward.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Name of Contact Person:

Honorable Gerald Brookhart, Regional Superintendent of Schools

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2011

Corrective Action Plan (Continued)

Finding No. 11-2– Controls Over Financial Statement Preparation (Repeat of Finding 10-2, 09-3, 08-3 and 07-1)

Condition:

The Regional Office of Education #48 does not have sufficient internal controls over the financial reporting process. While the Regional Office maintains controls over the processing of some accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted that material adjusting entries were required to present the financial statements in accordance with generally accepted accounting principles.

Plan:

The Regional Office is working to implement controls and procedures to improve the accounting records that underlie the financial statements in order to reduce and eliminate the material adjustments required, as noted by the auditors, to present the financial statements in accordance with generally accepted accounting principles. While the Regional Office has from time to time hired a CPA to work on special projects, the Regional Office will consider whether resources are available to provide for hiring experienced help in reviewing the financial statements, including disclosures.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Name of Contact Person:

Honorable Gerald Brookhart, Regional Superintendent of Schools

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2011

Corrective Action Plan (Concluded)

Finding No. 11-3 – Departure from Generally Accepted Accounting Principle (Repeat of Finding 10-4)

Condition:

The Peoria County Regional Office of Education #48 participates in a defined benefit OPEB plan that provides postemployment benefits other than pensions to its employees in exchange for employee services rendered. Under accrual accounting, the cost of OPEB, and any related OPEB liability, should generally be recorded in the period when the exchange for the employees' services occurs, rather than when the benefits are paid. Currently, the Peoria County Regional Office of Education #48's OPEB plan is financed on a pay-as-you-go basis, and as such, the financial statements do not report the financial effects of OPEB until the promised benefits are paid. During fiscal year 2011, the Peoria County Regional Office of Education #48 had 14 active employees and contributions to the OPEB plan totaled \$12,440. The Peoria County Regional Office of Education #48 did not obtain an actuarial valuation of its postemployment benefits other than pension liability, or apply the alternative measurement method in order to be in compliance with GASB Statement No. 45.

In the absence of the actuarial valuation, or the application of the alternative measurement method, the auditors could not reasonably determine the amount by which this departure would affect the liabilities, fund balances, and expenditures of the Peoria County Regional Office of Education #48 as of June 30, 2011.

Plan:

The Peoria County Regional Office of Education #48 is aware of the requirements of GASB Statement no. 45, but has not obtained an actuarial valuation or pursued alternative methods due to the cost of doing so. The Regional Office is exploring more cost effective options of implementing this requirement and is considering implementing it in 2012.

Anticipated Date of Completion:

As soon as funding is available.

Name of Contact Person:

Honorable Gerald Brookhart, Regional Superintendent of Schools

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

| <u>Finding No.</u> | <u>Condition</u> | <u>Current Status</u> |
|---------------------------|--|------------------------------|
| 10-1 | Lack of Adequate Policies and Procedures Over Certain Administrative Functions | Corrected |
| 10-2 | Controls over Financial Statement Preparation | Repeated as Finding 11-2 |
| 10-3 | Use of Designated Grant Balances | Corrected |
| 10-4 | Departure From Generally Accepted Accounting Principles | Repeated as Finding 11-3 |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

The Regional Office of Education #48 for the County of Peoria provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year 2011 that ended on June 30, 2011. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements that follow.

During fiscal year 2011 the Regional Office of Education #48 implemented Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which required certain programs and funds to be reclassified and the restatement of beginning fund balances as detailed in Note 13 to the financial statements. Because of these reclassifications the fund analysis is not comparable between fiscal year 2010 and fiscal year 2011. In addition, in fiscal year 2011 the Illinois Virtual School program that was previously reported as an Education Fund was restated to be presented as a proprietary fund.

2011 FINANCIAL HIGHLIGHTS

- Within the Governmental Funds, the General Fund revenues decreased by \$49,543 from \$1,163,942 in fiscal year 2010 to \$1,114,399 in fiscal year 2011. General Fund expenditures decreased by \$111,069 from \$1,237,756 in fiscal year 2010 to \$1,126,687 in fiscal year 2011. The majority of the revenue and expenditure decreases are due to a decrease in payments made by the State and local governments for employee benefits and other operational support on-behalf of the Regional Office.
- Within the Governmental Funds, the Special Revenue Fund revenue decreased by \$1,059,308 from \$5,445,905 in fiscal year 2010 to \$4,386,597 in fiscal year 2011. The Special Revenue Fund expenditures decreased by \$3,600,859 from \$7,128,967 in fiscal year 2010 to \$3,528,108 in fiscal year 2011. The majority of the revenue and expenditure decreases are due to a significant decrease in both local funds and state grant funds within the Education Fund. Also, due to late payments from the State, the decision was made not to accept certain state grants, as doing so would potentially impact the fiscal viability of the Regional Office.

USING THIS REPORT

This report consists of a series of financial statements and other information, as follows:

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office's financial activities.
- The government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the Regional Office of Education as a whole and present an overall view of the Office's finances.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

USING THIS REPORT (CONTINUED)

- Fund financial statements report the Regional Office's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to the financial statements provide additional information that is needed for a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements and supplementary information provides detailed information for each category of funds and about the non-major funds.

REPORTING THE OFFICE AS A WHOLE

The Statement of Net Assets and the Statement of Activities

The government-wide statements report information about the Regional Office of Education #48 as a whole. The Statement of Net Assets includes all of the assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid, using accounting methods similar to those used by private-sector companies.

The two government-wide statements report the Office's net assets and how they have changed. Net assets (the difference between the assets and liabilities) are one way to measure the Office's financial health or position.

- Over time, increases or decreases in the net assets can be an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the Regional Office's overall health, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the state level need to be considered.

The government-wide financial statements present the Office's activities as both governmental and business-type activities. Local, state and federal aid finance most of these activities.

The fund financial statements provide detailed information about the Peoria County Regional Office's funds, focusing on its most significant or "major" funds. Funds are accounting devices that allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by state law. The Regional Office of Education #48 established other funds to control and manage money for particular purposes.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

REPORTING THE OFFICE AS A WHOLE (CONTINUED)

The Office has three kinds of funds:

- 1) Government funds account for all of the Office's services. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the Office's programs. The Office's Governmental Funds include: the General Fund, Education Fund, Learning Technology Center, School Improvement Grant, Title II Co-op, and various other non-major funds.

The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances.

- 2) Fiduciary funds are used to account for assets held by the Regional Office of Education #48 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The fiduciary funds' required financial statements include a Statement of Fiduciary Net Assets.

- 3) Proprietary funds account for activities where the ROE charges customers for services. These funds are most similar to a business that operates for a profit. The ROE's enterprise funds include the following: Local Workshops Fund, Illinois Virtual School Fund, and various other non-major enterprise funds.

The proprietary funds required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Fund Net Assets, and a Statement of Cash Flows.

A summary reconciliation between the government-wide financial statements and the fund financial statements follows the fund financial statements.

OFFICE-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve, when examined over time, as one indicator of the financial position of the Regional Office. The net assets at the end of fiscal year 2011 totaled \$3,099,249. At the end of fiscal year 2010, the net assets were \$2,096,440. The analysis that follows provides a summary of the Office's net assets as of June 30, 2011 and June 30, 2010, for the governmental and business-type activities.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

CONDENSED STATEMENT OF NET ASSETS

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|--|-------------------------|---------------------|--------------------------|---------------------|--------------------------|---------------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Current assets | \$ 934,550 | \$ 3,557,594 | \$ 2,579,671 | \$ 1,043,354 | \$ 3,514,221 | \$ 4,600,948 |
| Capital assets | 76,463 | 157,301 | 32,798 | 32,874 | 109,261 | 190,175 |
| Total assets | <u>1,011,013</u> | <u>3,714,895</u> | <u>2,612,469</u> | <u>1,076,228</u> | <u>3,623,482</u> | <u>4,791,123</u> |
| Current liabilities | 443,524 | 2,632,367 | 72,455 | 49,429 | 515,979 | 2,681,796 |
| Noncurrent liabilities | | | 8,254 | 12,887 | 8,254 | 12,887 |
| Total liabilities | <u>443,524</u> | <u>2,632,367</u> | <u>80,709</u> | <u>62,316</u> | <u>524,233</u> | <u>2,694,683</u> |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 76,463 | 144,209 | 19,911 | 28,467 | 96,374 | 172,676 |
| Unrestricted | 296,780 | 901,634 | 2,511,849 | 985,445 | 2,808,629 | 1,887,079 |
| Restricted for educational purposes | 194,246 | 36,685 | - | - | 194,246 | 36,685 |
| Total net assets | <u>\$ 567,489</u> | <u>\$ 1,082,528</u> | <u>\$ 2,531,760</u> | <u>\$ 1,013,912</u> | <u>\$ 3,099,249</u> | <u>\$ 2,096,440</u> |

The Peoria County Regional Office of Education's net assets increased by \$1,002,809 from FY10. This significant increase occurred primarily as a result of the full implementation and expansion of the Illinois Virtual School throughout high schools across the State of Illinois, as well as aggressive cost cutting measures and seeking out alternative revenue sources due to on-going cash flow issues caused by the State of Illinois' funding delays and reductions.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

CHANGES IN NET ASSETS

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Revenues: | | | | | | |
| Program revenues | | | | | | |
| Charges for services | \$ - | \$ - | \$ 3,778,860 | \$ 1,028,090 | \$ 3,778,860 | \$ 1,028,090 |
| Operating grants and contributions | 3,641,951 | 3,076,286 | - | - | 3,641,951 | 3,076,286 |
| General revenues | | | | | | |
| Local sources | 491,960 | 620,707 | - | - | 491,960 | 620,707 |
| State sources | (501,371) | 3,935,544 | - | - | (501,371) | 3,935,544 |
| Federal sources | - | 42,026 | - | - | - | 42,026 |
| Investment earnings | 9,676 | 919 | 231 | 292 | 9,907 | 1,211 |
| On behalf payments | 867,082 | 1,095,515 | - | - | 867,082 | 1,095,515 |
| Loss on disposal of assets | (6,408) | (35,846) | - | (2,017) | (6,408) | (37,863) |
| Interest expense | - | - | (765) | (982) | (765) | (982) |
| Transfers | (250,131) | 3,982 | 250,131 | (3,982) | - | - |
| Total revenues | <u>\$ 4,252,759</u> | <u>\$ 8,739,133</u> | <u>\$ 4,028,457</u> | <u>\$ 1,021,401</u> | <u>\$ 8,281,216</u> | <u>\$ 9,760,534</u> |
| Expenses: | | | | | | |
| Program expenses | | | | | | |
| Salaries and benefits | \$ 1,458,337 | \$ 3,496,235 | \$ 1,204,759 | \$ 71,318 | \$ 2,663,096 | \$ 3,567,553 |
| Purchased services | 1,447,255 | 2,569,250 | 373,846 | 188,209 | 1,821,101 | 2,757,459 |
| Supplies and materials | 201,197 | 206,437 | 22,303 | 2,952 | 223,500 | 209,389 |
| Payments to other governments | 671,694 | 943,895 | 3,126 | 9,798 | 674,820 | 953,693 |
| Capital outlay | - | - | - | - | - | - |
| Depreciation expense | 64,335 | 88,555 | 15,046 | 11,646 | 79,381 | 100,201 |
| Other objects | 6,430 | 5,960 | 379 | 262 | 6,809 | 6,222 |
| Administrative expenses | | | | | | |
| On-behalf payments - Local | 299,305 | 367,027 | - | - | 299,305 | 367,027 |
| On-behalf payments - State | 567,777 | 728,488 | - | - | 567,777 | 728,488 |
| Total expenses | <u>\$ 4,716,330</u> | <u>\$ 8,405,847</u> | <u>\$ 1,619,459</u> | <u>\$ 284,185</u> | <u>\$ 6,335,789</u> | <u>\$ 8,690,032</u> |
| Change in net assets | \$ (463,571) | \$ 333,286 | \$ 2,408,998 | \$ 737,216 | \$ 1,945,427 | \$ 1,070,502 |
| Net assets beginning of year (As restated) | 1,031,060 | 749,242 | 122,762 | 276,696 | 1,153,822 | 1,025,938 |
| Net assets end of year | <u>\$ 567,489</u> | <u>\$ 1,082,528</u> | <u>\$ 2,531,760</u> | <u>\$ 1,013,912</u> | <u>\$ 3,099,249</u> | <u>\$ 2,096,440</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

Governmental Activities

Revenues for governmental activities were \$4,252,759 and expenses were \$4,716,330 for the year ended June 30, 2011. Revenues for governmental activities were \$8,739,133 and expenses were \$8,405,847 for the year ended June 30, 2010. These decreases in revenues and expenditures are due primarily to decreases in state grants and subsequent decreases in services provided in those specific areas by the Regional Office. Also, as mentioned previously, due to late payments from the State, the decision was made not to accept certain state grants, as doing so would potentially impact the fiscal viability of the Regional Office.

Financial Analysis of the Peoria County Regional Office of Education #48 Funds

As previously noted, the Peoria County Regional Office of Education #48 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency's Governmental Funds reported combined fund balances of \$274,787 at June 30, 2011 compared to fiscal year 2010's ending fund balance of (\$1,235,004). The majority of this increase is due to the late receipt of state grant revenues in the Education Fund in 2011 that were actually due in fiscal year 2010. The large negative balance in 2010 was the result of late payments from the State of Illinois that were so late that they could not be considered to provide current financial resources in 2010 and were not recognized until 2011.

Budgetary Highlights

The Peoria County Regional Office of Education #48 annually adopts budgets for several funds. The Institute Fund Budget, the Direct Services Budget and the Special Funds Budget are prepared by the Regional Superintendent and serve as a guideline for activities and expenditures. The Regional Superintendent annually prepares an Office Operations Budget and submits it to the Peoria County Board for their approval. The Office Operations Budget covers a fiscal year that runs from January 1 to December 31. All grant budgets are prepared by the Peoria County Regional Office of Education #48 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Schedules showing the budget amounts compared to the Office's actual financial activity are included in the supplementary information of this report.

Capital Assets

Capital Assets of the Peoria County Regional Office of Education #48 include office equipment, computers, audio-visual equipment, and office furniture. The Peoria County Regional Office of Education #48 maintains an inventory of capital assets that have been accumulated over time. During the year ended June 30, 2011, Peoria County Regional Office of Education #48 purchased assets totaling \$4,875 and disposed of assets totaling \$58,372, resulting in an ending balance of \$600,303. In addition, the Peoria County Regional Office of Education #48 has adopted a depreciation schedule that reflects the level of Net Governmental Activities Capital Assets. More detailed information about capital assets is available in Note 7 of the financial statements.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011

Economic Factors and Next Year's Budget

At the time these financial statements were prepared and audited, the Peoria County Regional Office of Education #48 was aware of several existing circumstances that could affect its financial health in the future:

- Due to continuing uncertainties in funding from the State of Illinois, all State-funded grant programs for FY'12 have been voluntarily eliminated or reduced by the Peoria Regional Office of Education except those that are self-sustaining through district and local workshops and grants.
- Also, due to the Governor's recent amendatory veto of the State budget, salaries for the Peoria Regional Superintendent and Asst. Regional Superintendent have been eliminated. If this situation is not resolved within the next few months, these offices will cease to function, thus jeopardizing the total operation of this office.
- The Regional Office will continue in FY'12 as the primary administrator and fiscal agent for the \$1.4 million Illinois Virtual School project for the entire State of Illinois, including Chicago.

Contacting the Regional Office's Financial Management

This financial report is designed to provide the Regional Office's citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact The Regional Superintendent of the Peoria County Regional Office of Education #48 at 324 Main St., Room 401, Peoria, IL 61602.

BASIC FINANCIAL STATEMENTS

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
STATEMENT OF NET ASSETS
JUNE 30, 2011

| | Primary Government | | |
|---|----------------------------|-----------------------------|---------------------|
| | Governmental Activities | Business-Type Activities | Total |
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | \$ 651,259 | \$ 1,303,876 | \$ 1,955,135 |
| Due (to) from other funds | (426,076) | 426,076 | - |
| Accounts receivable | 6,871 | - | 6,871 |
| Due from other governments: | | | |
| Local | 24,276 | 833,052 | 857,328 |
| State | 361,246 | - | 361,246 |
| Federal | 316,974 | - | 316,974 |
| Prepaid expenses | - | 16,667 | 16,667 |
| Total current assets | <u>934,550</u> | <u>2,579,671</u> | <u>3,514,221</u> |
| NONCURRENT ASSETS: | | | |
| Capital assets, net of depreciation | <u>76,463</u> | <u>32,798</u> | <u>109,261</u> |
| TOTAL ASSETS | <u>1,011,013</u> | <u>2,612,469</u> | <u>3,623,482</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES: | | | |
| Accounts payable | 112,538 | 5,937 | 118,475 |
| Lease payable | - | 4,633 | 4,633 |
| Accrued payroll and employee benefits | 12,550 | 61,885 | 74,435 |
| Due to other governments: | | | |
| State | 79,734 | - | 79,734 |
| Deferred revenue | 238,702 | - | 238,702 |
| Total current liabilities | <u>443,524</u> | <u>72,455</u> | <u>515,979</u> |
| NONCURRENT LIABILITIES: | | | |
| Lease payable | <u>-</u> | <u>8,254</u> | <u>8,254</u> |
| TOTAL LIABILITIES | <u>443,524</u> | <u>80,709</u> | <u>524,233</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 76,463 | 19,911 | 96,374 |
| Unrestricted | 296,780 | 2,511,849 | 2,808,629 |
| Restricted for educational purposes | 194,246 | - | 194,246 |
| TOTAL NET ASSETS | <u>\$ 567,489</u> | <u>\$ 2,531,760</u> | <u>\$ 3,099,249</u> |

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

| FUNCTIONS/PROGRAMS | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | |
|---|---------------------|-------------------------|--|--|-----------------------------|---------------------|
| | 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 | \$ 1,458,337 | \$ - | \$ 1,555,465 | \$ 97,128 | \$ - | \$ 97,128 |
| Purchased services | 1,447,255 | - | 1,142,914 | (304,341) | - | (304,341) |
| Supplies and materials | 201,197 | - | 279,084 | 77,887 | - | 77,887 |
| Other objects | 6,430 | - | 212 | (6,218) | - | (6,218) |
| Depreciation | 64,335 | - | - | (64,335) | - | (64,335) |
| Capital outlay | - | - | 2,800 | 2,800 | - | 2,800 |
| Payments to other governments | 671,694 | - | 661,476 | (10,218) | - | (10,218) |
| Administrative: | | | | | | |
| On-behalf payments - Local | 299,305 | - | - | (299,305) | - | (299,305) |
| On-behalf payments - State | 567,777 | - | - | (567,777) | - | (567,777) |
| Total Governmental Activities | <u>4,716,330</u> | <u>-</u> | <u>3,641,951</u> | <u>(1,074,379)</u> | <u>-</u> | <u>(1,074,379)</u> |
| Business-type Activities: | | | | | | |
| Registration fees | 99,579 | 150,228 | - | - | 50,649 | 50,649 |
| Local revenues | 45,650 | 155,229 | - | - | 109,579 | 109,579 |
| Tuition and subscriptions | 1,474,995 | 3,473,403 | - | - | 1,998,408 | 1,998,408 |
| Total Business-type Activities | <u>1,620,224</u> | <u>3,778,860</u> | <u>-</u> | <u>-</u> | <u>2,158,636</u> | <u>2,158,636</u> |
| Total Primary Government | <u>\$ 6,336,554</u> | <u>\$ 3,778,860</u> | <u>\$ 3,641,951</u> | <u>(1,074,379)</u> | <u>2,158,636</u> | <u>1,084,257</u> |
| General Revenues: | | | | | | |
| Local sources | | | | 491,960 | - | 491,960 |
| State sources | | | | (501,371) | - | (501,371) |
| Federal sources | | | | - | - | - |
| On-behalf payments - Local | | | | 299,305 | - | 299,305 |
| On-behalf payments - State | | | | 567,777 | - | 567,777 |
| Loss on disposal of equipment | | | | (6,408) | - | (6,408) |
| Investment income | | | | 9,676 | 231 | 9,907 |
| Transfers | | | | (250,131) | 250,131 | - |
| Total General Revenues and Transfers | | | | <u>610,808</u> | <u>250,362</u> | <u>861,170</u> |
| Change in net assets | | | | (463,571) | 2,408,998 | 1,945,427 |
| Net Assets - beginning (Restated - See Note 13) | | | | <u>1,031,060</u> | <u>122,762</u> | <u>1,153,822</u> |
| Net Assets - ending | | | | <u>\$ 567,489</u> | <u>\$ 2,531,760</u> | <u>\$ 3,099,249</u> |

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2011

| | General Fund | Education Fund | Other NonMajor Funds | Eliminations | Total Governmental Funds |
|---|-------------------|---------------------|----------------------------|--------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 184,094 | \$ 337,682 | \$ 129,483 | \$ - | \$ 651,259 |
| Due from other funds | 60,795 | - | - | (60,795) | - |
| Accounts receivable | 6,871 | - | - | - | 6,871 |
| Due from other governments: | | | | | |
| Local | 24,276 | - | - | - | 24,276 |
| State | - | 361,246 | - | - | 361,246 |
| Federal | - | 316,974 | - | - | 316,974 |
| TOTAL ASSETS | \$ 276,036 | \$ 1,015,902 | \$ 129,483 | \$ (60,795) | \$ 1,360,626 |
| LIABILITIES AND FUND BALANCE | | | | | |
| LIABILITIES: | | | | | |
| Accounts payable | \$ 10,058 | \$ 101,090 | \$ 1,390 | \$ - | \$ 112,538 |
| Accrued payroll and employee benefits | - | 12,550 | - | - | 12,550 |
| Due to other funds | 21,484 | 465,387 | - | (60,795) | 426,076 |
| Due to other governments: | | | | | |
| State | - | 79,734 | - | - | 79,734 |
| Deferred revenue | - | 454,941 | - | - | 454,941 |
| Total liabilities | 31,542 | 1,113,702 | 1,390 | (60,795) | 1,085,839 |
| FUND BALANCE: | | | | | |
| Restricted | - | 66,153 | 128,093 | - | 194,246 |
| Assigned | 174,787 | - | - | - | 174,787 |
| Unassigned | 69,707 | (163,953) | - | - | (94,246) |
| Total fund balance | 244,494 | (97,800) | 128,093 | - | 274,787 |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 276,036 | \$ 1,015,902 | \$ 129,483 | \$ (60,795) | \$ 1,360,626 |

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
JUNE 30, 2011

Total fund balances - governmental funds \$ 274,787

Amounts reported for governmental activities in the Statement of Net Assets
are different because:

Capital assets used in governmental activities are not
financial resources and, therefore, are not reported in the funds. 76,463

Revenues in the Statement of Activities that do not provide current
financial resources, and are not reported as revenues in the funds. 216,239

Net assets of governmental activities \$ 567,489

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

| | General Fund | Education Fund | Other NonMajor Funds | Eliminations | Total Governmental Funds |
|--|-------------------|--------------------|----------------------------|--------------|--------------------------------|
| REVENUES | | | | | |
| Local sources | \$ 245,557 | \$ 162,441 | \$ 83,962 | \$ - | \$ 491,960 |
| State sources | 1,760 | 2,075,451 | 2,200 | - | 2,079,411 |
| Federal sources | - | 2,062,543 | - | - | 2,062,543 |
| On-behalf payments - Local | 299,305 | - | - | - | 299,305 |
| On-behalf payments - State | 567,777 | - | - | - | 567,777 |
| Total revenues | <u>1,114,399</u> | <u>4,300,435</u> | <u>86,162</u> | <u>-</u> | <u>5,500,996</u> |
| EXPENDITURES | | | | | |
| Instructional Services | | | | | |
| Salaries and benefits | 135,297 | 1,321,036 | 2,004 | - | 1,458,337 |
| Purchased services | 115,942 | 1,292,825 | 38,488 | - | 1,447,255 |
| Supplies and materials | 2,279 | 191,943 | 6,975 | - | 201,197 |
| Other objects | 6,087 | 143 | 200 | - | 6,430 |
| Payments to other governments | - | 671,694 | - | - | 671,694 |
| On-behalf payments - Local | 299,305 | - | - | - | 299,305 |
| On-behalf payments - State | 567,777 | - | - | - | 567,777 |
| Capital outlay | - | 2,800 | - | - | 2,800 |
| Total expenditures | <u>1,126,687</u> | <u>3,480,441</u> | <u>47,667</u> | <u>-</u> | <u>4,654,795</u> |
| Excess/(Deficiency) of revenues over expenditures | <u>(12,288)</u> | <u>819,994</u> | <u>38,495</u> | <u>-</u> | <u>846,201</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 39,166 | 214,873 | - | (214,958) | 39,081 |
| Transfers out | (10,844) | (493,086) | (240) | 214,958 | (289,212) |
| Interest income | 35 | 9,625 | 16 | - | 9,676 |
| Total other financing sources | <u>28,357</u> | <u>(268,588)</u> | <u>(224)</u> | <u>-</u> | <u>(240,455)</u> |
| Net change in fund balances | 16,069 | 551,406 | 38,271 | - | 605,746 |
| FUND BALANCE (DEFICIT) - BEGINNING (RESTATE-See Note 13) | <u>228,425</u> | <u>(649,206)</u> | <u>89,822</u> | <u>-</u> | <u>(330,959)</u> |
| FUND BALANCE - ENDING | <u>\$ 244,494</u> | <u>\$ (97,800)</u> | <u>\$ 128,093</u> | <u>\$ -</u> | <u>\$ 274,787</u> |

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
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, 2011

Net change in fund balances \$ 605,746

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 | \$ 2,800 | |
| Depreciation expense | (64,335) | |
| Loss on disposal of equipment | <u>(6,408)</u> | (67,943) |

Revenues reported in the Statement of Activities in the prior year
that did not provide current financial resources, and were not
reported as revenues in the funds.

Reported in the funds in the current year:

| | | |
|-----------------|-----------------|-------------|
| State sources | (1,204,352) | |
| Federal sources | <u>(13,261)</u> | (1,217,613) |

Revenues in the Statement of Activities that do not provide current
financial resources, and are not reported as revenues in the funds.

| | | |
|------------------|----------------|----------------|
| Deferred revenue | | |
| State sources | \$ 13,981 | |
| Federal sources | <u>202,258</u> | <u>216,239</u> |

Change in net assets of governmental activities \$ (463,571)

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

| | Business-type Activities Proprietary Funds | | | Eliminations | Totals |
|---|---|----------------------------|----------------------------------|-----------------|---------------------|
| | Local Workshops | Illinois Virtual School | Nonmajor Proprietary Funds | | |
| Assets | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 528,705 | \$ 634,227 | \$ 140,944 | \$ - | \$ 1,303,876 |
| Due from other governments | | | | | |
| Local | 26,702 | 798,725 | 7,625 | - | 833,052 |
| Due from other funds | 96,147 | 347,997 | - | (18,068) | 426,076 |
| Prepaid expenses | - | 16,667 | - | - | 16,667 |
| Total current assets | <u>651,554</u> | <u>1,797,616</u> | <u>148,569</u> | <u>(18,068)</u> | <u>2,579,671</u> |
| Noncurrent assets: | | | | | |
| Capital assets, net of depreciation | 13,664 | 19,134 | - | - | 32,798 |
| Total Assets | <u>665,218</u> | <u>1,816,750</u> | <u>148,569</u> | <u>(18,068)</u> | <u>2,612,469</u> |
| Liabilities and Net Assets | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 6 | 5,931 | - | - | 5,937 |
| Accrued payroll liabilities | 677 | 61,208 | - | - | 61,885 |
| Lease payable | 4,633 | - | - | - | 4,633 |
| Due to other funds | 18,068 | - | - | (18,068) | - |
| Deferred revenue | - | - | - | - | - |
| Total current liabilities | <u>23,384</u> | <u>67,139</u> | <u>-</u> | <u>(18,068)</u> | <u>72,455</u> |
| Noncurrent liabilities: | | | | | |
| Lease payable, net of current | 8,254 | - | - | - | 8,254 |
| Total Liabilities | <u>31,638</u> | <u>67,139</u> | <u>-</u> | <u>(18,068)</u> | <u>80,709</u> |
| Net Assets | | | | | |
| Invested in capital assets, net of related debt | 777 | 19,134 | - | - | 19,911 |
| Unrestricted | 632,803 | 1,730,477 | 148,569 | - | 2,511,849 |
| Total Net Assets | <u>\$ 633,580</u> | <u>\$ 1,749,611</u> | <u>\$ 148,569</u> | <u>\$ -</u> | <u>\$ 2,531,760</u> |

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

| | Business-type Activities - Proprietary Funds | | | Eliminations | Totals |
|---|---|----------------------------|----------------------------------|--------------|---------------------|
| | Local Workshops | Illinois Virtual School | Nonmajor Proprietary Funds | | |
| Operating Revenues | | | | | |
| Charges for services | \$ 150,228 | \$ 3,473,403 | \$ 155,229 | \$ - | \$ 3,778,860 |
| Operating Expenses | | | | | |
| Salaries and benefits | 58,448 | 1,113,933 | 32,378 | - | 1,204,759 |
| Purchased services | 25,538 | 342,870 | 5,438 | - | 373,846 |
| Supplies and materials | 3,594 | 10,888 | 7,821 | - | 22,303 |
| Payments to other governments | 6 | 3,120 | - | - | 3,126 |
| Other objects | 366 | - | 13 | - | 379 |
| Depreciation | 10,862 | 4,184 | - | - | 15,046 |
| Total operating expenses | <u>98,814</u> | <u>1,474,995</u> | <u>45,650</u> | <u>-</u> | <u>1,619,459</u> |
| Operating Income (Loss) | <u>51,414</u> | <u>1,998,408</u> | <u>109,579</u> | <u>-</u> | <u>2,159,401</u> |
| Nonoperating Revenue (Expense) | | | | | |
| Interest income | 35 | 186 | 10 | - | 231 |
| Interest expense | (765) | - | - | - | (765) |
| Total nonoperating revenue (expense) | <u>(730)</u> | <u>186</u> | <u>10</u> | <u>-</u> | <u>(534)</u> |
| Income (Loss) Before Transfers | <u>50,684</u> | <u>1,998,594</u> | <u>109,589</u> | <u>-</u> | <u>2,158,867</u> |
| Transfers in | 291,401 | - | 407 | (41,677) | 250,131 |
| Transfers out | - | (41,677) | - | 41,677 | - |
| Total transfers | <u>291,401</u> | <u>(41,677)</u> | <u>407</u> | <u>-</u> | <u>250,131</u> |
| Change in Net Assets | 342,085 | 1,956,917 | 109,996 | - | 2,408,998 |
| Net Assets- Beginning (Restated- See Note 13) | <u>291,495</u> | <u>(207,306)</u> | <u>38,573</u> | <u>-</u> | <u>122,762</u> |
| Net Assets - Ending | <u>\$ 633,580</u> | <u>\$ 1,749,611</u> | <u>\$ 148,569</u> | <u>\$ -</u> | <u>\$ 2,531,760</u> |

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

| | Business-type Activities Proprietary Funds | | | Totals |
|---|---|---------------------|----------------------|---------------------|
| | Local | Illinois Virtual | Nonmajor | |
| | Workshops | School | Proprietary Funds | |
| Cash Flows from Operating Activities | | | | |
| Receipts from customers | \$ 194,633 | \$ 2,925,652 | \$ 134,587 | \$ 3,254,872 |
| Payments to suppliers and providers of goods and services | (52,909) | (562,118) | (34,671) | (649,698) |
| Payments to employees | (58,448) | (1,113,933) | (32,378) | (1,204,759) |
| Net cash provided by (used for) operating activities | <u>83,276</u> | <u>1,249,601</u> | <u>67,538</u> | <u>1,400,415</u> |
| Cash Flows from Capital and Related Financing Activities | | | | |
| Acquisition of capital assets | - | (2,075) | - | (2,075) |
| Principal paid on lease obligations | (4,407) | - | - | (4,407) |
| Interest paid on lease obligations | (765) | - | - | (765) |
| Net cash (used for) capital and related financing activities | <u>(5,172)</u> | <u>(2,075)</u> | <u>-</u> | <u>(7,247)</u> |
| Cash Flows from Investing Activities | | | | |
| Interest earned from investments | 35 | 186 | 10 | 231 |
| Net cash provided by investing activities | <u>35</u> | <u>186</u> | <u>10</u> | <u>231</u> |
| Cash Flows from Noncapital Financing Activities | | | | |
| Cash payments to other funds | (5,460) | (613,485) | - | (618,945) |
| Cash payments from other funds | 442,278 | - | 7,870 | 450,148 |
| Net cash provided by (used for) noncapital financing activities | <u>436,818</u> | <u>(613,485)</u> | <u>7,870</u> | <u>(168,797)</u> |
| Net increase in cash and cash equivalents | 514,957 | 634,227 | 75,418 | 1,224,602 |
| Cash and cash equivalents - Beginning | 13,748 | - | 65,526 | 79,274 |
| Cash and cash equivalents - Ending | <u>\$ 528,705</u> | <u>\$ 634,227</u> | <u>\$ 140,944</u> | <u>\$ 1,303,876</u> |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | | | |
| Operating income (loss) | \$ 51,414 | \$ 1,998,408 | \$ 109,579 | \$ 2,159,401 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | | |
| Depreciation | 10,862 | 4,184 | - | 15,046 |
| Change in assets and liabilities: | | | | |
| (Increase)/Decrease in prepaid expenses | - | (16,667) | - | (16,667) |
| (Increase) / Decrease in due from other governments | 44,405 | 394,867 | (2,467) | 436,805 |
| Increase / (Decrease) in deferred revenue | - | (942,618) | (18,175) | (960,793) |
| Increase / (Decrease) in lease payable | - | - | (13,092) | (13,092) |
| Increase / (Decrease) in accounts payable | (23,405) | (188,573) | (8,307) | (220,285) |
| Net cash provided by (used for) operating activities | <u>\$ 83,276</u> | <u>\$ 1,249,601</u> | <u>\$ 67,538</u> | <u>\$ 1,400,415</u> |

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
JUNE 30, 2011

| | <u>Peoria Promise Foundation</u> | <u>Agency Funds</u> |
|----------------------------|--|-------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ - | \$ 27,801 |
| Due from other governments | 3,414 | 1,137,634 |
| TOTAL ASSETS | <u>3,414</u> | <u>\$ 1,165,435</u> |
| LIABILITIES | | |
| Due to other governments | \$ - | \$ 1,165,435 |
| Accounts payable | 6,871 | - |
| TOTAL LIABILITIES | <u>6,871</u> | <u>\$ 1,165,435</u> |
| NET ASSETS | | |
| Reserved for scholarships | <u>\$ (3,457)</u> | |

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

| | <u>Peoria Promise Foundation</u> |
|-------------------------------|--|
| ADDITION | |
| Donations | \$ 38,145 |
| DEDUCTION | |
| Salaries and benefits | <u>41,602</u> |
| CHANGE IN NET ASSETS | (3,457) |
| NET ASSETS, BEGINNING OF YEAR | <u>-</u> |
| NET ASSETS, END OF YEAR | <u><u>\$ (3,457)</u></u> |

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Peoria County Regional Office of Education #48 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2011, the Regional Office of Education #48 implemented Governmental Accounting Standards Board (GASB) Statement No.54, *Fund Balance Reporting and Governmental Fund Type Definitions*, GASB Statement No. 59, *Financial Instruments Omnibus*, and GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Regional Office of Education #48 implemented these standards during the current year; however, GASB Statements No. 59 and 62 had no impact on the financial statements. The implementation of GASB Statement No. 54 changed fund balance reporting for governmental funds by adding some additional fund balance classifications, clarifying governmental fund type definitions, and providing some additional disclosures on how fund balance constraints are imposed and may be modified or eliminated.

A. DATE OF MANAGEMENT’S REVIEW

The Peoria County Regional Office of Education #48 has evaluated subsequent events through December 20, 2011, the date which 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 teacher institutes as well as to aid and encourage the formation of other teachers’ meetings and assist in their management; evaluate the schools in the region; examine evidence of indebtedness; file and keep the returns of elections required to be returned to the Regional Superintendent’s office; and file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Peoria County Regional Office of Education #48’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.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FINANCIAL REPORTING ENTITY (Concluded)

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 under his control are properly bonded.

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the Peoria County Regional Office of Education #48, or see that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2011, the Peoria County Regional Office of Education #48 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 Peoria County Regional Office of Education #48. Such activities are reported as a single special revenue fund (Education Fund).

C. SCOPE OF THE REPORTING ENTITY

The Peoria County Regional Office of Education #48 reporting entity includes all related organizations for which they exercise oversight responsibility.

The Peoria County Regional Office of Education #48 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Peoria County Regional Office of Education #48, 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 Peoria County Regional Office of Education #48 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 Peoria County Regional Office of Education #48 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Peoria County Regional Office of Education #48 is not aware of any entity, which would exercise such oversight as to result in the Peoria County Regional Office of Education #48 being considered a component unit of the entity.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Peoria County Regional Office of Education #48'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 Peoria County Regional Office of Education #48 has three business-type activities; Local Workshops, Tech Support, and the Illinois Virtual School. The Local Workshop Fund accounts for fees charged for various workshops and conferences that provide staff development for educators in central and west central Illinois. The Tech Support Fund accounts for monies received related to the Regional Office providing technical support to District 150 and the related payroll expenses. The Illinois Virtual School Fund accounts for tuition and subscription costs charged to schools and the Illinois State Board of Education for use of the Illinois Virtual School (IVS).

The Peoria County Regional Office of Education #48's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present a summary of governmental and business-type activities for the Peoria County Regional Office of Education #48 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 Peoria County Regional Office of Education #48's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Assets. 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.

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 proprietary funds appear as due to/due from on the governmental fund Balance Sheet and proprietary fund Statement of Net Assets and as other financing sources and uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and as transfers in and out on the proprietary fund Statement of Revenues, Expenses and Changes in Fund Net Assets. 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.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities.

The purpose of interfund borrowing and permanent transfers is to cover temporary or permanent short falls in cash flow within grant programs and funds.

E. PROPRIETARY FUND FINANCIAL STATEMENTS

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, 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 Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

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

F. GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the government-wide financial statements.

The governmental fund financial statements have been prepared in accordance with generally accepted accounting principles on the modified accrual basis. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, typically 60 days. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for prepaid expenses and other long-term obligations, which are recognized when paid.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. GOVERNMENTAL FUND FINANCIAL STATEMENTS (Concluded)

Revenue received after the Regional Office's availability period are reported as deferred revenue in the fund statements and are reported as current revenue in the Statement of Activities.

G. 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. 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 only current assets and current liabilities are generally included on their balance sheets. Their 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 the specific purpose or project before any amounts will be paid to the Peoria County Regional Office of Education #48; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Under the terms of grant agreements, Peoria County Regional Office of Education #48 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 the Peoria County Regional Office of Education #48's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues. It is the Peoria County Regional Office of Education #48's policy to first apply restricted funds, then unrestricted. For unrestricted fund balances, committed funds are used first, then assigned funds, then unassigned if any.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING

The Peoria County Regional Office of Education #48 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 Peoria County Regional Office of Education #48 uses governmental, proprietary, and fiduciary funds.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are reported. Governmental funds 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 and liabilities is reported as a 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, liabilities, 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, liabilities, 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 Peoria County Regional Office of Education #48 has presented all major funds that met the above qualifications.

The Peoria County Regional Office of Education #48 reports the following major governmental funds:

General Fund - The General Fund is used to account for resources traditionally associated with government which are not required, legally or by sound financial management, to be accounted for in another fund. The General Fund is always considered a major fund. The following accounts are included in the General Fund:

Administrative Interest Fund - To account for interest earned on local, education for employment, and target fund accounts.

ROE Local Fund - To account for transition money received from the State of Illinois. Transition monies are the monies paid by the State of Illinois to ROEs affected by the closing of the Educational Service Centers following the merger of various ROEs.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

General State Aid – This program is used to account for grant monies received for, and payment of, expenditures related to any educational purposes consistent with State and local requirements.

Jail Library - To account for local monies received to provide a librarian at the Peoria County Jail.

Pleasant Valley - To account for monies received from Pleasant Valley School for expenditures incurred providing professional development support and assistance.

Lincoln Senior Award - To account for local monies received to provide Abraham Lincoln Awards to sixteen high school students.

National Board Certification - To account for monies received to provide reimbursements to teachers who complete a program through a college for a national certificate which is good for 10 years.

Office of Prevention - To account for monies used to create a “library” of substance abuse and violence prevention materials which directs a 40 percent portion of Title IV grants from 15 Peoria County school districts to Peoria County Sheriff for use in the D.A.R.E. program.

Spring Celebration - To account for monies received for a program designed to offer students in grades K-12 the opportunity to perform, exhibit, and demonstrate their abilities in the Fine Arts and Applied Arts.

Hospital Tutoring - State laws require that hospitalized students receive tutoring. To account for the related transactions, including the receipt of the bills from the hospitals, billing the appropriate schools, receiving payment from the schools, and remitting payments to the hospitals.

Directory - To account for the collection and distribution of funds used for advertising space in the school directory.

Food Co-op - To account for the Regional Office of Education’s administration of food programs for the schools participating in the co-op.

Consortium for Educational Change – To provide Peoria School Districts coaching, consulting, and facilitating in the area of continuous improvement and leadership development.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Title II Co-op – To account for monies spent to enhance math and science instruction within participating schools.

Upward Generated - To account for local monies received to promote adult literacy.

Major Special Revenue Funds - Special Revenue Funds are used to account for 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 proceeds of specific revenue sources that are restricted by grant agreements or contracts to expenditures for specified purposes supporting education enhancement programs as follows:

Adult Education Basic and Performance - To account for State and federal monies received for educational programs for incarcerated persons.

Upward SOS - To account for State monies received to promote adult literacy.

Communities for Youth Truants Alternative - To account for monies received for programs leading to a high school diploma for students with truancy problems.

McKinney-Vento Education for Homeless Children and Youth - To account for monies received to provide information to schools, community members and government entities about the educational rights of homeless students.

Peoria County - To account for monies received to support and enhance the education of the citizenry of Peoria.

Learn and Serve America - To account for monies received to encourage and support the use of service learning as a teaching methodology in the elementary and secondary schools of Illinois.

Learning Technology Center - General Operations - To account for monies received to provide a technology support system for area school districts.

ROE/ISC Operations - To account for the administration of the Two Rivers Professional Development Center, which provides staff training and development and school improvement services.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

- Education Technology Competitive Grant - To account for monies received to provide staff development and resources to area educators.
- Title I School Improvement and Accountability - To account for monies received from the State (federal dollars) to support school improvement services for Title I schools in academic difficulty.
- Title II Teacher Quality Leadership - To account for monies received from the State (federal dollars) to support school improvement services for schools in academic difficulty.
- Title I Reading First Part B SEA (4337-00) - To account for monies received from the State (federal dollars) for expenditures incurred providing reading assistance to Reading First districts and buildings.
- Reading First Super Region (4337-04) - To account for monies received from the State for expenditures incurred providing professional development to teachers related to response to intervention
- Coordination and Services Grant - To account for monies received from the State to support school improvement services for schools in academic difficulty.
- Mathematics and Science Partnership - To account for monies received from the State (federal dollars) for expenditures incurred providing math/science grant workshops and services.
- Special Education – IDEA Part D - To account for monies received from the State (federal dollars) for expenditures incurred to combine professional development in response to intervention, standards aligned classroom, and reading literacy to improve intervention with children.
- Illinois Department of Public Health - To account for monies received from the State for expenditures incurred in providing teachers with information about asthma.
- Socially Emotional Learning - To account for monies received to identify and implement teams that will develop a framework for the integration of SEL Standards and other mental health initiatives.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Preschool for All Children - To account for monies from the State for expenditures incurred to make voluntary preschool available to all 3 and 4 year olds in an effort to help those children prepare for kindergarten and their school career.

Standards Aligned Classroom - Statewide Professional Development - To account for monies received from Regional Office of Education #11 for expenditures for State Standard Aligned Classroom initiatives and salaries.

Principal Mentoring - To provide an experienced mentor to all principals new to the profession within Illinois public schools.

Gifted Education – Grantees of the Gifted Education Program funds are required to sponsor Gifted Education Seminars in their region. The purchase of supplemental educator materials, classroom supplies and oversight of the grant are additional components of the initiative.

Beginning Teacher Induction - The Illinois State Board of Education provided funding for competitive grants for new teachers to the profession to be mentored by trained mentors. The Peoria Regional Office was awarded the grant that will assist new teachers during their first year of educational practice.

State Implementation and Scaling-up of Evidence-based Practices (SISEP) –To provide State level leadership to support collaboration between general education and special education.

Transportation Career Cluster – To account for federal funds received to develop a series of grade 6-12 curriculum units that will introduce students to careers, skills and concepts they will need to succeed in the transportation industry.

Regional Safe Schools – To account for monies passed through to Peoria County School District 150.

State Implementation and Scaling-up of Evidence-based Practices (SISEP) — University of North Carolina – To account for federal funds to provide fiscal and administrative support for State transformation specialists and regional implementation teams in building capacity in the State, provide assistance for ongoing coordination of regional implementation teams as developed, and provide technical assistance and support to regional implementation team.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

IDEA ARRA- Galesburg –To account for federal funding to provide Standards-Aligned Classroom coaching; Response to intervention training and differentiation instruction to grades 6-12 educators.

Title I ARRA– Galesburg – To account for federal funding to provide Standards-Aligned Classroom coaching; Response to intervention training and differentiation instruction to grades PreK-5 educators.

ARRA– Education Jobs Fund Program – To account for federal funding passed through the State to provide assistance to save or create education jobs for the 2010-2011 school year.

ARRA– Title I School Improvement and Accountability – To account for monies received from the State (federal dollars) to implement programs in schools that have high concentrations of students from families in poverty in order to improve teaching and learning for students most at risk of failing to meet state academic achievement standards.

Illinois Virtual School – RTI Online – To account for State funding to provide subscriptions for online access to the Illinois Virtual School that provides professional development for educators.

The Peoria County Regional Office of Education #48 reports the following nonmajor governmental funds:

Art Opportunities - To account for contributions received for expenditures made for the art opportunities program.

Bus Driver Training - This fund accounts for State and local receipts and expenses as a result of training school district bus drivers.

Secretary - To account for local monies received to provide an additional secretary for the Regional Office.

General Education Development - To account for the Regional Office of Education's administration of the GED Testing Program. Revenues are received from testing and diploma fees.

Institute - This fund accounts for teacher certificate registration, issuance and evaluation fees for processing certificates, and expenses of meetings of a professional nature. All funds generated remain restricted until expended only on the aforementioned activities.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Concluded)

Supervisory - This fund accounts for proceeds provided to the Regional Superintendent by the Illinois State Board of Education to be used for travel and related purposes.

PROPRIETARY FUNDS

Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Peoria County Regional Office of Education #48 on a cost reimbursement basis are reported.

Local Workshops Fund – This fund is used to account for the various fees charged for local workshops that provide professional development to area educators.

Illinois Virtual School Fund – This fund accounts for income received and expenses incurred for work awarded to the Illinois Virtual School. The work obtained is a result of proposals submitted by IVS to a district/agency in response to their published scope of work. This fund also accounts for tuition payments from school districts for grade 5-12 online courses and indirect costs that are not covered under the Regional Office of Education #48's contract with the Illinois State Board of Education. In addition, the Illinois Virtual School Fund is used to account for monies received to engage in a partnership to guide the transformation of the Illinois Virtual High School (IVHS) into the Illinois Virtual School (IVS). IVS is intended to expand the number of traditional students served, expand the grade levels to include grades 5 through 8, operate in an "anywhere, anytime" mode, and serve nontraditional students. The IVS will also expand professional development options available to Illinois teachers for certificate renewal process.

Tech Support – This fund accounts for the income received and expenses incurred for the Regional Office to provide technical support to District 150.

Learning Technology Center Technical Training and Support - To account for monies received to provide training and professional development to area educators.

Aspire - To deliver professional development based on the following initiatives: response to intervention, standards-aligned classroom, and reading literacy.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIDUCIARY FUNDS

Agency Funds – Agency Funds are used to account for assets held by the Peoria County Regional Office of Education #48 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency Funds include the following:

Regional Board of Trustees – To account for the proceeds and related costs from the sale of school properties within the Regional Office of Education.

Central Illinois Science Education (C.I.S.E.) – To account for the receipts and disbursements of the C.I.S.E. This account is maintained for the convenience of the C.I.S.E.

Peoria Promise Foundation – To account for monies received from private donations to fund a scholarship to Illinois Central College (ICC) for Peoria students.

Criminal Background Checks - To account for the pass-through of monies from various school districts to agencies to conduct criminal background checks on substitute teachers.

Perfect - To account for the pass-through of monies from the Illinois State Board of Education to agencies to conduct vocational programs for students.

SEAPCO - To account for the pass-through of monies from the Illinois State Board of Education to agencies to conduct Special Education instruction in Peoria County.

IVS Scholarship Fund - To account for scholarship monies from the LUDA Education Foundation to provide scholarships to students.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. GOVERNMENTAL FUND BALANCES

Fund Balance is the difference between assets and liabilities 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 assets that are not available to be spent, either short term or long term, in either form or through legal restrictions.

Restricted Fund Balance – the portion of a Governmental Fund’s net assets that are subject to external enforceable legal restrictions. The following fund balances are restricted by grant agreements or contracts: ROE/ISC Operations and Special Education – IDEA Part D. The following funds are restricted by Illinois Statute: Bus Driver Training, Institute, General Education Development, and Supervisory.

Committed Fund Balance – the Portion of a Governmental Fund’s net assets with self-imposed constraints or limitations that have been placed at the highest level of decision making. There are no accounts presenting a committed fund balance.

Assigned Fund Balance – the Portion of a Governmental Fund’s net assets to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following accounts comprise assigned fund balance: Upward Generated, Title II Coop, Directory, Food Co-op, Hospital Tutoring, Office of Prevention, Spring Celebration, Consortium for Educational Change, Jail Library, and Lincoln Senior Award.

Unassigned Fund Balance – available expendable resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of the following: Administrative Interest Fund, ROE Local Fund, Communities for Truants Alternative, Title I School Improvement and Accountability, and Transportation Career Cluster.

J. NET ASSETS

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

Invested in capital assets – Consists of capital assets, net of accumulated depreciation.

Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets.”

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit. The Peoria County Regional Office of Education #48 considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

L. INVENTORY

Inventory is not recorded. The cost is recorded as an expenditure at the time individual inventory items are purchased.

M. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$500 or more 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.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

| | |
|--------------------------------|-------------|
| Office Equipment and Furniture | 5 -10 years |
| Computer Equipment | 3 - 5 years |
| Other Equipment | 5 -20 years |

N. COMPENSATED ABSENCES

Non-certified and certified employees who work 12 calendar months earn up to 20 vacation days for a full year of service. The accumulated total of vacation days may never exceed 30 days. 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, and therefore, no liability is accrued.

Employees receive up to 12 sick days annually and the unused portion is accumulated up to 180 days and carried forward. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay, and therefore, no liability is accrued.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

O. 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.

P. BUDGET INFORMATION

The Peoria County Regional Office of Education #48 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Fund. 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 do so. Comparisons of budgeted and actual results are presented as supplemental information.

Budgetary comparison schedules have been provided in supplementary schedules for the following funds: ROE/ISC Operations, Adult Education Basic, Adult Education Performance, Upward SOS, Communities for Youth Truants Alternative, McKinney-Vento Education for Homeless Children and Youth, Learning Technology Center General Operations, Title I School Improvement and Accountability, Title I Reading First Part B SEA, Reading First Super Region, Special Education – IDEA Part D, Preschool for All Children, ARRA – Title I School Improvement and Accountability, Illinois Virtual School – RTI Online, Regional Safe Schools, Gifted Education, and Beginning Teacher Induction.

NOTE 2 – DEPOSITS AND INVESTMENTS

The *Illinois Compiled Statutes* authorize the Peoria County Regional Office of Education #48 to make deposits and invest in U.S. Government, State of Illinois and municipal securities, certificates of deposit or time savings deposits insured by the FDIC, mortgage notes, bonds, or debentures issued by the Federal Housing Administration, bonds and other obligations of the Federal National Mortgage Association, commercial paper rated within the three highest classifications by at least two standard rating services, credit union shares, and the Illinois Public Treasurer's Investment Pool.

A. DEPOSITS

At June 30, 2011, the carrying amount of the Peoria County Regional Office of Education #48's government-wide and Agency fund deposits were \$1,955,135 and \$27,801, respectively, and the bank balances were \$556,510 and \$27,801, respectively. Of the total bank balances as of June 30, 2011, \$250,000 was secured by federal depository insurance and \$334,311 was collateralized by securities pledged by the Peoria County Regional Office of Education #48's financial institution in the name of the Regional Office.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 2 – DEPOSITS AND INVESTMENTS (Concluded)

B. INVESTMENTS

The Peoria County Regional Office of Education #48 does not have a formal investment policy but requires that funds be invested solely in investments authorized by the Public Funds Investment Act, 30 ILCS 235/2. As of June 30, 2011, the Peoria County Regional Office of Education #48 had investments with a carrying and fair value of \$1,763,381 invested in the Illinois School District Liquid Asset Fund Plus.

CREDIT RISK

At June 30, 2011, the Illinois School District Liquid Asset Fund Plus (ISDLAF+) had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. The investment advisor for ISDLAF+ is a corporation organized under the laws of the State of Illinois and is registered with the Securities and Exchange Commission. All investments are fully collateralized.

INTEREST RATE RISK

The Illinois School District Liquid Asset Fund Plus 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 School District Liquid Asset Fund Plus limits the average dollar-weighted portfolio maturity to sixty days or less and states that money market instruments must have a maximum remaining maturity of one year except for U.S. government obligations which may have remaining maturities up to two years.

CONCENTRATION OF CREDIT RISK

The Illinois School District Liquid Asset Fund Plus's investment policy specifically limits the amount of investments in commercial paper to 33 1/3% of the fund's assets. The fund is managed to comply with specific requirements of the Illinois law, particularly the Public Funds Investment Act and other applicable to the investment of participant's funds.

NOTE 3 – DEFINED BENEFIT PENSION PLAN

Plan Description. The Regional Office of Education #48'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 #48's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2011

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

Funding Policy. As set by statute, the Peoria County Regional Office of Education #48's Regular plan members are required to contribute 4.50 percent 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 employer annual required contribution rate for calendar year 2010 was 9.95 percent. The Peoria County Regional Office of Education #48 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2010 was \$36,196.

A. THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

| Calendar Year <u>Ending</u> | Annual Pension Cost (APC) | Percentage of APC <u>Contributed</u> | Net Pension <u>Obligation</u> |
|-----------------------------------|---------------------------------|--|-------------------------------------|
| 12/31/10 | \$36,196 | 100% | \$0 |
| 12/31/09 | 35,079 | 100% | 0 |
| 12/31/08 | 14,023 | 100% | 0 |

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00% a year, attributable to inflation, c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3% annually.

The actuarial value of the Peoria County Regional Office of Education #48's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Peoria County Regional Office of Education #48's Regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 10 year basis.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Concluded)

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 98.63 percent funded. The actuarial accrued liability for benefits was \$347,050 and the actuarial value of assets was \$342,287, resulting in an underfunded actuarial accrued liability (UAAL) of \$4,763. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$363,776 and the ratio of the UAAL to the covered payroll was 1 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

The Peoria County Regional Office of Education #48 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. 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 State of Illinois maintains primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2011, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after Jan. 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2010 and 2009.

The State of Illinois makes contributions directly to TRS on behalf of the Peoria County Regional Office of Education #48's TRS-covered employees.

On behalf contributions. The State of Illinois makes employer pension contributions on behalf of the Peoria County Regional Office of Education #48. For the year ended June 30, 2011, State of Illinois contributions were based on 23.10 percent of creditable earnings not paid from federal funds, and the Peoria County Regional Office of Education #48 recognized revenue and expenditures of \$328,453 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2010 and June 30, 2009, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.38 percent (\$482,205) and 17.08 percent (\$251,417), respectively.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

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

The Peoria County Regional Office of Education #48 makes other types of employer contributions directly to TRS:

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2011 were \$10,581. Contributions for the years ending June 30, 2010 and June 30, 2009, were \$13,641 and \$9,952, respectively.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the Peoria County Regional Office of Education #48, there is a statutory requirement for the Peoria County Regional Office of Education #48 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2011, the employer pension contribution was 23.10 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2010 and 2009, the employer contribution was 23.38 and 17.08 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2011 salaries totaling \$41,873 were paid from federal and special trust funds that required employer contributions of \$9,673. For the years ended June 30, 2010 and June 30, 2009, required Peoria County Regional Office of Education #48 contributions were \$18,387 and \$12,916, respectively.

Early Retirement Option. The Peoria County Regional Office of Education #48 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

The maximum employer ERO contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2011, the Peoria County Regional Office of Education #48 paid no employer contribution to TRS under the ERO program. For the years ended June 30, 2010 and June 30, 2009, the Peoria County Regional Office of Education #48 paid no employer ERO contributions, respectively.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

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

- **Salary increases over 6 percent and excess sick leave.** If the Peoria County Regional Office of Education #48 grants salary increases over 6 percent and those salaries are used to calculate a retiree’s final average salary, the Peoria County Regional Office of Education #48 makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent. For the years ended June 30, 2011, 2010, and 2009 the Peoria County Regional Office of Education #48 paid no employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent.

If the Peoria County Regional Office of Education #48 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the Peoria County Regional Office of Education #48 makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.03 percent of salary during the year ended June 30, 2011, as recertified pursuant to Public Act 96-1511).

For the years ended June 30, 2011, 2010, and 2009 the Peoria County Regional Office of Education #48 paid no employer contributions to TRS for sick leave days granted in the excess of the normal annual allotment.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and State funding requirements can be found in the TRS Comprehensive Annual Financial Report for year ended June 30, 2010. The report for the year ended June 30, 2011, is expected to be available in late 2011. The reports may be obtained by writing to the Teachers’ Retirement System of the State of Illinois, PO Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov.

NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND

The Peoria County Regional Office of Education #48 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers’ Retirement System (TRS). Annuitants may participate in the State administered participating provider option plan or choose from several managed care options.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

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

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor’s approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the State make a contribution to THIS Fund.

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On behalf contributions. The State of Illinois makes employer retiree health insurance contributions on behalf of Peoria County Regional Office of Education #48. State contributions are intended to match contributions to THIS Fund from active members which were 0.88 percent of pay during the year ended June 30, 2011. State of Illinois contributions were \$16,054, and Peoria County Regional Office of Education #48 recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the year ended June 30, 2010 was 0.84 percent of pay. State contributions on behalf of Regional Office employees were \$19,756.

Had the Peoria County Regional Office of Education #48 recognized revenue and expenditures for the State contributions intended to match active member contributions during the year ended June 30, 2009 under the current standards, the contribution match would have been .84 percent of pay, or \$14,167.

Employer contributions to THIS Fund. The Peoria County Regional Office of Education #48 also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.66 percent during the years ended June 30, 2011 and 0.63 percent during the years ended June 30, 2010 and June 30, 2009. For the year ended June 30, 2011, the Peoria County Regional Office of Education #48 paid \$12,041 to the THIS Fund. For the years ended June 30, 2010 and June 30, 2009, the district paid \$14,817 and \$14,167 to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further information on THIS Fund. The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2011

NOTE 6 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2011 consist of the following individual due to/from other funds in the governmental fund balance sheet and proprietary fund statement of net assets. The balances between governmental funds and proprietary funds were eliminated in the government-wide Statement of Net Assets.

| | Due From Other Funds | Due To Other Funds |
|------------------|-------------------------|-----------------------|
| Education Fund | \$ - | \$ 465,387 |
| General Fund | 60,795 | 21,484 |
| Proprietary Fund | 444,144 | 18,068 |
| | \$ 504,939 | \$ 504,939 |

TRANSFERS

Interfund transfer in/out to other fund balances at June 30, 2011 consist of the following individual transfers in/out to other funds in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the proprietary funds Statement of Revenues, Expenses, and Changes in Fund Net Assets. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

| | Transfer Out | Transfer In |
|----------------------|--------------|-------------|
| Education Fund | \$ 493,086 | \$ 214,873 |
| General Fund | 10,844 | 39,166 |
| Special Revenue Fund | 240 | - |
| Proprietary Fund | 41,677 | 291,808 |
| | \$ 545,847 | \$ 545,847 |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2011

NOTE 7 – CAPITAL ASSET ACTIVITY

In accordance with GASB Statement No. 34, the Peoria County Regional Office of Education #48 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased. The Regional Office's assets are composed of furniture and equipment. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2011:

| | <u>Balance</u> <u>July 1, 2010</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2011</u> |
|---|---------------------------------------|--------------------|-------------------|--|
| Governmental Activities: | | | | |
| <u>Education Fund</u> | | | | |
| Equipment | \$ 575,054 | \$ 2,800 | \$ (58,372) | \$ 519,482 |
| Governmental Activities Total Assets | 575,054 | 2,800 | (58,372) | 519,482 |
| Less Accumulated Depreciation | <u>(430,648)</u> | <u>(64,335)</u> | <u>51,964</u> | <u>(443,019)</u> |
| Governmental Activities Investment in Capital Assets, Net | <u>\$ 144,406</u> | <u>\$ (61,535)</u> | <u>\$ (6,408)</u> | <u>\$ 76,463</u> |
| | <u>Balance</u> <u>July 1, 2010</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2011</u> |
| Business-type Activities: | | | | |
| Equipment | \$ 78,746 | \$ 2,075 | \$ - | \$ 80,821 |
| Business-type Activities Total Assets | 78,746 | 2,075 | - | 80,821 |
| Less Accumulated Depreciation | <u>(32,977)</u> | <u>(15,046)</u> | <u>-</u> | <u>(48,023)</u> |
| Business-type Activities Investment in Capital Assets, Net | <u>\$ 45,769</u> | <u>\$ (12,971)</u> | <u>\$ -</u> | <u>\$ 32,798</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2011

NOTE 7 – CAPITAL ASSET ACTIVITY (Concluded)

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, 2011 of \$64,335 and \$15,046 was charged to the governmental activities and the business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

NOTE 8 – RISK MANAGEMENT

The Peoria County Regional Office of Education #48 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 Peoria County Regional Office of Education #48 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 9 – OPERATING LEASE

Two Rivers Professional Development Center has a lease agreement for their office space and an agreement for storage space. The storage lease period was September 1, 2010 through August 31, 2011 for a monthly rent of \$300. One lease for office space covered the period of July 1, 2010 through June 30, 2011 for a monthly rent of \$4,051. The other lease for office space for a monthly rent of \$1,975 is being continued on a month-to-month basis with no written contract in place.

During the year ended June 30, 2011, rentals under lease obligations were \$52,212.

NOTE 10 – ON BEHALF PAYMENTS

The State of Illinois paid the following salaries on behalf of the Peoria County Regional Office of Education #48:

| | |
|---|-------------------|
| Regional Superintendent Salary | \$ 100,762 |
| Assistant Regional Superintendent Salary | 90,686 |
| Regional Superintendent Fringe Benefit (Includes State paid insurance) | 20,888 |
| Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance) | 10,934 |
| Regional Superintendent TRS Pension Contribution | 23,276 |
| Assistant Regional TRS Pension Contribution | 20,949 |
| TRS Pension Contributions | 284,228 |
| THIS Contributions | <u>16,054</u> |
| Total | <u>\$ 567,777</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2011

NOTE 10 – ON BEHALF PAYMENTS (Concluded)

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education.

These amounts have been recorded in the accompanying financial statements as State revenue and expenditures.

Peoria County Regional Office of Education #48's personnel are paid by Peoria County, Illinois, in accordance with statutes. Employees of programs funded by federal and State grants are paid by the grant funds. Some fixed assets used solely by the Peoria County Regional Office of Education #48 are purchased by Peoria County. Ownership of those fixed assets remains with the County of Peoria and, accordingly, the cost of these assets is not included in the Peoria County Regional Office of Education #48's financial statements. Peoria County also provides office space and some administrative expenses for the Peoria County Regional Office of Education #48. The following data was calculated based on information provided by Peoria County:

| | |
|-----------------------|-------------------|
| Salaries and Benefits | \$ 272,635 |
| Office Expenses | <u>26,670</u> |
| Total | <u>\$ 299,305</u> |

NOTE 11 – DUE TO/FROM OTHER GOVERNMENTS

The Peoria County Regional Office of Education #48's Education Fund, General Fund, Nonmajor Fund, and Proprietary Fund have funds due from/to various other governmental units which consist of the following:

Due From Other Governments:

Education Fund

| | | |
|-----------------------------------|----|---------|
| Illinois State Board of Education | \$ | 361,246 |
| Federal Government | | 316,974 |

General Funds

| | |
|-------------------|--------|
| Local Governments | 24,276 |
|-------------------|--------|

Proprietary Funds

| | |
|-------------------|---------|
| Local Governments | 833,052 |
|-------------------|---------|

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2011

NOTE 11 – DUE TO/FROM OTHER GOVERNMENTS (Concluded)

| | |
|---------------------|--------------|
| <u>Agency Funds</u> | |
| Local Governments | 1,141,048 |
| Total | \$ 2,676,596 |

Due To Other Governments:

| | |
|-----------------------|-----------|
| <u>Education Fund</u> | |
| State Governments | \$ 79,734 |

| | |
|---------------------|--------------|
| <u>Agency Funds</u> | |
| Local Governments | 1,165,435 |
| Total | \$ 1,245,169 |

NOTE 12 – CAPITAL LEASES

In November of 2008, the Peoria County Regional Office of Education #48 entered into a capital lease for the acquisition of a copier/printer at a cost of \$23,838. Accumulated depreciation of the copier/printer as of June 30, 2011 was \$12,714. In August of 2008, the Regional Office of Education #48 entered into a capital lease for the acquisition of software at a cost of \$39,048. Accumulated depreciation of the software as of June 30, 2011 was \$26,032. The debt service for the capital leases are:

| <u>Fund Year</u> | <u>Principal</u> | <u>Interest</u> |
|------------------|------------------|-----------------|
| 2012 | \$ 4,633 | \$ 539 |
| 2013 | 4,869 | 302 |
| 2014 | 3,385 | 64 |
| Total | \$12,887 | \$ 905 |

NOTE 13 – RECLASSIFICATION

The Illinois Virtual School fund, Aspire, and the Learning Technology Center Technical Training and Support fund were reclassified from education funds to the proprietary funds in fiscal year 2011. As a result of implementing GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, at June 30, 2011, ROE/ISC Operations has been reclassified from the General Fund to the Education Fund.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2011

NOTE 13 – RECLASSIFICATION (Continued)

The ROE/ISC Operations grant which supports the general operations of the Regional Office has historically been reported in the General Fund, however, because this funding is governed by a grant agreement with the grantor the funding is restricted and is required to be reported as a special revenue fund. The General State Aid, School Directory, Hospital Tutoring, Office of Prevention, Spring Celebration, Jail Library, Pleasant Valley, Lincoln Senior, Food Co-op, Title II Co-op, and Upward Generated funds were reclassified to the general fund because they do not meet the definition of a special revenue fund.

In fiscal year 2010, accrued payroll for Preschool for All was overaccrued by \$113,988 and revenue was understated by the same amount. A prior period adjustment was made to correct this error. This adjustment had no effect on beginning fund balance or net assets.

These reclassifications had the following effect on the beginning fund balance for the education, general, and proprietary funds:

| | Government Wide |
|---|-----------------|
| Net Assets, July 1, 2010 | \$ 1,082,528 |
| Reclassification of Aspire Fund Balance | (7,422) |
| Reclassification of Learning Technology Center-Tech Training and Support Fund Balance | (31,151) |
| Reclassification of Illinois Virtual School Property & Equipment | (12,895) |
| Net Assets, July 1, 2010, Restated | \$ 1,031,060 |

| | Proprietary Funds |
|---|-------------------|
| Net Assets, July 1, 2010 | \$ 1,013,912 |
| Reclassification of Aspire Fund Balance | 7,422 |
| Reclassification of Learning Technology Center-Tech Training and Support Fund | 31,151 |
| Reclassification of Illinois Virtual School Property & Equipment | 12,895 |
| Reclassification of Illinois Virtual School Fund Balance | (942,618) |
| Net Assets, July 1, 2010, Restated | \$ 122,762 |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2011

NOTE 13 – RECLASSIFICATION (Continued)

| | <u>Illinois Virtual School</u> |
|--|--------------------------------|
| Net Assets, July 1, 2010 | \$ 722,417 |
| Reclassification of Illinois Virtual School Fund Balance | (942,618) |
| Reclassification of Illinois Virtual School Property & Equipment | 12,895 |
| Net Assets, July 1, 2010, Restated | <u>\$ (207,306)</u> |

| | <u>Education Funds</u> |
|--|------------------------|
| Fund Balance, July 1, 2010 | \$ (1,427,285) |
| Reclassification of Aspire Fund Balance | (7,422) |
| Reclassification of Learning Technology Center-Tech Training and Support Fund Balance | (31,151) |
| Reclassification of Upward Generated Fund Balance | (6,302) |
| Reclassification of Title II Co-op Fund Balance | (100,949) |
| Reclassification of ROE/ISC Operations Fund Balance | (18,715) |
| Reclassification of Illinois Virtual School Fund Balance | 942,618 |
| Fund Balance, July 1, 2010, Restated | <u>\$ (649,206)</u> |

| | <u>General Funds</u> |
|---|----------------------|
| Fund Balance, July 1, 2010 | \$ 14,434 |
| Reclassification of Upward Generated Fund Balance | 6,302 |
| Reclassification of Title II Co-op Fund Balance | 100,949 |
| Reclassification of School Directory Fund Balance | 202 |
| Reclassification of Hospital Tutoring Fund Balance | 26,431 |
| Reclassification of Office of Prevention Fund Balance | 37,160 |
| Reclassification of Spring Celebration Fund Balance | 1,592 |
| Reclassification of Jail Library Fund Balance | 965 |
| Reclassification of Pleasant Valley Fund Balance | 10,629 |
| Reclassification of Lincoln Senior Fund Balance | 745 |
| Reclassification of Food Co-op Fund Balance | 10,301 |
| Reclassification of ROE/ISC Operations Fund Balance | 18,715 |
| Fund Balance, July 1, 2010, Restated | <u>\$ 228,425</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2011

NOTE 13 – RECLASSIFICATION (Concluded)

| | <u>Special Revenue Funds</u> |
|---|------------------------------|
| Fund Balance, July 1, 2010 | \$ 177,847 |
| Reclassification of School Directory Fund Balance | (202) |
| Reclassification of Hospital Tutoring Fund Balance | (26,431) |
| Reclassification of Office of Prevention Fund Balance | (37,160) |
| Reclassification of Spring Celebration Fund Balance | (1,592) |
| Reclassification of Jail Library Fund Balance | (965) |
| Reclassification of Pleasant Valley Fund Balance | (10,629) |
| Reclassification of Lincoln Senior Fund Balance | (745) |
| Reclassification of Food Co-op Fund Balance | (10,301) |
| Fund Balance, July 1, 2010, Restated | \$ 89,822 |

NOTE 14 – DEFICIT FUND BALANCES

Because some revenues from the State of Illinois will not be collected for several months after the Regional Office’s fiscal year ends, they are not considered “available” revenues and are deferred in the governmental funds. The deferral of the revenues caused deficit fund balances as of June 30, 2011 in the following funds:

| Funds with Deficit Fund Balance | Deficit Balance |
|---|-----------------|
| Communities for Youth Truants Alternative | \$ 13,981 |
| Title I School Improvement and Accountability | 125,631 |
| Transportation Career Cluster | 24,341 |
| Administrative Interest Fund | 2,129 |
| | \$ 166,082 |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 15 – DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The Peoria County Regional Office of Education #48 did not recognize and disclose postemployment benefits other than pensions (OPEB) as required by Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in their financial statements. Disclosure of that information is required to conform with accounting principles generally accepted in the United States of America.

The Regional Office has continued to account for post-employment benefits other than pensions on a pay-as-you-go basis, and these financial statements therefore exclude a liability for benefits employees have currently earned that will be paid at retirement.

REQUIRED SUPPLEMENTAL INFORMATION

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF FUNDING PROGRESS
 (UNAUDITED)
 June 30, 2011

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|--|------------------------------------|--------------------------|---------------------------|--|
| 12/31/10 | \$ 342,287 | \$ 347,050 | \$ 4,763 | 98.63% | \$ 363,776 | 1.31% |
| 12/31/09 | 295,532 | 353,970 | 58,438 | 83.49% | 360,155 | 16.23% |
| 12/31/08 | 237,383 | 280,948 | 43,565 | 84.49% | 328,417 | 13.27% |

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$356,409. On a market basis, the funded ratio would be 102.70%.

OTHER SUPPLEMENTAL INFORMATION

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2011

| | Administrative Interest Fund | ROE Local Fund | General State Aid | Jail Library | Pleasant Valley | Lincoln Senior Award | National Board Certification | Office of Prevention |
|---|------------------------------------|----------------------|----------------------|-----------------|--------------------|-------------------------|---------------------------------|-------------------------|
| Assets | | | | | | | | |
| Cash and cash equivalents | \$ - | \$ 4,170 | \$ - | \$ 965 | \$ - | \$ 164 | \$ - | \$ 32,966 |
| Due from other funds | - | 60,795 | - | - | - | - | - | - |
| Accounts Receivable | - | 6,871 | - | - | - | - | - | - |
| Due from other governments | | | | | | | | |
| Local | - | - | - | - | - | - | - | - |
| Total Assets | \$ - | \$ 71,836 | \$ - | \$ 965 | \$ - | \$ 164 | \$ - | \$ 32,966 |
| Liabilities and Fund Balance | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,040 |
| Due to other funds | 2,129 | - | - | - | - | - | - | - |
| Total Liabilities | 2,129 | - | - | - | - | - | - | 1,040 |
| Fund Balance (Deficit) | | | | | | | | |
| Assigned | - | - | - | 965 | - | 164 | - | 31,926 |
| Unassigned | (2,129) | 71,836 | - | - | - | - | - | - |
| Total Fund Balance | (2,129) | 71,836 | - | 965 | - | 164 | - | 31,926 |
| Total Liabilities and Fund Balance | \$ - | \$ 71,836 | \$ - | \$ 965 | \$ - | \$ 164 | \$ - | \$ 32,966 |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2011

| | Spring Celebration | Hospital Tutoring | Directory | Food Co-op | Consortium for Educational Change | Title II Co-op | Upward Generated | TOTALS |
|---------------------------------------|-----------------------|----------------------|---------------|------------------|---|-------------------|---------------------|-------------------|
| Assets | | | | | | | | |
| Cash and cash equivalents | \$ 1,115 | \$ 18,770 | \$ 762 | \$ 18,705 | \$ - | \$ 100,067 | \$ 6,410 | \$ 184,094 |
| Due from other funds | - | - | - | - | - | - | - | 60,795 |
| Accounts Receivable | - | - | - | - | - | - | - | 6,871 |
| Due from other governments | | | | | | | | |
| Local | - | 3,778 | - | - | 20,498 | - | - | 24,276 |
| Total Assets | <u>\$ 1,115</u> | <u>\$ 22,548</u> | <u>\$ 762</u> | <u>\$ 18,705</u> | <u>\$ 20,498</u> | <u>\$ 100,067</u> | <u>\$ 6,410</u> | <u>\$ 276,036</u> |
| Liabilities and Fund Balance | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts payable | \$ - | \$ 8,622 | \$ - | \$ 396 | \$ - | \$ - | \$ - | \$ 10,058 |
| Due to other funds | - | - | - | - | 19,355 | - | - | 21,484 |
| Total Liabilities | <u>-</u> | <u>8,622</u> | <u>-</u> | <u>396</u> | <u>19,355</u> | <u>-</u> | <u>-</u> | <u>31,542</u> |
| Fund Balance (Deficit) | | | | | | | | |
| Assigned | 1,115 | 13,926 | 762 | 18,309 | 1,143 | 100,067 | 6,410 | 174,787 |
| Unassigned | - | - | - | - | - | - | - | 69,707 |
| Total Fund Balance | <u>1,115</u> | <u>13,926</u> | <u>762</u> | <u>18,309</u> | <u>1,143</u> | <u>100,067</u> | <u>6,410</u> | <u>244,494</u> |
| Total Liabilities and Fund Balance | <u>\$ 1,115</u> | <u>\$ 22,548</u> | <u>\$ 762</u> | <u>\$ 18,705</u> | <u>\$ 20,498</u> | <u>\$ 100,067</u> | <u>\$ 6,410</u> | <u>\$ 276,036</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2011

| | Administrative Interest Fund | ROE Local Fund | General State Aid | Jail Library | Pleasant Valley | Lincoln Senior Award | National Board Certification | Office of Prevention |
|---|------------------------------------|----------------------|----------------------|-----------------|--------------------|-------------------------|---------------------------------|-------------------------|
| Revenues | | | | | | | | |
| Local sources | \$ 3,847 | \$ - | \$ - | \$ - | \$ - | \$ 1,800 | \$ - | \$ 473 |
| State sources | - | - | - | - | - | - | 1,760 | - |
| On-behalf payments - Local | - | 299,305 | - | - | - | - | - | - |
| On-behalf payments -State | - | 567,777 | - | - | - | - | - | - |
| Total Revenues | <u>3,847</u> | <u>867,082</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,800</u> | <u>1,760</u> | <u>473</u> |
| Expenditures | | | | | | | | |
| Salaries and benefits | 136 | - | - | - | - | - | 1,760 | - |
| Purchased services | - | 28 | - | - | - | 2,170 | - | 5,712 |
| Supplies and materials | - | - | - | - | - | 211 | - | - |
| Payments to other governments | - | - | - | - | - | - | - | - |
| Other objects | 6,087 | - | - | - | - | - | - | - |
| On-behalf payments - Local | - | 299,305 | - | - | - | - | - | - |
| On-behalf payments -State | - | 567,777 | - | - | - | - | - | - |
| Total Expenditures | <u>6,223</u> | <u>867,110</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,381</u> | <u>1,760</u> | <u>5,712</u> |
| Excess (Deficiency) of revenues over expenditures | <u>(2,376)</u> | <u>(28)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(581)</u> | <u>-</u> | <u>(5,239)</u> |
| Other Financing Sources/(Uses) | | | | | | | | |
| Transfers in | - | 39,166 | - | - | - | - | - | - |
| Transfers out | (214) | - | - | - | (10,630) | - | - | - |
| Interest income | - | 10 | - | - | 1 | - | - | 5 |
| Total Other Financing Sources (Uses) | <u>(214)</u> | <u>39,176</u> | <u>-</u> | <u>-</u> | <u>(10,629)</u> | <u>-</u> | <u>-</u> | <u>5</u> |
| Net change in fund balance | (2,590) | 39,148 | - | - | (10,629) | (581) | - | (5,234) |
| Fund Balance - Beginning (Restated - See Note 13) | 461 | 32,688 | - | 965 | 10,629 | 745 | - | 37,160 |
| Fund Balance (Deficit) - Ending | <u>\$ (2,129)</u> | <u>\$ 71,836</u> | <u>\$ -</u> | <u>\$ 965</u> | <u>\$ -</u> | <u>\$ 164</u> | <u>\$ -</u> | <u>\$ 31,926</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2011

| | Spring Celebration | Hospital Tutoring | Directory | Food Co-op | Consortium for Education Change | Title II Co-op | Upward Generated | TOTALS |
|---|-----------------------|----------------------|---------------|------------------|---------------------------------------|-------------------|---------------------|-------------------|
| Revenues | | | | | | | | |
| Local sources | \$ 19,905 | \$ 71,938 | \$ 6,150 | \$ 15,610 | \$ 125,459 | \$ - | \$ 375 | \$ 245,557 |
| State sources | - | - | - | - | - | - | - | 1,760 |
| On-behalf payments - Local | - | - | - | - | - | - | - | 299,305 |
| On-behalf payments -State | - | - | - | - | - | - | - | 567,777 |
| Total Revenues | <u>19,905</u> | <u>71,938</u> | <u>6,150</u> | <u>15,610</u> | <u>125,459</u> | <u>-</u> | <u>375</u> | <u>1,114,399</u> |
| Expenditures | | | | | | | | |
| Salaries and benefits | - | 9,085 | - | - | 124,316 | - | - | 135,297 |
| Purchased services | 18,771 | 75,360 | 5,590 | 7,172 | - | 895 | 244 | 115,942 |
| Supplies and materials | 1,612 | - | - | 432 | - | - | 24 | 2,279 |
| Payments to other governments | - | - | - | - | - | - | - | - |
| Other objects | - | - | - | - | - | - | - | 6,087 |
| On-behalf payments - Local | - | - | - | - | - | - | - | 299,305 |
| On-behalf payments -State | - | - | - | - | - | - | - | 567,777 |
| Total Expenditures | <u>20,383</u> | <u>84,445</u> | <u>5,590</u> | <u>7,604</u> | <u>124,316</u> | <u>895</u> | <u>268</u> | <u>1,126,687</u> |
| Excess (Deficiency) of revenues over expenditures | <u>(478)</u> | <u>(12,507)</u> | <u>560</u> | <u>8,006</u> | <u>1,143</u> | <u>(895)</u> | <u>107</u> | <u>(12,288)</u> |
| Other Financing Sources/(Uses) | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | 39,166 |
| Transfers out | - | - | - | - | - | - | - | (10,844) |
| Interest income | 1 | 2 | - | 2 | - | 13 | 1 | 35 |
| Total Other Financing Sources (Uses) | <u>1</u> | <u>2</u> | <u>-</u> | <u>2</u> | <u>-</u> | <u>13</u> | <u>1</u> | <u>28,357</u> |
| Net change in fund balance | (477) | (12,505) | 560 | 8,008 | 1,143 | (882) | 108 | 16,069 |
| Fund Balance - Beginning (Restated - See Note 13) | <u>1,592</u> | <u>26,431</u> | <u>202</u> | <u>10,301</u> | <u>-</u> | <u>100,949</u> | <u>6,302</u> | <u>228,425</u> |
| Fund Balance (Deficit) - Ending | <u>\$ 1,115</u> | <u>\$ 13,926</u> | <u>\$ 762</u> | <u>\$ 18,309</u> | <u>\$ 1,143</u> | <u>\$ 100,067</u> | <u>\$ 6,410</u> | <u>\$ 244,494</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2011

| | Adult Education Basic | Adult Education Performance | Upward SOS | Communities for Youth Truants Alternative | McKinney-Vento Education for Homeless Children and Youth | Peoria County |
|---------------------------------------|-----------------------------|-----------------------------------|---------------|--|--|------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$ - | \$ 7 | \$ - | \$ - | \$ 152 | \$ - |
| Due from other funds | - | - | - | - | - | - |
| Due from other governments | | | | | | |
| Local | - | - | - | - | - | - |
| State | 1,930 | - | - | 75,956 | - | - |
| Federal | 496 | - | - | - | - | - |
| Total Assets | <u>\$ 2,426</u> | <u>\$ 7</u> | <u>\$ -</u> | <u>\$ 75,956</u> | <u>\$ 152</u> | <u>\$ -</u> |
| Liabilities and Fund Balance | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 25,000 | \$ - | \$ - |
| Accrued payroll and employee benefits | - | - | - | - | - | - |
| Due to other funds | 2,426 | - | - | 50,956 | - | - |
| Due to other governments | - | - | - | - | - | - |
| Deferred revenue | - | 7 | - | 13,981 | 152 | - |
| Total Liabilities | <u>2,426</u> | <u>7</u> | <u>-</u> | <u>89,937</u> | <u>152</u> | <u>-</u> |
| Fund Balance (Deficit) | | | | | | |
| Restricted | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - |
| Unassigned | - | - | - | (13,981) | - | - |
| Total Fund Balance (Deficit) | <u>-</u> | <u>-</u> | <u>-</u> | <u>(13,981)</u> | <u>-</u> | <u>-</u> |
| Total Liabilities and Fund Balance | <u>\$ 2,426</u> | <u>\$ 7</u> | <u>\$ -</u> | <u>\$ 75,956</u> | <u>\$ 152</u> | <u>\$ -</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2011

| | Learn and Serve America | Learning Technology Center General Operations | ROE/ISC Operations | Education Technology Competitive Grant | Title I School Improvement and Accountability | Title II Teacher Quality Leadership | Title I Reading First Part B SEA | Reading First Super Region |
|---------------------------------------|----------------------------------|---|-----------------------|---|--|--|---|----------------------------------|
| Assets | | | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - | \$ 39,081 | \$ 5,310 | \$ - | \$ - |
| Due from other funds | - | - | - | - | - | - | - | - |
| Due from other governments | | | | | | | | |
| Local | - | - | - | - | - | - | - | - |
| State | - | 27,123 | 76,048 | - | - | - | - | - |
| Federal | - | - | - | - | 225,251 | - | - | - |
| Total Assets | <u>\$ -</u> | <u>\$ 27,123</u> | <u>\$ 76,048</u> | <u>\$ -</u> | <u>\$ 264,332</u> | <u>\$ 5,310</u> | <u>\$ -</u> | <u>\$ -</u> |
| Liabilities and Fund Balance | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ 3,110 | \$ 5,310 | \$ - | \$ - |
| Accrued payroll and employee benefits | - | - | - | - | 262 | - | - | - |
| Due to other funds | - | 27,123 | 21,782 | - | 260,960 | - | - | - |
| Due to other governments | - | - | - | - | - | - | - | - |
| Deferred revenue | - | - | 452 | - | 125,631 | - | - | - |
| Total Liabilities | <u>-</u> | <u>27,123</u> | <u>22,234</u> | <u>-</u> | <u>389,963</u> | <u>5,310</u> | <u>-</u> | <u>-</u> |
| Fund Balance (Deficit) | | | | | | | | |
| Restricted | - | - | 53,814 | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | (125,631) | - | - | - |
| Total Fund Balance (Deficit) | <u>-</u> | <u>-</u> | <u>53,814</u> | <u>-</u> | <u>(125,631)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities and Fund Balance | <u>\$ -</u> | <u>\$ 27,123</u> | <u>\$ 76,048</u> | <u>\$ -</u> | <u>\$ 264,332</u> | <u>\$ 5,310</u> | <u>\$ -</u> | <u>\$ -</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2011

| | Coordination and Services Grant | Mathematics and Science Partnership | Special Education - IDEA Part D | Illinois Department of Public Health | Socially Emotional Learning | Preschool for All Children |
|---------------------------------------|--|--|---------------------------------------|---|-----------------------------------|----------------------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ 1,025 | \$ 87 | \$ 279,111 |
| Due from other funds | - | - | - | - | - | - |
| Due from other governments | | | | | | |
| Local | - | - | - | - | - | - |
| State | - | - | - | - | - | - |
| Federal | - | - | 59,332 | - | - | - |
| Total Assets | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 59,332</u> | <u>\$ 1,025</u> | <u>\$ 87</u> | <u>\$ 279,111</u> |
| Liabilities and Fund Balance | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$ - | \$ - | \$ 376 | \$ - | \$ - | \$ 762 |
| Accrued payroll and employee benefits | - | - | 4,827 | - | - | 5,270 |
| Due to other funds | - | - | 25,520 | - | - | - |
| Due to other governments | - | - | - | - | 87 | - |
| Deferred revenue | - | - | 16,270 | 1,025 | - | 273,079 |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>46,993</u> | <u>1,025</u> | <u>87</u> | <u>279,111</u> |
| Fund Balance (Deficit) | | | | | | |
| Restricted | - | - | 12,339 | - | - | - |
| Assigned | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - |
| Total Fund Balance (Deficit) | <u>-</u> | <u>-</u> | <u>12,339</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities and Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 59,332</u> | <u>\$ 1,025</u> | <u>\$ 87</u> | <u>\$ 279,111</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2011

| | Standard Aligned Classroom Statewide Prof. Develop. | Principal Mentoring | Gifted Education | Beginning Teacher Induction | State Implementation and Scaling Up of Evidence Based Practices | Transportation Career Cluster | Regional Safe Schools | State Implementation and Scaling Up of Evidence Based Practices University of North Carolina |
|---------------------------------------|---|------------------------|---------------------|-----------------------------------|--|-------------------------------------|-----------------------------|---|
| Assets | | | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,366 |
| Due from other funds | - | - | - | - | - | - | - | - |
| Due from other governments | | | | | | | | |
| Local | - | - | - | - | - | - | - | - |
| State | - | 12,188 | - | - | - | - | 77,608 | - |
| Federal | - | - | - | - | - | 31,895 | - | - |
| Total Assets | <u>\$ -</u> | <u>\$ 12,188</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 31,895</u> | <u>\$ 77,608</u> | <u>\$ 3,366</u> |
| Liabilities and Fund Balance | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 14,366 | \$ - | \$ 3,366 |
| Accrued payroll and employee benefits | - | 2,191 | - | - | - | - | - | - |
| Due to other funds | - | 9,997 | - | - | - | 17,529 | - | - |
| Due to other governments | - | - | - | - | - | - | 77,608 | - |
| Deferred revenue | - | - | - | - | - | 24,341 | - | - |
| Total Liabilities | <u>-</u> | <u>12,188</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>56,236</u> | <u>77,608</u> | <u>3,366</u> |
| Fund Balance (Deficit) | | | | | | | | |
| Restricted | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | (24,341) | - | - |
| Total Fund Balance (Deficit) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(24,341)</u> | <u>-</u> | <u>-</u> |
| Total Liabilities and Fund Balance | <u>\$ -</u> | <u>\$ 12,188</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 31,895</u> | <u>\$ 77,608</u> | <u>\$ 3,366</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2011

| | IDEA ARRA - Galesburg | Title I ARRA - Galesburg | ARRA - Education Jobs Fund Program | ARRA - Title I School Improvement & Accountability | Illinois Virtual Schools - RTI Online | TOTAL |
|---------------------------------------|-----------------------------|--------------------------------|--|--|---|---------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 13 | \$ 3 | \$ - | \$ - | \$ 9,527 | \$ 337,682 |
| Due from other funds | - | - | - | - | - | - |
| Due from other governments | | | | | | |
| Local | - | - | - | - | - | - |
| State | - | - | - | 90,393 | - | 361,246 |
| Federal | - | - | - | - | - | 316,974 |
| Total Assets | <u>\$ 13</u> | <u>\$ 3</u> | <u>\$ -</u> | <u>\$ 90,393</u> | <u>\$ 9,527</u> | <u>\$ 1,015,902</u> |
| Liabilities and Fund Balance | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 41,299 | \$ 7,501 | \$ 101,090 |
| Accrued payroll and employee benefits | - | - | - | - | - | 12,550 |
| Due to other funds | - | - | - | 49,094 | - | 465,387 |
| Due to other governments | 13 | - | - | - | 2,026 | 79,734 |
| Deferred revenue | - | 3 | - | - | - | 454,941 |
| Total Liabilities | <u>13</u> | <u>3</u> | <u>-</u> | <u>90,393</u> | <u>9,527</u> | <u>1,113,702</u> |
| Fund Balance (Deficit) | | | | | | |
| Restricted | - | - | - | - | - | 66,153 |
| Assigned | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | (163,953) |
| Total Fund Balance (Deficit) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(97,800)</u> |
| Total Liabilities and Fund Balance | <u>\$ 13</u> | <u>\$ 3</u> | <u>\$ -</u> | <u>\$ 90,393</u> | <u>\$ 9,527</u> | <u>\$ 1,015,902</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2011

| | Adult Education Basic | Adult Education Performance | Upward SOS | Communities for Youth Truants Alternative | McKinney-Vento Education for Homeless Children and Youth | Peoria County | Learn and Serve America | Learning Technology Center General Operations |
|---|-----------------------------|-----------------------------------|---------------|--|--|------------------|----------------------------------|---|
| Revenues | | | | | | | | |
| Local sources | \$ - | \$ - | \$ - | 1,074 | \$ 8,355 | \$ - | \$ 20 | \$ - |
| State sources | 20,728 | 22,337 | 60,000 | 136,532 | - | - | - | 275,104 |
| Federal sources | 27,437 | - | - | - | 47,771 | - | - | - |
| Total Revenues | <u>48,165</u> | <u>22,337</u> | <u>60,000</u> | <u>137,606</u> | <u>56,126</u> | <u>-</u> | <u>20</u> | <u>275,104</u> |
| Expenditures | | | | | | | | |
| Salaries and benefits | 36,011 | 13,195 | 49,903 | 78,219 | 45,127 | - | - | 143,080 |
| Purchased services | 4,621 | 1,814 | 9,063 | 3,296 | 9,648 | - | - | 30,396 |
| Supplies and materials | - | 18 | 1,239 | 424 | 647 | - | - | 139 |
| Other objects | - | - | 141 | - | - | - | - | - |
| Payments to other governments | - | - | - | - | - | - | - | 10,618 |
| Capital outlay | - | - | - | - | 704 | - | - | 2,096 |
| Total Expenditures | <u>40,632</u> | <u>15,027</u> | <u>60,346</u> | <u>81,939</u> | <u>56,126</u> | <u>-</u> | <u>-</u> | <u>186,329</u> |
| Excess/(Deficiency) of revenue over expenditures | <u>7,533</u> | <u>7,310</u> | <u>(346)</u> | <u>55,667</u> | <u>-</u> | <u>-</u> | <u>20</u> | <u>88,775</u> |
| Other Financing Sources/(Uses) | | | | | | | | |
| Transfers in | - | - | 343 | 19 | - | - | - | - |
| Transfers out | - | - | - | - | - | - | (20) | (75,407) |
| Interest income | - | - | 3 | - | - | - | - | 5 |
| Total Other Financing Sources/(Uses) | <u>-</u> | <u>-</u> | <u>346</u> | <u>19</u> | <u>-</u> | <u>-</u> | <u>(20)</u> | <u>(75,402)</u> |
| Net change in fund balance | 7,533 | 7,310 | - | 55,686 | - | - | - | 13,373 |
| Fund Balance (Deficit) - Beginning (Restated - See Note 13) | (7,533) | (7,310) | - | (69,667) | - | - | - | (13,373) |
| Fund Balance (Deficit) - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (13,981)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2011

| | ROE/ISC Operations | Education Technology Competitive Grant | Title I School Improvement and Accountability | Title II Teacher Quality Leadership | Title I Reading First Part B SEA | Reading First Super Region | Coordination and Services Grant | Mathematics and Science Partnership |
|---|-----------------------|---|---|--|---|----------------------------------|--|--|
| Revenues | | | | | | | | |
| Local sources | \$ - | \$ - | \$ - | \$ - | \$ 39,130 | 11,322 | \$ - | \$ 38,760 |
| State sources | 190,975 | - | - | - | - | - | 155,073 | - |
| Federal sources | - | - | 988,756 | 18,565 | 122,117 | 244,778 | - | - |
| Total Revenues | <u>190,975</u> | <u>-</u> | <u>988,756</u> | <u>18,565</u> | <u>161,247</u> | <u>256,100</u> | <u>155,073</u> | <u>38,760</u> |
| Expenditures | | | | | | | | |
| Salaries and benefits | 21,758 | - | 615,507 | - | - | 21,476 | - | - |
| Purchased services | 71,695 | - | 106,790 | - | 22,250 | 223,303 | - | - |
| Supplies and materials | 7,681 | - | 6,198 | - | 94,871 | - | - | - |
| Other objects | - | - | - | - | - | - | - | - |
| Payments to other governments | 17,315 | - | 424,987 | 5,310 | 5,000 | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - |
| Total Expenditures | <u>118,449</u> | <u>-</u> | <u>1,153,482</u> | <u>5,310</u> | <u>122,121</u> | <u>244,779</u> | <u>-</u> | <u>-</u> |
| Excess/(Deficiency) of revenue over expenditures | <u>72,526</u> | <u>-</u> | <u>(164,726)</u> | <u>13,255</u> | <u>39,126</u> | <u>11,321</u> | <u>155,073</u> | <u>38,760</u> |
| Other Financing Sources/(Uses) | | | | | | | | |
| Transfers in | - | - | 39,081 | - | - | - | - | - |
| Transfers out | - | (407) | - | - | (39,130) | (11,322) | (145,423) | (38,764) |
| Interest income | 3 | 1 | 14 | - | 4 | 1 | 18 | 4 |
| Total Other Financing Sources/(Uses) | <u>3</u> | <u>(406)</u> | <u>39,095</u> | <u>-</u> | <u>(39,126)</u> | <u>(11,321)</u> | <u>(145,405)</u> | <u>(38,760)</u> |
| Net change in fund balance | 72,529 | (406) | (125,631) | 13,255 | - | - | 9,668 | - |
| Fund Balance (Deficit) - Beginning (Restated - See Note 13) | <u>(18,715)</u> | <u>406</u> | <u>-</u> | <u>(13,255)</u> | <u>-</u> | <u>-</u> | <u>(9,668)</u> | <u>-</u> |
| Fund Balance (Deficit) - Ending | <u>\$ 53,814</u> | <u>\$ -</u> | <u>\$ (125,631)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2011

| | Special Education - IDEA Part D | Illinois Department of Public Health | Socially Emotional Learning | Preschool for All Children | Standard Aligned Classroom Statewide Prof. Develop. | Principal Mentoring | Gifted Education | Beginning Teacher Induction |
|---|---------------------------------------|---|-----------------------------------|----------------------------------|---|------------------------|---------------------|-----------------------------------|
| Revenues | | | | | | | | |
| Local sources | \$ 63,780 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State sources | - | - | 2,492 | 448,749 | - | 22,690 | 57,630 | 44,719 |
| Federal sources | 270,621 | - | - | - | - | - | - | - |
| Total Revenues | <u>334,401</u> | <u>-</u> | <u>2,492</u> | <u>448,749</u> | <u>-</u> | <u>22,690</u> | <u>57,630</u> | <u>44,719</u> |
| Expenditures | | | | | | | | |
| Salaries and benefits | 123,001 | - | 2,476 | 50,407 | - | 3,240 | 446 | 5,191 |
| Purchased services | 193,251 | - | 14 | 8,279 | - | 9,078 | 11,667 | 166 |
| Supplies and materials | 5,821 | - | - | 10,072 | - | 194 | 45,517 | - |
| Other objects | - | - | 2 | - | - | - | - | - |
| Payments to other governments | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - |
| Total Expenditures | <u>322,073</u> | <u>-</u> | <u>2,492</u> | <u>68,758</u> | <u>-</u> | <u>12,512</u> | <u>57,630</u> | <u>5,357</u> |
| Excess/(Deficiency) of revenue over expenditures | <u>12,328</u> | <u>-</u> | <u>-</u> | <u>379,991</u> | <u>-</u> | <u>10,178</u> | <u>-</u> | <u>39,362</u> |
| Other Financing Sources/(Uses) | | | | | | | | |
| Transfers in | - | - | - | - | 155,991 | - | - | - |
| Transfers out | - | - | - | - | (165,377) | - | (3) | - |
| Interest income | 11 | - | - | 12 | 9,511 | - | 3 | - |
| Total Other Financing Sources/(Uses) | <u>11</u> | <u>-</u> | <u>-</u> | <u>12</u> | <u>125</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | 12,339 | - | - | 380,003 | 125 | 10,178 | - | 39,362 |
| Fund Balance (Deficit) - Beginning (Restated - See Note 13) | - | - | - | (380,003) | (125) | (10,178) | - | (39,362) |
| Fund Balance (Deficit) - Ending | <u>\$ 12,339</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2011

| | State Implementation and Scaling Up of Evidence Based Practices | Transportation Career Cluster | Regional Safe Schools | State Implementation and Scaling Up Of Evidence Based Practices University of North Carolina | IDEA ARRA - Galesburg |
|--|--|-------------------------------------|-----------------------------|---|-----------------------------|
| Revenues | | | | | |
| Local sources | \$ - | \$ - | \$ - | \$ - | \$ - |
| State sources | 4,258 | - | 218,690 | - | - |
| Federal sources | - | 97,519 | - | 27,219 | 6 |
| Total Revenues | <u>4,258</u> | <u>97,519</u> | <u>218,690</u> | <u>27,219</u> | <u>6</u> |
| Expenditures | | | | | |
| Salaries and benefits | 21,435 | 5,012 | - | 3,856 | - |
| Purchased services | - | 114,332 | - | 8,395 | - |
| Supplies and materials | - | 793 | - | - | - |
| Other objects | - | - | - | - | - |
| Payments to other governments | - | 308 | 139,688 | - | - |
| Capital outlay | - | - | - | - | - |
| Total Expenditures | <u>21,435</u> | <u>120,445</u> | <u>139,688</u> | <u>12,251</u> | <u>-</u> |
| Excess/(Deficiency) of revenue over expenditures | <u>(17,177)</u> | <u>(22,926)</u> | <u>79,002</u> | <u>14,968</u> | <u>6</u> |
| Other Financing Sources/(Uses) | | | | | |
| Transfers in | 17,205 | - | - | 2,234 | - |
| Transfers out | (28) | - | - | (17,205) | - |
| Interest income | - | - | - | 3 | - |
| Total Other Financing Sources/(Uses) | <u>17,177</u> | <u>-</u> | <u>-</u> | <u>(14,968)</u> | <u>-</u> |
| Net change in fund balance | - | (22,926) | 79,002 | - | 6 |
| Fund Balance (Deficit) - Beginning (Restated - See Note 13) | <u>-</u> | <u>(1,415)</u> | <u>(79,002)</u> | <u>-</u> | <u>(6)</u> |
| Fund Balance (Deficit) - Ending | <u>\$ -</u> | <u>\$ (24,341)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2011

| | Title I ARRA - Galesburg | ARRA - Education Jobs Fund Program | ARRA - Title I School Improvement & Accountability | Illinois Virtual Schools - RTI Online | TOTAL |
|---|--------------------------------|--|--|---|--------------------|
| Revenues | | | | | |
| Local sources | \$ - | \$ - | \$ - | \$ - | \$ 162,441 |
| State sources | - | - | - | 415,474 | 2,075,451 |
| Federal sources | 67,289 | 30,465 | 120,000 | - | 2,062,543 |
| Total Revenues | <u>67,289</u> | <u>30,465</u> | <u>120,000</u> | <u>415,474</u> | <u>4,300,435</u> |
| Expenditures | | | | | |
| Salaries and benefits | 11,938 | 30,465 | 39,293 | - | 1,321,036 |
| Purchased services | 44,409 | - | 4,857 | 415,501 | 1,292,825 |
| Supplies and materials | 10,947 | - | 7,382 | - | 191,943 |
| Other objects | - | - | - | - | 143 |
| Payments to other governments | - | - | 68,468 | - | 671,694 |
| Capital outlay | - | - | - | - | 2,800 |
| Total Expenditures | <u>67,294</u> | <u>30,465</u> | <u>120,000</u> | <u>415,501</u> | <u>3,480,441</u> |
| Excess/(Deficiency) of revenue over expenditures | <u>(5)</u> | <u>-</u> | <u>-</u> | <u>(27)</u> | <u>819,994</u> |
| Other Financing Sources/(Uses) | | | | | |
| Transfers in | - | - | - | - | 214,873 |
| Transfers out | - | - | - | - | (493,086) |
| Interest income | 5 | - | - | 27 | 9,625 |
| Total Other Financing Sources/(Uses) | <u>5</u> | <u>-</u> | <u>-</u> | <u>27</u> | <u>(268,588)</u> |
| Net change in fund balance | - | - | - | - | 551,406 |
| Fund Balance (Deficit) - Beginning (Restated - See Note 13) | - | - | - | - | (649,206) |
| Fund Balance (Deficit) - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (97,800)</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of October 5, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 ROE/ISC OPERATIONS
 FOR THE YEAR ENDED JUNE 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|---|------------------|----------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| State sources | \$ 121,676 | \$ 121,676 | \$ 190,975 |
| Total Revenues | <u>121,676</u> | <u>121,676</u> | <u>190,975</u> |
| Expenditures | | | |
| Salaries and benefits | 52,950 | 20,831 | 21,758 |
| Purchased services | 58,726 | 80,249 | 71,695 |
| Supplies and materials | 8,000 | 18,596 | 7,681 |
| Capital outlay | 2,000 | 2,000 | - |
| Payments to other governments | - | - | 17,315 |
| Total Expenditures | <u>121,676</u> | <u>121,676</u> | <u>118,449</u> |
| Excess/(Deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>72,526</u> |
| Other Financing Sources/(Uses) | | | |
| Interest income | - | - | 3 |
| Total Other Financing Sources/(Uses) | <u>-</u> | <u>-</u> | <u>3</u> |
| Net change in fund balance | - | - | 72,529 |
| Fund Balance (Deficit) - Beginning | <u>-</u> | <u>-</u> | <u>(18,715)</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 53,814</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 ADULT EDUCATION BASIC
 FOR THE YEAR ENDED JUNE 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|------------------------------------|------------------|---------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| State sources | \$ 28,058 | \$ 28,058 | \$ 20,728 |
| Federal sources | 26,942 | 26,942 | 27,437 |
| Total Revenues | <u>55,000</u> | <u>55,000</u> | <u>48,165</u> |
| Expenditures | | | |
| Salaries and benefits | 48,454 | 48,454 | 36,011 |
| Purchased services | 5,846 | 5,846 | 4,621 |
| Supplies and materials | 700 | 700 | - |
| Total Expenditures | <u>55,000</u> | <u>55,000</u> | <u>40,632</u> |
| Net change in fund balance | - | - | 7,533 |
| Fund Balance (Deficit) - Beginning | - | - | <u>(7,533)</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 ADULT EDUCATION PERFORMANCE
 FOR THE YEAR ENDED JUNE 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|------------------------------------|------------------|---------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| State sources | \$ 30,042 | \$ 30,042 | \$ 22,337 |
| Total Revenues | <u>30,042</u> | <u>30,042</u> | <u>22,337</u> |
| Expenditures | | | |
| Salaries and benefits | 25,912 | 25,912 | 13,195 |
| Purchased services | 3,530 | 3,530 | 1,814 |
| Supplies and materials | 600 | 600 | 18 |
| Total Expenditures | <u>30,042</u> | <u>30,042</u> | <u>15,027</u> |
| Net change in fund balance | - | - | 7,310 |
| Fund Balance (Deficit) - Beginning | - | - | <u>(7,310)</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 UPWARD SOS
 FOR THE YEAR ENDED JUNE 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|---|------------------|---------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| State sources | \$ 60,000 | \$ 60,000 | \$ 60,000 |
| Total Revenues | <u>60,000</u> | <u>60,000</u> | <u>60,000</u> |
| Expenditures | | | |
| Salaries and benefits | 49,961 | 49,961 | 49,903 |
| Purchased services | 9,209 | 9,209 | 9,063 |
| Supplies and materials | 700 | 700 | 1,239 |
| Other objects | 130 | 130 | 141 |
| Total Expenditures | <u>60,000</u> | <u>60,000</u> | <u>60,346</u> |
| Excess/(Deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>(346)</u> |
| Other Financing Sources/(Uses) | | | |
| Transfers in | - | - | 343 |
| Interest income | - | - | 3 |
| Total Other Financing Sources/(Uses) | <u>-</u> | <u>-</u> | <u>346</u> |
| Net change in fund balance | - | - | - |
| Fund Balance - Beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 COMMUNITIES FOR YOUTH TRUANTS ALTERNATIVE
 FOR THE YEAR ENDED JUNE 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|--|------------------|----------------|--------------------|
| | Original | Final | |
| Revenues | | | |
| Local sources | \$ - | \$ - | \$ 1,074 |
| State sources | 153,788 | 153,788 | 136,532 |
| Total Revenues | <u>153,788</u> | <u>153,788</u> | <u>137,606</u> |
| Expenditures | | | |
| Salaries and benefits | 145,405 | 145,405 | 78,219 |
| Purchased services | 6,783 | 6,783 | 3,296 |
| Supplies and materials | 1,600 | 1,600 | 424 |
| Total Expenditures | <u>153,788</u> | <u>153,788</u> | <u>81,939</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>-</u> | <u>-</u> | <u>55,667</u> |
| Other Financing Sources/(Uses) | | | |
| Transfers in | - | - | 19 |
| Total Other Financing Sources/(Uses) | <u>-</u> | <u>-</u> | <u>19</u> |
| Net change in fund balance | - | - | 55,686 |
| Fund Balance (Deficit) - Beginning | <u>-</u> | <u>-</u> | <u>(69,667)</u> |
| Fund Balance (Deficit) - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (13,981)</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to August 31, 2011)
 EDUCATION FUND ACCOUNT
 MCKINNEY-VENTO EDUCATION FOR HOMELESS CHILDREN AND YOUTH
 FOR THE YEAR ENDED JUNE 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|----------------------------|--------------------|--------------------|--------------------|
| | Original | Final | |
| Revenues | | | |
| Local sources | \$ - | \$ - | \$ 8,355 |
| Federal sources | 35,341 | 47,925 | 47,771 |
| Total Revenues | <u>35,341</u> | <u>47,925</u> | <u>56,126</u> |
| Expenditures | | | |
| Salaries and benefits | 34,236 | 44,824 | 45,127 |
| Purchased services | 1,105 | 1,505 | 9,648 |
| Supplies and materials | - | 821 | 647 |
| Capital outlay | - | 775 | 704 |
| Total Expenditures | <u>35,341</u> | <u>47,925</u> | <u>56,126</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> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of August 17, 2010 to December 31, 2011)
 EDUCATION FUND ACCOUNT
 LEARNING TECHNOLOGY CENTER GENERAL OPERATIONS
 FOR THE YEAR ENDED JUNE 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|---|------------------|----------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| State sources | \$ 225,902 | \$ 225,902 | \$ 275,104 |
| Total Revenues | <u>225,902</u> | <u>225,902</u> | <u>275,104</u> |
| Expenditures | | | |
| Salaries and benefits | 168,962 | 160,396 | 143,080 |
| Purchased services | 41,448 | 44,514 | 30,396 |
| Supplies and materials | 3,400 | 3,400 | 139 |
| Payments to other governments | 12,092 | 12,092 | 10,618 |
| Capital outlay | - | 5,500 | 2,096 |
| Total Expenditures | <u>225,902</u> | <u>225,902</u> | <u>186,329</u> |
| Excess/(Deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>88,775</u> |
| Other Financing Sources/(Uses) | | | |
| Transfer out | - | - | (75,407) |
| Interest income | - | - | 5 |
| Total Other Financing Sources/(Uses) | <u>-</u> | <u>-</u> | <u>(75,402)</u> |
| Net change in fund balance | - | - | 13,373 |
| Fund Balance (Deficit) - Beginning | <u>-</u> | <u>-</u> | <u>(13,373)</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to August 31, 2011)
 EDUCATION FUND ACCOUNT
 TITLE I SCHOOL IMPROVEMENT AND ACCOUNTABILITY
 FOR THE YEAR ENDED JUNE 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|---|------------------|------------------|---------------------|
| | Original | Final | |
| Revenues | | | |
| Federal sources | \$ 1,168,466 | \$ 1,168,466 | \$ 988,756 |
| Total Revenues | <u>1,168,466</u> | <u>1,168,466</u> | <u>988,756</u> |
| Expenditures | | | |
| Salaries and benefits | 504,971 | 524,971 | 615,507 |
| Purchased services | 138,928 | 138,928 | 106,790 |
| Supplies and materials | 56,139 | 47,139 | 6,198 |
| Payments to other governments | 468,428 | 457,428 | 424,987 |
| Total Expenditures | <u>1,168,466</u> | <u>1,168,466</u> | <u>1,153,482</u> |
| Excess/(Deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>(164,726)</u> |
| Other Financing Sources/(Uses) | | | |
| Transfer in | - | - | 39,081 |
| Interest income | - | - | 14 |
| Total Other Financing Sources/(Uses) | <u>-</u> | <u>-</u> | <u>39,095</u> |
| Net change in fund balance | - | - | (125,631) |
| Fund Balance - Beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance (Deficit)- Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (125,631)</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of March 24, 2010 to August 31, 2010)
 EDUCATION FUND ACCOUNT
 TITLE I READING FIRST PART B SEA (4337-00)
 FOR THE YEAR ENDED JUNE 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|---|------------------|----------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Local sources | \$ - | \$ - | \$ 39,130 |
| Federal sources | 137,153 | 137,153 | 122,117 |
| Total Revenues | <u>137,153</u> | <u>137,153</u> | <u>161,247</u> |
| Expenditures | | | |
| Salaries and benefits | 6,827 | - | - |
| Purchased services | 84,203 | 48,759 | 22,250 |
| Supplies and materials | 41,788 | 79,059 | 94,871 |
| Payments to other governments | 4,335 | 9,335 | 5,000 |
| Total Expenditures | <u>137,153</u> | <u>137,153</u> | <u>122,121</u> |
| Excess/(Deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>39,126</u> |
| Other Financing Sources/(Uses) | | | |
| Transfer out | - | - | (39,130) |
| Interest income | - | - | 4 |
| Total Other Financing Sources/(Uses) | <u>-</u> | <u>-</u> | <u>(39,126)</u> |
| Net change in fund balance | - | - | - |
| Fund Balance - Beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of March 19, 2010 to August 31, 2010)
 EDUCATION FUND ACCOUNT
 READING FIRST SUPER REGION (4337-04)
 FOR THE YEAR ENDED JUNE 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|---|--------------------|--------------------|--------------------|
| | Original | Final | |
| Revenues | | | |
| Local sources | \$ - | \$ - | \$ 11,322 |
| Federal sources | 400,000 | 400,000 | 244,778 |
| Total Revenues | <u>400,000</u> | <u>400,000</u> | <u>256,100</u> |
| Expenditures | | | |
| Salaries and benefits | - | 21,478 | 21,476 |
| Purchased services | 400,000 | 378,522 | 223,303 |
| Total Expenditures | <u>400,000</u> | <u>400,000</u> | <u>244,779</u> |
| Excess/(Deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>11,321</u> |
| Other Financing Sources/(Uses) | | | |
| Transfer out | - | - | (11,322) |
| Interest income | - | - | 1 |
| Total Other Financing Sources/(Uses) | <u>-</u> | <u>-</u> | <u>(11,321)</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> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of November 1, 2010 to October 31, 2011)
 EDUCATION FUND ACCOUNT
 SPECIAL EDUCATION - IDEA PART D
 FOR THE YEAR ENDED JUNE 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|---|------------------|----------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Local sources | \$ - | \$ - | \$ 63,780 |
| Federal sources | 14,750 | 252,131 | 270,621 |
| Total Revenues | <u>14,750</u> | <u>252,131</u> | <u>334,401</u> |
| Expenditures | | | |
| Salaries and benefits | 10,215 | 125,130 | 123,001 |
| Purchased services | 1,570 | 95,441 | 193,251 |
| Supplies and materials | 2,965 | 8,560 | 5,821 |
| Payments to other governments | - | 23,000 | - |
| Total Expenditures | <u>14,750</u> | <u>252,131</u> | <u>322,073</u> |
| Excess/(Deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>12,328</u> |
| Other Financing Sources/(Uses) | | | |
| Interest income | - | - | 11 |
| Total Other Financing Sources/(Uses) | <u>-</u> | <u>-</u> | <u>11</u> |
| Net change in fund balance | - | - | 12,339 |
| Fund Balance - Beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 12,339</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to August 31, 2011)
 EDUCATION FUND ACCOUNT
 PRESCHOOL FOR ALL CHILDREN
 FOR THE YEAR ENDED JUNE 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|---|------------------|----------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| State sources | \$ 702,270 | \$ 133,795 | \$ 448,749 |
| Total Revenues | <u>702,270</u> | <u>133,795</u> | <u>448,749</u> |
| Expenditures | | | |
| Salaries and benefits | 587,270 | 78,784 | 50,407 |
| Purchased services | 74,400 | 29,516 | 8,279 |
| Supplies and materials | 40,600 | 25,495 | 10,072 |
| Total Expenditures | <u>702,270</u> | <u>133,795</u> | <u>68,758</u> |
| Excess/(Deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>379,991</u> |
| Other Financing Sources/(Uses) | | | |
| Interest income | - | - | 12 |
| Total Other Financing Sources/(Uses) | <u>-</u> | <u>-</u> | <u>12</u> |
| Net change in fund balance | - | - | 380,003 |
| Fund Balance (Deficit) - Beginning | <u>-</u> | <u>-</u> | <u>(380,003)</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of August 10, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 ARRA - TITLE I SCHOOL IMPROVEMENT AND ACCOUNTABILITY
 FOR THE YEAR ENDED JUNE 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|-------------------------------|------------------|----------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Federal sources | \$ 120,000 | \$ 120,000 | \$ 120,000 |
| Total Revenues | <u>120,000</u> | <u>120,000</u> | <u>120,000</u> |
| Expenditures | | | |
| Salaries and benefits | 65,282 | 47,329 | 39,293 |
| Purchased services | 26,932 | 5,002 | 4,857 |
| Supplies and materials | 13,029 | 8,423 | 7,382 |
| Payments to other governments | 14,757 | 59,246 | 68,468 |
| Total Expenditures | <u>120,000</u> | <u>120,000</u> | <u>120,000</u> |
| Net change in fund balance | - | - | - |
| Fund Balance - Beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of May 28, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 ILLINOIS VIRTUAL SCHOOL - RTI ONLINE
 FOR THE YEAR ENDED JUNE 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|---|------------------|----------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| State sources | \$ 417,500 | \$ 417,500 | \$ 415,474 |
| Total Revenues | <u>417,500</u> | <u>417,500</u> | <u>415,474</u> |
| Expenditures | | | |
| Purchased services | 417,500 | 417,500 | 415,501 |
| Total Expenditures | <u>417,500</u> | <u>417,500</u> | <u>415,501</u> |
| Excess/(Deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>(27)</u> |
| Other Financing Sources/(Uses) | | | |
| Interest income | - | - | 27 |
| Total Other Financing Sources/(Uses) | <u>-</u> | <u>-</u> | <u>27</u> |
| Net change in fund balance | - | - | - |
| Fund Balance - Beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNT
 REGIONAL SAFE SCHOOLS
 FOR THE YEAR ENDED JUNE 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|---|------------------|----------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| State sources | \$ 139,688 | \$ 139,688 | \$ 218,690 |
| Total Revenues | <u>139,688</u> | <u>139,688</u> | <u>218,690</u> |
| Expenditures | | | |
| Salaries and benefits | 137,713 | 137,713 | - |
| Purchased services | 1,975 | 1,975 | - |
| Payments to other governments | - | - | 139,688 |
| Total Expenditures | <u>139,688</u> | <u>139,688</u> | <u>139,688</u> |
| Excess/(Deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>79,002</u> |
| Net change in fund balance | - | - | 79,002 |
| Fund Balance (Deficit) - Beginning | <u>-</u> | <u>-</u> | <u>(79,002)</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of May 20, 2009 to August 31, 2010)
 EDUCATION FUND ACCOUNT
 GIFTED EDUCATION
 FOR THE YEAR ENDED JUNE 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|---|------------------|----------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| State sources | \$ 100,202 | \$ 100,202 | \$ 57,630 |
| Total Revenues | <u>100,202</u> | <u>100,202</u> | <u>57,630</u> |
| Expenditures | | | |
| Salaries and benefits | 39,899 | 3,134 | 446 |
| Purchased services | 5,863 | 31,983 | 11,667 |
| Supplies and materials | 14,440 | 53,835 | 45,517 |
| Payments to other governments | 40,000 | 11,250 | - |
| Total Expenditures | <u>100,202</u> | <u>100,202</u> | <u>57,630</u> |
| Excess/(Deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Other Financing Sources/(Uses) | | | |
| Transfers out | - | - | (3) |
| Interest income | - | - | 3 |
| Total Other Financing Sources/(Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | - | - | - |
| Fund Balance - Beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of October 1, 2009 to August 31, 2010)
 EDUCATION FUND ACCOUNT
 BEGINNING TEACHER INDUCTION
 FOR THE YEAR ENDED JUNE 30, 2011

| | Budgeted Amounts | | Actual Amounts |
|---|------------------|---------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| State sources | \$ 39,362 | \$ 34,358 | \$ 44,719 |
| Total Revenues | <u>39,362</u> | <u>34,358</u> | <u>44,719</u> |
| Expenditures | | | |
| Salaries and benefits | 17,637 | 16,968 | 5,191 |
| Purchased services | 6,780 | 5,760 | 166 |
| Supplies and materials | 1,045 | - | - |
| Payments to other governments | 13,900 | 11,630 | - |
| Total Expenditures | <u>39,362</u> | <u>34,358</u> | <u>5,357</u> |
| Excess/(Deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>39,362</u> |
| Net change in fund balance | - | - | 39,362 |
| Fund Balance (Deficit) - Beginning | <u>-</u> | <u>-</u> | <u>(39,362)</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2011

| | Art Opportunities | Bus Driver Training | Secretary | General Education Development | Institute | Supervisory | TOTALS |
|-------------------------------------|----------------------|------------------------|-------------|-------------------------------------|------------------|-----------------|-------------------|
| Assets | | | | | | | |
| Cash and cash equivalents | \$ - | \$ 5,534 | \$ - | \$ 56,337 | \$ 63,872 | \$ 3,740 | \$ 129,483 |
| Total Assets | <u>\$ -</u> | <u>\$ 5,534</u> | <u>\$ -</u> | <u>\$ 56,337</u> | <u>\$ 63,872</u> | <u>\$ 3,740</u> | <u>\$ 129,483</u> |
| Liabilities and Fund Balance | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable | \$ - | \$ 407 | \$ - | \$ 968 | \$ 15 | \$ - | \$ 1,390 |
| Total Liabilities | <u>-</u> | <u>407</u> | <u>-</u> | <u>968</u> | <u>15</u> | <u>-</u> | <u>1,390</u> |
| Fund Balance | | | | | | | |
| Restricted | - | 5,127 | - | 55,369 | 63,857 | 3,740 | 128,093 |
| Total Liabilities and Fund Balance | <u>\$ -</u> | <u>\$ 5,534</u> | <u>\$ -</u> | <u>\$ 56,337</u> | <u>\$ 63,872</u> | <u>\$ 3,740</u> | <u>\$ 129,483</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011

| | Art Opportunities | Bus Driver Training | Secretary | General Education Development | Institute | Supervisory | TOTALS |
|---|----------------------|------------------------|-------------|-------------------------------------|------------------|-----------------|-------------------|
| Revenues | | | | | | | |
| Local sources | \$ - | \$ 3,214 | \$ - | \$ 26,862 | \$ 53,886 | \$ - | \$ 83,962 |
| State sources | - | 1,200 | - | - | - | 1,000 | 2,200 |
| Total Revenues | <u>-</u> | <u>4,414</u> | <u>-</u> | <u>26,862</u> | <u>53,886</u> | <u>1,000</u> | <u>86,162</u> |
| Expenditures | | | | | | | |
| Salaries and benefits | - | - | - | 2,004 | - | - | 2,004 |
| Purchased services | - | 3,805 | - | 9,038 | 25,595 | 50 | 38,488 |
| Supplies and materials | - | - | - | 6,048 | 927 | - | 6,975 |
| Other objects | - | - | - | - | 200 | - | 200 |
| Total Expenditures | <u>-</u> | <u>3,805</u> | <u>-</u> | <u>17,090</u> | <u>26,722</u> | <u>50</u> | <u>47,667</u> |
| Excess/(Deficiency) of Revenues over Expenditures | <u>-</u> | <u>609</u> | <u>-</u> | <u>9,772</u> | <u>27,164</u> | <u>950</u> | <u>38,495</u> |
| Other Financing Sources/(Uses) | | | | | | | |
| Transfers out | (235) | - | (5) | - | - | - | (240) |
| Interest income | - | 1 | - | 7 | 8 | - | 16 |
| Total Other Financing Sources/(Uses) | <u>(235)</u> | <u>1</u> | <u>(5)</u> | <u>7</u> | <u>8</u> | <u>-</u> | <u>(224)</u> |
| Net change in fund balance | (235) | 610 | (5) | 9,779 | 27,172 | 950 | 38,271 |
| Fund Balance - Beginning (Restated - See Note 13) | <u>235</u> | <u>4,517</u> | <u>5</u> | <u>45,590</u> | <u>36,685</u> | <u>2,790</u> | <u>89,822</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ 5,127</u> | <u>\$ -</u> | <u>\$ 55,369</u> | <u>\$ 63,857</u> | <u>\$ 3,740</u> | <u>\$ 128,093</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR
 PROPRIETARY FUNDS
 JUNE 30, 2011

| | Business-type Activities Proprietary Funds | | | TOTALS |
|---|---|--|------------------|-------------------|
| | Tech Support | Learning Technology Center Technical Training and Support | Aspire | |
| Assets | | | | |
| Cash and cash equivalents | \$ 11,788 | \$ 88,892 | \$ 40,264 | \$ 140,944 |
| Due from other funds | - | - | - | - |
| Due from other governments - Local | - | 7,425 | 200 | 7,625 |
| Total Assets | 11,788 | 96,317 | 40,464 | 148,569 |
| Liabilities and Net Assets | | | | |
| Liabilities | | | | |
| Deferred revenue | - | - | - | - |
| Total Liabilities | - | - | - | - |
| Net Assets | | | | |
| Invested in capital assets, net of related debt | - | - | - | - |
| Unrestricted | 11,788 | 96,317 | 40,464 | 148,569 |
| Total Net Assets | \$ 11,788 | \$ 96,317 | \$ 40,464 | \$ 148,569 |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011

| | Business-type Activities - Proprietary Funds | | | Totals |
|---|---|--|------------------|-------------------|
| | Tech Support | Learning Technology Center Technical Training and Support | Aspire | |
| Operating Revenues | | | | |
| Charges for services | \$ 43,180 | \$ 75,607 | \$ 36,442 | \$ 155,229 |
| Operating Expenses | | | | |
| Salaries and benefits | 31,392 | - | 986 | 32,378 |
| Purchased services | - | 3,020 | 2,418 | 5,438 |
| Supplies and materials | - | 7,821 | - | 7,821 |
| Other objects | - | 13 | - | 13 |
| Total Operating Expenses | <u>31,392</u> | <u>10,854</u> | <u>3,404</u> | <u>45,650</u> |
| Operating Income (Loss) | <u>11,788</u> | <u>64,753</u> | <u>33,038</u> | <u>109,579</u> |
| Nonoperating Revenue (Expense) | | | | |
| Interest income | - | 6 | 4 | 10 |
| Total Nonoperating Revenue (Expense) | <u>-</u> | <u>6</u> | <u>4</u> | <u>10</u> |
| Income (Loss) Before Transfers | <u>11,788</u> | <u>64,759</u> | <u>33,042</u> | <u>109,589</u> |
| Transfers in | - | 407 | - | 407 |
| Total Transfers | <u>-</u> | <u>407</u> | <u>-</u> | <u>407</u> |
| Change in Net Assets | 11,788 | 65,166 | 33,042 | 109,996 |
| Net Assets - Beginning (Restated-See Note 13) | - | 31,151 | 7,422 | 38,573 |
| Net Assets - Ending | <u>\$ 11,788</u> | <u>\$ 96,317</u> | <u>\$ 40,464</u> | <u>\$ 148,569</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011

| | Business-Type Activities Proprietary Funds | | | Totals |
|---|---|--|------------------|-------------------|
| | Tech Support | Learning Technology Center Technical Training and Support | Aspire | |
| Cash Flows from Operating Activities | | | | |
| Receipts from customers | \$ 43,180 | \$ 68,682 | \$ 22,725 | \$ 134,587 |
| Payments to suppliers and providers of goods and services | - | (32,088) | (2,583) | (34,671) |
| Payments to employees | (31,392) | - | (986) | (32,378) |
| Net cash provided by (used for) operating activities | <u>11,788</u> | <u>36,594</u> | <u>19,156</u> | <u>67,538</u> |
| Cash Flows from Investing Activities | | | | |
| Interest earned from investments | - | 6 | 4 | 10 |
| Net cash provided by investing activities | <u>-</u> | <u>6</u> | <u>4</u> | <u>10</u> |
| Cash Flows from Noncapital Financing Activities | | | | |
| Cash payments from other funds | - | 7,870 | - | 7,870 |
| Net cash provided by (used for) noncapital financing activities | <u>-</u> | <u>7,870</u> | <u>-</u> | <u>7,870</u> |
| Net increase in cash and cash equivalents | 11,788 | 44,470 | 19,160 | 75,418 |
| Cash and cash equivalents - beginning | - | 44,422 | 21,104 | 65,526 |
| Cash and cash equivalents - ending | <u>\$ 11,788</u> | <u>\$ 88,892</u> | <u>\$ 40,264</u> | <u>\$ 140,944</u> |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | | | |
| Operating income (loss) | \$ 11,788 | \$ 64,753 | \$ 33,038 | \$ 109,579 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | | |
| Change in assets and liabilities: | | | | |
| Increase/(Decrease) in lease payable | - | (13,092) | - | (13,092) |
| (Increase) / Decrease in due from other governments | - | (3,862) | 1,395 | (2,467) |
| Increase / (Decrease) in deferred revenue | - | (3,063) | (15,112) | (18,175) |
| Increase / (Decrease) in accounts payable | - | (8,142) | (165) | (8,307) |
| Net cash provided by (used for) operating activities | <u>\$ 11,788</u> | <u>\$ 36,594</u> | <u>\$ 19,156</u> | <u>\$ 67,538</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUND
 JUNE 30, 2011

| | Regional Board of Trustees | Central Illinois Science Education | Criminal Background Checks | Perfect | SEAPCO | IVS Scholarship Fund | Totals |
|----------------------------|----------------------------------|--|----------------------------------|-------------------|---------------------|----------------------------|---------------------|
| Assets | | | | | | | |
| Cash and cash equivalents | \$ 18 | \$ 2,084 | \$ 17,699 | \$ - | \$ - | \$ 8,000 | \$ 27,801 |
| Due from other governments | - | - | - | 134,116 | 1,003,518 | - | 1,137,634 |
| Total Assets | \$ 18 | \$ 2,084 | \$ 17,699 | \$ 134,116 | \$ 1,003,518 | \$ 8,000 | \$ 1,165,435 |
| Liabilities | | | | | | | |
| Due to other governments | \$ 18 | \$ 2,084 | \$ 17,699 | \$ 134,116 | \$ 1,003,518 | \$ 8,000 | \$ 1,165,435 |
| Total Liabilities | \$ 18 | \$ 2,084 | \$ 17,699 | \$ 134,116 | \$ 1,003,518 | \$ 8,000 | \$ 1,165,435 |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 JUNE 30, 2011

| | <u>July 1, 2010</u> | <u>Additions</u> | <u>Deductions</u> | <u>June 30, 2011</u> |
|---|---------------------|------------------|-------------------|----------------------|
| <u>REGIONAL BOARD OF TRUSTEES</u> | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 83 | \$ - | \$ 65 | \$ 18 |
| Total Assets | <u>\$ 83</u> | <u>\$ -</u> | <u>\$ 65</u> | <u>\$ 18</u> |
| Liabilities | | | | |
| Due to other governments | \$ 83 | \$ - | \$ 65 | \$ 18 |
| Total Liabilities | <u>\$ 83</u> | <u>\$ -</u> | <u>\$ 65</u> | <u>\$ 18</u> |
| <u>CENTRAL ILLINOIS SCIENCE EDUCATION</u> | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 1,935 | \$ 149 | \$ - | \$ 2,084 |
| Total Assets | <u>\$ 1,935</u> | <u>\$ 149</u> | <u>\$ -</u> | <u>\$ 2,084</u> |
| Liabilities | | | | |
| Due to other governments | \$ 1,935 | \$ 149 | \$ - | \$ 2,084 |
| Total Liabilities | <u>\$ 1,935</u> | <u>\$ 149</u> | <u>\$ -</u> | <u>\$ 2,084</u> |
| <u>CRIMINAL BACKGROUND CHECKS</u> | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 13,340 | \$ 23,244 | \$ 18,885 | \$ 17,699 |
| Total Assets | <u>\$ 13,340</u> | <u>\$ 23,244</u> | <u>\$ 18,885</u> | <u>\$ 17,699</u> |
| Liabilities | | | | |
| Due to other governments | \$ 13,340 | \$ 23,244 | \$ 18,885 | \$ 17,699 |
| Total Liabilities | <u>\$ 13,340</u> | <u>\$ 23,244</u> | <u>\$ 18,885</u> | <u>\$ 17,699</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 JUNE 30, 2011

| | <u>July 1, 2010</u> | <u>Additions</u> | <u>Deductions</u> | <u>June 30, 2011</u> |
|--------------------------------|---------------------|---------------------|-------------------|----------------------|
| <u>PERFECT</u> | | | | |
| Assets | | | | |
| Due from other governments | \$ - | \$ 134,116 | \$ - | \$ 134,116 |
| Total Assets | <u>\$ -</u> | <u>\$ 134,116</u> | <u>\$ -</u> | <u>\$ 134,116</u> |
| Liabilities | | | | |
| Due to other governments | \$ - | \$ 134,116 | \$ - | \$ 134,116 |
| Total Liabilities | <u>\$ -</u> | <u>\$ 134,116</u> | <u>\$ -</u> | <u>\$ 134,116</u> |
| <u>SEAPCO</u> | | | | |
| Assets | | | | |
| Due from other governments | \$ - | \$ 1,003,518 | \$ - | \$ 1,003,518 |
| Total Assets | <u>\$ -</u> | <u>\$ 1,003,518</u> | <u>\$ -</u> | <u>\$ 1,003,518</u> |
| Liabilities | | | | |
| Due to other governments | \$ - | \$ 1,003,518 | \$ - | \$ 1,003,518 |
| Total Liabilities | <u>\$ -</u> | <u>\$ 1,003,518</u> | <u>\$ -</u> | <u>\$ 1,003,518</u> |
| <u>IVS SCHOLARSHIP FUND</u> | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ - | \$ 8,000 | \$ - | \$ 8,000 |
| Total Assets | <u>\$ -</u> | <u>\$ 8,000</u> | <u>\$ -</u> | <u>\$ 8,000</u> |
| Liabilities | | | | |
| Due to other governments | \$ - | \$ 8,000 | \$ - | \$ 8,000 |
| Total Liabilities | <u>\$ -</u> | <u>\$ 8,000</u> | <u>\$ -</u> | <u>\$ 8,000</u> |
| <u>TOTALS ALL AGENCY FUNDS</u> | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 15,358 | \$ 31,393 | \$ 18,950 | \$ 27,801 |
| Due from other governments | - | 1,137,634 | - | 1,137,634 |
| Total Assets | <u>\$ 15,358</u> | <u>\$ 1,169,027</u> | <u>\$ 18,950</u> | <u>\$ 1,165,435</u> |
| Liabilities | | | | |
| Due to other governments | \$ 15,358 | \$ 1,169,027 | \$ 18,950 | \$ 1,165,435 |
| Total Liabilities | <u>\$ 15,358</u> | <u>\$ 1,169,027</u> | <u>\$ 18,950</u> | <u>\$ 1,165,435</u> |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2011

| Federal Grantor/ Pass-Through Grantor/ <u>Program or Cluster Title</u> | CFDA <u>Number</u> | Project # (1st eight digits) or <u>Contract #</u> | Federal <u>Expenditures</u> <u>7/1/10 - 6/30/11</u> |
|--|-----------------------|--|---|
| U.S. Department of Education | | | |
| Passed through Illinois Community College Board: | | | |
| Basic Grants to States - Adult Education | 84.002 | 514 AB | \$ 27,437 |
| Total Passed through Illinois Community College Board | | | <u>27,437</u> |
| Passed through Illinois State Board of Education: | | | |
| Title I, Part A Cluster - | | | |
| Title I Grants to Local Educational Agencies | | | |
| System of Support (Title I - School Improvement and Accountability) | 84.010A | 11-4331-SS | 857,595 |
| System of Support (Title I - School Improvement and Accountability) | 84.010A | 10-4331-SS | 256,792 |
| Total Title I Grants to Local Educational Agencies | | | <u>1,114,387</u> |
| ARRA - Title I Grants to Local Educational Agencies | | | |
| System of Support (Title I - School Improvement and Accountability) | 84.389 | 11-4854-00 | 120,000 |
| Total Title I, Part A Cluster | | | <u>1,234,387</u> |
| Special Education - State Personnel Development - | | | |
| Special Education - State Personnel Development - | 84.323A | 11-4631-RC | 106,232 |
| Special Education - State Personnel Development - | 84.323A | 10-4631-RC | 177,594 |
| Total Special Education - State Personnel Development | | | <u>283,826</u> |
| Improving Teacher Quality State Grants | | | |
| Title II Teacher Quality Leadership | 84.367A | 10-4935-SS | 5,310 |
| Reading First State Grants - | | | |
| Title I- Reading First Part B SEA | 84.357A | 10-4337-00 | 122,117 |
| Reading First Super Region | 84.357A | 10-4337-04 | 244,778 |
| Total Reading First State Grants | | | <u>366,895</u> |
| ARRA - Education Jobs Fund Program | 84.410 | 11-4880-93 | 30,465 |
| Passed through Macomb Community School District #185: | | | |
| Education for Homeless Children and Youth - | | | |
| Area III - Homeless Liaison Project | 84.196A | 10-4920-00 | 47,771 |
| Passed through Galesburg Community School District #205 | | | |
| Title I Grants to Local Educational Agencies, Recovery Act - | | | |
| Title I ARRA | 84.389A | 10-4851-00 | 67,289 |
| Total passed through Galesburg Community School District #205 | | | <u>67,289</u> |

The accompanying notes are an integral part of this schedule.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2011

| Federal Grantor/ Pass-Through Grantor/ <u>Program or Cluster Title</u> | <u>CFDA Number</u> | <u>Project # (1st eight digits) or Contract #</u> | <u>Federal Expenditures 7/1/10 - 6/30/11</u> |
|---|------------------------|---|--|
| Passed through University of North Carolina - Chapel Hill | | | |
| Special Education- Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities | 84.326K | H326K080001 | 27,219 |
| Total U.S. Department of Education | | | 2,090,599 |
| U.S. Department of Transportation | | | |
| passed through Missouri University of Science and Technology | | | |
| Highway Research and Development Program - Transportation Career Cluster | 20.200 | DTFH61-08-G-00016 | 120,445 |
| Total U.S. Department of Transportation passed through Missouri University of Science and Technology | | | 120,445 |
| Total Expenditures of Federal Awards | | | \$ 2,211,044 |

The accompanying notes are an integral part of this schedule.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Peoria County Regional Office of Education #48 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented on this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - SUBRECIPIENTS

Of the federal expenditures presented in the schedule, Peoria County Regional Office of Education #48 provided federal awards to subrecipients as follows:

| <u>Program Title</u> | <u>Federal CFDA #</u> | <u>Amount provided to subrecipients</u> |
|--|---------------------------|---|
| Title I Grants to Local Educational Agencies - System of Support (Title I – School Improvement and Accountability) | 84.010A | \$ 424,987 |
| Improving Teacher Quality State Grants Title II Teacher Quality Leadership | 84.367A | \$ 5,310 |
| Reading First State Grants Title I – Reading First Part B SEA | 84.357A | \$ 5,000 |
| Highway Research and Development Program Transportation Career Cluster | 20.200 | \$ 308 |
| ARRA – Title I Grants to Local Educational Agencies -System of Support (Title I – School Improvement and Accountability) | 84.389 | \$ 68,468 |

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM

Title I – Part A Cluster System of Support (Title I School Improvement and Accountability) - This program provides area schools/districts with assistance in meeting school improvement needs as they address the requirements of No Child Left Behind. Priority is given to schools whose students have not met adequate yearly progress for at least two years in math and reading.

Title I- Reading First Part B SEA – This program provides federal monies for expenditures incurred to provide reading assistance to Reading First districts and buildings.

NOTE 4 - NON-CASH ASSISTANCE

None

NOTE 5 - AMOUNT OF INSURANCE

None

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

None