

State of Illinois  
REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY  
FINANCIAL AUDIT  
FOR THE YEAR ENDED JUNE 30, 2015

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

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

TABLE OF CONTENTS

For the Year Ended June 30, 2015

	<u>Page</u>
Officials	1
Financial Report Summary	2
Financial Statement Report Summary	3
Auditor's Reports	
Independent Auditor's Report	4
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 <i>Government Auditing Standards</i>	7
Schedule of Findings and Responses	
Summary of Auditor's Results	9
Financial Statement Findings	10
Summary Schedule of Prior Audit Findings	11
Management's Discussion and Analysis	12
Basic Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Balance Sheet - Governmental Funds	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities - Governmental Funds	18
Statement of Net Position - Proprietary Funds	19
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	20
Statement of Cash Flows - Proprietary Funds	21
Statement of Fiduciary Net Position	22
Notes to the Financial Statements	23
Required Supplementary Information Other Than Management's Discussion & Analysis	
Schedule of the Employer's Proportionate Share of the Net Pension Liability - Teacher's Retirement System of the State of Illinois	56

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

TABLE OF CONTENTS - CONTINUED

For the Year Ended June 30, 2015

	<u>Page</u>
Required Supplementary Information Other Than Management's Discussion & Analysis-Continued	
Schedule of Employer Contributions - Teacher's Retirement System of the State of Illinois	56
Schedule of Employer Contributions - Illinois Municipal Retirement Fund	57
Schedule of Changes in the Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund	58
Other Post Employment Benefits Schedule of Funding Progress	59
Supplemental Information	
Combining Schedules - General Fund	
Combining Schedule of Accounts - General Fund	60
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund Accounts	63
Combining Schedules - Education Fund	
Combining Schedule of Accounts - Education Fund	66
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Education Fund Accounts	70
Budgetary Comparison Schedules	
Adult Education - Federal Basic	74
Adult Education - State Basic	75
Adult Education - Performance	76
Upward SOS	77
Communities for Youth Truants Alternative	78
McKinney-Vento Education for Homeless Children and Youth	79
Learning Technology Center General Operations	80
ROE/ISC Operations	81
Foundational Services	82
Special Education - IDEA Part D	83
Preschool for All Children	84
Regional Safe Schools	85
Title II - Teacher Quality Leadership Grant	86

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

TABLE OF CONTENTS - CONTINUED

For the Year Ended June 30, 2015

	<u>Page</u>
Supplemental Information - Continued	
Budgetary Comparison Schedules - Continued	
Mathematics and Science Partnerships - SA	87
Mathematics and Science Partnerships - MA	88
Combining Balance Sheet - Nonmajor Special Revenue Funds	89
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	90
Combining Statement of Net Position - Nonmajor Proprietary Funds	91
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Nonmajor Proprietary Funds	92
Combining Statement of Cash Flows - Nonmajor Proprietary Funds	93
Combining Statement of Fiduciary Net Position - Agency Funds	94
Combining Statement of Changes in Assets and Liabilities - Agency Funds	95

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

AGENCY OFFICIALS

For the Year Ended June 30, 2015

Regional Superintendent  
(Current and during the audit period)

Ms. Elizabeth Crider Derry

Assistant Regional Superintendent  
(Current and during the audit period)

Ms. Cindy Dollman

Offices are located at:

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

The PROE Center  
10112 West Dubois Road  
Edwards, IL 61528

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

FINANCIAL REPORT SUMMARY

For the Year Ended June 30, 2015

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

AUDITOR'S REPORT

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	0	2
Repeated audit findings	0	1
Prior recommendations implemented or not repeated	2	1

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

SUMMARY OF FINDINGS AND RESPONSES

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

There were no findings for the year ended June 30, 2015.

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

2014-001	11	Controls over Financial Statement Preparation	
2014-002	11	Inadequate Revenue Recognition Policies - Illinois Virtual School Fund	

EXIT CONFERENCE

No formal exit conference was held between the auditors and management of the Peoria County Regional Office of Education #48 as there are no findings being reported in conjunction with the audit for the year ended June 30, 2015. Other matters not reported were discussed with management of the Peoria Regional Office of Education at various informal meetings.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

FINANCIAL STATEMENT REPORT SUMMARY

For the Year Ended June 30, 2015

The audit of the accompanying basic financial statements of the Peoria County Regional Office of Education #48 was performed by Doehring, Winders & Co. LLP.

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

DOEHRING, WINDERS & CO. LLP  
Certified Public Accountants  
1601 LAFAYETTE AVENUE  
MATTOON, ILLINOIS 61938

INDEPENDENT AUDITOR'S REPORT

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

**Report on the Financial Statements**

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Peoria County Regional Office of Education #48 as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Peoria County Regional Office of Education #48's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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



## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Peoria County Regional Office of Education #48, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 and Note 15 to the financial statements, in the year ended June 30, 2015, the Peoria County Regional Office of Education #48 implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, which caused a material change in comparability to prior year financial statements. Our opinion is not modified with respect to this matter.

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Employer's Proportionate Share of the Net Pension Liability - Teacher's Retirement System of the State of Illinois, Schedule of Employer Contributions - Teacher's Retirement System of the State of Illinois, Schedule of Employer Contributions - Illinois Municipal Retirement Fund, and Schedule of Changes in the Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund, and Other Post Employment Benefits Schedule of Funding Progress on pages 12a through 12f and 56 through 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

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 schedules of accounts, the budgetary comparison schedules, and the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2016, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Peoria County Regional Office of Education #48's internal control over financial reporting and compliance.

*Doehring, Winders & Co. LLP*

Mattoon, Illinois  
May 27, 2016

DOEHRING, WINDERS & Co. LLP  
*Certified Public Accountants*  
1601 LAFAYETTE AVENUE  
MATTOON, ILLINOIS 61938

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

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Peoria County Regional Office of Education #48, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Peoria County Regional Office of Education #48's basic financial statements, and have issued our report thereon dated May 27, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Peoria County Regional Office of Education #48's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Peoria County Regional Office of Education #48's internal control. Accordingly, we do not express an opinion on the effectiveness of Peoria County Regional Office of Education #48's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Peoria County Regional Office of Education #48's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Peoria County Regional Office of Education #48's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Doehring, Winders & Co. LLP*

Mattoon, Illinois  
May 27, 2016

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2015

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? No
- Significant deficiency identified? No
- Noncompliance material to financial statements noted? No

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2015

**Section II - Financial Statement Findings**

There were no audit findings for the year ended June 30, 2015.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2015

<b><u>Finding Number</u></b>	<b><u>Condition</u></b>	<b><u>Current Status</u></b>
2014-001	Controls over Financial Statement Preparation	Not repeated
2014-002	Inadequate Revenue Recognition Policies - Illinois Virtual School Fund	Not repeated

## MANAGEMENT'S DISCUSSION AND ANALYSIS



REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2015

The Peoria County Regional Office of Education #48 (Regional Office of Education #48) provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for fiscal year 2015 that ended on June 30, 2015. Readers are encouraged to consider the information in conjunction with the Regional Office of Education #48's financial statements that follow.

**2015 Financial Highlights**

- Within the Governmental Funds, the General Fund revenues decreased by \$606,604 from \$1,843,891 in fiscal year 2014 to \$1,237,287 in fiscal year 2015. General Fund expenditures decreased by \$614,037 from \$1,851,386 in fiscal year 2014 to \$1,237,349 in fiscal year 2015. The decrease in revenue and expense is largely the result of a change in the way that on-behalf payments made by the State of Illinois for the Regional Office of Education #48's share of the State's Teachers' Retirement System pension expense is recorded in the Governmental Fund financial statements. For fiscal year 2015 these on-behalf revenues and expenditures are recorded only in the Government-wide statements. Prior to fiscal year 2015, these payments were recorded in the Governmental Funds financial statements as well.
- Within the Governmental Funds, the revenues reported by the Special Revenue Funds decreased by \$153,088 from \$1,352,793 in fiscal year 2014 to \$1,199,705 in fiscal year 2015. The expenditures reported by the Special Revenue Funds increased by \$2,952 from \$1,145,727 in fiscal year 2014 to \$1,148,679 in fiscal year 2015. Although the Regional Office of Education #48 was awarded new federal grants in fiscal year 2015, there was an overall decrease in revenue due to the loss of a federal grant at the end of fiscal year 2013 which had significant revenue from the reversal of unavailable revenue in fiscal year 2014.

**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 of Education #48's financial activities.
- The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the Regional Office of Education #48 as a whole and present an overall view of the Regional Office of Education #48's finances.
- Fund financial statements report the Regional Office of Education #48'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 nonmajor funds.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2015

**Reporting the Regional Office as a Whole**

**The Statement of Net Position 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 Position includes all of the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. 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 Regional Office of Education #48's net position and how it has changed. Net position (the difference between the assets plus deferred outflows and liabilities plus deferred inflows) are one way to measure the Regional Office of Education #48's financial health or position.

- Over time, increases or decreases in the net position can be an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the Regional Office of Education #48'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 Regional Office of Education #48'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 Regional Office of Education #48'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.

The Regional Office of Education #48 has three kinds of funds:

- Governmental funds account for all of the Regional Office of Education #48'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 Regional Office of Education #48's Governmental Funds include: the General Fund, Education Fund and other non-major special revenue funds.

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

- 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 Position.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2015

**Reporting the Regional Office as a Whole (continued)**

**The Statement of Net Position and the Statement of Activities (continued)**

- 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: Learning Technology Center Technical Training and Support, Illinois Virtual School Fund, and Local Workshops Fund.

The proprietary funds required financial statements include a Statement of Net Position, Statement of Revenues, Expenses, and Changes in Fund Net Position, 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 position may serve, when examined over time, as one indicator of the financial position of the Regional Office of Education #48. The net position at the end of fiscal year 2015 totaled \$1,453,617. At the end of fiscal year 2014, the net position was \$3,469,107. The analysis that follows provides a summary of the Regional Office of Education #48's net position as of June 30, 2015 and June 30, 2014, for the governmental and business-type activities.

**Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current assets	\$ 544,219	\$ 524,729	\$ 3,472,421	\$ 3,320,581	\$ 4,016,640	\$ 3,845,310
Capital assets	48,564	65,113	30,248	41,537	78,812	106,650
Total assets	592,783	589,842	3,502,669	3,362,118	4,095,452	3,951,960
Deferred outflows	186,582	-	-	-	186,582	-
Current liabilities	112,186	71,193	458,100	398,237	570,286	469,430
Noncurrent liabilities	827,178	-	10,070	13,423	837,248	13,423
Total liabilities	939,364	71,193	468,170	411,660	1,407,534	482,853
Deferred inflows	1,420,883	-	-	-	1,420,883	-
Net position:						
Invested in capital assets, net of related debt	48,564	65,113	16,828	24,927	65,392	90,040
Unrestricted	(1,821,356)	294,677	3,017,671	2,925,531	1,196,315	3,220,208
Restricted for educational purposes	191,910	158,859	-	-	191,910	158,859
Total net position	\$ (1,580,882)	\$ 518,649	\$ 3,034,499	\$ 2,950,458	\$ 1,453,617	\$ 3,469,107

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2015

**Office-wide Financial Analysis (continued)**

The Regional Office of Education #48's net position decreased by \$2,015,490 from \$3,469,107 in fiscal year 2014 to \$1,453,617 in fiscal year 2015. Net position had a significant decrease due to the implementation of GASB Statement No. 68 and GASB Statement No. 71 during fiscal year 2015. As a result of this implementation, the opening balance of net position of governmental activities decreased by \$2,354,263 to record adjustments made. See note 15 on page 55 of this report for additional detailed information concerning the adjustments.

**Condensed Statement of Activities**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 2,290,426	\$ 2,396,999	\$ 2,290,426	\$ 2,396,999
Operating grants and contributions	1,098,814	1,001,519	-	-	1,098,814	1,001,519
General revenues:					-	
Local sources	257,895	225,054	-	-	257,895	225,054
State sources	535,920	603,554	-	-	535,920	603,554
Investment earnings	28	22	195	175	223	197
On-behalf payments	1,238,014	1,094,042	-	-	1,238,014	1,094,042
Loss on disposal of capital assets	(1,288)	(829)	(5,085)	(824)	(6,373)	(1,653)
Transfers	(53,370)	35,482	53,370	(35,482)	-	-
Total revenues	<u>3,076,013</u>	<u>2,958,844</u>	<u>2,338,906</u>	<u>2,360,868</u>	<u>5,414,919</u>	<u>5,319,712</u>
Expenses:						
Program expenses:						
Salaries and benefits	989,530	1,024,517	1,560,248	1,353,656	2,549,778	2,378,173
Purchased services	414,838	457,446	590,007	562,745	1,004,845	1,020,191
Supplies and materials	96,515	55,456	26,999	28,053	123,514	83,509
Payments to other governments	284,264	324,243	149	1,000	284,413	325,243
Depreciation expense	25,874	39,043	12,337	10,574	38,211	49,617
Other objects	22,080	10,713	304	311	22,384	11,024
Bad debt expense	-	-	-	6,826	-	6,826
Interest expense	-	-	697	602	697	602
Pension expense	(249,834)	-	64,124	-	(185,710)	-
Administrative expenses:					-	
On-behalf payments - local	258,686	289,224	-	-	258,686	289,224
On-behalf payments - state	979,328	804,818	-	-	979,328	804,818
Total expenses	<u>2,821,281</u>	<u>3,005,460</u>	<u>2,254,865</u>	<u>1,963,767</u>	<u>5,076,146</u>	<u>4,969,227</u>
Change in net position	254,732	(46,616)	84,041	397,101	338,773	350,485
Net position - beginning (Restated, see Note 17)	<u>(1,835,614)</u>	<u>565,265</u>	<u>2,950,458</u>	<u>2,553,357</u>	<u>1,114,844</u>	<u>3,118,622</u>
Net position - ending	<u>\$ (1,580,882)</u>	<u>\$ 518,649</u>	<u>\$ 3,034,499</u>	<u>\$ 2,950,458</u>	<u>\$ 1,453,617</u>	<u>\$ 3,469,107</u>

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2015

**Governmental Activities**

Revenues for governmental activities were \$3,076,013 and expenses were \$2,821,281 for the year ended June 30, 2015. Revenues for governmental activities were \$2,958,844 and expenses were \$3,005,460 for the year ended June 30, 2014. The increase in revenues is due to a increase in on-behalf payments and the decrease in expenditures is due to a change in the way that the pension expense is recorded during the implementation of GASB Statement No. 68 and GASB Statement No. 71.

**Business-type Activities**

Revenues for business-type activities were \$2,338,906 and expenses were \$2,254,865 for the year ended June 30, 2015. Revenues for business-type activities were \$2,360,868 and expenses were \$1,963,767 for the year ended June 30, 2014. The increase in expenditures is a result of the increase in Illinois Virtual School salaries and benefits due to an increase in student enrollment. Revenue did not increase correspondingly as tuition fee per enrollment decreased in fiscal year 15.

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

As previously noted, the Regional Office of Education #48 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Regional Office of Education #48's Governmental Funds reported combined fund balances of \$432,033 at June 30, 2015 compared to fiscal year 2014 ending fund balance of \$434,411.

**Budgetary Highlights**

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. Additionally, the Regional Office of Education #48 prepares budgets for each grant administered. These budgets are 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 Regional Office of Education #48's actual financial activity are included in the supplementary information of this report.

**Capital Assets**

Capital assets of the Regional Office of Education #48 include office equipment, computers, audio-visual equipment, and office furniture. The Regional Office of Education #48 maintains an inventory of capital assets that have been accumulated over time. During the year ended June 30, 2015, Regional Office of Education #48 purchased assets totaling \$16,746 and disposed of assets totaling \$320,141, resulting in ending capital assets of \$234,789. In addition, the 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.

**Economic Factors and Next Year's Budget**

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

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2015

**Economic Factors and Next Year's Budget (continued)**

- The Regional Office of Education #48 will continue in fiscal year 2016 as the primary administrator and fiscal agent for the \$1.2 million Illinois Virtual School project for the entire State of Illinois, including Chicago. Due to the budget crisis the State of Illinois is currently in, the Regional Office of Education #48 has not received and does not expect to receive any of the \$1.2 million budgeted for Illinois Virtual School for use in fiscal year 2016. Illinois Virtual School has made adjustments to tuition fees and reduced expenditures to compensate for the loss of State revenues.
- The Regional Office does not expect to receive any funding in fiscal year 2016 for the following state grants due to the State's budget crisis: Upward SOS, Adult Education State Basic, Adult Education Performance, and ROE/ISC Operations.

**Contacting the Regional Office's Financial Management**

This financial report is designed to provide the Regional Office of Education #48'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

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

STATEMENT OF NET POSITION

June 30, 2015

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 470,089	\$ 2,888,184	\$ 3,358,273
Due (to) from other funds	(61,532)	61,532	-
Due from other governments:			
Local	48,763	397,064	445,827
State	84,761	80,000	164,761
Prepaid expenses	2,138	45,641	47,779
<b>Total Current Assets</b>	<b>544,219</b>	<b>3,472,421</b>	<b>4,016,640</b>
<b>Noncurrent Assets:</b>			
Capital assets, net of depreciation	48,564	30,248	78,812
<b>Total Noncurrent Assets</b>	<b>48,564</b>	<b>30,248</b>	<b>78,812</b>
<b>Total Assets</b>	<b>592,783</b>	<b>3,502,669</b>	<b>4,095,452</b>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to pensions	186,582	-	186,582
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accounts payable	44,477	47,721	92,198
Lease payable	-	3,350	3,350
Accrued payroll liabilities	8,824	123,576	132,400
Due to other governments	25,203	-	25,203
Unearned revenue	33,682	283,453	317,135
<b>Total Current Liabilities</b>	<b>112,186</b>	<b>458,100</b>	<b>570,286</b>
<b>Noncurrent Liabilities:</b>			
Lease payable	-	10,070	10,070
OPEB liability	9,420	-	9,420
Net pension liability	817,758	-	817,758
<b>Total Noncurrent Liabilities</b>	<b>827,178</b>	<b>10,070</b>	<b>837,248</b>
<b>Total Liabilities</b>	<b>939,364</b>	<b>468,170</b>	<b>1,407,534</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions	1,420,883	-	1,420,883
<b>Net Position</b>			
Invested in capital assets, net of related debt	48,564	16,828	65,392
Restricted for educational purposes	191,910	-	191,910
Unrestricted	(1,821,356)	3,017,671	1,196,315
<b>Total Net Position</b>	<b>\$ (1,580,882)</b>	<b>\$ 3,034,499</b>	<b>\$ 1,453,617</b>

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



REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
<b>Instructional Services:</b>							
Salaries and benefits	\$ 989,530	\$ -	\$ 578,270	\$ -	\$ (411,260)	\$ -	\$ (411,260)
Purchased services	414,838	-	244,757	-	(170,081)	-	(170,081)
Supplies and materials	96,515	-	56,944	-	(39,571)	-	(39,571)
Other objects	22,080	-	13,027	-	(9,053)	-	(9,053)
Payments to other governments	284,264	-	167,717	-	(116,547)	-	(116,547)
Depreciation	25,874	-	-	-	(25,874)	-	(25,874)
Capital outlay	-	-	7,200	-	7,200	-	7,200
Pension expense	(249,834)	-	30,899	-	280,733	-	280,733
<b>Administrative:</b>							
On-behalf payments - local	258,686	-	-	-	(258,686)	-	(258,686)
On-behalf payments - state	979,328	-	-	-	(979,328)	-	(979,328)
<b>Total governmental activities</b>	<b>2,821,281</b>	<b>-</b>	<b>1,098,814</b>	<b>-</b>	<b>(1,722,467)</b>	<b>-</b>	<b>(1,722,467)</b>
<b>Business-Type Activities:</b>							
Registration fees	83,876	147,931	-	-	-	64,055	64,055
Local revenues	24,257	26,725	-	-	-	2,468	2,468
Tuition and subscriptions	2,146,732	2,115,770	-	-	-	(30,962)	(30,962)
<b>Total business-type activities</b>	<b>2,254,865</b>	<b>2,290,426</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,561</b>	<b>35,561</b>
<b>Total primary government</b>	<b>\$ 5,076,146</b>	<b>\$ 2,290,426</b>	<b>\$ 1,098,814</b>	<b>\$ -</b>	<b>(1,722,467)</b>	<b>35,561</b>	<b>(1,686,906)</b>
<b>General Revenues:</b>							
Local sources					257,895	-	257,895
State sources					535,920	-	535,920
On-behalf payments - local					258,686	-	258,686
On-behalf payments - state					979,328	-	979,328
Loss on disposal of capital assets					(1,288)	(5,085)	(6,373)
Investment earnings					28	195	223
<b>Transfers:</b>					<b>(53,370)</b>	<b>53,370</b>	<b>-</b>
<b>Total general revenues and transfers</b>					<b>1,977,199</b>	<b>48,480</b>	<b>2,025,679</b>
<b>Change in net position</b>					<b>254,732</b>	<b>84,041</b>	<b>338,773</b>
<b>Net position - beginning (Restated - see Note 15)</b>					<b>(1,835,614)</b>	<b>2,950,458</b>	<b>1,114,844</b>
<b>Net position - ending</b>					<b>\$ (1,580,882)</b>	<b>\$ 3,034,499</b>	<b>\$ 1,453,617</b>

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

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2015

	General Fund	Education Fund	Other Non-Major Funds	Eliminations	Total Governmental Funds
<b>Assets:</b>					
Cash and cash equivalents	\$ 237,426	\$ 34,690	\$ 197,973	\$ -	\$ 470,089
Due from other funds	21,672	-	-	(21,672)	-
Due from other governments					
Local	23,729	24,239	795	-	48,763
State	-	84,761	-	-	84,761
Prepaid expenses	-	700	1,438	-	2,138
<b>Total assets</b>	<b><u>\$ 282,827</u></b>	<b><u>\$ 144,390</u></b>	<b><u>\$ 200,206</u></b>	<b><u>\$ (21,672)</u></b>	<b><u>\$ 605,751</u></b>
<b>Liabilities:</b>					
Accounts payable	\$ 19,409	\$ 21,922	\$ 3,146	\$ -	\$ 44,477
Accrued payroll and employee benefits	-	8,824	-	-	8,824
Due to other funds	8,974	74,230	-	(21,672)	61,532
Due to other governments	10,471	9,582	5,150	-	25,203
Unearned revenue	3,850	29,832	-	-	33,682
<b>Total liabilities</b>	<b><u>42,704</u></b>	<b><u>144,390</u></b>	<b><u>8,296</u></b>	<b><u>(21,672)</u></b>	<b><u>173,718</u></b>
<b>Fund balance (deficit):</b>					
Nonspendable	-	700	1,438	-	2,138
Restricted	-	-	190,472	-	190,472
Assigned	200,813	-	-	-	200,813
Unassigned	39,310	(700)	-	-	38,610
<b>Total fund balance (deficit)</b>	<b><u>240,123</u></b>	<b><u>-</u></b>	<b><u>191,910</u></b>	<b><u>-</u></b>	<b><u>432,033</u></b>
<b>Total liabilities and fund balance (deficit)</b>	<b><u>\$ 282,827</u></b>	<b><u>\$ 144,390</u></b>	<b><u>\$ 200,206</u></b>	<b><u>\$ (21,672)</u></b>	<b><u>\$ 605,751</u></b>

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

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION

June 30, 2015

Total fund balances - governmental funds		\$	432,033
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			48,564
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore are not reported in the governmental funds as follows:			
IMRF deferred outflows of resources	\$	147,644	
TRS deferred outflows of resources		38,938	
TRS deferred inflows of resources		<u>(1,420,883)</u>	(1,234,301)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Other post-employment benefits (OPEB) liability	\$	(9,420)	
IMRF net pension liability		(148,991)	
TRS net pension liability		<u>(668,767)</u>	<u>(827,178)</u>
Net position of governmental activities			<u>\$ (1,580,882)</u>

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

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2015

	General Fund	Education Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
<b>Revenues:</b>					
Local sources	\$ 177,329	\$ -	\$ 80,566	\$ -	\$ 257,895
State sources	534,720	739,081	1,200	-	1,275,001
Federal sources	-	378,858	-	-	378,858
On behalf payments - local	258,686	-	-	-	258,686
On behalf payments - state	266,552	-	-	-	266,552
Total revenues	<u>1,237,287</u>	<u>1,117,939</u>	<u>81,766</u>	<u>-</u>	<u>2,436,992</u>
<b>Expenditures:</b>					
Instructional services					
Salaries and benefits	316,528	663,582	-	-	980,110
Purchased services	177,782	205,866	31,190	-	414,838
Supplies and materials	23,174	69,746	3,595	-	96,515
Other objects	13,020	60	9,000	-	22,080
Payments to other governments	180,396	103,868	-	-	284,264
On behalf payments - local	258,686	-	-	-	258,686
On behalf payments - state	266,552	-	-	-	266,552
Pension expense	1,211	51,159	-	-	52,370
Capital Outlay	-	7,200	3,413	-	10,613
Total expenditures	<u>1,237,349</u>	<u>1,101,481</u>	<u>47,198</u>	<u>-</u>	<u>2,386,028</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(62)</u>	<u>16,458</u>	<u>34,568</u>	<u>-</u>	<u>50,964</u>
<b>Other financing sources (uses):</b>					
Transfers in	24,872	1,146	-	(26,018)	-
Transfers out	(79,388)	-	-	26,018	(53,370)
Interest income	24	1	3	-	28
Total other financing sources (uses)	<u>(54,492)</u>	<u>1,147</u>	<u>3</u>	<u>-</u>	<u>(53,342)</u>
Net change in fund balances	(54,554)	17,605	34,571	-	(2,378)
Fund balances (deficit) - beginning	294,677	(17,605)	157,339	-	434,411
Fund balances - ending	<u>\$ 240,123</u>	<u>\$ -</u>	<u>\$ 191,910</u>	<u>\$ -</u>	<u>\$ 432,033</u>

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

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

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, 2015

Net change in fund balances		\$ (2,378)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are not considered "available" revenues and are deferred inflows in the governmental funds.</p>		
Prior year unavailable revenue		
Federal Sources		(19,125)
<p>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.</p>		
Capital outlay	\$ 10,613	
Depreciation	(25,874)	
Loss on disposal of capital assets	<u>(1,288)</u>	(16,549)
<p>Certain expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Annual OPEB cost	\$ (9,420)	
Net pension expense	<u>302,204</u>	<u>292,784</u>
Change in net position of governmental activities		<u><u>\$ 254,732</u></u>

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

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

June 30, 2015

	Business-type Activities Proprietary Funds		Eliminations	Total
	Illinois Virtual School	Nonmajor Proprietary Funds		
<b>Assets</b>				
Currents assets				
Cash and cash equivalents	\$ 2,558,510	\$ 329,674	\$ -	\$ 2,888,184
Due from other funds	-	61,532	-	61,532
Due from other governments				
Local, net of allowance	353,205	43,859	-	397,064
State	80,000	-	-	80,000
Prepaid expenses	31,981	13,660	-	45,641
Total current assets	<u>3,023,696</u>	<u>448,725</u>	-	<u>3,472,421</u>
Noncurrent assets				
Capital assets, net of depreciation	<u>10,331</u>	<u>19,917</u>	-	<u>30,248</u>
Total assets	<u>3,034,027</u>	<u>468,642</u>	-	<u>3,502,669</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	46,422	1,299	-	47,721
Lease payable	-	3,350	-	3,350
Accrued payroll liabilities	123,340	236	-	123,576
Unearned revenue	278,040	5,413	-	283,453
Total current liabilities	<u>447,802</u>	<u>10,298</u>	-	<u>458,100</u>
Noncurrent liabilities				
Lease payable	-	10,070	-	10,070
Total liabilities	<u>447,802</u>	<u>20,368</u>	-	<u>468,170</u>
<b>Net position</b>				
Invested in capital assets, net of related debt	10,331	6,497	-	16,828
Unrestricted	<u>2,575,894</u>	<u>441,777</u>	-	<u>3,017,671</u>
Total net position	<u>\$ 2,586,225</u>	<u>\$ 448,274</u>	<u>\$ -</u>	<u>\$ 3,034,499</u>

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

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS

For the Year Ended June 30, 2015

	Business-type Activities Proprietary Funds		Eliminations	Total
	Illinois Virtual School	Nonmajor Proprietary Funds		
Operating revenues				
Registration fees	\$ -	\$ 147,931	\$ -	\$ 147,931
Charges for services	-	26,725	-	26,725
Tuition and subscriptions	2,115,770	-	-	2,115,770
Total operating revenues	<u>2,115,770</u>	<u>174,656</u>	<u>-</u>	<u>2,290,426</u>
Operating expenses				
Salaries and benefits	1,525,049	35,199	-	1,560,248
Purchased services	529,987	60,020	-	590,007
Supplies and materials	23,573	3,426	-	26,999
Payments to other governments	-	149	-	149
Other objects	-	304	-	304
Pension expense	62,180	1,944	-	64,124
Bad debt expense	-	-	-	-
Depreciation	5,943	6,394	-	12,337
Total operating expenses	<u>2,146,732</u>	<u>107,436</u>	<u>-</u>	<u>2,254,168</u>
Operating income (loss)	<u>(30,962)</u>	<u>67,220</u>	<u>-</u>	<u>36,258</u>
Nonoperating revenue (expense)				
Interest income	167	28	-	195
Interest expense	-	(697)	-	(697)
Loss on disposal of equipment	(4,553)	(532)	-	(5,085)
Total nonoperating revenue (expense)	<u>(4,386)</u>	<u>(1,201)</u>	<u>-</u>	<u>(5,587)</u>
Income (loss) before transfers	<u>(35,348)</u>	<u>66,019</u>	<u>-</u>	<u>30,671</u>
Transfers in	-	54,514	(1,144)	53,370
Transfers out	-	(1,144)	1,144	-
Total transfers	<u>-</u>	<u>53,370</u>	<u>-</u>	<u>53,370</u>
Change in net position	<u>(35,348)</u>	<u>119,389</u>	<u>-</u>	<u>84,041</u>
Net position - beginning	<u>2,621,573</u>	<u>328,885</u>	<u>-</u>	<u>2,950,458</u>
Net position - ending	<u>\$ 2,586,225</u>	<u>\$ 448,274</u>	<u>\$ -</u>	<u>\$ 3,034,499</u>

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

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended June 30, 2015

	Business-type Activities Proprietary Funds		Total
	Illinois Virtual School	Nonmajor Proprietary Funds	
Cash flows from operating activities			
Receipts from customers	\$ 2,197,669	\$ 148,463	\$ 2,346,132
Payments to suppliers and providers of goods and services	(524,032)	(58,503)	(582,535)
Payments to employees	(1,548,664)	(37,162)	(1,585,826)
Net cash provided by operating activities	<u>124,973</u>	<u>52,798</u>	<u>177,771</u>
Cash flows from noncapital financing activities			
Cash payments to other funds	(2,790)	(18,545)	(21,335)
Cash payments from other funds	-	68,616	68,616
Net cash provided by (used for) noncapital financing activities	<u>(2,790)</u>	<u>50,071</u>	<u>47,281</u>
Cash flows from capital and related financing activities			
Principal paid on lease obligations	-	(3,190)	(3,190)
Interest paid on lease obligations	-	(697)	(697)
Purchase of equipment	(3,546)	(2,587)	(6,133)
Net cash (used for) capital and related financing activities	<u>(3,546)</u>	<u>(6,474)</u>	<u>(10,020)</u>
Cash flows from investing activities			
Interest earned from investments	167	28	195
Net cash provided by investing activities	<u>167</u>	<u>28</u>	<u>195</u>
Net increase in cash and cash equivalents	118,804	96,423	215,227
Cash and cash equivalents - beginning	2,439,706	233,251	2,672,957
Cash and cash equivalents - ending	<u>\$ 2,558,510</u>	<u>\$ 329,674</u>	<u>\$ 2,888,184</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating Income (loss)	\$ (30,962)	\$ 67,220	\$ 36,258
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	5,943	6,394	12,337
(Increase)/decrease in assets:			
Prepaid expenses	17,401	5,467	22,868
Due from other governments	74,874	(28,266)	46,608
Increase/(decrease) in liabilities			
Accrued payroll	38,564	(19)	38,545
Accounts payable	12,128	(71)	12,057
Unearned revenue	7,025	2,073	9,098
Net cash provided by operating activities	<u>\$ 124,973</u>	<u>\$ 52,798</u>	<u>\$ 177,771</u>

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



REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2015

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 5,857
Due from other governments	<u>1,289,083</u>
Total Assets	<u>\$ 1,294,940</u>
Liabilities	
Due to other governments	<u>\$ 1,294,940</u>
Total Liabilities	<u>\$ 1,294,940</u>

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

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2015

**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.

This summary of significant accounting policies of the Regional Office of Education #48 is presented to assist in understanding the Regional Office of Education #48's financial statements. The financial statements and notes are representations of the Regional Office of Education #48's management who is responsible for the integrity and objectivity of the financial statements. The Illinois Administrative Code, Title 23 - Subtitle A, Chapter 1, Section 110.115a, requires each Regional Office of Education to prepare annual financial statements in conformity with accounting principles generally accepted in the United States of America. These principles have been consistently applied in the preparation of the financial statements.

FINANCIAL REPORTING ENTITY

The Regional Office of Education #48 operates under the School Code (Articles 5/3 and 5/3A of Illinois Compiled Statutes, Chapter 105). The Regional Office of Education #48 encompasses Peoria County. The Regional Superintendent of Schools (Regional Superintendent) serves as chief administrative officer of the Regional Office of Education #48 and is elected pursuant to Article 3, Illinois Compiled Statutes, Chapter 105.

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; to 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 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.

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 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.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

For the period ended June 30, 2015, the 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 Regional Office of Education #48. Such activities are reported as a single special revenue fund (Education Fund).

SCOPE OF THE REPORTING ENTITY

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

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

NEW ACCOUNTING PRONOUNCEMENTS

In 2015, the Regional Office of Education #48 implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB No. 27*; GASB Statement No. 69, *Governmental Combinations and Disposals of Governmental Operations*; and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. The Regional Office of Education #48 implemented these standards during the current year. The implementation of GASB Statement No. 68 established new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position was expected to include a significant liability for the government's proportionate share of employee pension plan. The implementation of GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The implementation of GASB Statement No. 71 resolves an issue related to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit plan after the measurement date of the government's beginning net pension liability.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #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 Regional Office of Education #48 has three business-type activities; Local Workshops, Learning Technology Center Technical Training and 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 Learning Technology Center Technical Training and Support fund accounts for monies received to provide training and professional development to area educators. 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 Regional Office of Education #48's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present a summary of governmental and business-type activities for the Regional Office of Education #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 Regional Office of Education #48's assets (including capital assets), deferred outflows of resources, liabilities, and deferred inflows of resources are included in the accompanying Statement of Net Position. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services, and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

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

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 Position 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 Position.

All interfund transactions between governmental funds and between business-type funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements.

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

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

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as 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.

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 position and changes in net position 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 other long-term obligations, which are recognized when paid.

Revenues received after the Regional Office of Education #48's availability period are reported as unavailable revenue in the fund statements and are reported as current revenue in the Statement of Activities.

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.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

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 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, 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 Regional Office of Education #48's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues. It is the 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.

FUND ACCOUNTING

The 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 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 deferred outflows of resources, and liabilities and deferred inflows of resources is reported as a fund balance.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

GOVERNMENTAL FUNDS (Continued)

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 and deferred outflows of resources, liabilities and deferred inflows of resources, 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 and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education #48 has presented all major funds that met the above qualifications.

The 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 and reported in another fund. The General Fund is always considered a major fund. The following accounts are included in the General Fund:

ROE Local Fund - To account for local monies received that are not assigned to or need to be reported in another fund and to account for on-behalf support provided to the Regional Office of Education #48 from Peoria County and the State of Illinois.

General State Aid - To account for monies passed through to Peoria County School District 150.

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

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

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.

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.

Food Co-op - To account for the Regional Office of Education #48's administration of food programs for the schools participating in the co-op.

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

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

GOVERNMENTAL FUNDS (Continued)

Peoria Regional High School - Truants - To account for monies received for the operation of the Peoria County Regional High School.

Peoria Regional High School - General State Aid - To account for monies received from Regional Office of Education #53 for the operation of the Peoria County Regional High School.

Peoria Regional High School - To account for local monies received for the operation of the Peoria County Regional High School.

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

Criminal Background Checks - To account for local monies received for performing background check services.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed expenditures for specified purposes other than debt service or capital projects.

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 Federal Basic, State 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.

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 PROE (Peoria Regional Office of Education) Center, which provides staff training and development and school improvement services.



REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

GOVERNMENTAL FUNDS (Continued)

Foundational Services - To account for Title I - School Improvement and Accountability monies received from Regional Office of Education #51 (federal dollars) used for providing professional development to teachers to build their foundational knowledge.

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.

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.

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

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

Title II - Teacher Quality Leadership Grant - To account for monies received from the State (federal dollars) to support school improvement services for schools in academic difficulty.

Mathematics and Science Partnerships - SA – This program accounts for monies received for and in payment of expenditures for a Science Area Partnership to help teachers and students across central Illinois meet the expectations of the New Illinois Learning Standards for Science.

Mathematics and Science Partnerships - MA – This program accounts for monies received for and in payment of expenditures for a Math Area Partnership to help teachers and students across central Illinois meet the expectations of the New Illinois Learning Standards for Math.

The Regional Office of Education #48 reports the following nonmajor special revenue funds:

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

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 license registration, issuance and evaluation fees for processing licenses, and expenses of meetings of a professional nature. All funds generated remain restricted until expended only on the aforementioned activities.

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.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

GOVERNMENTAL FUNDS (Continued)

Local Foundation - To account for local monies received through fund raising activities that are to be used to support Peoria Regional High School activities.

PROPRIETARY FUNDS

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

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 license renewal process.

Nonmajor proprietary funds

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

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

FIDUCIARY FUNDS

Agency Funds – Agency Funds are used to account for assets held by the 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 #48.

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.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

FIDUCIARY FUNDS (Continued)

Peoria Educational Region for Employment and Career Training (PERFECT) - To account for the pass-through of monies from the Illinois State Board of Education to agencies to conduct career and technical education improvement programs.

Special Education Association of Peoria County (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.

Illinois Virtual School (IVS) Scholarship Fund - To account for scholarship monies from the LUDA Education Foundation to provide scholarships to students.

GOVERNMENTAL FUND BALANCES

Fund Balance is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources in a Governmental Fund. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Regional Office of Education #48 considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Regional Office of Education #48 considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Regional Superintendent has provided otherwise in its commitment or assignment actions.

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 fund balance that are not available to be spent, either short term or long term, in either form or through legal restrictions. Amounts representing prepaid expenses have been classified as nonspendable funds. The following accounts comprise nonspendable fund balance: Communities for Youth Truants Alternative, ROE/ISC Operations, and Institute.

Restricted Fund Balance – the portion of a Governmental Fund’s fund balance that is subject to external enforceable legal restrictions. The following funds are restricted by Illinois Statute: Bus Driver Training, General Education Development, Institute, and Supervisory. The following fund balances are restricted by contributors: Local Foundation.

Committed Fund Balance – the portion of a Governmental Fund’s fund balance 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 fund balance 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: Jail Library, Office of Prevention, Hospital Tutoring, Food Co-Op, Title II Co-Op, Peoria Regional High School, and Upward Generated.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

GOVERNMENTAL FUND BALANCES (Continued)

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: ROE Local Fund, Lincoln Senior Award, Criminal Background Checks, Communities for Youth Truants Alternative, and ROE/ISC Operations.

NET POSITION

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

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

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

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

CASH AND CASH EQUIVALENTS

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

INVENTORY

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

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

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

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

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

USE OF 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.

BUDGET DATA

The Regional Office of Education #48 acts as the administrative agent for certain grant programs that are accounted for in the 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.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

BUDGET DATA (Continued)

Budgetary comparison schedules have been provided in supplementary schedules for the following funds: Adult Education Federal Basic, Adult Education State Basic, Adult Education Performance, Upward SOS, Communities for Youth Truants Alternative, McKinney-Vento Education for Homeless Children and Youth, Learning Technology Center General Operations, ROE/ISC Operations, Foundational Services, Special Education - IDEA Part D, Preschool for All Children, Regional Safe Schools, Title II - Teacher Quality - Leadership Grant, Mathematics and Science Partnerships - SA, and Mathematics and Science Partnerships - MA.

**2 DEPOSITS AND INVESTMENTS**

The Illinois Compiled Statutes authorize the 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.

DEPOSITS

At June 30, 2015, the carrying amount of the Regional Office of Education #48's government-wide and Agency fund deposits were \$154,326 and \$5,857, respectively, and the bank balances were \$351,443 and \$5,857, respectively. These amounts were fully secured by federal depository insurance. The remaining cash and cash equivalents consisted of money market mutual funds in the amount of \$3,203,947. Additional detail is presented on these money market mutual funds below.

INVESTMENTS

The 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. At June 30, 2015, the Regional Office of Education #48 had investments with a carrying value of \$25,398 in the Illinois Funds and \$3,178,549 in the Illinois School District Liquid Asset Fund Plus.

CREDIT RISK

At June 30, 2015, the Illinois Funds and the Illinois School District Liquid Asset Fund Plus (ISDLAF+) both had a Standard and Poor's AAAM rating. Both of these pools are 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. Although not subject to direct regulatory oversight, the Illinois Funds is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act. All investments are fully collateralized.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**2 DEPOSITS AND INVESTMENTS (Continued)**

INTEREST RATE RISK

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

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

**3 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND**

IMRF 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 managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this note. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

BENEFITS PROVIDED

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

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**3 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)**

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

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

EMPLOYEES COVERED BY BENEFIT TERMS

As of December 31, 2014, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	5
Inactive Plan Members entitled to but not yet receiving benefits	11
Active Plan Members	<u>9</u>
Total	<u><u>25</u></u>

CONTRIBUTIONS

As set by statute, the Regional Office of Education #48's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education #48's annual contribution rate for calendar year 2014 was 9.04%. For the calendar year ended December 31, 2014, the Regional Office of Education #48 contributed \$33,481 to the plan. The 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.



REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**3 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)**

NET PENSION LIABILITY (ASSET)

The Regional Office of Education #48's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

ACTUARIAL ASSUMPTIONS

The following are the methods and assumptions used to determine total pension liability at December 31, 2014:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 3.5%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**3 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)**

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.60%
International Equity	17%	7.80%
Fixed Income	27%	3.00%
Real Estate	8%	6.15%
Alternative Investments	9%	5.25-8.50%
Cash Equivalents	1%	2.25%
Total	<u>100%</u>	

**SINGLE DISCOUNT RATE**

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.56%, and the resulting single discount rate is 7.50%.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**3 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)**

CHANGES IN THE NET PENSION LIABILITY

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2013	\$ 575,080	\$ 576,121	\$ (1,041)
Changes for the year:			
Service Cost	42,803	-	42,803
Interest on the Total Pension Liability	43,948	-	43,948
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	133,041	-	133,041
Changes of Assumptions	30,146	-	30,146
Contributions - Employer	-	33,481	(33,481)
Contributions - Employees	-	28,590	(28,590)
Net Investment Income	-	38,808	(38,808)
Benefit Payments, including Refunds of Employee Contributions	(21,004)	(21,004)	-
Other (Net Transfer)	-	(973)	973
Net Changes	228,934	78,902	150,032
Balances at December 31, 2014	\$ 804,014	\$ 655,023	\$ 148,991

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

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

	1% Lower (6.50%)	Current Discount (7.50%)	1% Higher (8.50%)
Net Pension Liability	\$ 278,088	\$ 148,991	\$ 46,281

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**3 DEFINED BENEFIT PENSION PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)**

PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended June 30, 2015, the Regional Office of Education #48 recognized pension expense of \$55,168. At June 30, 2015, the Regional Office of Education #48 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actuarial experience	\$ 100,867	\$ -
Changes of assumptions	22,856	-
Net difference between projected and actual earnings on pension plan investments	4,622	-
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	128,345	-
<i>Pension contributions made subsequent to the measurement date</i>	19,299	-
Total Deferred Amounts Related to Pensions	\$ 147,644	\$ -

\$19,299 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending June 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2015	\$ 40,620
2016	40,620
2017	40,620
2018	6,485
2019	-
Thereafter	-
Total	\$ 128,345

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**4 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

The 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. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

**BENEFITS PROVIDED**

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

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

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

**CONTRIBUTIONS**

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2015 was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education #48.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**4 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)**

ON BEHALF CONTRIBUTIONS TO TRS

The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #48. For the year ended June 30, 2015, the State of Illinois contributions recognized by the Regional Office of Education #48 were based on the State's proportionate share of collective net pension liability associated with the Regional Office of Education #48, and the Regional Office of Education #48 recognized revenue and expenditures of \$712,776 in pension contributions from the State of Illinois.

2.2 FORMULA CONTRIBUTIONS

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ending June 30, 2015 were \$9,708 and are deferred because they were paid after the June 30, 2014 measurement date.

FEDERAL AND SPECIAL TRUST FUND CONTRIBUTIONS

When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #48, there is a statutory requirement for the 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 has been in effect since fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2015, the employer pension contribution was 33.00 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$87,506 were paid from federal and special trust funds that required employer contributions of \$28,877. These contributions are deferred because they were paid after the June 30, 2014 measurement date.

EMPLOYER RETIREMENT COST CONTRIBUTIONS

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education #48 is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2015, the Regional Office of Education #48 paid no employer contributions under the ERO program.

The Regional Office of Education #48 is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2015, the Regional Office of Education #48 paid \$142 to TRS for employer contributions due on salary increases in excess of 6 percent and no payments for sick leave days granted in excess of the normal allotment.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**4 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)**

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2015, the Regional Office of Education #48 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employers proportionate share of the net pension liability	\$ 668,767
State's proportionate share of the net pension liability associated with the employer	8,853,197
	\$ 9,521,964

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. The Regional Office of Education #48's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2014, the Regional Office of Education #48's proportion was 0.0010988916 percent.

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The Regional Office of Education #48's proportion of the net pension liability as of June 30, 2013, was based on the Regional Office of Education #48's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2013, the Regional Office of Education #48's proportion was 0.0038507052 percent.

For the year ended June 30, 2015, the Regional Office of Education #48 recognized pension expense of \$712,776 and revenue of \$712,776 for support provided by the State. For the year ended June 30, 2015, the Regional Office of Education #48 recognized pension expense of (\$283,930). At June 30, 2015, the Regional Office of Education #48 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 353	\$ -
Net difference between projected and actual earnings on pension plan investments	-	33,611
Changes in proportion and difference between employer contributions and proportionate share of contributions	-	1,387,272
Employer contributions subsequent to the measurement date	38,585	-
	\$ 38,938	\$ 1,420,883

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**4 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)**

\$38,585 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized by the Regional Office of Education #48 as a reduction of their net pension liabilities in the reporting year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be included in pension expense as follows:

Year ended June 30:		
2016	\$	(345,034)
2017		(345,034)
2018		(345,034)
2019		(345,034)
2020		<u>(40,394)</u>
	\$	<u>(1,420,530)</u>

ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3.00 percent
Salary increase:	5.75 percent, average, including inflation
Investment rate of return:	7.50 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 White Collar Table with projections using scale AA that vary by member group.

For GASB disclosure purposes, the actuarial assumptions for the years ended June 30, 2014 and 2013 were assumed to be the same. However, for funding purposes, the actuarial valuation for those two years were different. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered. The actuarial assumptions used in the June 30, 2013 valuation were based on the 2012 actuarial experience analysis and first adopted in the June 30, 2012 valuation. The investment return assumption was lowered from 8.5 percent to 8.0 percent and the salary increase and inflation assumptions were also lowered. Mortality assumptions were adjusted to anticipate continued improvement in mortality.

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



REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**4 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)**

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
U.S. Large cap	18%	8.23%
Global equity excluding U.S.	18%	8.58%
Aggregate bonds	16%	2.27%
U.S. TIPS	2%	3.52%
NCREIF	11%	5.81%
Opportunistic real estate	4%	9.79%
ARS	8%	3.27%
Risk parity	8%	5.57%
Diversified inflation strategy	1%	3.96%
Private equity	14%	13.03%
	100%	

**DISCOUNT RATE**

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

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

**SENSITIVITY OF THE REGIONAL OFFICE OF EDUCATION #48'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE**

The following presents the Regional Office of Education #48's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the Regional Office of Education #48's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net pension liability	\$ 825,893	\$ 668,767	\$ 538,647

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**4 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)**

TRS FIDUCIARY NET POSITION

Detailed information about the TRS's fiduciary net position as of June 30, 2014 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

**5 TEACHERS' HEALTH INSURANCE SECURITY FUND**

The 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 retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the State administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

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. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

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

ON BEHALF CONTRIBUTIONS TO THIS FUND

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #48. State contributions are intended to match contributions to THIS Fund from active members which were 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were \$17,056, and 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 years ended June 30, 2014 and June 30, 2013 were 0.97 and 0.92 percent of pay, respectively. State contributions on behalf of Regional Office of Education #48 employees were \$13,924 and \$15,278, respectively.

EMPLOYER CONTRIBUTIONS TO THIS FUND

The Regional Office of Education #48 also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.76 percent during the year ended June 30, 2015, and 0.72 and 0.69 percent during the years ended June 30, 2014 and June 30, 2013, respectively. For the year ended June 30, 2015, the Regional Office of Education #48 paid \$12,709 to the THIS Fund. For the years ended June 30, 2014 and June 30, 2013, the Regional Office of Education #48 paid \$10,335 and \$11,458, respectively, which was 100 percent of the required contribution.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**5 TEACHERS' HEALTH INSURANCE SECURITY FUND (Continued)**

FURTHER INFORMATION ON THIS FUND

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

**6 INTERFUND ACTIVITY**

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2015 consist of the following individual due to/from other funds in the governmental fund balance sheet and proprietary fund statement of net position. The balances between governmental funds and proprietary funds were eliminated in the government-wide Statement of Net Position.

	Due To Other Funds	Due From Other Funds
Education Fund	\$ 74,230	\$ -
General Fund	8,974	21,672
Proprietary Fund	-	61,532
	\$ 83,204	\$ 83,204
Total	\$ 83,204	\$ 83,204

TRANSFERS

Interfund transfer in/out to other fund balances at June 30, 2015 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 Position. The transfer balances between governmental funds and between proprietary funds were eliminated in the government-wide Statement of Activities.

	Transfer In	Transfer Out
Education Fund	\$ 1,146	\$ -
General Fund	24,872	79,388
Proprietary Fund	54,514	1,144
	\$ 80,532	\$ 80,532
Total	\$ 80,532	\$ 80,532

**7 CAPITAL ASSET ACTIVITY**

In accordance with GASB Statement No. 34, the Regional Office of Education #48 has reported capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased. The Regional Office of Education #48'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, 2015:

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**7 CAPITAL ASSET ACTIVITY (Continued)**

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Governmental Activities:				
Equipment	\$ 471,744	\$ 10,613	\$ (294,784)	\$ 187,573
Governmental Activities Total Assets	471,744	10,613	(294,784)	187,573
Less Accumulated Depreciation	<u>(406,631)</u>	<u>(25,874)</u>	<u>293,496</u>	<u>(139,009)</u>
Governmental Activities Investment in Capital Assets, Net	<u>\$ 65,113</u>	<u>\$ (15,261)</u>	<u>\$ (1,288)</u>	<u>\$ 48,564</u>
	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Business-type Activities:				
Equipment	\$ 66,440	\$ 6,133	\$ (25,357)	\$ 47,216
Business-type Activities Total Assets	66,440	6,133	(25,357)	47,216
Less Accumulated Depreciation	<u>(24,903)</u>	<u>(12,337)</u>	<u>20,272</u>	<u>(16,968)</u>
Business-type Activities Investment in Capital Assets, Net	<u>\$ 41,537</u>	<u>\$ (6,204)</u>	<u>\$ (5,085)</u>	<u>\$ 30,248</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2015 of \$25,874 and \$12,337 was charged to the governmental activities - instructional services and the business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation and related debt.

**8 RISK MANAGEMENT**

The 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 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.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**9 OPERATING LEASES**

The Regional Office of Education #48 has two lease agreements for office space and one agreement for storage space. The lease for office space at the PROE Center covered the period of July 1, 2014 through June 30, 2015 for a monthly rent of \$4,256. The lease for office space at Peoria Regional High School covered the period of July 1, 2014 through June 30, 2015 for a monthly rent of \$3,370. The lease period for the large storage space was July 1, 2014 through June 30, 2015 and had monthly rent of \$300. Subsequent to year-end, the PROE Center, Peoria Regional High School, and large storage space were renewed and extended an additional year through June 30, 2016. During the year ended June 30, 2015, rentals under lease obligations were \$95,112.

**10 ON BEHALF PAYMENTS**

The State of Illinois paid the following salaries, benefits, and contributions on behalf of the Regional Office of Education #48:

State of Illinois	
Regional Superintendent Salary	\$ 111,108
Regional Superintendent Fringe Benefit (Includes State paid insurance)	32,082
Assistant Regional Superintendent Salary	100,020
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)	6,286
THIS Contributions	17,056
Total	<u>\$ 266,552</u>

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 (ISBE). The on-behalf payments are reflected as revenues and expenditures of the General Fund.

The Regional Office of Education #48's also recorded \$712,776 in revenue and expenses as on-behalf payments from ISBE for the Regional Office's share of the State's Teachers' Retirement System (TRS) pension expense in the Statement of Activities. In addition, the Regional Office of Education #48 has not included any on-behalf payments related to the State's TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois on-behalf payments	\$ 266,552
ROE#48's share of TRS pension expense	712,776
	<u>\$ 979,328</u>

The 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 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 Regional Office of Education #48's financial statements. Peoria County also provides office space and some administrative expenses for the Regional Office of Education #48. The following data was calculated based on information provided by Peoria County:

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**10 ON BEHALF PAYMENTS (Continued)**

Salaries and Benefits	\$ 236,186
Office Expenses	22,500
	258,686
Total	\$ 258,686

**11 DUE TO/FROM OTHER GOVERNMENTS**

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

Due From Other Governments:

<u>General Fund</u>	
Local Governments	\$ 23,729
 <u>Education Fund</u>	
Local Governments	24,239
Illinois State Board of Education	78,384
Illinois Community College Board	6,377
 <u>Proprietary Funds</u>	
Local Governments	397,064
Illinois State Board of Education	80,000
 <u>Nonmajor Special Revenue Funds</u>	
Local Governments	795
 <u>Agency Funds</u>	
Illinois State Board of Education	1,289,083
Total	\$ 1,899,671

Due To Other Governments:

<u>General Fund</u>	
Local Governments	\$ 7,000
Illinois State Police	3,471
 <u>Education Fund</u>	
Local Governments	2,978
Bradley University	6,604
 <u>Nonmajor Special Revenue Funds</u>	
Local Governments	5,150
 <u>Agency Funds</u>	
Local Governments	1,294,940
Total	\$ 1,320,143

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**12 CAPITAL LEASES**

In April of 2014, the Regional Office of Education #48 entered into a capital lease reported by the Local Workshops Fund for the acquisition of a copier at a cost of \$17,434. Accumulated depreciation of the copier as of June 30, 2015 was \$4,117. In August of 2008, the Regional Office of Education #48 entered into a capital lease for the acquisition of computer equipment at a cost of \$39,048 reported in Governmental Activities. This equipment was fully depreciated as of June 30, 2015.

Capital lease obligation activity for the year ended June 30, 2015 was as follows

Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
\$ 16,610	\$ -	\$ 3,190	\$ 13,420	\$ 3,350

The future minimum lease payments and the principal and interest as of June 30, 2015, were as follows:

Fiscal Year	Principal	Interest
2016	\$ 3,350	\$ 598
2017	3,522	426
2018	3,702	246
2019	2,846	61
	\$ 13,420	\$ 1,331

**13 ACCOUNTS RECEIVABLE**

Accounts receivable and the related allowance for doubtful accounts for the proprietary funds at June 30, 2015, are as follows:

	Outstanding Balance	Allowance for Doubtful Accounts	Net
Illinois Virtual School	\$ 369,856	\$ 16,651	\$ 353,205

**14 OTHER POST EMPLOYMENT BENEFITS**

PLAN DESCRIPTION

In addition to providing the pension benefits described, the Regional Office of Education #48 provides postemployment health care benefits (OPEB) for retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Regional Office of Education #48 and can be amended by the Regional Office of Education #48 through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and Illinois Compiled Statutes (ILCS). The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**14 OTHER POST EMPLOYMENT BENEFITS (Continued)**

BENEFITS PROVIDED

The Regional Office of Education #48 provides continued health insurance coverage at the blended employer rate to all eligible retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under the Regional Office of Education #48 retirement plan. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan, but can purchase a Medicare supplement plan from the Regional Office of Education #48 insurance provider.

MEMBERSHIP

At June 30, 2015 membership consisted of:

Retirees and beneficiaries currently receiving benefits	-
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	21
Active nonvested plan members	-
Total	<u>21</u>
Number of participating employers	<u>1</u>

FUNDING POLICY

The Regional Office of Education #48 is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

ANNUAL OPEB COSTS AND NET OPEB OBLIGATION

The Regional Office of Education #48 had an actuarial valuation performed for the plan as of June 30, 2015 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended June 30, 2015. The Regional Office of Education #48's annual OPEB cost (expense) was \$4,674 and the ARC was \$4,674 for the fiscal year ended June 30, 2015. The Regional Office of Education #48's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal years 2015, 2014 and 2013 was as follows:



REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**14 OTHER POST EMPLOYMENT BENEFITS (Continued)**

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2015	\$ 4,674	\$ -	0%	\$ 9,420
June 30, 2014	1,582	-	0%	4,746
June 30, 2013	1,582	-	0%	3,164

The net OPEB obligation as of June 30, 2015, was calculated as follows:

Annual Required Contribution	\$ 4,672
Interest on Net OPEB Obligation	190
Adjustment to Annual Required Contribution	<u>(188)</u>
Annual OPEB Cost	4,674
Contributions Made	<u>-</u>
Increase in Net OPEB Obligation	4,674
Net OPEB Obligation - Beginning of year	<u>4,746</u>
Net OPEB Obligation - End of Year	<u><u>\$ 9,420</u></u>

**FUNDED STATUS AND FUNDING PROGRESS**

The funded status of the plan was as follows:

	Fiscal Year 2015
Actuarial Accrued Liability (AAL)	\$ 27,833
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 27,833
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%
Covered Payroll (Active Plan Members)	\$ 1,047,148
UAAL as a Percentage of Covered Payroll	2.66%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2015

**14 OTHER POST EMPLOYMENT BENEFITS (Continued)**

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2015 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a discount rate of 4.00% and an initial healthcare cost trend rate of 5.0 % to 10.0%. Both rates include a 3.00% inflation assumption. The actuarial value of assets was not determined as the Regional Office of Education #48 has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized using a level percent of pay based on an open group. The remaining amortization period at June 30, 2015 was 30 years.

**15 RESTATEMENT**

As described in Note 1, the Regional Office of Education #48 implemented GASB Statement No. 68 and GASB Statement No. 71 during the year ended June 30, 2015. As a result of the implementation, the Regional Office of Education #48 recorded adjustments to net position for governmental activities as follows:

Governmental Activities Net Position

Net position - July 1, 2014	\$	518,649
TRS net pension liability		(2,412,434)
TRS deferred outflows for contributions made after the measurement date		39,208
IMRF net pension asset		1,041
IMRF deferred outflows for contributions made after the measurement date		<u>17,922</u>
Net position, restated - July 1, 2014	\$	<u>(1,835,614)</u>

REQUIRED SUPPLEMENTARY INFORMATION  
(Other than Management's Discussion and Analysis)

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
Teacher's Retirement System of the State of Illinois  
For the Year Ended June 30, 2015\*

Employer's proportion of the net pension liability	0.10988916%
Employer's proportionate share of the net pension liability	\$ 668,767
State's proportionate share of the net pension liability associated with the employer	<u>8,853,197</u>
<b>Total</b>	<b><u>\$ 9,521,964</u></b>
Employer's covered-employee payroll	\$ 1,462,157
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	45.7%
Plan fiduciary net position as a percentage of the total pension liability	43.0%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
Teacher's Retirement System of the State of Illinois  
For the Year Ended June 30, †

	2014	2015
Contractually-required contribution	\$ 39,208	\$ 38,585
Contributions in relation to the contractually-required contribution	39,208	38,585
Contribution deficiency (excess)	\$ -	\$ -
Employer's covered-employee payroll	\$ 1,462,157	\$ 1,679,745
Contributions as a percentage of covered-employee payroll	2.7%	2.3%

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

Notes to Required Supplementary Information

Changes of assumptions

Amounts reported in 2014 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and a salary increase assumption of 5.75 percent. In 2013, assumptions used were an investment rate of return of 8.0 percent, an inflation rate of 3.25 percent and real return of 4.75 percent, and salary increases of 6.00 percent. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

See accompanying Independent Auditors' Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
Illinois Municipal Retirement Fund  
Calendar Year 2014

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2014	\$ 31,185	\$ 33,481	\$ (2,296)	\$ 370,368	9.04%

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2014 Contribution Rate\*

Valuation Date:

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

**Methods and Assumptions Used to Determine 2014 Contribution Rates:**

<i>Actuarial Cost Method:</i>	Aggregate entry age = normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	29-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	4%
<i>Price Inflation:</i>	3%, approximate; No explicit price inflation assumption is used in this valuation.
<i>Salary Increases:</i>	4.40% to 16%, including inflation
<i>Investment Rate of Return:</i>	7.5%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
<i>Mortality:</i>	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92 percent of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes: There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2012, actuarial valuation; note two year lag between valuation and rate setting.

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

See accompanying Independent Auditors' Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY  
AND RELATED RATIOS  
Illinois Municipal Retirement Fund  
Calendar Year 2014

Calendar Year Ended December 31,	2014
Total Pension Liability	
Service Cost	\$ 42,803
Interest on the Total Pension Liability	43,948
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience of the Total Pension Liability	133,041
Changes of Assumptions	30,146
Benefit Payments, including Refunds of Employee Contributions	(21,004)
Net Change in Total Pension Liability	228,934
Total Pension Liability - Beginning	575,080
Total Pension Liability - Ending (A)	\$ 804,014
Plan Fiduciary Net Position	
Contributions - Employer	\$ 33,481
Contributions - Employees	28,590
Net Investment Income	38,808
Benefit Payments, including Refunds of Employee Contributions	(21,004)
Other (Net Transfer)	(973)
Net Change in Plan Fiduciary Net Position	78,902
Plan Fiduciary Net Position - Beginning	576,121
Plan Fiduciary Net Position - Ending (B)	\$ 655,023
Net Pension Liability - Ending (A) - (B)	\$ 148,991
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.47%
Covered Valuation Payroll	\$ 370,368
Net Pension Liability as a Percentage of Covered Valuation Payroll	40.23%

Notes to Schedule:

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

See accompanying Independent Auditors' Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

OTHER POST EMPLOYMENT BENEFITS  
SCHEDULE OF FUNDING PROGRESS  
(UNAUDITED)

JUNE 30, 2015

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ( (b-a)/c )
2015	7/1/14	\$ -	\$ 27,833	\$ 27,833	0.00%	\$ 1,047,148	2.66%
2014	7/1/11	-	6,265	6,265	0.00%	268,672	2.33%
2013	7/1/11	-	6,265	6,265	0.00%	267,251	2.34%

See accompanying Independent Auditor's Report.

SUPPLEMENTAL INFORMATION



REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND

June 30, 2015

	ROE Local Fund	General State Aid	Jail Library	Lincoln Senior Award
<b>Assets</b>				
Cash and cash equivalents	\$ 12,552	\$ -	\$ 965	\$ 167
Due from other funds	21,672	-	-	-
Due from other governments				
Local	10,634	-	-	-
State	-	-	-	-
Prepaid expenses	-	-	-	-
<b>Total assets</b>	<b>\$ 44,858</b>	<b>\$ -</b>	<b>\$ 965</b>	<b>\$ 167</b>
<b>Liabilities</b>				
Accounts payable	\$ 569	\$ -	\$ -	\$ -
Accrued payroll and employee benefits	-	-	-	-
Due to other funds	8,974	-	-	-
Due to other governments	7,000	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>16,543</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance</b>				
Nonspendable	-	-	-	-
Assigned	-	-	965	-
Unassigned	28,315	-	-	167
<b>Total fund balance</b>	<b>28,315</b>	<b>-</b>	<b>965</b>	<b>167</b>
<b>Total liabilities and fund balance</b>	<b>\$ 44,858</b>	<b>\$ -</b>	<b>\$ 965</b>	<b>\$ 167</b>

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND

June 30, 2015

	Office of Prevention	Hospital Tutoring	Food Co-Op	Title II Co-Op	Peoria Regional High School Truants
<b>Assets</b>					
Cash and cash equivalents	\$ 24,184	\$ 42,968	\$ 36,105	\$ 94,280	\$ -
Due from other funds	-	-	-	-	-
Due from other governments					
Local	-	8,970	-	-	-
State	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
<b>Total assets</b>	<b>\$ 24,184</b>	<b>\$ 51,938</b>	<b>\$ 36,105</b>	<b>\$ 94,280</b>	<b>\$ -</b>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 18,720	\$ -	\$ -	\$ -
Accrued payroll and employee benefits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	3,850	-	-
<b>Total liabilities</b>	<b>-</b>	<b>18,720</b>	<b>3,850</b>	<b>-</b>	<b>-</b>
<b>Fund balance</b>					
Nonspendable	-	-	-	-	-
Assigned	24,184	33,218	32,255	94,280	-
Unassigned	-	-	-	-	-
<b>Total fund balance</b>	<b>24,184</b>	<b>33,218</b>	<b>32,255</b>	<b>94,280</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 24,184</b>	<b>\$ 51,938</b>	<b>\$ 36,105</b>	<b>\$ 94,280</b>	<b>\$ -</b>

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND

June 30, 2015

	Peoria Regional High School General State Aid	Peoria Regional High School	Upward Generated	Criminal Background Checks	Total
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ 15,905	\$ 6	\$ 10,294	\$ 237,426
Due from other funds	-	-	-	-	21,672
Due from other governments					
Local	-	-	-	4,125	23,729
State	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 15,905</b>	<b>\$ 6</b>	<b>\$ 14,419</b>	<b>\$ 282,827</b>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 120	\$ 19,409
Accrued payroll and employee benefits	-	-	-	-	-
Due to other funds	-	-	-	-	8,974
Due to other governments	-	-	-	3,471	10,471
Unearned revenue	-	-	-	-	3,850
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,591</b>	<b>42,704</b>
<b>Fund balance</b>					
Nonspendable	-	-	-	-	-
Assigned	-	15,905	6	-	200,813
Unassigned	-	-	-	10,828	39,310
<b>Total fund balance</b>	<b>-</b>	<b>15,905</b>	<b>6</b>	<b>10,828</b>	<b>240,123</b>
<b>Total liabilities and fund balance</b>	<b>\$ -</b>	<b>\$ 15,905</b>	<b>\$ 6</b>	<b>\$ 14,419</b>	<b>\$ 282,827</b>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS

For the Year Ended June 30, 2015

	ROE Local Fund	General State Aid	Jail Library	Lincoln Senior Award
<b>Revenues</b>				
Local sources	\$ 20,786	\$ -	\$ -	\$ 1,865
State sources	-	180,396	-	-
On behalf payments - local	258,686	-	-	-
On behalf payments - state	266,552	-	-	-
<b>Total revenues</b>	<b>546,024</b>	<b>180,396</b>	<b>-</b>	<b>1,865</b>
<b>Expenditures</b>				
Salaries and benefits	484	-	-	-
Purchased services	2,399	-	-	1,889
Supplies and materials	3,368	-	-	-
Other objects	11,520	-	-	-
Payments to other governments	-	180,396	-	-
On behalf payments - local	258,686	-	-	-
On behalf payments - state	266,552	-	-	-
Pension expense	-	-	-	-
<b>Total expenditures</b>	<b>543,009</b>	<b>180,396</b>	<b>-</b>	<b>1,889</b>
Excess (deficiency) of revenues over (under) expenditures	3,015	-	-	(24)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(54,271)	-	-	-
Interest income	18	-	-	-
<b>Total other financing sources (uses)</b>	<b>(54,253)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(51,238)</b>	<b>-</b>	<b>-</b>	<b>(24)</b>
Fund balance (deficit) - beginning	79,553	-	965	191
Fund balance - ending	<u>\$ 28,315</u>	<u>\$ -</u>	<u>\$ 965</u>	<u>\$ 167</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS

For the Year Ended June 30, 2015

	Office of Prevention	Hospital Tutoring	Food Co-Op	Title II Co-Op	Peoria Regional High School Truants
Revenues					
Local sources	\$ -	\$ 66,920	\$ 4,550	\$ -	\$ -
State sources	-	-	-	-	69,329
On behalf payments - local	-	-	-	-	-
On behalf payments - state	-	-	-	-	-
Total revenues	<u>-</u>	<u>66,920</u>	<u>4,550</u>	<u>-</u>	<u>69,329</u>
Expenditures					
Salaries and benefits	-	3	3,787	-	68,155
Purchased services	2,084	61,208	417	-	1,305
Supplies and materials	-	-	275	-	1,134
Other objects	-	1,500	-	-	-
Payments to other governments	-	-	-	-	-
On behalf payments - local	-	-	-	-	-
On behalf payments - state	-	-	-	-	-
Pension expense	-	-	-	-	384
Total expenditures	<u>2,084</u>	<u>62,711</u>	<u>4,479</u>	<u>-</u>	<u>70,978</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,084)</u>	<u>4,209</u>	<u>71</u>	<u>-</u>	<u>(1,649)</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(245)	-
Interest income	1	1	1	2	-
Total other financing sources (uses)	<u>1</u>	<u>1</u>	<u>1</u>	<u>(243)</u>	<u>-</u>
Net change in fund balances	<u>(2,083)</u>	<u>4,210</u>	<u>72</u>	<u>(243)</u>	<u>(1,649)</u>
Fund balance (deficit) - beginning	<u>26,267</u>	<u>29,008</u>	<u>32,183</u>	<u>94,523</u>	<u>1,649</u>
Fund balance - ending	<u>\$ 24,184</u>	<u>\$ 33,218</u>	<u>\$ 32,255</u>	<u>\$ 94,280</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GENERAL FUND ACCOUNTS

For the Year Ended June 30, 2015

	Peoria Regional High School General State Aid	Peoria Regional High School	Upward Generated	Criminal Background Checks	Total
<b>Revenues</b>					
Local sources	\$ -	\$ 48,787	\$ -	\$ 34,421	\$ 177,329
State sources	284,995	-	-	-	534,720
On behalf payments - local	-	-	-	-	258,686
On behalf payments - state	-	-	-	-	266,552
<b>Total revenues</b>	<b>284,995</b>	<b>48,787</b>	<b>-</b>	<b>34,421</b>	<b>1,237,287</b>
<b>Expenditures</b>					
Salaries and benefits	233,054	8,268	-	2,777	316,528
Purchased services	71,783	9,064	-	27,633	177,782
Supplies and materials	3,710	14,518	-	169	23,174
Other objects	-	-	-	-	13,020
Payments to other governments	-	-	-	-	180,396
On behalf payments - local	-	-	-	-	258,686
On behalf payments - state	-	-	-	-	266,552
Pension expense	827	-	-	-	1,211
<b>Total expenditures</b>	<b>309,374</b>	<b>31,850</b>	<b>-</b>	<b>30,579</b>	<b>1,237,349</b>
Excess (deficiency) of revenues over (under) expenditures	(24,379)	16,937	-	3,842	(62)
<b>Other financing sources (uses)</b>					
Transfers in	24,872	-	-	-	24,872
Transfers out	-	(24,872)	-	-	(79,388)
Interest income	-	1	-	-	24
<b>Total other financing sources (uses)</b>	<b>24,872</b>	<b>(24,871)</b>	<b>-</b>	<b>-</b>	<b>(54,492)</b>
<b>Net change in fund balances</b>	<b>493</b>	<b>(7,934)</b>	<b>-</b>	<b>3,842</b>	<b>(54,554)</b>
Fund balance (deficit) - beginning	(493)	23,839	6	6,986	294,677
Fund balance - ending	\$ -	\$ 15,905	\$ 6	\$ 10,828	\$ 240,123

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND

JUNE 30, 2015

	Adult Education Federal Basic	Adult Education State Basic	Adult Education Performance	Upward SOS
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other governments				
Local	-	-	-	-
State	-	3,528	2,849	-
Prepaid expenses	-	-	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 3,528</u>	<u>\$ 2,849</u>	<u>\$ -</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll and employee benefits	-	-	-	-
Due to other funds	-	3,528	2,849	-
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>3,528</u>	<u>2,849</u>	<u>-</u>
<b>Fund balance (deficit)</b>				
Nonspendable	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balance (deficit)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities and fund balance (deficit)</b>	<u>\$ -</u>	<u>\$ 3,528</u>	<u>\$ 2,849</u>	<u>\$ -</u>

99-

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND

JUNE 30, 2015

	Communities for Youth Truants Alternative	McKinney-Vento Education for Homeless Children and Youth	Learning Technology Center General Operations	ROE/ISC Operations
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 1,163	\$ 1,588
Due from other governments				
Local	-	5,496	-	-
State	-	-	-	-
Prepaid expenses	668	-	-	32
<b>Total assets</b>	<b><u>\$ 668</u></b>	<b><u>\$ 5,496</u></b>	<b><u>\$ 1,163</u></b>	<b><u>\$ 1,620</u></b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 1,163	\$ 1,620
Accrued payroll and employee benefits	-	-	-	-
Due to other funds	668	5,496	-	-
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b><u>668</u></b>	<b><u>5,496</u></b>	<b><u>1,163</u></b>	<b><u>1,620</u></b>
<b>Fund balance (deficit)</b>				
Nonspendable	668	-	-	32
Unassigned	(668)	-	-	(32)
<b>Total fund balance (deficit)</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total liabilities and fund balance (deficit)</b>	<b><u>\$ 668</u></b>	<b><u>\$ 5,496</u></b>	<b><u>\$ 1,163</u></b>	<b><u>\$ 1,620</u></b>



REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND

JUNE 30, 2015

	Foundational Services	Special Education - IDEA Part D	Preschool for All Children	Principal Mentoring
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 30,543	\$ 1,396
Due from other governments				
Local	18,743	-	-	-
State	3,930	35,315	-	-
Prepaid expenses	-	-	-	-
<b>Total assets</b>	<u>\$ 22,673</u>	<u>\$ 35,315</u>	<u>\$ 30,543</u>	<u>\$ 1,396</u>
<b>Liabilities</b>				
Accounts payable	\$ 621	\$ -	\$ 351	\$ 1,396
Accrued payroll and employee benefits	-	-	360	-
Due to other funds	22,052	35,315	-	-
Due to other governments	-	-	-	-
Unearned revenue	-	-	29,832	-
<b>Total liabilities</b>	<u>22,673</u>	<u>35,315</u>	<u>30,543</u>	<u>1,396</u>
<b>Fund balance (deficit)</b>				
Nonspendable	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balance (deficit)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities and fund balance (deficit)</b>	<u>\$ 22,673</u>	<u>\$ 35,315</u>	<u>\$ 30,543</u>	<u>\$ 1,396</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND

JUNE 30, 2015

	Regional Safe Schools	Title II- Teacher Quality- Leadership Grant	Mathematics and Science Partnerships - SA	Mathematics and Science Partnerships - MA	Total
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 34,690
Due from other governments					
Local	-	-	-	-	24,239
State	-	157	8,224	30,758	84,761
Prepaid expenses	-	-	-	-	700
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 157</b>	<b>\$ 8,224</b>	<b>\$ 30,758</b>	<b>\$ 144,390</b>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ 4,930	\$ 11,841	\$ 21,922
Accrued payroll and employee benefits	-	-	-	8,464	8,824
Due to other funds	-	157	2,082	2,083	74,230
Due to other governments	-	-	1,212	8,370	9,582
Unearned revenue	-	-	-	-	29,832
<b>Total liabilities</b>	<b>-</b>	<b>157</b>	<b>8,224</b>	<b>30,758</b>	<b>144,390</b>
<b>Fund balance (deficit)</b>					
Nonspendable	-	-	-	-	700
Unassigned	-	-	-	-	(700)
<b>Total fund balance (deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balance (deficit)</b>	<b>\$ -</b>	<b>\$ 157</b>	<b>\$ 8,224</b>	<b>\$ 30,758</b>	<b>\$ 144,390</b>

-69-

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS

For the Year Ended June 30, 2015

	Adult Education Federal Basic	Adult Education State Basic	Adult Education Performance	Upward SOS
Revenues				
State sources	\$ -	\$ 42,341	\$ 34,192	\$ 65,260
Federal sources	37,659	-	-	-
Total revenues	<u>37,659</u>	<u>42,341</u>	<u>34,192</u>	<u>65,260</u>
Expenditures				
Salaries and benefits	31,917	39,278	25,992	53,924
Purchased services	1,188	240	584	2,954
Supplies and materials	2,222	2,090	6,066	8,322
Other objects	-	-	-	60
Payments to other governments	-	-	-	-
Pension expense	2,332	733	1,550	-
Capital outlay	-	-	-	-
Total expenditures	<u>37,659</u>	<u>42,341</u>	<u>34,192</u>	<u>65,260</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:				
Transfer in	-	-	-	-
Interest income	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balance (deficit) - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS

For the Year Ended June 30, 2015

	Communities for Youth Truants Alternative	McKinney-Vento Education for Homeless Children and Youth	Learning Technology Center General Operations	ROE/ISC Operations
Revenues				
State sources	\$ 125,238	\$ -	\$ 170,955	\$ 81,811
Federal sources	-	37,477	-	-
Total revenues	<u>125,238</u>	<u>37,477</u>	<u>170,955</u>	<u>81,811</u>
Expenditures				
Salaries and benefits	114,725	32,077	77,108	16,457
Purchased services	4,039	1,358	87,639	44,854
Supplies and materials	689	1,500	-	12,230
Other objects	-	-	-	-
Payments to other governments	-	-	-	-
Pension expense	5,785	2,544	6,208	1,071
Capital outlay	-	-	-	7,200
Total expenditures	<u>125,238</u>	<u>37,479</u>	<u>170,955</u>	<u>81,812</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(2)</u>	<u>-</u>	<u>(1)</u>
Other financing sources:				
Transfer in	-	2	-	-
Interest income	-	-	-	1
Total other financing sources	<u>-</u>	<u>2</u>	<u>-</u>	<u>1</u>
Net change in fund balances	-	-	-	-
Fund balance (deficit) - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS

For the Year Ended June 30, 2015

	Foundational Services	Special Education - IDEA Part D	Preschool for All Children	Principal Mentoring
Revenues				
State sources	\$ -	\$ -	\$ 124,998	\$ -
Federal sources	34,885	223,498	-	-
Total revenues	<u>34,885</u>	<u>223,498</u>	<u>124,998</u>	<u>-</u>
Expenditures				
Salaries and benefits	20,985	157,835	81,080	-
Purchased services	9,033	19,696	27,852	124
Supplies and materials	783	2,386	15,134	1,396
Other objects	-	-	-	-
Payments to other governments	-	-	-	-
Pension expense	5,228	24,456	932	-
Capital outlay	-	-	-	-
Total expenditures	<u>36,029</u>	<u>204,373</u>	<u>124,998</u>	<u>1,520</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,144)</u>	<u>19,125</u>	<u>-</u>	<u>(1,520)</u>
Other financing sources:				
Transfer in	1,144	-	-	-
Interest income	-	-	-	-
Total other financing sources	<u>1,144</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	19,125	-	(1,520)
Fund balance (deficit) - beginning	-	(19,125)	-	1,520
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS

For the Year Ended June 30, 2015

	Regional Safe Schools	Title II Teacher Quality Leadership Grant	Mathematics and Science Partnerships - SA	Mathematics and Science Partnerships - MA	Total
Revenues					
State sources	\$ 94,286	\$ -	\$ -	\$ -	\$ 739,081
Federal sources	-	6,357	8,224	30,758	378,858
Total revenues	<u>94,286</u>	<u>6,357</u>	<u>8,224</u>	<u>30,758</u>	<u>1,117,939</u>
Expenditures					
Salaries and benefits	-	-	1,870	10,334	663,582
Purchased services	-	6,200	52	53	205,866
Supplies and materials	-	157	4,930	11,841	69,746
Other objects	-	-	-	-	60
Payments to other governments	94,286	-	1,212	8,370	103,868
Pension expense	-	-	160	160	51,159
Capital outlay	-	-	-	-	7,200
Total expenditures	<u>94,286</u>	<u>6,357</u>	<u>8,224</u>	<u>30,758</u>	<u>1,101,481</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,458</u>
Other financing sources:					
Transfer in	-	-	-	-	1,146
Interest income	-	-	-	-	1
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,147</u>
Net change in fund balances	-	-	-	-	17,605
Fund balance (deficit) - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,605)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
ADULT EDUCATION - FEDERAL BASIC

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 37,659	\$ 37,659	\$ 37,659
Total revenue	<u>37,659</u>	<u>37,659</u>	<u>37,659</u>
Expenditures			
Salaries and benefits	32,510	32,510	31,917
Purchased services	934	934	1,188
Supplies and materials	4,215	4,215	2,222
Pension expense	-	-	2,332
Total expenditures	<u>37,659</u>	<u>37,659</u>	<u>37,659</u>
Excess of revenues over expenditures	<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>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
ADULT EDUCATION - STATE BASIC

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 42,341	\$ 42,341	\$ 42,341
Total revenue	<u>42,341</u>	<u>42,341</u>	<u>42,341</u>
Expenditures			
Salaries and benefits	37,705	37,705	39,278
Purchased services	1,125	1,125	240
Supplies and materials	3,511	3,511	2,090
Pension expense	-	-	733
Total expenditures	<u>42,341</u>	<u>42,341</u>	<u>42,341</u>
Excess of revenues over expenditures	<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>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Independent Auditor's Report.



REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
ADULT EDUCATION PERFORMANCE

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 34,192	\$ 34,192	\$ 34,192
Total revenue	<u>34,192</u>	<u>34,192</u>	<u>34,192</u>
Expenditures			
Salaries and benefits	24,172	24,172	25,992
Purchased services	7,465	7,465	584
Supplies and materials	2,555	2,555	6,066
Pension expense	-	-	1,550
Total expenditures	<u>34,192</u>	<u>34,192</u>	<u>34,192</u>
Excess of revenues over expenditures	<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>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
UPWARD SOS

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 65,260	\$ 65,260	\$ 65,260
Total revenue	<u>65,260</u>	<u>65,260</u>	<u>65,260</u>
Expenditures			
Salaries and benefits	53,926	53,926	53,924
Purchased services	3,800	3,800	2,954
Supplies and materials	7,534	7,534	8,322
Other object	-	-	60
Total expenditures	<u>65,260</u>	<u>65,260</u>	<u>65,260</u>
Excess of revenues over expenditures	<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>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
COMMUNITIES FOR YOUTH TRUANTS ALTERNATIVE

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 196,216	\$ 200,733	\$ 125,238
Total revenues	<u>196,216</u>	<u>200,733</u>	<u>125,238</u>
Expenditures			
Salaries and benefits	187,814	191,884	114,725
Purchased services	6,868	7,207	4,039
Supplies and materials	1,534	1,642	689
Pension expense	-	-	5,785
Total expenditures	<u>196,216</u>	<u>200,733</u>	<u>125,238</u>
Excess of revenues over expenditures	<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>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
MCKINNEY-VENTO EDUCATION FOR HOMELESS CHILDREN AND YOUTH

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 37,478	\$ 37,478	\$ 37,477
Total revenue	<u>37,478</u>	<u>37,478</u>	<u>37,477</u>
Expenditures			
Salaries and benefits	34,764	34,764	32,077
Purchased services	1,738	1,738	1,358
Supplies and materials	976	976	1,500
Pension expense	-	-	2,544
Total expenditures	<u>37,478</u>	<u>37,478</u>	<u>37,479</u>
(Deficiency) of revenues (under) expenditures	-	-	(2)
Other financing sources			
Interest	-	-	2
Total other financing sources	<u>-</u>	<u>-</u>	<u>2</u>
Net change in fund balance	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
LEARNING TECHNOLOGY CENTER GENERAL OPERATIONS

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 170,955	\$ 170,955	\$ 170,955
Total revenue	<u>170,955</u>	<u>170,955</u>	<u>170,955</u>
Expenditures			
Salaries and benefits	83,940	83,940	77,108
Purchased services	86,815	86,815	87,639
Supplies and materials	200	200	-
Pension expense	-	-	6,208
Total expenditures	<u>170,955</u>	<u>170,955</u>	<u>170,955</u>
Excess of revenues over expenditures	<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>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
ROE/ISC OPERATIONS

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 81,811	\$ 81,811	\$ 81,811
Total revenues	<u>81,811</u>	<u>81,811</u>	<u>81,811</u>
Expenditures			
Salaries and benefits	13,715	14,551	16,457
Purchased services	48,708	48,277	44,854
Supplies and materials	10,588	12,757	12,230
Other objects	1,000	226	-
Pension expense	-	-	1,071
Capital outlay	7,800	6,000	7,200
Total expenditures	<u>81,811</u>	<u>81,811</u>	<u>81,812</u>
(Deficiency) of revenues (under) expenditures	-	-	(1)
Other financing sources			
Interest	-	-	1
Total Other financing sources	<u>-</u>	<u>-</u>	<u>1</u>
Net change in fund balance	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
FOUNDATIONAL SERVICES

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 29,340	\$ 50,000	\$ 34,885
Total revenues	<u>29,340</u>	<u>50,000</u>	<u>34,885</u>
Expenditures			
Salaries and benefits	18,274	34,650	20,985
Purchased services	10,332	14,554	9,033
Supplies and materials	734	796	783
Pension expense	-	-	5,228
Total expenditures	<u>29,340</u>	<u>50,000</u>	<u>36,029</u>
(Deficiency) of revenues (under) expenditures	<u>-</u>	<u>-</u>	<u>(1,144)</u>
Other financing sources			
Transfer in	-	-	1,144
Total other financing sources	<u>-</u>	<u>-</u>	<u>1,144</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
SPECIAL EDUCATION - IDEA PART D

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 240,000	\$ 240,000	\$ 223,498
Total revenues	<u>240,000</u>	<u>240,000</u>	<u>223,498</u>
Expenditures			
Salaries and benefits	203,919	203,919	157,835
Purchased services	20,898	20,898	19,696
Supplies and materials	15,183	15,183	2,386
Pension expense	-	-	24,456
Total expenditures	<u>240,000</u>	<u>240,000</u>	<u>204,373</u>
Excess of revenues over expenditures	-	-	19,125
Net change in fund balance	-	-	19,125
Fund balance (deficit) - beginning	-	-	(19,125)
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.



REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
PRESCHOOL FOR ALL CHILDREN

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 165,804	\$ 162,728	\$ 124,998
Total revenues	<u>165,804</u>	<u>162,728</u>	<u>124,998</u>
Expenditures			
Salaries and benefits	133,109	103,502	81,080
Purchased services	17,496	37,578	27,852
Supplies and materials	15,199	21,648	15,134
Pension expense	-	-	932
Total expenditures	<u>165,804</u>	<u>162,728</u>	<u>124,998</u>
Excess of revenues over expenditures	<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>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
REGIONAL SAFE SCHOOLS

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 96,456	\$ 94,286	\$ 94,286
Total revenues	<u>96,456</u>	<u>94,286</u>	<u>94,286</u>
Expenditures			
Payments to other governments	<u>96,456</u>	<u>94,286</u>	<u>94,286</u>
Total expenditures	<u>96,456</u>	<u>94,286</u>	<u>94,286</u>
Excess of revenues over expenditures	<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>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
TITLE II TEACHER QUALITY LEADERSHIP GRANT

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 6,357	\$ 6,357	\$ 6,357
Total revenue	<u>6,357</u>	<u>6,357</u>	<u>6,357</u>
Expenditures			
Purchased services	6,200	6,200	6,200
Supplies and materials	157	157	157
Total expenditures	<u>6,357</u>	<u>6,357</u>	<u>6,357</u>
Excess of revenues over expenditures	<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>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
MATHEMATICS AND SCIENCE PARTNERSHIPS - SA

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 250,000	\$ 250,000	\$ 8,224
Total revenue	<u>250,000</u>	<u>250,000</u>	<u>8,224</u>
Expenditures			
Salaries and benefits	29,519	29,519	1,870
Purchased services	129,676	129,676	52
Supplies and materials	57,487	57,487	4,930
Payments to other governments	33,318	33,318	1,212
Pension expense	-	-	160
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>8,224</u>
Excess of revenues over expenditures	<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>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE  
EDUCATION FUND ACCOUNTS  
MATHEMATICS AND SCIENCE PARTNERSHIPS - MA

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 250,000	\$ 250,000	\$ 30,758
Total revenue	<u>250,000</u>	<u>250,000</u>	<u>30,758</u>
Expenditures			
Salaries and benefits	9,423	9,423	10,334
Purchased services	82,802	82,802	53
Supplies and materials	125,142	125,142	11,841
Payments to other governments	32,633	32,633	8,370
Pension expense	-	-	160
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>30,758</u>
Excess of revenues over expenditures	<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>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2015

	Bus Driver Training	General Education Development	Institute	Supervisory	Local Foundation	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 11,279	\$ 41,069	\$ 140,879	\$ 2,275	\$ 2,471	\$ 197,973
Due from other governments - Local	-	795	-	-	-	795
Prepaid expenses	-	-	1,438	-	-	1,438
<b>Total assets</b>	<b>\$ 11,279</b>	<b>\$ 41,864</b>	<b>\$ 142,317</b>	<b>\$ 2,275</b>	<b>\$ 2,471</b>	<b>\$ 200,206</b>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ 3,146	\$ -	\$ -	\$ 3,146
Due to other governments	-	5,000	150	-	-	5,150
<b>Total liabilities</b>	<b>-</b>	<b>5,000</b>	<b>3,296</b>	<b>-</b>	<b>-</b>	<b>8,296</b>
<b>Fund balance</b>						
Nonspendable	-	-	1,438	-	-	1,438
Restricted	11,279	36,864	137,583	2,275	2,471	190,472
<b>Total fund balance</b>	<b>11,279</b>	<b>36,864</b>	<b>139,021</b>	<b>2,275</b>	<b>2,471</b>	<b>191,910</b>
<b>Total liabilities and fund balance</b>	<b>\$ 11,279</b>	<b>\$ 41,864</b>	<b>\$ 142,317</b>	<b>\$ 2,275</b>	<b>\$ 2,471</b>	<b>\$ 200,206</b>

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See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2015

	Bus Driver Training	General Education Development	Institute	Supervisory	Local Foundation	Total
Revenues						
Local sources	\$ 4,494	\$ 10,798	\$ 65,274	\$ -	\$ -	\$ 80,566
State sources	1,200	-	-	-	-	1,200
Total revenues	<u>5,694</u>	<u>10,798</u>	<u>65,274</u>	<u>-</u>	<u>-</u>	<u>81,766</u>
Expenditures						
Salaries and benefits	-	-	-	-	-	-
Purchased services	3,334	5,062	22,794	-	-	31,190
Supplies and materials	8	2,828	759	-	-	3,595
Other objects	-	9,000	-	-	-	9,000
Capital outlay	-	-	3,413	-	-	3,413
Total expenditures	<u>3,342</u>	<u>16,890</u>	<u>26,966</u>	<u>-</u>	<u>-</u>	<u>47,198</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,352</u>	<u>(6,092)</u>	<u>38,308</u>	<u>-</u>	<u>-</u>	<u>34,568</u>
Other financing sources						
Interest	-	1	2	-	-	3
Total other financing sources	<u>-</u>	<u>1</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>3</u>
Net change in fund balance	2,352	(6,091)	38,310	-	-	34,571
Fund balance - beginning	<u>8,927</u>	<u>42,955</u>	<u>100,711</u>	<u>2,275</u>	<u>2,471</u>	<u>157,339</u>
Fund balance - ending	<u>\$ 11,279</u>	<u>\$ 36,864</u>	<u>\$ 139,021</u>	<u>\$ 2,275</u>	<u>\$ 2,471</u>	<u>\$ 191,910</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING STATEMENT OF NET POSITION  
NONMAJOR PROPRIETARY FUNDS

June 30, 2015

	Business-type Activities Proprietary Funds		
	Learning Technology Center Technical Training and Support	Local Workshops	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Assets</b>			
Currents assets			
Cash and cash equivalents	\$ 237,842	\$ 91,832	\$ 329,674
Due from other funds	-	61,532	61,532
Due from other governments			
Local, net of allowance	2,827	41,032	43,859
Prepaid expenses	<u>10,380</u>	<u>3,280</u>	<u>13,660</u>
Total current assets	251,049	197,676	448,725
Noncurrent assets			
Capital assets, net of depreciation	<u>-</u>	<u>19,917</u>	<u>19,917</u>
Total assets	<u>251,049</u>	<u>217,593</u>	<u>468,642</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	-	1,299	1,299
Lease payable	-	3,350	3,350
Accrued payroll liabilities	-	236	236
Unearned revenue	<u>-</u>	<u>5,413</u>	<u>5,413</u>
Total current liabilities	<u>-</u>	<u>10,298</u>	<u>10,298</u>
Noncurrent liabilities			
Lease payable	<u>-</u>	<u>10,070</u>	<u>10,070</u>
Total liabilities	<u>-</u>	<u>20,368</u>	<u>20,368</u>
<b>Net position</b>			
Invested in capital assets, net of related debt	-	6,497	6,497
Unrestricted	<u>251,049</u>	<u>190,728</u>	<u>441,777</u>
Total net position	<u>\$ 251,049</u>	<u>\$ 197,225</u>	<u>\$ 448,274</u>

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



REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
NONMAJOR PROPRIETARY FUNDS

For the Year Ended June 30, 2015

	Business-type Activities Proprietary Funds		
	Learning Technology Center Technical Training and Support	Local Workshops	Total
	Operating revenues		
Registration fees	\$ -	\$ 147,931	\$ 147,931
Charges for services	26,725	-	26,725
Total operating revenues	26,725	147,931	174,656
Operating expenses			
Salaries and benefits	-	35,199	35,199
Purchased services	22,482	37,538	60,020
Supplies and materials	123	3,303	3,426
Payments to other governments	-	149	149
Other objects	77	227	304
Pension expense	-	1,944	1,944
Depreciation	1,575	4,819	6,394
Total operating expenses	24,257	83,179	107,436
Operating income	2,468	64,752	67,220
Nonoperating revenue (expense)			
Interest income	15	13	28
Interest expense	-	(697)	(697)
Loss on disposal of equipment	(532)	-	(532)
Total nonoperating revenue (expense)	(517)	(684)	(1,201)
Income before transfers	1,951	64,068	66,019
Transfers in	-	54,514	54,514
Transfers out	-	(1,144)	(1,144)
Total transfers	-	53,370	53,370
Change in net position	1,951	117,438	119,389
Net position - beginning	249,098	79,787	328,885
Net position - ending	\$ 251,049	\$ 197,225	\$ 448,274

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

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS

For the Year Ended June 30, 2015

	Business-type Activities Proprietary Funds		
	Learning Technology Center Technical Training and Support	Local Workshops	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Cash flows from operating activities			
Receipts from customers	\$ 33,149	\$ 115,314	\$ 148,463
Payments to suppliers and providers of goods and services	(22,558)	(35,945)	(58,503)
Payments to employees	-	(37,162)	(37,162)
Net cash provided by operating activities	<u>10,591</u>	<u>42,207</u>	<u>52,798</u>
Cash flows from noncapital financing activities			
Cash payments to other funds	(440)	(18,105)	(18,545)
Cash payments from other funds	14,102	54,514	68,616
Net cash provided by noncapital financing activities	<u>13,662</u>	<u>36,409</u>	<u>50,071</u>
Cash flows from capital and related financing activities			
Principal paid on lease obligations	-	(3,190)	(3,190)
Interest paid on lease obligations	-	(697)	(697)
Purchase of equipment	-	(2,587)	(2,587)
Net cash (used for) capital and related financing activities	<u>-</u>	<u>(6,474)</u>	<u>(6,474)</u>
Cash flows from investing activities			
Interest earned from investments	15	13	28
Net cash provided by investing activities	<u>15</u>	<u>13</u>	<u>28</u>
Net increase in cash and cash equivalents	24,268	72,155	96,423
Cash and cash equivalents - beginning	213,574	19,677	233,251
Cash and cash equivalents - ending	<u>\$ 237,842</u>	<u>\$ 91,832</u>	<u>\$ 329,674</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating Income	\$ 2,468	\$ 64,752	\$ 67,220
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,575	4,819	6,394
(Increase)/decrease in assets:			
Prepaid expenses	129	5,338	5,467
Due from other governments	6,424	(34,690)	(28,266)
Increase/(decrease) in liabilities			
Accrued payroll	-	(19)	(19)
Accounts payable	(5)	(66)	(71)
Unearned revenue	-	2,073	2,073
Net cash provided by operating activities	<u>\$ 10,591</u>	<u>\$ 42,207</u>	<u>\$ 52,798</u>

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

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS

June 30, 2015

	Regional Board of Trustees	C.I.S.E.	PERFECT	SEAPCO	IVS Scholarship Fund	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 18	\$ 2,084	\$ -	\$ -	\$ 3,755	\$ 5,857
Due from other governments	-	-	8,194	1,280,889	-	1,289,083
<b>Total assets</b>	<b>\$ 18</b>	<b>\$ 2,084</b>	<b>\$ 8,194</b>	<b>\$ 1,280,889</b>	<b>\$ 3,755</b>	<b>\$ 1,294,940</b>
<b>Liabilities</b>						
Due to other governments	\$ 18	\$ 2,084	\$ 8,194	\$ 1,280,889	\$ 3,755	\$ 1,294,940
<b>Total liabilities</b>	<b>\$ 18</b>	<b>\$ 2,084</b>	<b>\$ 8,194</b>	<b>\$ 1,280,889</b>	<b>\$ 3,755</b>	<b>\$ 1,294,940</b>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS

For the Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
<u>REGIONAL BOARD OF TRUSTEES</u>				
Assets				
Cash and cash equivalents	\$ 18	\$ -	\$ -	\$ 18
Total assets	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18</u>
Liabilities				
Due to other governments	\$ 18	\$ -	\$ -	\$ 18
Total liabilities	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18</u>
<u>C.I.S.E.</u>				
Assets				
Cash and cash equivalents	\$ 2,084	\$ -	\$ -	\$ 2,084
Total assets	<u>\$ 2,084</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,084</u>
Liabilities				
Due to other governments	\$ 2,084	\$ -	\$ -	\$ 2,084
Total liabilities	<u>\$ 2,084</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,084</u>
<u>PERFECT</u>				
Assets				
Due from other governments	\$ 10,116	\$ 744,618	\$ 746,540	\$ 8,194
Total assets	<u>\$ 10,116</u>	<u>\$ 744,618</u>	<u>\$ 746,540</u>	<u>\$ 8,194</u>
Liabilities				
Due to other governments	\$ 10,116	\$ 744,618	\$ 746,540	\$ 8,194
Total liabilities	<u>\$ 10,116</u>	<u>\$ 744,618</u>	<u>\$ 746,540</u>	<u>\$ 8,194</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48  
PEORIA COUNTY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS

For the Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
<u>SEAPCO</u>				
Assets				
Due from other governments	\$ 488,394	\$ 2,724,723	\$ 1,932,228	\$ 1,280,889
Total assets	\$ 488,394	\$ 2,724,723	\$ 1,932,228	\$ 1,280,889
Liabilities				
Due to other governments	\$ 488,394	\$ 2,724,723	\$ 1,932,228	\$ 1,280,889
Total liabilities	\$ 488,394	\$ 2,724,723	\$ 1,932,228	\$ 1,280,889
 <u>IVS SCHOLARSHIP FUND</u>				
Assets				
Cash and cash equivalents	\$ 3,755	\$ -	\$ -	\$ 3,755
Total assets	\$ 3,755	\$ -	\$ -	\$ 3,755
Liabilities				
Due to other governments	\$ 3,755	\$ -	\$ -	\$ 3,755
Total liabilities	\$ 3,755	\$ -	\$ -	\$ 3,755
 <u>TOTAL - ALL AGENCY FUNDS</u>				
Assets				
Cash and cash equivalents	\$ 5,857	\$ -	\$ -	\$ 5,857
Due from other governments	498,510	3,469,341	2,678,768	1,289,083
Total assets	\$ 504,367	\$ 3,469,341	\$ 2,678,768	\$ 1,294,940
Liabilities				
Due to other governments	\$ 504,367	\$ 3,469,341	\$ 2,678,768	\$ 1,294,940
Total liabilities	\$ 504,367	\$ 3,469,341	\$ 2,678,768	\$ 1,294,940

See accompanying Independent Auditor's Report.