

**State of Illinois
PEORIA COUNTY
REGIONAL OFFICE OF EDUCATION #48
FINANCIAL AUDIT
(In Accordance with the Single Audit Act
and OMB Circular A-133)
For the Year Ended June 30, 2009**

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
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PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

OFFICIALS

Regional Superintendent
(Current and during the Audit Period)

Mr. Gerald M. Brookhart

Assistant Regional Superintendent
(Current and during the Audit Period)

Dr. Jeffry B. Nelson

Offices are located at:

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
COMPLIANCE REPORT SUMMARY

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

AUDITOR'S REPORTS

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	5	8
Repeated audit findings	5	4
Prior recommendations implemented or not repeated	3	2

An additional 3 matters, which are less than significant deficiencies or material weaknesses, but more than inconsequential, have been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, this issue may have been included as an immaterial finding in the auditor's reports.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
09-1	12a	Inadequate Internal Controls Over Financial Reporting	Material Weakness
09-2	12d	Lack of Adequate Policies and Procedures over Certain Administrative Functions	Material Weakness
09-3	12f	Controls Over Financial Statement Preparation	Material Weakness
09-4	12h	Inadequate Controls over Property and Equipment	Material Weakness

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

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
09-5	13a	Unallowable Costs Charged to Federal Program	Compliance

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

08-4	15	Controls over Compliance with Laws and Regulations	
08-6	15	Accrual of Payroll Liabilities	
08-7	15	Interest Income Allocation	

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

08-7	15	Interest Income Allocation	
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EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on September 3, 2009. Attending were Gerald Brookhart, Regional Superintendent, Jeffry Nelson, Assistant Regional Superintendent, and Michelle D. Smith, Manager, Kemper CPA Group LLP. Responses to the recommendations were provided by Gerald Brookhart, Regional Superintendent.

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

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Peoria County Regional Office of Education #48, as of and for the year ended June 30, 2009, which collectively comprise the Peoria County Regional Office of Education #48's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Peoria County Regional Office of Education #48's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 16, 2009, on our consideration of the Peoria County Regional Office of Education #48's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 16a-16g, and 51 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Evansville, Indiana
December 16, 2009

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Peoria County Regional Office of Education #48, as of and for the year ended June 30, 2009, which collectively comprise the Peoria County Regional Office of Education #48's basic financial statements and have issued our report thereon dated December 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in findings 09-1, 09-2, 09-3, and 09-4 in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Peoria County Regional Office of Education #48's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 09-5.

We also noted certain matters which we have reported to management of the Peoria County Regional Office of Education #48 in a separate letter dated December 16, 2009.

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

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

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Evansville, Indiana
December 16, 2009

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the compliance of the Peoria County Regional Office of Education #48 with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Peoria County Regional Office of Education #48's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Peoria County Regional Office of Education #48's management. Our responsibility is to express an opinion on the Peoria County Regional Office of Education #48's compliance based on our audit.

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

In our opinion, Peoria County Regional Office of Education #48 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 09-5.

Internal Control Over Compliance

The management of the Peoria County Regional Office of Education #48 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Peoria County Regional Office of Education #48's internal control over compliance with requirements that could

have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Peoria County Regional Office of Education #48's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 09-2 and 09-5 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider 09-2 to be a material weakness.

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

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

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Evansville, Indiana
December 16, 2009

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2009

SECTION 1 – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unqualified
Internal control over financial reporting:	
● Material weakness(es) identified?	Yes
● Significant deficiency(ies) identified that are not considered to be material weakness(es)?	No
● Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal control over major programs:	
● Material weakness(es) identified?	Yes
● Significant deficiency(ies) identified that are not considered to be material weakness(es)?	Yes
Type of auditor’s report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	Yes

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010A	Title I Grants to Local Educational Agencies
84.323A	Special Education State Personnel Development

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

Auditee qualified as a low-risk auditee?	No
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PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding No. 09-1- Inadequate Internal Controls Over Financial Reporting (Partial Repeat of Finding 08-1)

Criteria/Specific Requirement:

The Regional Office of Education is required to maintain a system of controls over the financial reporting process to be able to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles (GAAP).

Condition:

The Regional Office of Education #48 does not have sufficient internal controls over the financial reporting process. We noted the following deficiencies in internal control:

- 1) There is a lack of segregation of duties in the cash disbursements and accounting process. The Office Manager has full, unrestricted access to the accounting software and is also an authorized signer of checks. In addition, the Office Manager has a signature stamp for the Regional Superintendent that is kept in her desk drawer.
- 2) We found one disbursement of 40 tested where the same employee approved and signed a check that was made payable to themselves.
- 3) In testing general disbursements, there were four instances where approval for payment was made after the disbursement took place.
- 4) In testing payroll disbursements, we found that payment was made to an employee whose salary contract was omitted from the personnel file.

Effect:

Management or employees in the normal course of performing their assigned functions may not prevent or detect financial misstatements or possible fraudulent activity in a timely manner. The ROE also may not be in compliance with laws, regulations, and contract provisions.

Cause:

The Regional Office of Education #48 did not consistently implement established internal controls. Regional Office personnel are also not aware of what duties should be segregated in order to have a more effective process.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 09-1– Inadequate Internal Controls Over Financial Reporting (Partial Repeat of Finding 08-1) (Continued)

Recommendation:

The Regional Office has attempted to segregate some of the accounting responsibilities, but there are areas that should be improved. In order to correct the deficiencies noted above, the Regional Office personnel should do the following:

- 1) The Regional Office of Education #48 should restrict access to the accounting software to limit employees' access to only the areas necessary for them to perform their daily activities.
- 2) The authorized check signers should only include members of management who do not have access to the accounting software and are not a part of the cash receipt or disbursement process. If a signature stamp is going to be used in the absence of the Regional Superintendent, it should be kept in a secure location with restricted access to employees who are not a part of the disbursement process.
- 3) A policy should be implemented which strictly prohibits the same person from approving, authorizing, and receiving a payment.
- 4) The approval process for disbursements should be mandatorily done prior to any disbursements being made.
- 5) The Regional Office of Education #48 should require all salary contracts to be accurate and up to date in personnel files.

Management Response:

1. Subsequent to year end the Regional Office has limited employees' access to the accounting software to only the areas necessary for them to perform their daily activities. Also individuals with access to record information in the accounting software have been removed as check signers on ROE #48 bank accounts. Further, the signature stamp, which is used in the absence of the Regional Superintendent, is now kept in a secure location with restricted access to employees who are not a part of the disbursement process. These procedures were implemented September 15, 2009.
2. A practice was implemented as of September 15, 2009 which strictly prohibits the same person from approving, authorizing, and receiving a payment. A policy mandating and detailing that practice will be written and implemented by December 1, 2009.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 09-1– Inadequate Internal Controls Over Financial Reporting (Partial Repeat of Finding 08-1) (Concluded)

Management Response (Concluded):

3. The Regional Office has subsequently reviewed the approval process of disbursements and has reiterated their policy of obtaining appropriate approval prior to any disbursement during monthly accounting staff meetings. The Regional Office is currently considering implementing additional monitoring to ensure that the proper authorizations are being obtained on a timely basis.
4. As of September 15, 2009 all salary contracts were reviewed for accuracy, updated and placed in the appropriate personnel files. The Regional Office is currently developing a policy that clarifies who must approve such contracts and a system to ensure that all contracts are obtained and archived.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 09-2– Lack of Adequate Policies and Procedures Over Certain Administrative Functions (Repeat of Finding 08-2)

Federal Program Name: Title I School Improvement and Accountability

Project #: 2009-4331-SS

CFDA#: 84.010A

Passed Through: Illinois State Board of Education

Federal Agency: U.S. Department of Education

Criteria/Specific Requirement:

As a recipient of federal, State, and local funds from various grantor agencies, the Regional Office must incorporate certain administrative policies and procedures into their operations in order to comply with the grant agreements with these entities. The Regional Office is required to account for each individual program's activity in individual funds for accounting purposes.

Condition:

The Regional Office created an additional fund to keep track of their portion of funds from the Title I – School Improvement and Accountability program and the Coordination and Services Grant program and transferred \$117,594 and \$7,147, respectively, to this account. Expenditure reports to ISBE were inaccurate because the ROE classified the transfer of these funds as “payments to other governments” rather than classifying the transactions in the specific expenditure categories where the funds were used.

Questioned Costs:

N/A

Context:

The Regional Office of Education #48 receives federal funding from the State to support school improvement services for schools in academic difficulty. A large portion of this money is given to other Regional Offices to support their activities within the program, and the rest is the Regional Office #48's portion. During the year, the Regional Office created an internal fund to account for their portion of this money. This caused the Regional Office to incorrectly report expenditures to the State because the Regional Office accounted for the money that was transferred to the internal fund incorrectly.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 09-2– Lack of Adequate Policies and Procedures Over Certain Administrative Functions (Repeat of Finding 08-2) (Concluded)

Effect:

The Regional Office does not have adequate administrative policies and procedures in place to demonstrate compliance with grant agreements and State statutes.

Cause:

The Regional Office did not properly classify the Regional Office's expenditures on expenditure reports to the granting agency.

Recommendation:

The Regional Office of Education #48 should ensure that in future fiscal years there are not any funds created that are not directly associated with a program. Expenditure reports should accurately reflect the activity within a program.

Management's Response:

As previously stated in the FY'08 audit response, the Peoria County Regional Office of Education #48 intends to comply with all the reporting requirements of the various state and federal regulatory agencies. The Regional Office corrected this matter as soon as it was brought to their attention during the prior year audit. Unfortunately, several months of the new fiscal year had already elapsed before this occurred. The Regional Office of Education #48's current policy is that no funds will be created that are not directly associated with a program and management will continue to monitor to ensure that none are created. While these funds were inaccurately reported as "payments to other governments", the Regional Office believes that they were properly expended for program purposes.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 09-3- Controls Over Financial Statement Preparation (Partial Repeat of Finding 08-3 and 07-1)

Criteria/Specific Requirement:

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

Condition:

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

- Numerous adjusting entries were required to present the financial statements in accordance with generally accepted accounting principles.

Effect:

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

Cause:

According to Regional Office officials, they did not have adequate funding to hire and/or train their accounting personnel in order to comply with these requirements. The Regional Office attempted to address this issue following the issuance of the audit report for fiscal year 2008; however, the Regional Office did not post adjusting entries in its accounting records to comply with GAAP.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

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

Recommendation:

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

Management's Response:

The Peoria County Regional Office of Education #48 is in the process of developing a plan to identify and correct the issues that resulted in the need for numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles. Further, the Regional Office is exploring options to strengthen their ability to review the financial statements to ensure that the financial statements, including disclosures, are complete and accurate.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 09-4– Inadequate Controls Over Property and Equipment (Repeat of Finding 08-5, 07-3 and 06-2)

Criteria/Specific Requirement:

The Regional Office of Education's (ROE) policy is to maintain detailed fixed asset records for both accounting purposes as well as insurance purposes for fixed assets costing \$500 or more and that have a useful life of greater than one year. Generally Accepted Accounting Principles require that an inventory of all fixed assets and depreciation schedules for assets meeting the capitalization threshold for reporting be maintained. In addition, the ROE is required to keep track of each asset by program in order to be in compliance with grantors.

Condition:

Numerous issues were found with fixed asset reporting during our testing of the fixed assets within the Regional Office of Education #48.

- 1) The Regional Office had not assigned useful lives to 51 assets. Due to this omission, the Regional Office miscalculated depreciation on these fixed assets.
- 2) The fixed asset listing did not clearly label each of the assets as to the source of the program funds that were used for assets that were added in prior years.
- 3) There were four assets that were included in equipment accounts that should have been capitalized but were not included in the fixed asset schedules.

Effect:

An incomplete fixed asset listing does not provide an adequate basis for physical control and losses may occur without being detected. Inaccurate recording of the book value of fixed assets and depreciation expense can cause the financial statements to be materially misstated. Also, any assets that are required to be returned to the grantor after the end of the program cannot accurately be identified.

Cause:

Regional Office personnel have not been adequately trained to understand the standards associated with fixed asset reporting.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

SECTION II – FINANCIAL STATEMENT FINDINGS (Concluded)

Finding No. 09-4 – Inadequate Controls Over Property and Equipment (Repeat of Finding 08-5, 07-3 and 06-2) (Concluded)

Recommendation:

The Regional Office should ensure that each fixed asset addition is appropriately recorded in the listing and that each required attribute, such as useful life and cost, is included in the listing in accordance with the established policy. If a purchase cost is not applicable to the asset, then the estimated fair market value at the date of acquisition should be recorded. The Regional Office should also prepare listings of fixed assets by program. We also recommend that the Regional Office personnel involved with fixed asset reporting review the ROE Accounting Manual to learn and understand the standards involved with fixed asset reporting.

Management's Response:

By June 30, 2010 the Regional Office will ensure that each capital asset addition is appropriately recorded in the listing and that each required attribute, such as useful life and cost and program, is included in the listing in accordance with the established policy. If a purchase cost is not applicable to the asset, then the estimated fair market value at the date of acquisition will be recorded. Regional Office personnel involved with capital asset reporting will review the ROE Accounting Manual to learn and understand the standards involved with capital asset reporting. Additionally, a reconciliation of equipment accounts per our general ledger to additions recorded in capital asset records will be performed for the year ended June 30, 2010.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

Finding No. 09-5 – Unallowable Costs Charged to Federal Program (Repeat of Finding 08-8)

Federal Program Name: Title I School Improvement and Accountability
Special Education – IDEA Part D

Project #: 2009-4331-SS and 2009-4631-RC respectively

CFDA#: 84.010A and 84.323A respectively

Passed Through: Illinois State Board of Education

Federal Agency: U.S. Department of Education

Criteria/Specific Requirement:

To be allowable under federal awards, costs must meet the following general criteria under Circular A-87:

- a) Be necessary and reasonable for the performance and administration of federal awards.
- b) Be allocable to federal awards under the provisions of A-87.
- c) Be authorized or not prohibited under State or local laws or regulations.
- d) Conform to any limitations or exclusions set forth in A-87, federal laws, terms and conditions of the federal award, or other governing regulations as to types or amounts of cost items.
- e) Be consistent with policies, regulations, and procedures that apply uniformly to both federal awards and other activities of the governmental unit.
- f) Be adequately documented.

Condition:

During our compliance testing of these specific federal programs, we found:

- Two disbursements of 40 tested were made for purchases that were not allowable costs per A-87. One expenditure related to the purchase of 2 cell phones, the other related to entertainment costs.
- One disbursement of 40 tested lacked adequate documentation to support the expenditure.
- One disbursement of 40 tested lacked adequate documentation to provide support for the expenditure. The disbursement related to cell phone usage. The supporting documentation provided by the Regional Office did not have enough detail to demonstrate that the cell phones were not used for personal purposes.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
(Continued):

Finding No. 09-5 – Unallowable Costs Charged to Federal Program (Repeat of Finding 08-8)
(Continued)

Questioned Costs:

Condition: Unauthorized under A-87

Questioned Costs: \$796 under Title I – School Improvement and Accountability
\$220 under Title I – School Improvement and Accountability

Condition: Inadequate Documentation

Questioned Costs: \$400 for Special Education – IDEA Part D
\$362 for Special Education – IDEA Part D

Context:

We tested the Title I School Improvement and Accountability Grant and the Special Education – IDEA Part D programs as major programs during the fiscal year 2009. As part of the compliance audit program, we selected 40 disbursements for each program (for a total of 80 tested) and reviewed the invoices for compliance with the programs. The Regional Office received a total of \$1,241,048 for the Title I School Improvement and Accountability Program and a total of \$384,830 for the Special Education – IDEA Part D.

Effect:

The Regional Office of Education #48 is not in compliance with the requirements of these federal programs.

Cause:

The Regional Office personnel did not have adequate training and knowledge to establish sufficient internal control procedures that would detect noncompliance with requirements.

Recommendation:

The Regional Office should develop and implement procedures that will ensure compliance with their federal programs. We recommend that Circular A-87 be reviewed by all personnel involved with charging costs to federal programs. The ROE should ensure its Controller has adequate and necessary training and accounting background to review invoice support for proper classification, proper support, compliance with federal award requirements and compliance with generally accepted accounting principles.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
(Continued):

Finding No. 09-5 – Unallowable Costs Charged to Federal Program (Repeat of Finding 08-8)
(Concluded)

Management's Response:

The Peoria County Regional Office of Education #48 will implement and develop procedures that will ensure compliance with their federal programs. The Regional Office's administrators and bookkeepers involved with charging costs to federal programs will review Circular A-87. The Regional Office is also in the process of developing a policy related to cell phone usage and the documentation of business vs. personal use.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

**SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
(Concluded):**

INSTANCES OF NONCOMPLIANCE:

Finding No. 09-5 – Unallowable Costs Charged to Federal Program (details on p. 13a-13c)

MATERIAL WEAKNESSES:

Finding No. 09-2 – Lack of Adequate Policies and Procedures Over Certain Administrative Functions (details on p. 12d-12e)

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2009

Corrective Action Plan

Finding No. 09-1– Inadequate Internal Controls Over Financial Reporting (Partial Repeat of Finding 08-1)

Condition:

The Regional Office of Education #48 does not have sufficient internal controls over the financial reporting process. We noted the following deficiencies in internal control:

- 1) There is a lack of segregation of duties in the cash disbursements and accounting process. The Office Manager has full, unrestricted access to the accounting software and is also an authorized signer of checks. In addition, the Office Manager has a signature stamp for the Regional Superintendent that is kept in her desk drawer.
- 2) We found one disbursement of 40 tested where the same employee approved and signed a check that was made payable to themselves.
- 3) In testing general disbursements, there were four instances where approval for payment was made after the disbursement took place.
- 4) In testing payroll disbursements, we found that payment was made to an employee whose salary contract was omitted from the personnel file.

Plan:

1. Subsequent to year end the Regional Office has limited employees' access to the accounting software to only the areas necessary for them to perform their daily activities. Also individuals with access to record information in the accounting software have been removed as check signers on ROE #48 bank accounts. Further, the signature stamp, which is used in the absence of the Regional Superintendent, is now kept in a secure location with restricted access to employees who are not a part of the disbursement process. These procedures were implemented September 15, 2009.
2. A practice was implemented as of September 15, 2009 which strictly prohibits the same person from approving, authorizing, and receiving a payment. A policy mandating and detailing that practice will be written and implemented by December 1, 2009.
3. The Regional Office has subsequently reviewed the approval process of disbursements and has reiterated their policy of obtaining appropriate approval prior to any disbursement during monthly accounting staff meetings. The Regional Office is currently considering implementing additional monitoring to ensure that the proper authorizations are being obtained on a timely basis.
4. As of September 15, 2009 all salary contracts were reviewed for accuracy, updated and placed in the appropriate personnel files. The Regional Office is currently developing a policy that clarifies who must approve such contracts and a system to ensure that all contracts are obtained and archived.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Name of Contact Person:

Honorable Gerald Brookhart, Regional Superintendent of Schools

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2009

Corrective Action Plan (Continued)

**Finding No. 09-2– Lack of Adequate Policies and Procedures Over Certain Administrative Functions
(Repeat of Finding 08-2)**

Condition:

The Regional Office created an additional fund to keep track of their portion of funds from the Title I – School Improvement and Accountability program and the Coordination and Services Grant program and transferred \$117,594 and \$7,147, respectively, to this account. Expenditure reports to ISBE were inaccurate because the ROE classified the transfer of these funds as “payments to other governments” rather than classifying the transactions in the specific expenditure categories where the funds were used.

Plan:

As previously stated in the FY’08 audit response, the Peoria County Regional Office of Education #48 intends to comply with all the reporting requirements of the various state and federal regulatory agencies. The Regional Office corrected this matter as soon as it was brought to their attention during the prior year audit. Unfortunately, several months of the new fiscal year had already elapsed before this occurred. The Regional Office of Education #48’s current policy is that no funds will be created that are not directly associated with a program and management will continue to monitor to ensure that none are created. While these funds were inaccurately reported as “payments to other governments”, the Regional Office believes that they were properly expended for program purposes.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Name of Contact Person:

Honorable Gerald Brookhart, Regional Superintendent of Schools

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2009

Corrective Action Plan (Continued)

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

Condition:

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

- Numerous adjusting entries were required to present the financial statements in accordance with generally accepted accounting principles.

Plan:

The Peoria County Regional Office of Education #48 is in the process of developing a plan to identify and correct the issues that resulted in the need for numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles. Further, the Regional Office is exploring options to strengthen their ability to review the financial statements to ensure that the financial statements, including disclosures, are complete and accurate.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Name of Contact Person:

Honorable Gerald Brookhart, Regional Superintendent of Schools

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2009

Corrective Action Plan (Continued)

Finding No. 09-4– Inadequate Controls Over Property and Equipment (Repeat of Finding 08-5, 07-3 and 06-2)

Condition:

Numerous issues were found with fixed asset reporting during our testing of the fixed assets within the Regional Office of Education #48.

- 1) The Regional Office had not assigned useful lives to 51 assets. Due to this omission, the Regional Office miscalculated depreciation on these fixed assets.
- 2) The fixed asset listing did not clearly label each of the assets as to the source of the program funds that were used for assets that were added in prior years.
- 3) There were four assets that were included in equipment accounts that should have been capitalized but were not included in the fixed asset schedules.

Plan:

By June 30, 2010 the Regional Office will ensure that each capital asset addition is appropriately recorded in the listing and that each required attribute, such as useful life and cost and program, is included in the listing in accordance with the established policy. If a purchase cost is not applicable to the asset, then the estimated fair market value at the date of acquisition will be recorded. Regional Office personnel involved with capital asset reporting will review the ROE Accounting Manual to learn and understand the standards involved with capital asset reporting. Additionally, a reconciliation of equipment accounts per our general ledger to additions recorded in capital asset records will be performed for the year ended June 30, 2010.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Name of Contact Person:

Honorable Gerald Brookhart, Regional Superintendent of Schools

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
JUNE 30, 2009

Corrective Action Plan (Concluded)

Finding No. 09-5 – Unallowable Costs Charged to Federal Program (Repeat of Finding 08-8)

Condition:

During our compliance testing of these specific federal programs, we found:

- Two disbursements of 40 tested were made for purchases that were not allowable costs per A-87. One expenditure related to the purchase of 2 cell phones, the other related to entertainment costs.
- One disbursement of 40 tested lacked adequate documentation to support the expenditure.
- One disbursement of 40 tested lacked adequate documentation to provide support for the expenditure. The disbursement related to cell phone usage. The supporting documentation provided by the Regional Office did not have enough detail to demonstrate that the cell phones were not used for personal purposes.

Plan:

The Peoria County Regional Office of Education #48 will implement and develop procedures that will ensure compliance with their federal programs. The Regional Office's administrators and bookkeepers involved with charging costs to federal programs will review Circular A-87. The Regional Office is also in the process of developing a policy related to cell phone usage and the documentation of business vs. personal use.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Name of Contact Person:

Honorable Gerald Brookhart, Regional Superintendent of Schools

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
08-1	Inadequate Internal Controls over Financial Reporting	Repeated as Finding 09-1
08-2	Lack of Adequate Policies and Procedures Over Certain Administrative Functions	Repeated as Finding 09-2
08-3	Controls over Financial Statement Preparation	Repeated as Finding 09-3
08-4	Controls Over Compliance with Laws and Regulations	Corrected
08-5	Inadequate Controls Over Property and Equipment	Repeated as Finding 09-4
08-6	Accrual of Payroll Liabilities	Corrected
08-7	Interest Income Allocation	Corrected
08-8	Unallowable Costs Charged to Federal Programs	Repeated as Finding 09-5

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

The Regional Office of Education #48 for the County of Peoria provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year 2009 that ended on June 30, 2009. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements that follow.

2009 FINANCIAL HIGHLIGHTS

- Within the Governmental Funds, the General Fund revenues increased by \$66,423 from \$835,339 in fiscal year 2008 to \$901,762 in fiscal year 2009. General Fund expenditures increased by \$57,519 from \$854,511 in fiscal year 2008 to \$912,030 in fiscal year 2009. The majority of the revenue and expenditure increases are due to an increase in on-behalf payments to and from the State by the Regional Office.
- Within the Governmental Funds, the Special Revenue Fund revenue increased by \$777,939 from \$5,573,082 in fiscal year 2008 to \$6,351,021. The Special Revenue Fund expenditures increased by \$827,968 from \$5,586,037 in fiscal year 2008 to \$6,414,005 in fiscal year 2009. The majority of the revenue and expenditure increases are due to significant increases in both state and federal grant funds within the Education Fund and the subsequent increases in services provided in those specific areas by the Regional Office.

USING THIS REPORT

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office's financial activities.
- The government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the Regional Office of Education as a whole and present an overall view of the Office's finances.
- Fund financial statements report the Regional Office's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to the financial statements provide additional information that is needed for a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements and supplementary information provides detailed information for each category of funds and about the non-major funds.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

REPORTING THE OFFICE AS A WHOLE

The Statement of Net Assets and the Statement of Activities

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

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

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

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

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

The Office has three kinds of funds:

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

REPORTING THE OFFICE AS A WHOLE (CONTINUED)

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

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

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

- 3) Proprietary funds account for activities where the ROE charges customers for services. These funds are most similar to a business that operates for a profit. The ROE has one enterprise fund, the Local Workshops Fund.

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

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

OFFICE-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve, when examined over time, as one indicator of the financial position of the Regional Office. The net assets at the end of fiscal year 2009 totaled \$1,025,938. At the end of fiscal year 2008, the net assets were \$1,358,098. Net assets related to the Institute Fund are considered restricted for teacher professional development. The analysis that follows provides a summary of the Office's net assets as of June 30, 2009 and June 30, 2008, for the governmental and business-type activities.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

CONDENSED STATEMENT OF NET ASSETS

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Current assets	\$ 1,842,830	\$ 1,732,555	\$ 379,385	\$ 492,549	\$ 2,222,215	\$ 2,225,104
Capital assets	232,271	265,404	37,459	25,248	269,730	290,652
Total assets	<u>2,075,101</u>	<u>1,997,959</u>	<u>416,844</u>	<u>517,797</u>	<u>2,491,945</u>	<u>2,515,756</u>
Current liabilities	1,325,859	1,157,658	122,856	-	1,448,715	1,157,658
Noncurrent liabilities	-	-	17,292	-	17,292	-
Total liabilities	<u>1,325,859</u>	<u>1,157,658</u>	<u>140,148</u>	<u>-</u>	<u>1,466,007</u>	<u>1,157,658</u>
Net assets:						
Invested in capital assets, net of related debt	232,271	265,404	37,459	25,248	269,730	290,652
Unrestricted	473,035	498,526	239,237	492,549	712,272	991,075
Restricted for teacher professional development	43,936	76,371	-	-	43,936	76,371
Total net assets	<u>\$ 749,242</u>	<u>\$ 840,301</u>	<u>\$ 276,696</u>	<u>\$ 517,797</u>	<u>\$ 1,025,938</u>	<u>\$ 1,358,098</u>

The Peoria County Regional Office of Education's net assets decreased by \$332,160 from FY08. This significant decrease occurred primarily as a result of the ROE using its reserves to fund additional program expenses.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

CHANGES IN NET ASSETS

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues:						
Program revenues						
Charges for services	\$ -	\$ -	\$ 226,703	\$ 254,343	\$ 226,703	\$ 254,343
Operating grants and contributions	4,278,498	4,932,505	-	-	4,278,498	4,932,505
General revenues						
Local sources	677,764	412,430	-	-	677,764	412,430
State sources	1,504,289	401,152	-	-	1,504,289	401,152
Federal sources	63,702	-	-	-	63,702	-
Investment earnings (net of returns)	(19,329)	38,936	(16,426)	49,820	(35,755)	88,756
On behalf payments	728,530	662,334	-	-	728,530	662,334
Loss on disposal of assets	(6,885)	-	(1,490)	-	(8,375)	-
Interest expense	-	-	(666)	-	(666)	-
Transfers	34,655	13,622	(34,655)	(13,622)	-	-
Total revenues	\$ 7,261,224	\$ 6,460,979	\$ 173,466	\$ 290,541	\$ 7,434,690	\$ 6,751,520
Expenses:						
Program expenses						
Salaries and benefits	\$ 2,360,660	\$ 1,888,320	\$ 122,815	\$ 134,435	\$ 2,483,475	\$ 2,022,755
Purchased services	1,870,210	1,679,433	187,468	168,868	2,057,678	1,848,301
Supplies and materials	368,189	648,975	3,890	7,033	372,079	656,008
Payments to other governments	1,890,359	1,453,098	89,692	24,849	1,980,051	1,477,947
Capital outlay	-	-	-	-	-	-
Depreciation expense	105,240	107,646	10,137	6,834	115,377	114,480
Other objects	29,095	27,885	565	1,251	29,660	29,136
Administrative expenses						
On-behalf payments - Local	251,953	251,953	-	-	251,953	251,953
On-behalf payments - State	476,577	410,381	-	-	476,577	410,381
Total expenses	\$ 7,352,283	\$ 6,467,691	\$ 414,567	\$ 343,270	\$ 7,766,850	\$ 6,810,961
Change in net assets	\$ (91,059)	\$ (6,712)	\$ (241,101)	\$ (52,729)	\$ (332,160)	\$ (59,441)
Net assets beginning of year	840,301	847,013	517,797	570,526	1,358,098	1,417,539
Net assets end of year	\$ 749,242	\$ 840,301	\$ 276,696	\$ 517,797	\$ 1,025,938	\$ 1,358,098

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

Governmental Activities

Revenues for governmental activities were \$7,261,224 and expenses were \$7,352,283 for the year ended June 30, 2009. Revenues for governmental activities were \$6,460,979 and expenses were \$6,467,691 for the year ended June 30, 2008. These increases in revenues and expenditures are due primarily to increases in operating grants within the Education Fund and subsequent increases in services provided in those specific areas by the Regional Office.

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

As previously noted, the Peoria County Regional Office of Education #48 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency's Governmental Funds reported combined fund balances of \$516,971 at June 30, 2009 compared to fiscal year 2008's ending fund balance of \$574,897. The majority of this decrease is due to increases in over-all expenditures vs. revenues and the payback of interest earned on federal grants.

Budgetary Highlights

The Peoria County Regional Office of Education #48 annually adopts budgets for several funds. The Institute Fund Budget, the Direct Services Budget and the Special Funds Budget are prepared by the Regional Superintendent and serve as a guideline for activities and expenditures. The Regional Superintendent annually prepares an Office Operations Budget and submits it to the Peoria County Board for their approval. The Office Operations Budget covers a fiscal year that runs from January 1 to December 30. All grant budgets are prepared by the Peoria County Regional Office of Education #48 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Schedules showing the budget amounts compared to the Office's actual financial activity are included in the supplementary information of this report.

Capital Assets

Capital Assets of the Peoria County Regional Office of Education #48 include office equipment, computers, audio-visual equipment, and office furniture. The Peoria County Regional Office of Education #48 maintains an inventory of capital assets that have been accumulated over time. During the year ended June 30, 2009, Peoria County Regional Office of Education #48 purchased assets totaling \$102,830 and deleted assets totaling \$145,599, resulting in an ending balance of \$682,693. In addition, the Peoria County Regional Office of Education #48 has adopted a depreciation schedule that reflects the level of Net Governmental Activities Capital Assets. More detailed information about capital assets is available in Note 6 of the financial statements.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

Economic Factors and Next Year's Budget

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

- The interest rate on cash accounts has dropped significantly and will impact interest earned.
- The budget crisis and cash flow problems at the State level are beginning to impact timely grant payments to the Regional Office, thus potentially resulting in the borrowing of funds by the Regional Office to meet payroll and pay bills in FY'10.
- The Standards Aligned Classroom grant, worth \$300,000 has been totally eliminated for FY'10.
- The Coordination and Services grant, worth \$365,000 has been totally eliminated for FY'10.
- The General Operations grant has been reduced by a third, some \$35,000 for FY'10.
- 30 more schools serviced by the Regional Office have been cited as not making Annual Yearly Progress.
- The Regional Office has been notified that the large Pre-school For All (PFA) competitive grant will be fully funded again for FY'10.
- The Regional Office has been awarded \$1.3 million for FY'10 as the primary administrator and fiscal agent for the Illinois Virtual School grant project for the entire State of Illinois including Chicago.

Contacting the Regional Office's Financial Management

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



BASIC FINANCIAL STATEMENTS

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
STATEMENT OF NET ASSETS
JUNE 30, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 413,636	\$ -	\$ 413,636
Due (to) from other funds	(336,180)	336,180	-
Due from other governments:			
Local	33,302	43,205	76,507
State	1,283,119	-	1,283,119
Federal	448,953	-	448,953
Total Current Assets	<u>1,842,830</u>	<u>379,385</u>	<u>2,222,215</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	<u>232,271</u>	<u>37,459</u>	<u>269,730</u>
Total Noncurrent Assets	<u>232,271</u>	<u>37,459</u>	<u>269,730</u>
TOTAL ASSETS	<u>2,075,101</u>	<u>416,844</u>	<u>2,491,945</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	759,086	118,664	877,750
Lease payable	-	4,192	4,192
Due to other funds	-	-	-
Due to other governments:			
State	-	-	-
Deferred revenue	566,773	-	566,773
Total Current Liabilities	<u>1,325,859</u>	<u>122,856</u>	<u>1,448,715</u>
Noncurrent Liabilities:			
Lease payable	-	17,292	17,292
Total Noncurrent Liabilities	<u>-</u>	<u>17,292</u>	<u>17,292</u>
TOTAL LIABILITIES	<u>1,325,859</u>	<u>140,148</u>	<u>1,466,007</u>
NET ASSETS			
Invested in capital assets	232,271	37,459	269,730
Restricted for teacher professional development	43,936	-	43,936
Unrestricted	473,035	239,237	712,272
TOTAL NET ASSETS	<u>\$ 749,242</u>	<u>\$ 276,696</u>	<u>\$ 1,025,938</u>

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary Government:						
Governmental Activities:						
Instructional Services:						
Salaries and benefits	\$ 2,360,660	\$ -	\$ 2,100,467	\$ (260,193)	\$ -	\$ (260,193)
Purchased services	1,870,210	-	1,108,016	(762,194)	-	(762,194)
Supplies and materials	368,189	-	328,888	(39,301)	-	(39,301)
Other objects	29,095	-	1,130	(27,965)	-	(27,965)
Depreciation	105,240	-	-	(105,240)	-	(105,240)
Capital outlay	-	-	78,992	78,992	-	78,992
Payments to other governments	1,890,359	-	661,005	(1,229,354)	-	(1,229,354)
Administrative:						
On-behalf payments - Local	251,953	-	-	(251,953)	-	(251,953)
On-behalf payments - State	476,577	-	-	(476,577)	-	(476,577)
Total Governmental Activities	<u>7,352,283</u>	<u>-</u>	<u>4,278,498</u>	<u>(3,073,785)</u>	<u>-</u>	<u>(3,073,785)</u>
Business-type Activities:						
Local workshops	416,723	226,703	-	-	(190,020)	(190,020)
Total Business-type Activities	<u>416,723</u>	<u>226,703</u>	<u>-</u>	<u>-</u>	<u>(190,020)</u>	<u>(190,020)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 7,769,006</u>	<u>\$ 226,703</u>	<u>\$ 4,278,498</u>	<u>(3,073,785)</u>	<u>(190,020)</u>	<u>(3,263,805)</u>
GENERAL REVENUES:						
Local sources				677,764	-	677,764
State sources				1,504,289	-	1,504,289
Federal sources				63,702	-	63,702
On-behalf payments - Local				251,953	-	251,953
On-behalf payments - State				476,577	-	476,577
Loss on disposal of equipment				(6,885)	-	(6,885)
Investment earnings returned, net of earnings				(19,329)	(16,426)	(35,755)
Transfers				34,655	(34,655)	-
Total General Revenues and Transfers				<u>2,982,726</u>	<u>(51,081)</u>	<u>2,931,645</u>
CHANGE IN NET ASSETS				(91,059)	(241,101)	(332,160)
NET ASSETS - BEGINNING				840,301	517,797	1,358,098
NET ASSETS - ENDING				<u>\$ 749,242</u>	<u>\$ 276,696</u>	<u>\$ 1,025,938</u>

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	General Fund	Education Fund	Title II Co-op	Other NonMajor Funds	Eliminations	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 77,796	\$ 175,939	\$ -	\$ 159,901	\$ -	\$ 413,636
Due from other funds	34,996	312,977	102,534	-	(450,597)	(90)
Due from other governments:						
Local	-	16,083	-	17,219	-	33,302
State	19,516	1,263,603	-	-	-	1,283,119
Federal	-	448,953	-	-	-	448,953
TOTAL ASSETS	\$ 132,308	\$ 2,217,555	\$ 102,534	\$ 177,120	\$ (450,597)	\$ 2,178,920
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,454	\$ 757,632	\$ -	\$ -	\$ -	\$ 759,086
Due to other funds	42,707	743,967	-	13	(450,597)	336,090
Deferred revenue	-	566,773	-	-	-	566,773
Total Liabilities	44,161	2,068,372	-	13	(450,597)	1,661,949
Fund Balances:						
Unreserved, reported in:						
General fund	88,147	-	-	-	-	88,147
Special revenue funds	-	149,183	102,534	177,107	-	428,824
Total Fund Balances	88,147	149,183	102,534	177,107	-	516,971
TOTAL LIABILITIES AND FUND BALANCES	\$ 132,308	\$ 2,217,555	\$ 102,534	\$ 177,120	\$ (450,597)	\$ 2,178,920

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
JUNE 30, 2009

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 516,971
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>232,271</u>
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NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 749,242</u>
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The notes to the financial statements are an integral part of this statement.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	General Fund	Education Fund	Title II Co-op	Other NonMajor Funds	Eliminations	Total Governmental Funds
REVENUES						
Local sources	\$ 3,716	\$ 449,082	\$ 7,820	\$ 217,146	\$ -	\$ 677,764
State sources	169,516	2,691,627	-	2,200	-	2,863,343
Federal sources	-	2,983,146	-	-	-	2,983,146
On-behalf payments - Local	251,953	-	-	-	-	251,953
On-behalf payments - State	476,577	-	-	-	-	476,577
Total Revenues	<u>901,762</u>	<u>6,123,855</u>	<u>7,820</u>	<u>219,346</u>	<u>-</u>	<u>7,252,783</u>
EXPENDITURES						
Instructional Services						
Salaries and benefits	93,101	2,265,514	-	2,045	-	2,360,660
Purchased services	54,409	1,608,072	4,145	203,584	-	1,870,210
Supplies and materials	13,376	342,537	-	12,276	-	368,189
Other objects	13,357	15,323	-	415	-	29,095
Payments to other governments	-	1,890,359	-	-	-	1,890,359
On-behalf payments - Local	251,953	-	-	-	-	251,953
On-behalf payments - State	476,577	-	-	-	-	476,577
Capital outlay	9,257	69,735	-	-	-	78,992
Total Expenditures	<u>912,030</u>	<u>6,191,540</u>	<u>4,145</u>	<u>218,320</u>	<u>-</u>	<u>7,326,035</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(10,268)</u>	<u>(67,685)</u>	<u>3,675</u>	<u>1,026</u>	<u>-</u>	<u>(73,252)</u>
OTHER FINANCING SOURCES (USES)						
Transfer in	-	87,322	-	-	(52,667)	34,655
Transfer out	(42,707)	(5,270)	(4,690)	-	52,667	-
Interest income	1,025	5,692	1,110	1,832	-	9,659
Interest returned	-	(28,988)	-	-	-	(28,988)
Net Other Sources and Uses of Financing Resources	<u>(41,682)</u>	<u>58,756</u>	<u>(3,580)</u>	<u>1,832</u>	<u>-</u>	<u>15,326</u>
NET CHANGE IN FUND BALANCES	<u>(51,950)</u>	<u>(8,929)</u>	<u>95</u>	<u>2,858</u>	<u>-</u>	<u>(57,926)</u>
FUND BALANCES - BEGINNING	<u>140,097</u>	<u>158,112</u>	<u>102,439</u>	<u>174,249</u>	<u>-</u>	<u>574,897</u>
FUND BALANCES - ENDING	<u>\$ 88,147</u>	<u>\$ 149,183</u>	<u>\$ 102,534</u>	<u>\$ 177,107</u>	<u>\$ -</u>	<u>\$ 516,971</u>

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

NET CHANGE IN FUND BALANCES \$ (57,926)

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

Governmental funds report capital outlays as expenditures. However,
 in the Statement of Activities the cost of those assets is allocated over
 their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 78,992	
Depreciation expense	(105,240)	
Loss on disposal of equipment	<u>(6,885)</u>	<u>(33,133)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (91,059)

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2009

	Business-Type Activities - Enterprise Fund Local Workshops	Totals
ASSETS		
Current assets:		
Due from other governments - Local	\$ 43,205	\$ 43,205
Due from other funds	366,416	366,416
Total Current Assets	409,621	409,621
Noncurrent assets:		
Capital assets, net of accumulated depreciation	37,459	37,459
Total Noncurrent Assets	37,459	37,459
 TOTAL ASSETS	 447,080	 447,080
LIABILITIES		
Current liabilities:		
Accounts payable	118,664	118,664
Lease payable	4,192	4,192
Due to other funds	30,236	30,236
Due to other governments - Local	-	-
Total Current Liabilities	153,092	153,092
Noncurrent liabilities:		
Lease payable, net of current	17,292	17,292
Total Noncurrent Liabilities	17,292	17,292
 TOTAL LIABILITIES	 170,384	 170,384
NET ASSETS		
Invested in capital assets	37,459	37,459
Unrestricted	239,237	239,237
 TOTAL NET ASSETS	 \$ 276,696	 \$ 276,696

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Business-Type Activities - Enterprise Fund Local Workshops</u>	<u>Totals</u>
OPERATING REVENUES		
Charges for services	\$ 226,703	\$ 226,703
Total Operating Revenues	<u>226,703</u>	<u>226,703</u>
OPERATING EXPENSES		
Salaries and benefits	122,815	122,815
Purchased services	187,468	187,468
Supplies and materials	3,890	3,890
Payments to other governments	89,692	89,692
Other objects	565	565
Depreciation	10,137	10,137
Total Operating Expenses	<u>414,567</u>	<u>414,567</u>
OPERATING INCOME (LOSS)	<u>(187,864)</u>	<u>(187,864)</u>
NONOPERATING REVENUE		
Interest returned	(16,426)	(16,426)
Loss on disposal of equipment	(1,490)	(1,490)
Total Nonoperating Revenue	<u>(17,916)</u>	<u>(17,916)</u>
Income (Loss) Before Other Financing Sources (Uses)	<u>(205,780)</u>	<u>(205,780)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	2,013	2,013
Transfers out	(36,668)	(36,668)
Interest expense	(666)	(666)
Total Other Financing Sources and (Uses)	<u>(35,321)</u>	<u>(35,321)</u>
CHANGE IN NET ASSETS	(241,101)	(241,101)
TOTAL NET ASSETS - BEGINNING	<u>517,797</u>	<u>517,797</u>
TOTAL NET ASSETS - ENDING	<u>\$ 276,696</u>	<u>\$ 276,696</u>

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
STATEMENT OF CASH FLOW
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Business-Type Activities— Enterprise Fund</u>	
	<u>Local Workshops</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 227,074	\$ 227,074
Payments to suppliers and providers of goods and services	(162,951)	(162,951)
Payments to employees	<u>(122,815)</u>	<u>(122,815)</u>
Net Cash (Used for) Operating Activities	<u>(58,692)</u>	<u>(58,692)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on lease obligations	(2,354)	(2,354)
Interest paid on lease obligations	<u>(666)</u>	<u>(666)</u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(3,020)</u>	<u>(3,020)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest returned from investments	<u>(16,426)</u>	<u>(16,426)</u>
Net Cash (Used for) Investing Activities	<u>(16,426)</u>	<u>(16,426)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash transfer from other funds	2,013	2,013
Cash transfer to other funds	(36,668)	(36,668)
Change in due to/due from other funds	<u>(336,180)</u>	<u>(336,180)</u>
Net Cash (Used for) Noncapital Financing Activities	<u>(370,835)</u>	<u>(370,835)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(448,973)	(448,973)
CASH AND CASH EQUIVALENTS - BEGINNING	<u>448,973</u>	<u>448,973</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating income (loss)	\$ (187,864)	\$ (187,864)
Adjustments to reconcile operating (loss) to net cash provided by (used for) operating activities:		
Depreciation	10,137	10,137
Change in assets and liabilities:		
Decrease in due from other governments	371	371
Increase in accounts payable	<u>118,664</u>	<u>118,664</u>
NET CASH (USED FOR) OPERATING ACTIVITIES	<u>\$ (58,692)</u>	<u>\$ (58,692)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Capital lease acquisitions	<u>\$ 23,838</u>	<u>\$ 23,838</u>

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
JUNE 30, 2009

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 13,109
Due from other governments	1,418
TOTAL ASSETS	<u>\$ 14,527</u>
LIABILITIES	
Due to other governments	<u>\$ 14,527</u>

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In 2009, the Regional Office of Education #48 implemented Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*; GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. The Regional Office of Education #48 implemented these standards during the current year; however, GASB No. 49, 52, 55, and 56 had no impact on the financial statements.

A. FINANCIAL REPORTING ENTITY

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

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Peoria County Regional Office of Education #48's districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry 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.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. FINANCIAL REPORTING ENTITY (Concluded)

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

For the period ended June 30, 2009, the Peoria County Regional Office of Education #48 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Peoria County Regional Office of Education #48. Such activities are reported as a single special revenue fund (Education Fund).

B. SCOPE OF THE REPORTING ENTITY

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

The Peoria County Regional Office of Education #48 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Peoria County Regional Office of Education #48, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Peoria County Regional Office of Education #48 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Peoria County Regional Office of Education #48 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Peoria County Regional Office of Education #48 is not aware of any entity, which would exercise such oversight as to result in the Peoria County Regional Office of Education #48 being considered a component unit of the entity.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Peoria County Regional Office of Education #48's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Peoria County Regional Office of Education #48 has one business-type activity which is the Local Workshop Fund, which accounts for fees charged for various workshops and conferences that provide staff development for educators in central and west central Illinois.

The Peoria County Regional Office of Education #48's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of governmental and business-type activities for the Peoria County Regional Office of Education #48 accompanied by a total column. These statements are presented on an "economic resources" measurement as prescribed by GASB Statement No. 34. All of the Peoria County Regional Office of Education #48's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services, and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet and proprietary fund Statement of Net Assets and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and on the proprietary fund Statement of Revenues, Expenses and Changes in Fund Net Assets. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

E. GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

The governmental funds financial statements focus on the measurement of spending or "financial flow" and the determination of changes in financial position, rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Peoria County Regional Office of Education #48; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict the guidance of the Governmental Accounting Standards Board.

Under the provision of GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Peoria County Regional Office of Education #48 applies all GASB pronouncements and has elected to apply only the pronouncements issued on or before November 30, 1989 for the following: Statements and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

Under the terms of grant agreements, Peoria County Regional Office of Education #48 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is the Peoria County Regional Office of Education #48's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

G. FUND ACCOUNTING

The Peoria County Regional Office of Education #48 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Peoria County Regional Office of Education #48 uses governmental, proprietary, and fiduciary funds.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are reported. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as a fund balance.

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and 2) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Peoria County Regional Office of Education #48 has presented all major funds that met the above qualifications. The Peoria County Regional Office of Education #48 reports the following major governmental funds:

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

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

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

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

Major Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary or major capital projects) that are restricted to expenditures for specified purposes. Major special revenue funds include the following:

Education - The Education Fund includes proceeds for various grants supporting education enhancement programs as follows:

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

Upward Generated and SOS (formerly Secretary of State Literacy) - To account for local monies received to promote adult literacy.

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

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

Peoria County (formerly Peoria City/Schools Education Liason) - To account for monies received to support and enhance the education of the citizenry of Peoria

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

Title I School Improvement and Accountability - To account for monies received from the State (federal dollars) to support school improvement services for Title I schools in academic difficulty.

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

Title I Reading First Part B SEA (formerly Reading First) - To account for monies received from the State (federal dollars) for expenditures incurred providing reading assistance to Reading First districts and buildings.

Coordination and Services Grant - To account for monies received from the State to support school improvement services for schools in academic difficulty.

Mathematics and Science Partnership - To account for monies received from the State (federal dollars) for expenditures incurred providing math/science grant workshops and services.

Special Education – IDEA Part D - To account for monies received from the State (federal dollars) for expenditures incurred to combine professional development in response to intervention, standards aligned classroom, and reading literacy to improve intervention with children.

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

Illinois Department of Public Health - To account for monies received from the State for expenditures incurred in providing teachers with information about asthma.

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Socially Emotional Learning - To account for monies received to identify and implement teams that will develop a framework for the integration of SEL Standards and other mental health initiatives.

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

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

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

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

Illinois Virtual Schools – To account for monies received to engage in a partnership to guide the transformation of the Illinois Virtual High School (IVHS) into the Illinois Virtual School (IVS). IVS is intended to expand the number of traditional students served, expand the grade levels to include grades 5 through 8, operate in an “anywhere, anytime” mode, and serve nontraditional students. The IVS will also expand professional development options available to Illinois teachers for certificate renewal process.

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

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

ARRA - General State Aid - Sec 18-8 – This program is used to account for grant monies received for, and payment of, expenditures related to any educational purposes consistent with state and local requirements subject to the American Reinvestment and Recovery Act (ARRA) and other applicable federal requirements.

Learning Technology Center - To account for monies received from the State of Illinois for expenditures incurred in providing a technology support system for Regional Offices of Education in 20 surrounding counties. The following accounts are included in the Learning Technology Center:

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

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

Education Technology Competitive Grant - To account for monies received to provide staff development and resources to area educators.

Title II Co-op (formerly Local Math and Science Cooperative) – To account for monies spent to enhance math and science instruction within participating schools.

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

Nonmajor Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary or major capital projects) that are restricted to expenditures for specified purposes. Nonmajor special revenue funds include the following:

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

Arts Opportunities - To account for contributions received and related to expenditures for the art opportunities program.

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.

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

Hospital Tutoring - State laws require that hospitalized students receive tutoring. To handle 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.

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.

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

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

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Concluded)

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

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

PROPRIETARY FUNDS

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

Enterprise Fund – The Regional Office of Education’s enterprise fund is the Local Workshops Fund. This fund is used to account for the various fees charged for local workshops that provide professional development to area educators.

FIDUCIARY FUNDS

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

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

Central Illinois Science Educators (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.

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

H. NET ASSETS

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. NET ASSETS (Concluded)

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

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

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

I. CASH AND CASH EQUIVALENTS

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

J. INVENTORY

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

K. 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

L. 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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

L. COMPENSATED ABSENCES (Concluded)

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.

M. 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.

N. BUDGET INFORMATION

The Peoria County Regional Office of Education #48 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Fund. Certain programs have separate budgets and are required to report to the Illinois State Board of Education, however, none of the annual budgets have been legally adopted nor are they required to do so. Comparisons of budgeted and actual results are presented as supplemental information.

Budgetary comparison schedules have been provided in supplementary schedules for the following funds: ROE/ISC Operations, Adult Education Basic, Adult Education Performance, Upward SOS, Communities for Youth and Truants Alternative, McKinney-Vento Education for Homeless Children and Youth, Learn and Serve America, Learning Technology Center General Operations, Title I School Improvement and Accountability, Title II Teacher Quality Leadership, Title I Reading First Part B SEA, Coordination and Services Grant, Special Education – IDEA Part D, and Preschool for All Children.

NOTE 2 – DEPOSITS AND INVESTMENTS

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 2 – DEPOSITS AND INVESTMENTS (Concluded)

A. DEPOSITS

At June 30, 2009, the carrying amount of the Peoria County Regional Office of Education #48's government-wide and Agency fund deposits were \$413,636 and \$13,109, respectively, and the bank balances were \$818,821 and \$13,109, respectively. Of the total bank balances as of June 30, 2009, \$394,666 was secured by federal depository insurance and \$437,264 was collateralized by securities pledged by the Peoria County Regional Office of Education #48's financial institution on behalf of the Regional Office.

B. INVESTMENTS

The Peoria County Regional Office of Education #48 does not have a formal investment policy but requires that funds be invested solely in investments authorized by the Public Funds Investment Act, 30 ILCS 235/2. As of June 30, 2009, the Peoria County Regional Office of Education #48 had investments with a carrying and fair value of \$424,155 invested in the Illinois School District Liquid Asset Fund Plus.

CREDIT RISK

At June 30, 2009, the Illinois School District Liquid Asset Fund Plus (ISDLAF+) had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. The investment advisor for ISDLAF+ is a corporation organized under the laws of the State of Illinois and is registered with the Securities and Exchange Commission. All investments are fully collateralized.

INTEREST RATE RISK

The Illinois School District Liquid Asset Fund Plus enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. The investment policy of the Illinois School District Liquid Asset Fund Plus limits that the average dollar-weighted portfolio maturity to sixty days or less and states that money market instruments must have a maximum remaining maturity of one year except for U.S. government obligations which may have remaining maturities up to two years.

CONCENTRATION OF CREDIT RISK

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009

NOTE 3 – DEFINED BENEFIT PENSION PLAN

Plan Description. The Regional Office of Education #48’s defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #48’s plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois.

IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

Funding Policy. As set by statute, the Peoria County Regional Office of Education #48’s Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2008 was 4.27 percent of annual covered payroll. The Peoria County Regional Office of Education #48 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For 2008, the Peoria County Regional Office of Education #48’s annual pension cost of \$14,023 was equal to the Peoria County Regional Office of Education #48’s required and actual contributions.

A. TREND INFORMATION

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contribution</u>	<u>Net Pension Obligation</u>
12/31/08	14,023	100%	\$0
12/31/07	12,326	100%	0
12/31/06	1,435	100%	0

The required contribution for 2008 was determined as part of the December 31, 2006, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, included a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00% a year, attributable to inflation, c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Peoria County Regional Office of Education #48’s Regular plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006, was 5 years.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Concluded)

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 84.49 percent funded. The actuarial accrued liability for benefits was \$280,948 and the actuarial value of assets was \$237,383, resulting in an underfunded actuarial accrued liability (UAAL) of \$43,565. The covered payroll (annual payroll of active employees covered by the plan) was \$328,417 and the ratio of the UAAL to the covered payroll was 13 percent.

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

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

The Peoria County Regional Office of Education #48 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2009, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4% for the years ended June 30, 2008 and 2007. In addition, virtually all members pay a contribution to the Teacher's Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not part of this retirement plan. The employer THIS Fund contribution was 0.63 percent during the year ended June 30, 2009, and the member THIS Fund health insurance contribution was 0.84 percent.

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

On behalf contributions. The State of Illinois makes employer pension contributions on behalf of the Peoria County Regional Office of Education #48. For the year ended June 30, 2009, State of Illinois contributions were based on 17.08 percent of creditable earnings not paid from federal funds, and the Peoria County Regional Office of Education #48 recognized revenue and expenditures of \$251,417 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2008 and June 30, 2007, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 13.11 percent (\$174,614) and 9.78 percent (\$106,785), respectively. The state contributions to TRS for the year ended June 30, 2009 and 2008 were based

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

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

on an actuarial formula. The state contributions to TRS for the years ended June 30, 2007 were based on dollar amounts specified by the statute and were not actuarially determined.

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

2.2 formula contributions. Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. Contributions for the year ended June 30, 2009 were \$9,952. Contributions for the years ending June 30, 2008 and June 30, 2007, were \$7,732 and \$6,333, respectively.

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

For the year ended June 30, 2009, the employer pension contribution was 17.08 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2008 and 2007, the employer pension contribution was 13.11 and 9.78 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2009 salaries totaling \$75,623 were paid from federal and special trust funds that required employer contributions of \$12,916. For the years ended June 30, 2008 and June 30, 2007, required Peoria County Regional Office of Education #48 contributions were \$10,486 and \$6,802, respectively.

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

Under Public Act 94-0004, a “Pipeline ERO” program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007. If members do not meet these conditions, they can retire under the “Modified ERO” program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies for the Pipeline ERO).

Under the ERO program that expired on June 30, 2005 and the Pipeline ERO, the maximum employer contribution is 100 percent of the member’s highest salary used in the final average salary calculation. Under the Modified ERO, the maximum employer contribution is 117.5

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

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

percent. Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement. For the years ended June 30, 2009, 2008, and 2007 the Peoria County Regional Office of Education #48 paid no employer contributions to TRS under the Pipeline ERO and Modified ERO programs.

- **Salary increases over 6 percent and excess sick leave.** Public Act 94-0004 added two new employer contributions to TRS. If the Peoria County Regional Office of Education #48 grants salary increases over 6 percent and those salaries are used to calculate a retiree’s final average salary, the Peoria County Regional Office of Education #48 makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increase of up to 6 percent. For the years ended June 30, 2009, 2008, and 2007 the Peoria County Regional Office of Education #48 paid no employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent.

If the Peoria County Regional Office of Education #48 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the Peoria County Regional Office of Education #48 makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.67 percent of salary during the year ended June 30, 2009.) For the years ended June 30, 2009, 2008, and 2007 the Peoria County Regional Office of Education #48 paid no employer contributions to TRS for sick leave days granted in the excess of the normal annual allotment.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and State funding requirements can be found in the TRS Comprehensive Annual Financial Report for year ended June 30, 2008. The report for the year ended June 30, 2009, is expected to be available in late 2009. The reports may be obtained by writing to the Teachers’ Retirement System of the State of Illinois, PO Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov.

NOTE 5 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2009 consist of the following individual due to/from other funds in the governmental fund balance sheet. The balances between governmental funds were eliminated in the government-wide Statement of Net Assets.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009

NOTE 5 – INTERFUND ACTIVITY (Concluded)

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Education Fund	\$ 312,977	\$ 743,967
General Fund	34,996	42,707
Title II Co-op	102,534	-
Nonmajor Special Revenue Fund	-	13
Proprietary Fund	<u>366,416</u>	<u>30,236</u>
Totals	<u>\$ 816,923</u>	<u>\$ 816,923</u>

TRANSFERS

Interfund transfer in/out to other fund balances at June 30, 2009 consist of the following individual transfers in/out to other funds in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

	<u>Transfer Out</u>	<u>Transfer In</u>
General Fund	\$ 42,707	\$ -
Education Fund	5,270	87,322
Title II Co-op	4,690	-
Proprietary Fund	<u>36,668</u>	<u>2,013</u>
Totals	<u>\$ 89,335</u>	<u>\$ 89,335</u>

NOTE 6 – CAPITAL ASSET ACTIVITY

In accordance with GASB Statement No. 34, the Peoria County Regional Office of Education #48 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2009:

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 6 – CAPITAL ASSET ACTIVITY (Concluded)

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
Governmental Activities:				
<u>Education Fund</u>				
Learning Technology Center	\$ 224,371	\$ 37,208	\$ (45,995)	\$ 215,584
Two Rivers	463,589	34,381	(95,307)	402,663
Adult Education	1,642	-	(1,642)	-
Illinois Virtual Schools	<u>-</u>	<u>7,403</u>	<u>-</u>	<u>7,403</u>
Governmental Activities Total Assets	689,602	78,992	(142,944)	625,650
Less Accumulated Depreciation	<u>(424,198)</u>	<u>(105,240)</u>	<u>136,059</u>	<u>(393,379)</u>
Governmental Activities Investment in Capital Assets, Net	<u>\$ 265,404</u>	<u>\$ (26,248)</u>	<u>\$ (6,885)</u>	<u>\$ 232,271</u>
	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
Business-type Activities:				
Local Workshops	<u>\$ 35,860</u>	<u>\$ 23,838</u>	<u>\$ (2,655)</u>	<u>\$ 57,043</u>
Business-type Activities Total Assets	35,860	23,838	(2,655)	57,043
Less Accumulated Depreciation	<u>(10,612)</u>	<u>(10,137)</u>	<u>1,165</u>	<u>(19,584)</u>
Business-type Activities Investment in Capital Assets, Net	<u>\$ 25,248</u>	<u>\$ 13,701</u>	<u>\$ (1,490)</u>	<u>\$ 37,459</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, 2009 of \$105,240 and \$10,137 was charged to the governmental activities and the business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009

NOTE 7 – RISK MANAGEMENT

The Peoria County Regional Office of Education #48 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Peoria County Regional Office of Education #48 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

NOTE 8 – OPERATING LEASE

Two Rivers Professional Development Center has two individual lease agreements for their office space at a monthly rent of \$4,851. Each lease is for a period of one year and is renewed on an annual basis. Two Rivers added a lease on June 1, 2009 for additional office space. This lease expires on May 30, 2010. The monthly rent for this lease is \$1,975.

During the year ended June 30, 2009, rentals under lease obligations were \$60,187.

Future minimum rentals for the year ending June 30 are:

Year Ending June 30,	<u>Amount</u>
2010	\$ 21,725

NOTE 9 – ON BEHALF PAYMENTS

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

Regional Superintendent Salary	\$ 100,762
Assistant Regional Superintendent Salary	90,686
Regional Superintendent Fringe Benefit (Includes State paid insurance)	18,276
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)	15,436
TRS Pension contributions	<u>251,417</u>
Total	<u>\$ 476,577</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.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009

NOTE 9 – ON BEHALF PAYMENTS (Concluded)

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

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

Salaries and Benefits	\$ 206,171
Office Expenses	<u>45,782</u>
 Total	 <u>\$ 251,953</u>

NOTE 10 – DUE TO/FROM OTHER GOVERNMENTS

The Peoria County Regional Office of Education #48's Proprietary Fund and various grant programs have funds due from various other governmental units which consist of the following:

Due From Other Governments:

<u>Education Fund</u>	
Illinois State Board of Education	\$1,263,603
Local Governments	16,083
Federal Government	448,953
<u>General Fund</u>	
State Governments	19,516
<u>Other Nonmajor Funds</u>	
Local Governments	17,219
<u>Proprietary Fund</u>	
Local Sources	<u>43,205</u>
 Total	 <u>\$1,808,579</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2009

NOTE 11 – CAPITAL LEASES

In November of 2008, the Peoria County Regional Office of Education #48 entered into a capital lease for the acquisition of a copier/printer at a cost of \$23,838. The debt service for the capital lease is:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 4,192	\$ 979
2011	4,407	765
2012	4,632	539
2013	4,869	302
2014	<u>3,384</u>	<u>64</u>
Total	<u>\$21,484</u>	<u>\$ 2,649</u>

NOTE 12 – DEFICIT FUND BALANCES

Lincoln Senior Award carried a deficit fund balance of \$13 as of June 30, 2009. The Regional Office of Education #48 intends to reduce this deficit by soliciting more donations for the scholarship.

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF FUNDING PROGRESS
 (UNAUDITED)
 JUNE 30, 2009

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/08	\$ 237,383	\$ 280,948	\$ 43,565	84.49%	\$ 328,417	13.27%
12/31/07	225,917	233,778	7,861	96.64%	245,061	3.21%
12/31/06	215,215	180,267	(34,948)	119.39%	157,715	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2008 is \$196,856. On a market basis, the funded ratio would be 70.07%.

* Digest of changes

The actuarial assumptions used to determine the actuarial accrued liability for 2008 are based on the 2005-2007 Experience Study.

OTHER SUPPLEMENTAL INFORMATION

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2009

	Administrative Interest Fund	ROE/ISC Operations	ROE Local Fund	TOTALS
ASSETS				
Cash and cash equivalents	\$ 270	\$ 36,206	\$ 41,320	\$ 77,796
Due from other funds	-	-	34,996	34,996
Due from other governments				
State	-	19,516	-	19,516
TOTAL ASSETS	\$ 270	\$ 55,722	\$ 76,316	\$ 132,308
LIABILITIES				
Accounts payable	-	1,454	-	\$ 1,454
Due to other funds	-	-	42,707	42,707
TOTAL LIABILITIES	-	1,454	42,707	44,161
FUND BALANCES				
Unreserved	270	54,268	33,609	88,147
TOTAL LIABILITIES AND FUND BALANCES	\$ 270	\$ 55,722	\$ 76,316	\$ 132,308

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2009

	Administrative Interest Fund	ROE/ISC Operations	ROE Local Fund	TOTALS
REVENUES				
Local sources	\$ 3,716	\$ -	\$ -	\$ 3,716
State sources	-	169,516	-	169,516
On-behalf payments - Local	-	-	251,953	251,953
On-behalf payments -State	-	-	476,577	476,577
Total Revenues	<u>3,716</u>	<u>169,516</u>	<u>728,530</u>	<u>901,762</u>
EXPENDITURES				
Salaries and benefits	-	93,101	-	93,101
Purchased services	398	54,011	-	54,409
Supplies and materials	-	13,376	-	13,376
Other objects	13,357	-	-	13,357
Capital outlay	-	9,257	-	9,257
On-behalf payments - Local	-	-	251,953	251,953
On-behalf payments -State	-	-	476,577	476,577
Total Expenditures	<u>13,755</u>	<u>169,745</u>	<u>728,530</u>	<u>912,030</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(10,039)</u>	<u>(229)</u>	<u>-</u>	<u>(10,268)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(42,707)	(42,707)
Interest income	67	235	723	1,025
Interest returned	-	-	-	-
Total Other Financing Sources (Uses)	<u>67</u>	<u>235</u>	<u>(41,984)</u>	<u>(41,682)</u>
NET CHANGE IN FUND BALANCES	<u>(9,972)</u>	<u>6</u>	<u>(41,984)</u>	<u>(51,950)</u>
FUND BALANCES - BEGINNING	<u>10,242</u>	<u>54,262</u>	<u>75,593</u>	<u>140,097</u>
FUND BALANCES - ENDING	<u>\$ 270</u>	<u>\$ 54,268</u>	<u>\$ 33,609</u>	<u>\$ 88,147</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2008 to June 30, 2009)
 GENERAL FUND ACCOUNTS
 ROE/ISC OPERATIONS
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 169,516	\$ 169,516	\$ 169,516
Total Revenue	<u>169,516</u>	<u>169,516</u>	<u>169,516</u>
EXPENDITURES			
Salaries and benefits	103,400	93,400	93,101
Purchased services	54,716	60,022	54,011
Supplies and materials	11,000	13,404	13,376
Capital outlay	-	2,525	9,257
Other objects	400	165	-
Total Expenditures	<u>169,516</u>	<u>169,516</u>	<u>169,745</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(229)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	235
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>235</u>
NET CHANGE IN FUND BALANCE	-	-	6
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>54,262</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,268</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2009

	Adult Education Basic	Adult Education Performance	Upward Generated	Upward SOS	Communities for Youth Truants Alternative	McKinney-Vento Education for Homeless Children and Youth	Peoria County
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ 4,589	\$ 36	\$ -	\$ 3	\$ -
Due from other funds	-	-	-	-	-	-	-
Due from other governments							
Local	-	-	331	-	-	-	475
State	6,094	6,556	-	-	85,359	-	-
Federal	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 6,094	\$ 6,556	\$ 4,920	\$ 36	\$ 85,359	\$ 3	\$ 475
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	6,094	6,556	-	-	85,359	-	475
Deferred revenue	-	-	-	36	-	3	-
TOTAL LIABILITIES	6,094	6,556	-	36	85,359	3	475
FUND BALANCES							
Unreserved	-	-	4,920	-	-	-	-
Total Fund Balance	-	-	4,920	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 6,094	\$ 6,556	\$ 4,920	\$ 36	\$ 85,359	\$ 3	\$ 475

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2009

	Learn and Serve America	Learning Technology Center General Operations	Technical Training and Support	Illinois Virtual School	Education Technology Competitive Grant	Title I School Improvement and Accountability	Title II Teacher Quality Leadership
ASSETS							
Cash and cash equivalents	\$ 2,083	\$ -	\$ 44,936	\$ -	\$ 406	\$ -	\$ 34,996
Due from other funds	-	-	-	-	-	-	18,068
Due from other governments							
Local	-	-	2,370	-	-	-	-
State	-	144,244	-	222,608	-	-	-
Federal	-	-	-	-	-	245,298	6,541
TOTAL ASSETS	\$ 2,083	\$ 144,244	\$ 47,306	\$ 222,608	\$ 406	\$ 245,298	\$ 59,605
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ 122,690	\$ -	\$ 32,005	\$ 59,605
Due to other funds	-	55,470	-	99,918	-	213,293	-
Deferred revenue	2,083	-	-	-	-	-	-
TOTAL LIABILITIES	2,083	55,470	-	222,608	-	245,298	59,605
FUND BALANCES							
Unreserved	-	88,774	47,306	-	406	-	-
Total Fund Balance	-	88,774	47,306	-	406	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,083	\$ 144,244	\$ 47,306	\$ 222,608	\$ 406	\$ 245,298	\$ 59,605

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2009

	Title I Reading First Part B SEA	Coordination and Services Grant	Mathematics and Science Partnership	Special Education - IDEA Part D	Aspire	Illinois Department of Public Health	Socially Emotional Learning
ASSETS							
Cash and cash equivalents	\$ 8,304	\$ -	\$ 14,172	\$ -	\$ -	\$ 1,024	\$ 40,220
Due from other funds	42,707	151,631	23,903	69,968	-	-	-
Due from other governments							
Local	-	-	-	-	12,907	-	-
State	-	100,000	-	-	-	-	-
Federal	92,851	-	-	6,085	-	-	-
TOTAL ASSETS	<u>\$ 143,862</u>	<u>\$ 251,631</u>	<u>\$ 38,075</u>	<u>\$ 76,053</u>	<u>\$ 12,907</u>	<u>\$ 1,024</u>	<u>\$ 40,220</u>
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts payable	\$ 104,540	\$ 96,333	\$ -	\$ 58,182	\$ 250	\$ -	\$ 5,667
Due to other funds	39,322	-	-	-	4,880	-	-
Deferred revenue	-	155,298	38,075	17,871	-	1,024	34,553
TOTAL LIABILITIES	<u>143,862</u>	<u>251,631</u>	<u>38,075</u>	<u>76,053</u>	<u>5,130</u>	<u>1,024</u>	<u>40,220</u>
FUND BALANCES							
Unreserved	-	-	-	-	7,777	-	-
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,777</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 143,862</u>	<u>\$ 251,631</u>	<u>\$ 38,075</u>	<u>\$ 76,053</u>	<u>\$ 12,907</u>	<u>\$ 1,024</u>	<u>\$ 40,220</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2009

	Preschool for All Children	Standard Aligned Classroom Statewide Prof. Develop.	Principal Mentoring	Gifted Education	Beginning Teacher Induction	State Implementation and Scaling Up of Evidence Based Practices	Transportation Career Cluster
ASSETS							
Cash and cash equivalents	\$ 11,173	\$ 13,762	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	6,700	-	-	-	-	-
Due from other governments							
Local	-	-	-	-	-	-	-
State	306,464	-	14,997	100,202	61,829	215,250	-
Federal	-	22,141	-	-	-	-	76,037
TOTAL ASSETS	\$ 317,637	\$ 42,603	\$ 14,997	\$ 100,202	\$ 61,829	\$ 215,250	\$ 76,037
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts payable	\$ 25,277	\$ 8,120	\$ 14,676	\$ -	\$ 15	\$ 154,000	\$ 76,037
Due to other funds	171,029	-	321	-	-	61,250	-
Deferred revenue	121,331	34,483	-	100,202	61,814	-	-
TOTAL LIABILITIES	317,637	42,603	14,997	100,202	61,829	215,250	76,037
FUND BALANCES							
Unreserved	-	-	-	-	-	-	-
Total Fund Balance	-	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 317,637	\$ 42,603	\$ 14,997	\$ 100,202	\$ 61,829	\$ 215,250	\$ 76,037

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2009

	Consortium for Educational Change	General State Aid	Regional Safe Schools	ARRA General State Aid	Peoria Promise Foundation	TOTAL
ASSETS						
Cash and cash equivalents	\$ 235	\$ -	\$ -	\$ -	\$ -	\$ 175,939
Due from other funds	-	-	-	-	-	312,977
Due from other governments						
Local	-	-	-	-	-	16,083
State	-	-	-	-	-	1,263,603
Federal	-	-	-	-	-	448,953
TOTAL ASSETS	\$ 235	\$ -	\$ -	\$ -	\$ -	\$ 2,217,555
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts payable	\$ 235	\$ -	\$ -	\$ -	\$ -	\$ 757,632
Due to other funds	-	-	-	-	-	743,967
Deferred revenue	-	-	-	-	-	566,773
TOTAL LIABILITIES	235	-	-	-	-	2,068,372
FUND BALANCES						
Unreserved	-	-	-	-	-	149,183
Total Fund Balance	-	-	-	-	-	149,183
TOTAL LIABILITIES AND FUND BALANCE	\$ 235	\$ -	\$ -	\$ -	\$ -	\$ 2,217,555

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2009

	Adult Education Basic	Adult Education Performance	Upward Generated	Upward SOS	Communities for Youth Truants Alternative	McKinney-Vento Education for Homeless Children and Youth	Peoria County
REVENUES							
Local sources	\$ -	\$ -	\$ 343	\$ -	\$ 26,669	\$ -	\$ 1,166
State sources	26,970	28,450	-	59,993	212,912	-	-
Federal sources	27,167	-	-	-	-	53,247	-
Total Revenue	<u>54,137</u>	<u>28,450</u>	<u>343</u>	<u>59,993</u>	<u>239,581</u>	<u>53,247</u>	<u>1,166</u>
EXPENDITURES							
Salaries and benefits	47,322	21,820	-	49,808	226,542	48,692	1,166
Purchased services	6,050	6,630	34	9,573	11,342	1,439	-
Supplies and materials	720	-	-	857	1,707	3,118	-
Other objects	45	-	356	149	-	-	-
Payments to other governments	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total Expenditures	<u>54,137</u>	<u>28,450</u>	<u>390</u>	<u>60,387</u>	<u>239,591</u>	<u>53,249</u>	<u>1,166</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(47)</u>	<u>(394)</u>	<u>(10)</u>	<u>(2)</u>	<u>-</u>
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Transfer in	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-
Interest income	-	-	47	394	10	2	-
Interest returned	-	-	-	-	-	-	-
Total Other Sources (Uses) of Financial Resources	<u>-</u>	<u>-</u>	<u>47</u>	<u>394</u>	<u>10</u>	<u>2</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>4,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,920</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2009

	Learn and Serve America	Learning Technology Center General Operations	Technical Training and Support	Illinois Virtual Schools	Education Technology Competitive Grant	Title I School Improvement and Accountability	Title II Teacher Quality Leadership
REVENUES							
Local sources	\$ -	\$ -	\$ 36,286	\$ -	\$ -	\$ -	\$ -
State sources	-	285,183	-	228,258	-	-	-
Federal sources	8,988	-	-	-	-	1,457,333	270,674
Total Revenue	<u>8,988</u>	<u>285,183</u>	<u>36,286</u>	<u>228,258</u>	<u>-</u>	<u>1,457,333</u>	<u>270,674</u>
EXPENDITURES							
Salaries and benefits	-	208,808	-	73,014	-	402,631	-
Purchased services	5,022	42,075	27,538	143,126	-	430,288	41,743
Supplies and materials	3,977	1,965	4,138	4,715	-	54,604	1,548
Other objects	-	-	211	-	-	-	-
Payments to other governments	-	10,665	-	-	-	549,790	242,122
Capital outlay	-	37,208	-	7,403	-	21,594	-
Total Expenditures	<u>8,999</u>	<u>300,721</u>	<u>31,887</u>	<u>228,258</u>	<u>-</u>	<u>1,458,907</u>	<u>285,413</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(11)</u>	<u>(15,538)</u>	<u>4,399</u>	<u>-</u>	<u>-</u>	<u>(1,574)</u>	<u>(14,739)</u>
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Transfer in	-	-	-	-	-	14,379	18,068
Transfer out	-	-	-	-	-	-	-
Interest income	11	1,803	406	-	1	-	-
Interest returned	-	-	-	-	-	(12,805)	(3,329)
Total Other Sources (Uses) of Financial Resources	<u>11</u>	<u>1,803</u>	<u>406</u>	<u>-</u>	<u>1</u>	<u>1,574</u>	<u>14,739</u>
NET CHANGE IN FUND BALANCES	-	(13,735)	4,805	-	1	-	-
FUND BALANCE - BEGINNING	-	102,509	42,501	-	405	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ 88,774</u>	<u>\$ 47,306</u>	<u>\$ -</u>	<u>\$ 406</u>	<u>\$ -</u>	<u>\$ -</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2009

	Title I Reading First Part B SEA	Coordination and Services Grant	Mathematics and Science Partnership	Special Education - IDEA Part D	Aspire	Illinois Department of Public Health	Socially Emotional Learning
REVENUES							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 70,842	\$ -	\$ 48,402
State sources	-	390,043	-	-	-	-	-
Federal sources	260,046	-	172,248	386,262	-	-	-
Total Revenue	<u>260,046</u>	<u>390,043</u>	<u>172,248</u>	<u>386,262</u>	<u>70,842</u>	<u>-</u>	<u>48,402</u>
EXPENDITURES							
Salaries and benefits	102,974	49,829	1,825	104,104	3,318	-	28,951
Purchased services	20,038	91,343	125,571	219,609	55,201	-	11,281
Supplies and materials	172,975	3,682	2,065	8,664	-	-	68
Other objects	80	2,682	-	-	-	-	195
Payments to other governments	1,000	240,449	42,787	53,885	13,086	-	8,263
Capital outlay	-	3,000	-	-	-	-	-
Total Expenditures	<u>297,067</u>	<u>390,985</u>	<u>172,248</u>	<u>386,262</u>	<u>71,605</u>	<u>-</u>	<u>48,758</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(37,021)</u>	<u>(942)</u>	<u>-</u>	<u>-</u>	<u>(763)</u>	<u>-</u>	<u>(356)</u>
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Transfer in	42,707	-	5,460	8	-	-	-
Transfer out	(5,000)	(270)	-	-	-	-	-
Interest income	-	1,212	-	-	763	-	356
Interest returned	(686)	-	(5,460)	(8)	-	-	-
Total Other Sources (Uses) of Financial Resources	<u>37,021</u>	<u>942</u>	<u>-</u>	<u>-</u>	<u>763</u>	<u>-</u>	<u>356</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,777</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,777</u>	<u>\$ -</u>	<u>\$ -</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2009

	Preschool for All Children	Standard Aligned Classroom Statewide Prof. Devl.	Principal Mentoring	Gifted Education	Beginning Teacher Induction	State Implementation and Scaling Up of Evidence Based Practices	Transportation Career Cluster
REVENUES							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	739,671	-	27,382	-	15	215,250	-
Federal sources	-	207,442	-	-	-	-	76,037
Total Revenue	<u>739,671</u>	<u>207,442</u>	<u>27,382</u>	<u>-</u>	<u>15</u>	<u>215,250</u>	<u>76,037</u>
EXPENDITURES							
Salaries and benefits	477,509	124,485	-	-	-	27,342	-
Purchased services	185,439	39,564	26,597	-	15	33,824	74,730
Supplies and materials	66,216	10,283	389	-	-	84	762
Other objects	11,190	-	400	-	-	-	15
Payments to other governments	-	33,110	-	-	-	154,000	-
Capital outlay	-	-	-	-	-	-	530
Total Expenditures	<u>740,354</u>	<u>207,442</u>	<u>27,386</u>	<u>-</u>	<u>15</u>	<u>215,250</u>	<u>76,037</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(683)</u>	<u>-</u>	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Transfer in	-	6,700	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-
Interest income	683	-	4	-	-	-	-
Interest returned	-	(6,700)	-	-	-	-	-
Total Other Sources (Uses) of Financial Resources	<u>683</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2009

	Consortium for Educational Change	General State Aid	Regional Safe Schools	ARRA General State Aid	Peoria Promise Foundation	TOTAL
REVENUES						
Local sources	\$ 237,789	\$ -	\$ -	\$ -	\$ 27,585	\$ 449,082
State sources	-	215,477	262,023	-	-	2,691,627
Federal sources	-	-	-	63,702	-	2,983,146
Total Revenue	<u>237,789</u>	<u>215,477</u>	<u>262,023</u>	<u>63,702</u>	<u>27,585</u>	<u>6,123,855</u>
EXPENDITURES						
Salaries and benefits	237,789	-	-	-	27,585	2,265,514
Purchased services	-	-	-	-	-	1,608,072
Supplies and materials	-	-	-	-	-	342,537
Other objects	-	-	-	-	-	15,323
Payments to other governments	-	215,477	262,023	63,702	-	1,890,359
Capital outlay	-	-	-	-	-	69,735
Total Expenditures	<u>237,789</u>	<u>215,477</u>	<u>262,023</u>	<u>63,702</u>	<u>27,585</u>	<u>6,191,540</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	-	-	-	-	-	<u>(67,685)</u>
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
Transfer in	-	-	-	-	-	87,322
Transfer out	-	-	-	-	-	(5,270)
Interest income	-	-	-	-	-	5,692
Interest returned	-	-	-	-	-	(28,988)
Total Other Sources (Uses) of Financial Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,756</u>
NET CHANGE IN FUND BALANCES						
	-	-	-	-	-	(8,929)
FUND BALANCE - BEGINNING						
	-	-	-	-	-	158,112
FUND BALANCE - ENDING						
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,183</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2008 to June 30, 2009)
 EDUCATION FUND ACCOUNTS
 ADULT EDUCATION BASIC
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 27,385	\$ 26,700	\$ 26,970
Federal sources	27,167	27,167	27,167
Total Revenues	<u>54,552</u>	<u>53,867</u>	<u>54,137</u>
EXPENDITURES			
Salaries and benefits	45,006	44,995	47,322
Purchased services	7,841	7,852	6,050
Supplies and materials	1,705	1,020	720
Other objects	-	-	45
Total Expenditures	<u>54,552</u>	<u>53,867</u>	<u>54,137</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2008 to June 30, 2009)
 EDUCATION FUND ACCOUNTS
 ADULT EDUCATION PERFORMANCE
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 29,179	\$ 29,179	\$ 28,450
Total Revenues	29,179	29,179	28,450
EXPENDITURES			
Salaries and benefits	21,120	21,120	21,820
Purchased services	7,759	7,759	6,630
Supplies and materials	300	300	-
Total Expenditures	29,179	29,179	28,450
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Interest	-	-	-
Total Other Financing Sources and Uses	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2008 to June 30, 2009)
 EDUCATION FUND ACCOUNTS
 UPWARD SOS
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 56,000	\$ 60,000	\$ 59,993
Total Revenues	<u>56,000</u>	<u>56,000</u>	<u>59,993</u>
EXPENDITURES			
Salaries and benefits	48,292	49,961	49,808
Purchased services	6,883	9,209	9,573
Supplies and materials	700	700	857
Other objects	125	130	149
Total Expenditures	<u>56,000</u>	<u>60,000</u>	<u>60,387</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(394)</u>
OTHER FINANCING SOURCES (USES):			
Interest	<u>-</u>	<u>-</u>	<u>394</u>
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>394</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2008 to June 30, 2009)
 EDUCATION FUND ACCOUNTS
 COMMUNITIES FOR YOUTH TRUANTS ALTERNATIVE
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Local sources	\$ -	\$ -	\$ 26,669
State sources	212,823	212,823	212,912
Total Revenues	<u>212,823</u>	<u>212,823</u>	<u>239,581</u>
EXPENDITURES			
Salaries and benefits	197,996	197,996	226,542
Purchased services	-	12,827	11,342
Supplies and materials	14,827	2,000	1,707
Total Expenditures	<u>212,823</u>	<u>212,823</u>	<u>239,591</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(10)</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	10
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>10</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2008 to August 31, 2009)
 EDUCATION FUND ACCOUNTS
 MCKINNEY-VENTO EDUCATION FOR HOMELESS CHILDREN AND YOUTH
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 53,250	\$ 53,250	\$ 53,247
Total Revenues	<u>53,250</u>	<u>53,250</u>	<u>53,247</u>
EXPENDITURES			
Salaries and benefits	48,578	48,578	48,692
Purchased services	1,943	1,943	1,439
Supplies and materials	2,729	2,729	3,118
Total Expenditures	<u>53,250</u>	<u>53,250</u>	<u>53,249</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(2)</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	2
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>2</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of September 1, 2008 to August 31, 2009)
 EDUCATION FUND ACCOUNTS
 LEARN AND SERVE AMERICA
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 7,000	\$ 7,000	\$ 8,988
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>8,988</u>
EXPENDITURES			
Salaries and benefits	225	225	-
Purchased services	3,250	3,250	5,022
Supplies and materials	3,525	3,525	3,977
Total Expenditures	<u>7,000</u>	<u>7,000</u>	<u>8,999</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(11)</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	11
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>11</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2008 to August 31, 2009)
 EDUCATION FUND ACCOUNTS

LEARNING TECHNOLOGY CENTER GENERAL OPERATIONS
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 253,594	\$ 286,394	\$ 285,183
Federal sources	-	-	-
Total Revenues	<u>253,594</u>	<u>286,394</u>	<u>285,183</u>
EXPENDITURES			
Salaries and benefits	193,468	208,563	208,808
Purchased services	45,041	42,241	42,075
Supplies and materials	2,745	2,445	1,965
Payments to other governments	9,840	10,645	10,665
Capital outlay	2,500	22,500	37,208
Total Expenditures	<u>253,594</u>	<u>286,394</u>	<u>300,721</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(15,538)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	1,803
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>1,803</u>
NET CHANGE IN FUND BALANCE	-	-	(13,735)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>102,509</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,774</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of September 1, 2008 to August 31, 2009)
 EDUCATION FUND ACCOUNTS
 TITLE I SCHOOL IMPROVEMENT AND ACCOUNTABILITY
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 1,101,761	\$ 1,101,761	\$ 1,457,333
Total Revenues	<u>1,101,761</u>	<u>1,101,761</u>	<u>1,457,333</u>
EXPENDITURES			
Salaries and benefits	-	419,316	402,631
Purchased services	166,000	240,500	430,288
Supplies and materials	50,000	25,000	54,604
Payments to other governments	885,761	396,865	549,790
Capital outlay	-	20,080	21,594
Total Expenditures	<u>1,101,761</u>	<u>1,101,761</u>	<u>1,458,907</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(1,574)</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	14,379
Interest returned	-	-	(12,805)
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>1,574</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of September 1, 2008 to August 31, 2009)
 EDUCATION FUND ACCOUNTS
 TITLE II TEACHER QUALITY LEADERSHIP
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 165,192	\$ 165,192	\$ 270,674
Total Revenues	<u>165,192</u>	<u>165,192</u>	<u>270,674</u>
EXPENDITURES			
Purchased services	160,192	155,192	41,743
Supplies and materials	5,000	10,000	1,548
Payments to other governments	-	-	242,122
Total Expenditures	<u>165,192</u>	<u>165,192</u>	<u>285,413</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(14,739)</u>
OTHER FINANCING SOURCES (USES)			
Transfer In	-	-	18,068
Interest returned	-	-	(3,329)
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>14,739</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of September 1, 2008 to August 31, 2009)
 EDUCATION FUND ACCOUNTS
 TITLE I READING FIRST PART B SEA (4337-00 and 4337-04)
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 258,280	\$ 259,009	\$ 260,046
Total Revenues	<u>258,280</u>	<u>259,009</u>	<u>260,046</u>
EXPENDITURES			
Salaries and benefits	80,337	95,700	102,974
Purchased services	23,860	23,362	20,038
Supplies and materials	152,083	139,947	172,975
Other objects	-	-	80
Capital outlay	2,000	-	-
Payments to other governments	-	-	1,000
Total Expenditures	<u>258,280</u>	<u>259,009</u>	<u>297,067</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(37,021)</u>
OTHER FINANCING SOURCES (USES):			
Transfer in	-	-	42,707
Transfer out	-	-	(5,000)
Interest returned	-	-	(686)
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>37,021</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of September 1, 2008 to August 31, 2009)
 EDUCATION FUND ACCOUNTS
 COORDINATION AND SERVICES GRANT
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 230,668	\$ 230,668	\$ 390,043
Total Revenues	<u>230,668</u>	<u>230,668</u>	<u>390,043</u>
EXPENDITURES			
Salaries and benefits	-	56,002	49,829
Purchased services	227,668	62,666	91,343
Supplies and materials	-	-	3,682
Other objects	-	-	2,682
Payments to other governments	-	109,000	240,449
Capital outlay	3,000	3,000	3,000
Total Expenditures	<u>230,668</u>	<u>230,668</u>	<u>390,985</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(942)</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	-
Transfer out	-	-	(270)
Interest	-	-	1,212
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>942</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of October 1, 2008 to September 30, 2009)
 EDUCATION FUND ACCOUNTS
 SPECIAL EDUCATION - IDEA PART D
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 475,000	\$ 475,000	\$ 386,262
Total Revenues	<u>475,000</u>	<u>475,000</u>	<u>386,262</u>
EXPENDITURES			
Salaries and benefits	121,114	133,114	104,104
Purchased services	250,697	228,697	219,609
Supplies and materials	6,950	15,950	8,664
Other objects	1,000	1,000	-
Payments to other governments	94,239	95,239	53,885
Capital outlay	1,000	1,000	-
Total Expenditures	<u>475,000</u>	<u>475,000</u>	<u>386,262</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	8
Interest returned	-	-	(8)
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2008 to August 31, 2009)
 EDUCATION FUND ACCOUNTS
 PRESCHOOL FOR ALL CHILDREN
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 765,000	\$ 780,300	\$ 739,671
Total Revenues	<u>765,000</u>	<u>780,300</u>	<u>739,671</u>
EXPENDITURES			
Salaries and benefits	553,960	541,150	477,509
Purchased services	138,920	152,086	185,439
Supplies and materials	67,120	82,064	66,216
Other objects	-	-	11,190
Capital outlay	5,000	5,000	-
Total Expenditures	<u>765,000</u>	<u>780,300</u>	<u>740,354</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(683)</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	683
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>683</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2009

	<u>Art Opportunities</u>	<u>Bus Driver Training</u>	<u>Directory</u>	<u>Food Co-op</u>	<u>Secretary</u>
ASSETS					
Cash and cash equivalents	\$ 235	\$ 3,640	\$ -	\$ 5,635	\$ 5
Due from other governments - Local	-	-	-	-	-
TOTAL ASSETS	<u>\$ 235</u>	<u>\$ 3,640</u>	<u>\$ -</u>	<u>\$ 5,635</u>	<u>\$ 5</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Unreserved	<u>235</u>	<u>3,640</u>	<u>-</u>	<u>5,635</u>	<u>5</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 235</u>	<u>\$ 3,640</u>	<u>\$ -</u>	<u>\$ 5,635</u>	<u>\$ 5</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2009

	General Education Development	Hospital Tutoring	Institute	Office of Prevention	Spring Celebration
ASSETS					
Cash and cash equivalents	\$ 32,651	\$ 22,524	\$ 43,936	\$ 34,455	\$ 1,169
Due from other governments - Local	665	16,554	-	-	-
TOTAL ASSETS	\$ 33,316	\$ 39,078	\$ 43,936	\$ 34,455	\$ 1,169
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCE					
Unreserved	33,316	39,078	43,936	34,455	1,169
TOTAL LIABILITIES AND FUND BALANCE	\$ 33,316	\$ 39,078	\$ 43,936	\$ 34,455	\$ 1,169

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2009

	<u>Supervisory</u>	<u>Jail Library</u>	<u>Pleasant Valley</u>	<u>Lincoln Senior Award</u>	<u>TOTALS</u>
ASSETS					
Cash and cash equivalents	\$ 2,787	\$ 2,244	\$ 10,620	\$ -	\$ 159,901
Due from other governments - Local	-	-	-	-	17,219
TOTAL ASSETS	<u>\$ 2,787</u>	<u>\$ 2,244</u>	<u>\$ 10,620</u>	<u>\$ -</u>	<u>\$ 177,120</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ 13	\$ 13
TOTAL LIABILITIES	-	-	-	13	13
FUND BALANCE					
Unreserved	2,787	2,244	10,620	(13)	177,107
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,787</u>	<u>\$ 2,244</u>	<u>\$ 10,620</u>	<u>\$ -</u>	<u>\$ 177,120</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2009

	Art Opportunities	Bus Driver Training	Directory	Food Co-op	Secretary
REVENUES					
Local sources	\$ -	\$ 2,128	\$ 6,925	\$ 14,710	\$ -
State sources	-	1,200	-	-	-
Total Revenues	<u>-</u>	<u>3,328</u>	<u>6,925</u>	<u>14,710</u>	<u>-</u>
EXPENDITURES					
Salaries and benefits	-	-	-	-	-
Purchased services	-	3,394	7,444	11,764	-
Supplies and materials	-	-	-	282	-
Other objects	-	-	35	-	-
Total Expenditures	<u>-</u>	<u>3,394</u>	<u>7,479</u>	<u>12,046</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(66)</u>	<u>(554)</u>	<u>2,664</u>	<u>-</u>
Other Financing Sources (Uses)					
Interest income	-	30	17	38	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>30</u>	<u>17</u>	<u>38</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>(36)</u>	<u>(537)</u>	<u>2,702</u>	<u>-</u>
FUND BALANCES - BEGINNING	<u>235</u>	<u>3,676</u>	<u>537</u>	<u>2,933</u>	<u>5</u>
FUND BALANCES - ENDING	<u>\$ 235</u>	<u>\$ 3,640</u>	<u>\$ -</u>	<u>\$ 5,635</u>	<u>\$ 5</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2009

	General Education Development	Hospital Tutoring	Institute	Office of Prevention	Spring Celebration
REVENUES					
Local sources	\$ 24,286	\$ 89,381	\$ 31,739	\$ 8,664	\$ 34,312
State sources	-	-	-	-	-
Total Revenues	<u>24,286</u>	<u>89,381</u>	<u>31,739</u>	<u>8,664</u>	<u>34,312</u>
EXPENDITURES					
Salaries and benefits	2,045	-	-	-	-
Purchased services	6,979	66,977	63,253	6,121	31,872
Supplies and materials	7,404	151	1,543	-	2,648
Other objects	-	156	150	-	-
Total Expenditures	<u>16,428</u>	<u>67,284</u>	<u>64,946</u>	<u>6,121</u>	<u>34,520</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>7,858</u>	<u>22,097</u>	<u>(33,207)</u>	<u>2,543</u>	<u>(208)</u>
Other Financing Sources (Uses)					
Interest income	251	151	772	288	73
Total Other Financing Sources (Uses)	<u>251</u>	<u>151</u>	<u>772</u>	<u>288</u>	<u>73</u>
NET CHANGE IN FUND BALANCES	8,109	22,248	(32,435)	2,831	(135)
FUND BALANCES - BEGINNING	<u>25,207</u>	<u>16,830</u>	<u>76,371</u>	<u>31,624</u>	<u>1,304</u>
FUND BALANCES - ENDING	<u>\$ 33,316</u>	<u>\$ 39,078</u>	<u>\$ 43,936</u>	<u>\$ 34,455</u>	<u>\$ 1,169</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2009

	Supervisory	Jail Library	Pleasant Valley	Lincoln Senior Award	TOTALS
REVENUES					
Local sources	\$ -	\$ 3,000	\$ -	\$ 2,001	\$ 217,146
State sources	1,000	-	-	-	2,200
Total Revenues	<u>1,000</u>	<u>3,000</u>	<u>-</u>	<u>2,001</u>	<u>219,346</u>
EXPENDITURES					
Salaries and benefits	-	-	-	-	2,045
Purchased services	1,152	1,881	-	2,747	203,584
Supplies and materials	-	-	-	248	12,276
Other objects	74	-	-	-	415
Total Expenditures	<u>1,226</u>	<u>1,881</u>	<u>-</u>	<u>2,995</u>	<u>218,320</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(226)</u>	<u>1,119</u>	<u>-</u>	<u>(994)</u>	<u>1,026</u>
Other Financing Sources (Uses)					
Interest income	31	22	151	8	1,832
Total Other Financing Sources (Uses)	<u>31</u>	<u>22</u>	<u>151</u>	<u>8</u>	<u>1,832</u>
NET CHANGE IN FUND BALANCES	(195)	1,141	151	(986)	2,858
FUND BALANCES - BEGINNING	<u>2,982</u>	<u>1,103</u>	<u>10,469</u>	<u>973</u>	<u>174,249</u>
FUND BALANCES - ENDING	<u>\$ 2,787</u>	<u>\$ 2,244</u>	<u>\$ 10,620</u>	<u>\$ (13)</u>	<u>\$ 177,107</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUND
 JUNE 30, 2009

	Regional Board of Trustees	Central Illinois Science Education	Criminal Background Checks	Totals
ASSETS				
Cash and cash equivalents	\$ 83	\$ 1,935	\$ 11,091	\$ 13,109
Due from other governments	-	-	1,418	1,418
Total Assets	<u>\$ 83</u>	<u>\$ 1,935</u>	<u>\$ 12,509</u>	<u>\$ 14,527</u>
LIABILITIES				
Due to other governments	<u>\$ 83</u>	<u>\$ 1,935</u>	<u>\$ 12,509</u>	<u>\$ 14,527</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	July 1, 2008	Additions	Deductions	June 30, 2009
<u>REGIONAL BOARD OF TRUSTEES</u>				
ASSETS				
Cash and cash equivalents	\$ 83	\$ -	\$ -	\$ 83
LIABILITIES				
Due to other governments	\$ 83	\$ -	\$ -	\$ 83
<u>CENTRAL ILLINOIS SCIENCE EDUCATION</u>				
ASSETS				
Cash and cash equivalents	\$ 1,908	\$ 27	\$ -	\$ 1,935
LIABILITIES				
Due to other governments	\$ 1,908	\$ 27	\$ -	\$ 1,935
<u>CRIMINAL BACKGROUND CHECKS</u>				
ASSETS				
Cash and cash equivalents	\$ 12,238	\$ 21,617	\$ 22,764	\$ 11,091
Due from other governments	-	1,418	-	1,418
Total Assets	\$ 12,238	\$ 23,035	\$ 22,764	\$ 12,509
LIABILITIES				
Due to other governments	\$ 12,238	\$ 23,035	\$ 22,764	\$ 12,509
<u>TOTALS ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 14,229	\$ 21,644	\$ 22,764	\$ 13,109
Due from other governments	-	1,418	-	1,418
Total Assets	\$ 14,229	\$ 23,062	\$ 22,764	\$ 14,527
LIABILITIES				
Due to other governments	\$ 14,229	\$ 23,062	\$ 22,764	\$ 14,527

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # (1st eight digits) or Contract #</u>	<u>Federal Expenditures 7/1/08 - 6/30/09</u>
U.S. Department of Education			
Passed through Illinois Community College Board:			
Basic Grants to States - Adult Education	84.002	514 AB	\$ 27,167
Total Passed through Illinois Community College Board			<u>27,167</u>
Title I Grants to Local Educational Agencies			
Passed through Illinois State Board of Education:			
System of Support (Title I - School Improvement and Accountability)	84.010A	09-4331-SS	1,332,928
System of Support (Title I - School Improvement and Accountability)	84.010A	08-4331-SS	71,891
Passed through Regional Office of Education #11:			
Standards Aligned Classroom	84.010A	09-4331-00	207,442
Passed through Regional Office of Education #51:			
Title I School Improvement and Accountability	84.010A	09-4331-SS	44,085
Passed through Regional Office of Education #1:			
Title I School Improvement and Accountability	84.010A	09-4331-SS	8,429
Total Title I Grants to Local Educational Agencies			<u>1,664,775 (M)</u>
Passed through Illinois State Board of Education:			
Special Education - State Personnel Development -			
Special Education - IDEA Part D	84.323A	09-4631-RC	260,168
Special Education - IDEA Part D	84.323A	08-4631-RC	126,094
Total Special Education - State Personnel Development			<u>386,262 (M)</u>
Reading First State Grants -			
Title I- Reading First Part B SEA	84.357A	09-4337-00	107,562
Title I- Reading First Part B SEA	84.357A	08-4337-00	103,677
Title I- Reading First Part B SEA	84.357A	09-4337-04	2,839
Title I- Reading First Part B SEA	84.357A	08-4337-04	45,968
Total Reading First State Grants			<u>260,046</u>
Mathematics and Science Partnership	84.366B	08-4936-00	172,248
Improving Teacher Quality State Grants -			
Title II Teacher Quality Leadership	84.367A	09-4935-SS	221,864
Title II Teacher Quality Leadership	84.367A	08-4935-SS	48,810
Total Improving Teacher Quality State Grants			<u>270,674</u>
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recover Act -			
ARRA - General State Aid-Sec 18-8	84.394A	09-4850-93	63,702
Total U.S. Department of Education passed through Illinois State Board of Education			<u>1,152,932</u>

The accompanying notes are an integral part of this schedule.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2009

Federal Grantor/ Pass-Through Grantor/ <u>Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # (1st eight digits) or Contract #</u>	<u>Federal Expenditures 7/1/08 - 6/30/09</u>
U.S. Department of Education passed through Macomb Community School District #185			
Education for Homeless Children and Youth - Area III - Homeless Liaison Project	84.196A	09-4920-00	53,247
Total through U.S. Department of Education passed through Macomb Community School District #185			53,247
Corporation for National and Community Services passed through Illinois State Board of Education:			
Learn and Serve America-School and Community Based Programs - Learn& Serve America	94.004	09-4910-00	8,988
Total Corporation for National and Community Services passed through Illinois State Board of Education			8,988
U.S. Department of Transportatiou passed through Missouri University of Science and Technology			
Highway Research and Development Program - U.S. Department of Transportation	20.200	DTFH61-08-G-00016	76,037
Total U.S. Department of Transportation passed through Missonri University of Science and Technology			76,037
Total Expenditures of Federal Awards			\$ 2,983,146

(M) Program was audited as a major program.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

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

NOTE 2 - SUBRECIPIENTS

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

<u>Program Title</u>	<u>Federal CFDA #</u>	<u>Amount provided to subrecipients</u>
Title I Grants to Local Educational Agencies - Title I – School Improvement and Accountability	84.010A	\$ 549,790
Improving Teacher Quality State Grants – Title II Teacher Quality Leadership	84.367A	\$ 242,122
Mathematics and Science Partnership	84.366B	\$ 42,787
Special Education – State Personnel Development - Special Education – IDEA Part D	84.323A	\$ 53,885
Title I Grants to Local Educational Agencies - Standards Aligned Classroom – Statewide Professional Development	84.010A	\$ 33,110
State Fiscal Stabilization Fund (SFSF) Education State Grants, Recovery Act – ARRA General State Aid-Sec. 18-8	84.394A	\$ 63,702

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM (Concluded)

Special Education – State Personnel Development – Special Education – IDEA Part D – This program provides federal monies for expenditures incurred to combine professional development in response to intervention, standards aligned classroom, and reading literacy to improve intervention with children.

NOTE 4 - NON-CASH ASSISTANCE

None

NOTE 5 - AMOUNT OF INSURANCE

None

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

None