

State of Illinois
REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY
FINANCIAL AUDIT
FOR THE YEAR ENDED JUNE 30, 2014

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

AGENCY OFFICIALS

For the Year Ended June 30, 2014

Regional Superintendent (Current, effective 1/10/2014)	Ms. Elizabeth Crider Derry
Regional Superintendent (12/31/13 through 1/9/2014)	Vacant
Regional Superintendent (During the audit period through 12/30/13)	Dr. Gerald M. Brookhart
Assistant Regional Superintendent (Current, effective 2/18/14)	Ms. Cindy Dollman
Assistant Regional Superintendent (1/10/14 through 2/17/14)	Vacant
Assistant Regional Superintendent (During the audit period through 1/9/14)	Ms. Elizabeth Crider Derry

Offices are located at:

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

The PROE Center
10112 West Dubois Road
Edwards, IL 61528

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

FINANCIAL REPORT SUMMARY

For the Year Ended June 30, 2014

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

AUDITOR'S REPORT

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

SUMMARY OF AUDIT FINDINGS

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

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

SUMMARY OF FINDINGS AND RESPONSES

Item No.	Page	Description	Finding Type
<i>FINDINGS (GOVERNMENT AUDITING STANDARDS)</i>			
2014-001	10	Controls over Financial Statement Preparation	Material Weakness
2014-002	12	Inadequate Revenue Recognition Policies - Illinois Virtual School Fund	Material Weakness
<i>PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)</i>			
2013-001	16	Inadequate Internal Controls over Compliance	
<i>PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)</i>			
2013-001	16	Inadequate Internal Controls over Compliance	

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Regional Office of Education #48 management at an exit conference held on March 19, 2015. Attending were Beth Crider Derry, Regional Superintendent; John Closen, Director, Learning Technology Center; Cindy Hamblen, Director, Illinois Virtual School; Jennifer Yoder, Office Manager; Kim Barr, Bookkeeper; and Matt Clarkson, CPA, Manager, Doehring, Winders & Co. LLP. The responses to the recommendations and corrective action plans were provided by Jennifer Yoder in an email dated March 20, 2015.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

FINANCIAL STATEMENT REPORT SUMMARY

For the Year Ended June 30, 2014

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

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

DOEHRING, WINDERS & CO. LLP
Certified Public Accountants
1601 LAFAYETTE AVENUE
MATTOON, ILLINOIS 61988

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Peoria County Regional Office of Education #48 as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Peoria County Regional Office of Education #48's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Peoria County Regional Office of Education #48, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Illinois Municipal Retirement Fund Schedule of Funding Progress, and Other Post Employment Benefits Schedule of Funding Progress on pages 17 through 22 and 60 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Peoria County Regional Office of Education #48's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, and the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2015 on our consideration of the Peoria County Regional Office of Education #48's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Peoria County Regional Office of Education #48's internal control over financial reporting and compliance.

Doehring, Windeler & Co. LLP

Mattoon, Illinois
April 14, 2015

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

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Peoria County Regional Office of Education #48, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Peoria County Regional Office of Education #48's basic financial statements, and have issued our report thereon dated April 14, 2015.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control 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 the accompanying Schedule of Findings and Responses as items 2014-001 and 2014-002 to be material weaknesses.

Compliance and Other Matters

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

Peoria County Regional Office of Education #48's Responses to Findings

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 Responses. Peoria County Regional Office of Education #48's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

Doehring, Winders & Co. LLP

Mattoon, Illinois
April 14, 2015

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

SCHEDULE OF FINDINGS AND RESPONSES
SECTION II - FINANCIAL STATEMENT FINDINGS

For the Year Ended June 30, 2014

2014-001 Controls over Financial Statement Preparation (Repeat of Finding 2013-002, 12-2, 11-2, 10-2, 09-3, 08-3 and 07-1)

Criteria/specific requirement

The Regional Office of Education #48 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills, and experience 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).

GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments* (Statement), requires governments to present government-wide and fund financial statements as well as a summary reconciliation of the (a) total governmental funds balances to the net position of governmental activities in the Statement of Net Position, and (b) total change in governmental fund balances to the change in the net position of governmental activities in the Statement of Activities. In addition, the Statement requires information about the government's major and nonmajor funds in the aggregate, to be provided in the fund financial statements.

Condition:

The Regional Office of Education #48 does not have sufficient internal controls over the financial reporting process. While the Regional Office maintains sufficient controls over the processing of most 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:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, and unearned revenue. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and unearned revenue, not all entries were made by the Regional Office to reconcile its grant activity or the activities of the Illinois Virtual School.
- The Regional Office omitted the transactions for amounts received from the Illinois State Board of Education that are passed through to other governmental units in its Agency Funds and General Fund.
- The Regional Office improperly classified funds as to fund type in its June 30, 2013 financial report which resulted in reclassifications of funds and a prior period adjustment in its June 30, 2014 financial report.
- The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles. This included adjusting entries to agree the opening balances to amounts reported in the June 30, 2013 financial statements.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

SCHEDULE OF FINDINGS AND RESPONSES
SECTION II - FINANCIAL STATEMENT FINDINGS

For the Year Ended June 30, 2014

2014-001 Controls over Financial Statement Preparation (Repeat of Finding 2013-002, 12-2, 11-2, 10-2, 09-3, 08-3 and 07-1) (Continued)

Effect:

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

Cause:

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

Recommendation:

As part of internal control over the preparation of financial statements, the Regional Office of Education #48 should implement comprehensive preparation procedures to ensure that the financial statements are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough knowledge of applicable GAAP, GASB Pronouncements, and knowledge of the Regional Office of Education #48's activities and operations.

Management's Response:

The Regional Office of Education #48 is continuing to work to implement controls and procedures to improve the accounting records that underlie the financial statements in order to reduce and eliminate the material adjustments required to present the financial statements in accordance with generally accepted accounting principles.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

SCHEDULE OF FINDINGS AND RESPONSES
SECTION II - FINANCIAL STATEMENT FINDINGS

For the Year Ended June 30, 2014

2014-002 Inadequate Revenue Recognition Policies - Illinois Virtual School Fund

Criteria/specific requirement

The Regional Office of Education #48 is the administrator for the Illinois Virtual School, a statewide program in which high school students can take classes not offered by their school districts and earn credits towards their graduation. The Illinois Virtual School operates like a normal school, except the classes are administered online and the Illinois Virtual School has many shorter term semesters rather than just Fall, Spring, and Summer like a traditional school.

The activities of the Illinois Virtual School are classified as a business-type activity in the Regional Office of Education #48's financial statements. As such, its financial activity is accounted for using an economic resources measurement focus and accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned.

Condition:

The Regional Office of Education #48 did not properly apply all of the relevant accounting principles to its Illinois Virtual School business-type activity. Specifically, the Regional Office of Education did not properly apply relevant accounting principles with respect to revenue recognition. During the audit, auditors noted the following:

- For the periods ending June 30, 2013 and 2014, the Regional Office of Education #48 did not accrue tuition revenue for all school terms that began and were billable during the fiscal year. As a result, additional revenue of \$149,940 and \$78,835 needed to be accrued at June 30, 2013 and 2014 respectively. This misstatement was corrected for its effects on the opening net position and on revenue recognized during the year ended June 30, 2014 in the Illinois Virtual School fund.
- For the periods ending June 30, 2013 and 2014, the Regional Office of Education #48 did not recognize unearned tuition revenue for school terms that began in the previous fiscal year and ended in the next fiscal year. To correct this matter, unearned revenue of \$235,805 and \$271,015 needed to be recorded at June 30, 2013 and 2014, respectively. The effects of this misstatement on opening net position of the Illinois Virtual School fund has been corrected through a prior period adjustment in this financial report.
- The Regional Office of Education did not reconcile the Illinois Virtual School tuition revenue and accounts receivable general ledger balances with the information contained in the Illinois Virtual School database in order to ensure there were no inconsistencies between the general ledger and the database.

Effect:

Due to the errors noted above, material adjustments were required to properly recognize revenue in accordance with U.S. generally accepted accounting principles.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

SCHEDULE OF FINDINGS AND RESPONSES
SECTION II - FINANCIAL STATEMENT FINDINGS

For the Year Ended June 30, 2014

2014-002 Inadequate Revenue Recognition Policies - Illinois Virtual School Fund (Continued)

Cause:

According to Regional Office of Education #48 officials, the above errors resulted from the Regional Office of Education's accounting staff not having a complete understanding of the application of accounting principles related to revenue recognition under the accrual basis of accounting.

Recommendation:

Auditors recommend the Regional Office of Education #48 accrue unbilled tuition and recognize unearned tuition at year-end, record amounts billed for tuition as they occur, and perform periodic reconciliations of the amounts contained in the Regional Office of Education #48's general ledger with the amounts maintained in the Illinois Virtual School database.

Management's Response:

The Regional Office of Education #48 had been focused on proper collection of billing and fees for the Illinois Virtual School and had not fully considered the adjustments to be made for financial statement purposes. We will make the necessary changes in accordance with generally accepted accounting principles. The Regional Office of Education #48 will also periodically reconcile the general ledger reports to the Illinois Virtual School database to verify that both are in agreement.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS

For the Year Ended June 30, 2014

Corrective Action Plan

2014-001 Controls over Financial Statement Preparation

Condition:

The Regional Office of Education #48 does not have sufficient internal controls over the financial reporting process. While the Regional Office maintains sufficient controls over the processing of most 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:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, and unearned revenue. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and unearned revenue, not all entries were made by the Regional Office to reconcile its grant activity or the activities of the Illinois Virtual School.
- The Regional Office omitted the transactions for amounts received from the Illinois State Board of Education that are passed through to other governmental units in its Agency Funds and General Fund.
- The Regional Office improperly classified funds as to fund type in its June 30, 2013 financial report which resulted in reclassifications of funds and a prior period adjustment in its June 30, 2014 financial report.
- The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles. This included adjusting entries to agree the opening balances to amounts reported in the June 30, 2013 financial statements.

Plan:

The Regional Office of Education #48 is continuing to work to implement controls and procedures to improve the accounting records that underlie the financial statements in order to reduce and eliminate the material adjustments required to present the financial statements in accordance with generally accepted accounting principles.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Name of Contact Person:

Elizabeth Crider Derry, Regional Superintendent of Schools

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS

For the Year Ended June 30, 2014

Corrective Action Plan

2014-002 Inadequate Revenue Recognition Policies - Illinois Virtual School Fund

Condition:

The Regional Office of Education #48 did not properly apply all of the relevant accounting principles to its Illinois Virtual School business-type activity. Specifically, the Regional Office of Education did not properly apply relevant accounting principles with respect to revenue recognition. During the audit, auditors noted the following:

- For the periods ending June 30, 2013 and 2014, the Regional Office of Education #48 did not accrue tuition revenue for all school terms that began and were billable during the fiscal year. As a result, additional revenue of \$149,940 and \$78,835 needed to be accrued at June 30, 2013 and 2014 respectively. This misstatement was corrected for its effects on the opening net position and on revenue recognized during the year ended June 30, 2014 in the Illinois Virtual School fund.
- For the periods ending June 30, 2013 and 2014, the Regional Office of Education #48 did not recognize unearned tuition revenue for school terms that began in the previous fiscal year and ended in the next fiscal year. To correct this matter, unearned revenue of \$235,805 and \$271,015 needed to be recorded at June 30, 2013 and 2014, respectively. The effects of this misstatement on opening net position of the Illinois Virtual School fund has been corrected through a prior period adjustment in this financial report.
- The Regional Office of Education did not reconcile the Illinois Virtual School tuition revenue and accounts receivable general ledger balances with the information contained in the Illinois Virtual School database in order to ensure there were no inconsistencies between the general ledger and the database.

Plan:

The Regional Office of Education #48 had been focused on proper collection of billing and fees for the Illinois Virtual School and had not fully considered the adjustments to be made for financial statement purposes. We will make the necessary changes in accordance with generally accepted accounting principles. The Regional Office of Education #48 will also periodically reconcile the general ledger reports to the Illinois Virtual School database to verify that both are in agreement.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Name of Contact Person:

Elizabeth Crider Derry, Regional Superintendent of Schools

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2014

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
2013-001	Inadequate Internal Controls over Compliance	Not repeated
2013-002	Controls over Financial Statement Preparation	Repeated as 2014-001

MANAGEMENT'S DISCUSSION AND ANALYSIS

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2014

The Peoria County Regional Office of Education #48 (Regional Office) provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for fiscal year 2014 that ended on June 30, 2014. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements that follow.

2014 Financial Highlights

- Within the Governmental Funds, the General Fund revenues decreased by \$160,266 from \$2,004,157 in fiscal year 2013 to \$1,843,891 in fiscal year 2014. General Fund expenditures decreased by \$204,946 from \$2,056,332 in fiscal year 2013 to \$1,851,386 in fiscal year 2014. The decrease in revenue is the result of a reduction in General State Aid revenues reported. There was also a small decrease in revenues received for various general fund accounts. Expenditures were then adjusted accordingly.
- Within the Governmental Funds, the revenues reported by the Special Revenue Funds decreased by \$871,887 from \$2,224,680 in fiscal year 2013 to \$1,352,793 in fiscal year 2014. The expenditures reported by the Special Revenue Funds decreased by \$1,251,792 from \$2,397,519 in fiscal year 2013 to \$1,145,727 in fiscal year 2014. These decreases in revenue and expenditures are due to the loss of a substantial federal grant in fiscal year 2014.

Using This Report

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

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

Reporting the Regional Office as a Whole

The Statement of Net Position and the Statement of Activities

The government-wide statements report information about the Peoria County Regional Office of Education #48 as a whole. The Statement of Net Position 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.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2014

Reporting the Regional Office as a Whole (continued)

The two government-wide statements report the Regional Office's net position and how it has changed. Net position (the difference between the assets and deferred outflows, and liabilities and deferred inflows) are one way to measure the Regional Office's financial health or position.

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

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

The fund financial statements provide detailed information about the Regional Office'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 established other funds to control and manage money for particular purposes.

The Regional Office has three kinds of funds:

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

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

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

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

- Proprietary funds account for activities where the ROE charges customers for services. These funds are most similar to a business that operates for a profit. The ROE's enterprise funds include the following: Learning Technology Center Technical Training and Support, Illinois Virtual School Fund, Local Workshops Fund, Tech Support, and Aspire.

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

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2014

Office-wide Financial Analysis

As noted earlier, net position may serve, when examined over time, as one indicator of the financial position of the Regional Office. The net position at the end of fiscal year 2014 totaled \$3,469,107. At the end of fiscal year 2013, the net position was \$3,190,078. The analysis that follows provides a summary of the Regional Office's net position as of June 30, 2014 and June 30, 2013, for the governmental and business-type activities.

Condensed Statement of Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current assets	\$ 524,729	\$ 960,679	\$ 3,320,581	\$ 2,690,366	\$ 3,845,310	\$ 3,651,045
Capital assets	65,113	74,289	41,537	24,908	106,650	99,197
Total assets	<u>589,842</u>	<u>1,034,968</u>	<u>3,362,118</u>	<u>2,715,274</u>	<u>3,951,960</u>	<u>3,750,242</u>
Current liabilities	71,193	483,946	398,237	76,218	469,430	560,164
Noncurrent liabilities	-	-	13,423	-	13,423	-
Total liabilities	<u>71,193</u>	<u>483,946</u>	<u>411,660</u>	<u>76,218</u>	<u>482,853</u>	<u>560,164</u>
Net position:						
Invested in capital assets, net of related debt	65,113	74,289	24,927	24,908	90,040	99,197
Unrestricted	294,677	234,340	2,925,531	2,614,148	3,220,208	2,848,488
Restricted for educational purposes	<u>158,859</u>	<u>242,393</u>	<u>-</u>	<u>-</u>	<u>158,859</u>	<u>242,393</u>
Total net position	<u>\$ 518,649</u>	<u>\$ 551,022</u>	<u>\$ 2,950,458</u>	<u>\$ 2,639,056</u>	<u>\$ 3,469,107</u>	<u>\$ 3,190,078</u>

The Peoria County Regional Office of Education #48's net position increased by \$279,029 from \$3,190,078 in fiscal year 2013 to \$3,469,107 in fiscal year 2014. Net position increased as a result of an increase in tuition revenue for Illinois Virtual School. Additionally, the opening balance of net position of governmental activities increased \$14,243, and the opening balance of net position of business-type activities decreased by \$85,699 due to prior period adjustments made. See note 17 on pages 58 and 59 of this report for additional detailed information concerning the prior period adjustments.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2014

Condensed Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 2,396,999	\$ 1,613,018	\$ 2,396,999	\$ 1,613,018
Operating grants and contributions	1,001,519	1,827,138	-	-	1,001,519	1,827,138
General revenues:						
Local sources	225,054	290,408	-	-	225,054	290,408
State sources	603,554	1,138,936	-	-	603,554	1,138,936
Investment earnings	22	23	175	114	197	137
On-behalf payment	1,094,042	990,309	-	-	1,094,042	990,309
Loss on disposal of capital assets	(829)	(3,060)	(824)	(4,514)	(1,653)	(7,574)
Transfers	35,482	177,030	(35,482)	(177,030)	-	-
Total revenues	2,958,844	4,420,784	2,360,868	1,431,588	5,319,712	5,852,372
Expenses:						
Program expenses:						
Salaries and benefits	1,024,517	1,360,169	1,353,656	1,300,405	2,378,173	2,660,574
Purchased services	457,446	635,993	562,745	529,853	1,020,191	1,165,846
Supplies and materials	55,456	55,160	28,053	11,923	83,509	67,083
Payments to other governments	324,243	1,328,058	1,000	1,844	325,243	1,329,902
Depreciation expense	39,043	37,777	10,574	14,728	49,617	52,505
Other objects	10,713	31,428	311	648	11,024	32,076
Bad debt expense	-	-	6,826	14,250	6,826	14,250
Interest expense	-	-	602	-	602	-
Administrative expenses:						
On-behalf payments - local	289,224	275,988	-	-	289,224	275,988
On-behalf payments - state	804,818	714,321	-	-	804,818	714,321
Total expenses	3,005,460	4,438,894	1,963,767	1,873,651	4,969,227	6,312,545
Change in net position	(46,616)	(18,110)	397,101	(442,063)	350,485	(460,173)
Net position - beginning (Restated, see Note 17)	565,265	569,132	2,553,357	3,081,119	3,118,622	3,650,251
Net position - ending	\$ 518,649	\$ 551,022	\$ 2,950,458	\$ 2,639,056	\$ 3,469,107	\$ 3,190,078

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2014

Governmental Activities

Revenues for governmental activities were \$2,958,844 and expenses were \$3,005,460 for the year ended June 30, 2014. Revenues for governmental activities were \$4,420,784 and expenses were \$4,438,894 for the year ended June 30, 2013. The decrease in revenues and expenditures is due primarily to the loss of a substantial federal grant in fiscal year 2014.

Business-type Activities

Revenues for business-type activities were \$2,360,868 and expenses were \$1,963,767 for the year ended June 30, 2014. Revenues for business-type activities were \$1,431,588 and expenses were \$1,873,651 for the year ended June 30, 2013. The increase in revenues is due primarily to an increase in tuition revenue for the Illinois Virtual School.

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 Regional Office's Governmental Funds reported combined fund balances of \$434,411 at June 30, 2014 compared to fiscal year 2013 ending fund balance of \$185,093. The primary reason for the increase in fund balances of \$249,318 is due to the Regional Office recognizing revenue in fiscal year 2014 of \$260,231 related to the Title I School Improvement and Accountability grant reported in the Education Fund. The expenditures made against this revenue were all reported in fiscal year 2013, and this revenue was considered unavailable and deferred at June 30, 2013.

Budgetary Highlights

The Peoria County Regional Office of Education #48 annually adopts budgets for several funds. The Institute Fund Budget, the Direct Services Budget and the Special Funds Budget are prepared by the Regional Superintendent and serve as a guideline for activities and expenditures. The Regional Superintendent annually prepares an Office Operations Budget and submits it to the Peoria County Board for their approval. The Office Operations Budget covers a fiscal year that runs from January 1 to December 31. All grant budgets are prepared by the Peoria County Regional Office of Education #48 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Schedules showing the budget amounts compared to the Regional 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, 2014, Peoria County Regional Office of Education #48 purchased assets totaling \$58,723 and disposed of assets totaling \$30,581, resulting in ending capital assets of \$538,184. In addition, the Peoria County Regional Office of Education #48 has adopted a depreciation schedule that reflects the level of Net Governmental Activities Capital Assets. More detailed information about capital assets is available in Note 7 of the financial statements.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2014

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 one existing circumstance that could affect its financial health in the future:

- The Regional Office will continue in fiscal year 2015 as the primary administrator and fiscal agent for the \$1.2 million Illinois Virtual School project for the entire State of Illinois, including Chicago.

Contacting the Regional Office's Financial Management

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

BASIC FINANCIAL STATEMENTS

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

STATEMENT OF NET POSITION

June 30, 2014

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Current Assets:			
Cash and cash equivalents	\$ 438,244	\$ 2,672,957	\$ 3,111,201
Due (to) from other funds	(55,443)	55,443	-
Due from other governments:			
Local	79,026	423,672	502,698
State	62,124	100,000	162,124
Prepaid expenses	778	68,509	69,287
Total Current Assets	<u>524,729</u>	<u>3,320,581</u>	<u>3,845,310</u>
Noncurrent Assets:			
Capital assets, net of depreciation	<u>65,113</u>	<u>41,537</u>	<u>106,650</u>
Total Noncurrent Assets	<u>65,113</u>	<u>41,537</u>	<u>106,650</u>
Total Assets	<u>589,842</u>	<u>3,362,118</u>	<u>3,951,960</u>
Liabilities			
Current Liabilities:			
Accounts payable	30,708	35,664	66,372
Lease payable	-	3,187	3,187
Accrued payroll liabilities	13,758	85,031	98,789
Due to other governments	8,228	-	8,228
Unearned revenue	<u>18,499</u>	<u>274,355</u>	<u>292,854</u>
Total Current Liabilities	<u>71,193</u>	<u>398,237</u>	<u>469,430</u>
Noncurrent Liabilities:			
Lease payable	<u>-</u>	<u>13,423</u>	<u>13,423</u>
Total Liabilities	<u>71,193</u>	<u>411,660</u>	<u>482,853</u>
Net Position			
Invested in capital assets, net of related debt	65,113	24,927	90,040
Restricted for educational purposes	158,859	-	158,859
Unrestricted	<u>294,677</u>	<u>2,925,531</u>	<u>3,220,208</u>
Total Net Position	<u>\$ 518,649</u>	<u>\$ 2,950,458</u>	<u>\$ 3,469,107</u>

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities		
Primary Government:							
Governmental Activities:							
Instructional Services:							
Salaries and benefits	\$ 1,024,517	\$ -	\$ 539,167	\$ -	\$ (485,350)	\$ -	\$ (485,350)
Purchased services	457,446	-	240,738	-	(216,708)	-	(216,708)
Supplies and materials	55,456	-	29,185	-	(26,271)	-	(26,271)
Other objects	10,713	-	5,638	-	(5,075)	-	(5,075)
Payments to other governments	324,243	-	170,638	-	(153,605)	-	(153,605)
Depreciation	39,043	-	-	-	(39,043)	-	(39,043)
Capital outlay	-	-	16,153	-	16,153	-	16,153
Administrative:							
On-behalf payments - local	289,224	-	-	-	(289,224)	-	(289,224)
On-behalf payments - state	804,818	-	-	-	(804,818)	-	(804,818)
Total governmental activities	<u>3,005,460</u>	<u>-</u>	<u>1,001,519</u>	<u>-</u>	<u>(2,003,941)</u>	<u>-</u>	<u>(2,003,941)</u>
Business-Type Activities:							
Registration fees	135,818	78,218	-	-	-	(57,600)	(57,600)
Local revenues	31,974	28,826	-	-	-	(3,148)	(3,148)
Tuition and subscriptions	1,795,975	2,289,955	-	-	-	493,980	493,980
Total business-type activities	<u>1,963,767</u>	<u>2,396,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>433,232</u>	<u>433,232</u>
Total primary government	<u>\$ 4,969,227</u>	<u>\$ 2,396,999</u>	<u>\$ 1,001,519</u>	<u>\$ -</u>	<u>(2,003,941)</u>	<u>433,232</u>	<u>(1,570,709)</u>
General Revenues:							
Local sources				225,054	-	225,054	
State sources				603,554	-	603,554	
On-behalf payments - local				289,224	-	289,224	
On-behalf payments - state				804,818	-	804,818	
Loss on disposal of capital assets				(829)	(824)	(1,653)	
Investment earnings				22	175	197	
Transfers:				35,482	(35,482)	-	
Total general revenues and transfers				<u>1,957,325</u>	<u>(36,131)</u>	<u>1,921,194</u>	
Change in net position				(46,616)	397,101	350,485	
Net position - beginning (Restated - see Note 17)				565,265	2,553,357	3,118,622	
Net position - ending				<u>\$ 518,649</u>	<u>\$ 2,950,458</u>	<u>\$ 3,469,107</u>	

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2014

	General Fund	Education Fund	Other Non-Major Funds	Eliminations	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 246,214	\$ 33,722	\$ 158,308	\$ -	\$ 438,244
Due from other funds	33,744	-	-	(33,744)	-
Due from other governments					
Local	41,981	36,231	814	-	79,026
State	13,309	48,815	-	-	62,124
Prepaid expenses	16	762	-	-	778
Total assets	<u>\$ 335,264</u>	<u>\$ 119,530</u>	<u>\$ 159,122</u>	<u>\$ (33,744)</u>	<u>\$ 580,172</u>
Liabilities:					
Accounts payable	\$ 25,996	\$ 3,354	\$ 1,358	\$ -	\$ 30,708
Accrued payroll and employee benefits	614	13,144	-	-	13,758
Due to other funds	11,750	77,012	425	(33,744)	55,443
Due to other governments	2,227	6,001	-	-	8,228
Unearned revenue	-	18,499	-	-	18,499
Total liabilities	<u>40,587</u>	<u>118,010</u>	<u>1,783</u>	<u>(33,744)</u>	<u>126,636</u>
Deferred inflows of resources					
Unavailable revenue	-	19,125	-	-	19,125
Fund balance (deficit):					
Nonspendable	16	762	-	-	778
Restricted	-	1,520	157,339	-	158,859
Assigned	208,440	-	-	-	208,440
Unassigned	86,221	(19,887)	-	-	66,334
Total fund balance (deficit)	<u>294,677</u>	<u>(17,605)</u>	<u>157,339</u>	<u>-</u>	<u>434,411</u>
Total liabilities, deferred inflows, and fund balance (deficit)	<u>\$ 335,264</u>	<u>\$ 119,530</u>	<u>\$ 159,122</u>	<u>\$ (33,744)</u>	<u>\$ 580,172</u>

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

June 30, 2014

Total fund balances - governmental funds	\$ 434,411
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are not considered "available" revenues and are deferred inflows in the governmental funds.	19,125
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>65,113</u>
Net position of governmental activities	<u><u>\$ 518,649</u></u>

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2014

	General Fund	Education Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
Revenues:					
Local sources	\$ 147,495	\$ 20,000	\$ 77,559	\$ -	\$ 245,054
State sources	602,354	685,761	1,200	-	1,289,315
Federal sources	-	568,273	-	-	568,273
On behalf payments - local	289,224	-	-	-	289,224
On behalf payments - state	804,818	-	-	-	804,818
Total revenues	<u>1,843,891</u>	<u>1,274,034</u>	<u>78,759</u>	<u>-</u>	<u>3,196,684</u>
Expenditures:					
Instructional services					
Salaries and benefits	316,611	706,122	1,784	-	1,024,517
Purchased services	188,996	196,498	71,952	-	457,446
Supplies and materials	10,827	40,195	4,434	-	55,456
Other objects	4,260	179	6,274	-	10,713
Payments to other governments	228,350	95,893	-	-	324,243
On behalf payments - local	289,224	-	-	-	289,224
On behalf payments - state	804,818	-	-	-	804,818
Capital Outlay	8,300	1,600	20,796	-	30,696
Total expenditures	<u>1,851,386</u>	<u>1,040,487</u>	<u>105,240</u>	<u>-</u>	<u>2,997,113</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,495)</u>	<u>233,547</u>	<u>(26,481)</u>	<u>-</u>	<u>199,571</u>
Other financing sources (uses):					
Transfers in	8,962	36,171	-	(9,651)	35,482
Transfers out	(9,651)	-	-	9,651	-
Interest income	10	4	8	-	22
Total other financing sources (uses)	<u>(679)</u>	<u>36,175</u>	<u>8</u>	<u>-</u>	<u>35,504</u>
Net change in fund balances	(8,174)	269,722	(26,473)	-	235,075
Fund balances (deficit) - beginning (Restated - See note 17)	302,851	(287,327)	183,812	-	199,336
Fund balances (deficit) - ending	<u>\$ 294,677</u>	<u>\$ (17,605)</u>	<u>\$ 157,339</u>	<u>\$ -</u>	<u>\$ 434,411</u>

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2014

Net change in fund balances \$ 235,075

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

Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are not considered "available" revenues and are deferred inflows in the governmental funds.

Current year unavailable revenue		
Federal Sources	\$ 19,125	
Prior year unavailable revenue		
Federal Sources	<u>(291,640)</u>	(272,515)

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	30,696	
Depreciation	(39,043)	
Loss on disposal of capital assets	<u>(829)</u>	<u>(9,176)</u>

Change in net position of governmental activities	<u>\$ (46,616)</u>
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The notes to the financial statements are an integral part of this statement.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2014

	Business-type Activities Proprietary Funds			Eliminations	Total
	Learning				
	Illinois Virtual School	Technology Center Technical Training and Support	Nonmajor Proprietary Funds		
Assets					
Currents assets					
Cash and cash equivalents	\$ 2,439,706	\$ 213,574	\$ 19,677	\$ -	\$ 2,672,957
Due from other funds	-	14,102	44,571	(3,230)	55,443
Due from other governments					
Local, net of allowance	408,079	9,251	6,342	-	423,672
State	100,000	-	-	-	100,000
Prepaid expenses	49,382	10,509	8,618	-	68,509
Total current assets	2,997,167	247,436	79,208	(3,230)	3,320,581
Noncurrent assets					
Capital assets, net of depreciation	17,281	2,107	22,149	-	41,537
Total assets	3,014,448	249,543	101,357	(3,230)	3,362,118
Liabilities					
Current liabilities					
Accounts payable	34,294	5	1,365	-	35,664
Lease payable	-	-	3,187	-	3,187
Accrued payroll liabilities	84,776	-	255	-	85,031
Due to other funds	2,790	440	-	(3,230)	-
Unearned revenue	271,015	-	3,340	-	274,355
Total current liabilities	392,875	445	8,147	(3,230)	398,237
Noncurrent liabilities					
Lease payable	-	-	13,423	-	13,423
Total liabilities	392,875	445	21,570	(3,230)	411,660
Net position					
Invested in capital assets, net of related debt	17,281	2,107	5,539	-	24,927
Unrestricted	2,604,292	246,991	74,248	-	2,925,531
Total net position	\$ 2,621,573	\$ 249,098	\$ 79,787	\$ -	\$ 2,950,458

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2014

	Business-type Activities Proprietary Funds			Eliminations	Total
	Learning				
	Illinois Virtual School	Technology Center Technical Training and Support	Nonmajor Proprietary Funds		
Operating revenues					
Registration fees	\$ -	\$ -	\$ 78,218	\$ -	\$ 78,218
Charges for services	-	28,826	-	-	28,826
Tuition and subscriptions	2,289,955	-	-	-	2,289,955
Total operating revenues	<u>2,289,955</u>	<u>28,826</u>	<u>78,218</u>	<u>-</u>	<u>2,396,999</u>
Operating expenses					
Salaries and benefits	1,242,481	-	111,175	-	1,353,656
Purchased services	515,359	28,479	18,907	-	562,745
Supplies and materials	24,628	1,908	1,517	-	28,053
Payments to other governments	-	-	1,000	-	1,000
Other objects	-	12	299	-	311
Bad debt expense	6,826	-	-	-	6,826
Depreciation	6,681	1,575	2,318	-	10,574
Total operating expenses	<u>1,795,975</u>	<u>31,974</u>	<u>135,216</u>	<u>-</u>	<u>1,963,165</u>
Operating income (loss)	<u>493,980</u>	<u>(3,148)</u>	<u>(56,998)</u>	<u>-</u>	<u>433,834</u>
Nonoperating revenue (expense)					
Interest income	153	15	7	-	175
Interest expense	-	-	(602)	-	(602)
Loss on disposal of equipment	(824)	-	-	-	(824)
Total nonoperating revenue (expense)	<u>(671)</u>	<u>15</u>	<u>(595)</u>	<u>-</u>	<u>(1,251)</u>
Income (loss) before transfers	<u>493,309</u>	<u>(3,133)</u>	<u>(57,593)</u>	<u>-</u>	<u>432,583</u>
Transfers in	267,794	3,937	169,881	(441,612)	-
Transfers out	(273,277)	-	(203,817)	441,612	(35,482)
Total transfers	<u>(5,483)</u>	<u>3,937</u>	<u>(33,936)</u>	<u>-</u>	<u>(35,482)</u>
Change in net position	<u>487,826</u>	<u>804</u>	<u>(91,529)</u>	<u>-</u>	<u>397,101</u>
Net position - beginning (Restated - See note 17)	<u>2,133,747</u>	<u>248,294</u>	<u>171,316</u>	<u>-</u>	<u>2,553,357</u>
Net position - ending	<u>\$ 2,621,573</u>	<u>\$ 249,098</u>	<u>\$ 79,787</u>	<u>\$ -</u>	<u>\$ 2,950,458</u>

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2014

	Business-type Activities Proprietary Funds			Total
	Illinois Virtual School	Learning Technology Center Technical Training and Support	Nonmajor Proprietary Funds	
Cash flows from operating activities				
Receipts from customers	\$ 2,308,850	\$ 22,840	\$ 88,560	\$ 2,420,250
Payments to suppliers and providers of goods and services	(556,491)	(41,264)	(29,821)	(627,576)
Payments to employees	(1,234,256)	-	(110,920)	(1,345,176)
Net cash provided by (used for) operating activities	<u>518,103</u>	<u>(18,424)</u>	<u>(52,181)</u>	<u>447,498</u>
Cash flows from noncapital financing activities				
Cash payments to other funds	(273,277)	(14,102)	(229,211)	(516,590)
Cash payments from other funds	620,886	16,459	181,790	819,135
Net cash provided by (used for) noncapital financing activities	<u>347,609</u>	<u>2,357</u>	<u>(47,421)</u>	<u>302,545</u>
Cash flows from capital and related financing activities				
Principal paid on lease obligations	-	-	(3,971)	(3,971)
Interest paid on lease obligations	-	-	(602)	(602)
Purchase of equipment	(5,149)	-	(5,444)	(10,593)
Net cash (used for) capital and related financing activities	<u>(5,149)</u>	<u>-</u>	<u>(10,017)</u>	<u>(15,166)</u>
Cash flows from investing activities				
Interest earned from investments	153	15	7	175
Net cash provided by investing activities	<u>153</u>	<u>15</u>	<u>7</u>	<u>175</u>
Net increase/decrease in cash and cash equivalents	860,716	(16,052)	(109,612)	735,052
Cash and cash equivalents - beginning	<u>1,578,990</u>	<u>229,626</u>	<u>129,289</u>	<u>1,937,905</u>
Cash and cash equivalents - ending	<u>\$ 2,439,706</u>	<u>\$ 213,574</u>	<u>\$ 19,677</u>	<u>\$ 2,672,957</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating Income (loss)	\$ 493,980	\$ (3,148)	\$ (56,998)	\$ 433,834
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	6,681	1,575	2,318	10,574
Provision for bad debt	6,826	-	-	6,826
(Increase)/decrease in assets:				
Prepaid expenses	(32,705)	(10,509)	(7,572)	(50,786)
Due from other governments	(16,315)	(5,986)	7,002	(15,299)
Increase/(decrease) in liabilities				
Accrued payroll	8,225	-	255	8,480
Accounts payable	16,201	(356)	(526)	15,319
Unearned revenue	35,210	-	3,340	38,550
Net cash provided by (used for) operating activities	<u>\$ 518,103</u>	<u>\$ (18,424)</u>	<u>\$ (52,181)</u>	<u>\$ 447,498</u>

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2014

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 5,857
Due from other governments	<u>498,510</u>
Total Assets	<u><u>\$ 504,367</u></u>
Liabilities	
Due to other governments	<u>\$ 504,367</u>
Total Liabilities	<u><u>\$ 504,367</u></u>

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2014

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.

FINANCIAL REPORTING ENTITY

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

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Peoria County Regional Office of Education #48's districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with State law; performing and reporting on annual building inspections; investigating bus drivers for valid bus driver permits and taking related action as may be required; maintaining a list of unfilled teaching positions and carrying out other related duties required or permitted by law.

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

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

For the period ended June 30, 2014, 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).

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.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

SCOPE OF THE REPORTING ENTITY (Continued)

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.

NEW ACCOUNTING PRONOUNCEMENTS

In 2014, the Regional Office of Education #48 implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. In addition, the Regional Office of Education #48 implemented GASB Statement No. 66, *Technical Corrections - 2012 - An Amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Regional Office of Education #48 also implemented GASB Statement No. 67, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25*. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. Lastly, the Regional Office of Education #48 implemented GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This Statement provides accounting and financial reporting guidance to state and local governments that either offer or receive nonexchange financial guarantees. The implementation of GASB 65 limits the use of the term "deferred" to items reported as deferred inflows or outflows of resources. It also requires a change in the recognition of items previously reported as assets and liabilities. Deferred outflows of resources are combined with assets and deferred inflows of resources are combined with liabilities for purposes of determining major funds. The remaining new standards implemented during 2014 had no significant impact on the financial statements.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the 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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

other intergovernmental revenues. The Peoria County Regional Office of Education #48 has five business-type activities; Local Workshops, Tech Support, Learning Technology Center Technical Training and Support, Aspire, and the Illinois Virtual School. The Local Workshop Fund accounts for fees charged for various workshops and conferences that provide staff development for educators in central and west central Illinois. The Tech Support Fund accounts for monies received related to the Regional Office providing technical support to District 150 and the related payroll expenses. The Learning Technology Center Technical Training and Support fund accounts for monies received to provide training and professional development to area educators. The Aspire fund is used to deliver professional development based on the following initiatives: response to intervention, standards-aligned classroom, and reading literacy. The Illinois Virtual School Fund accounts for tuition and subscription costs charged to schools and the Illinois State Board of Education for use of the Illinois Virtual School (IVS).

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

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet and proprietary fund Statement of Net Position and as other financing sources and uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and as transfers in and out on the proprietary fund Statement of Revenues, Expenses and Changes in Fund Net Position.

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

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

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

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

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

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

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

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

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

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

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

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

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

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

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

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

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

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.

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

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

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

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

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

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

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

Major special revenue funds include the following:

Education Fund - This fund is used to account for and report proceeds of specific revenue sources that are restricted by grant agreements or contracts to expenditures for specified purposes supporting education enhancement programs as follows:

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

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

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

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

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

ROE/ISC Operations - To account for the administration of the PROE (Peoria Regional Office of Education) Center, which provides staff training and development and school improvement services.

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.

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

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

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

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

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

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

Intel Teach Affiliate Grant - To account for local funding to provide access to the Intel Teach Elements online professional development courses, which are designed to help K-12 teachers learn to engage students with digital learning, including digital content, Web 2.0, social networking, and online tools and resources.

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

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

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

Institute - This fund accounts for teacher 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.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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.

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

PROPRIETARY FUNDS

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

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

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

Nonmajor proprietary funds

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

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

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

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 OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIDUCIARY FUNDS (Continued)

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

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

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

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

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

GOVERNMENTAL FUND BALANCES

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

The following types of fund balances may be presented in the Governmental Funds Balance Sheet and Governmental Funds Combining Schedule of Accounts:

Nonspendable Fund Balance – the portion of a Governmental Fund’s fund balance that are not available to be spent, either short term or long term, in either form or through legal restrictions. Amounts representing prepaid expenses have been classified as nonspendable funds. The following accounts comprise nonspendable fund balance: Criminal Background Checks, ROE/ISC Operations, Special Education - IDEA Part D, and Preschool for All Children.

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUND BALANCES (Continued)

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

Assigned Fund Balance – the portion of a Governmental Fund’s fund balance to denote an intended use of resources. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following accounts comprise assigned fund balance: Jail Library, Office of Prevention, Hospital Tutoring, Food Co-Op, Title II Co-Op, Peoria Regional High School Truants, Peoria Regional High School, and Upward Generated.

Unassigned Fund Balance – available expendable resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of the following: ROE Local Fund, Lincoln Senior Award, Peoria Regional High School General State Aid, Criminal Background Checks, ROE/ISC Operations, Special Education - IDEA Part D, and Preschool for All Children.

NET POSITION

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

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

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

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit. The 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.

INVENTORY

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

COMPENSATED ABSENCES

Non-certified and certified employees who work 12 calendar months earn up to 20 vacation days for a full year of service. The accumulated total of vacation days may never exceed 30 days. In the event that a program terminates, no vacation days will be honored past the ending date of the program. Certified employees who work less than 12 calendar months per year do not earn vacation days, and therefore, no liability is accrued.

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

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources consist of unavailable revenue that is applicable to a future reporting period.

USE OF ESTIMATES

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

BUDGET DATA

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUDGET DATA (Continued)

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

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.

DEPOSITS

At June 30, 2014, the carrying amount of the Peoria County Regional Office of Education #48's government-wide and Agency fund deposits were \$130,855 and \$5,857, respectively, and the bank balances were \$180,497 and \$5,857, respectively. These amounts were fully secured by federal depository insurance. The remaining cash and cash equivalents consisted of money market mutual funds in the amount of \$2,980,346. Additional detail is presented on these money market mutual funds below.

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. At June 30, 2014, the Peoria Regional Office of Education #48 had investments with a carrying value of \$16,095 in the Illinois Funds and \$2,964,251 in the Illinois School District Liquid Asset Fund Plus.

CREDIT RISK

At June 30, 2014, the Illinois Funds and the Illinois School District Liquid Asset Fund Plus (ISDLAF+) both had a Standard and Poor's AAAM rating. Both of these pools are audited annually by an outside independent auditor and copies of the report are distributed to participants. The investment advisor for ISDLAF+ is a corporation organized under the laws of the State of Illinois and is registered with the Securities and Exchange Commission. Although not subject to direct regulatory oversight, the Illinois Funds is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act. All investments are fully collateralized.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

2 DEPOSITS AND INVESTMENTS (Continued)

INTEREST RATE RISK

The Illinois Funds and the Illinois School District Liquid Asset Fund Plus enable custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. The investment policy of the Illinois Funds Money Market Funds states that, unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years maturity. The investment policy of the Illinois School District Liquid Asset Fund Plus limits the average dollar-weighted portfolio maturity to sixty days or less and states that money market instruments must have a maximum remaining maturity of one year except for U.S. government obligations which may have remaining maturities up to two years.

CONCENTRATION OF CREDIT RISK

Unless specifically authorized by the Treasurer, the Illinois Funds Money Market Fund's investment policy limits investment categories to not exceed 25% of the portfolio, with the exception of cash equivalents and U.S. Treasury securities. Further, certificates of deposit cannot exceed 10% of any single financial institution's total deposits. The Illinois School District Liquid Asset Fund Plus's investment policy specifically limits the amount of investments in commercial paper to 33 1/3% of the fund's assets. The fund is managed to comply with specific requirements of the Illinois law, particularly the Public Funds Investment Act and other applicable to the investment of participant's funds.

3 DEFINED BENEFIT PENSION PLAN

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 statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2013 was 7.93 percent. The Peoria County Regional Office of Education #48 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

3 DEFINED BENEFIT PENSION PLAN (Continued)

ANNUAL PENSION COST

The required contribution for calendar year 2013 was \$26,666.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2013	\$ 26,666	100%	\$ -
12/31/2012	25,265	100%	-
12/31/2011	29,014	100%	-

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00% a year, attributable to inflation, c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3% annually. The actuarial value of the Peoria County Regional Office of Education #48's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Peoria County Regional Office of Education #48's Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 10 year basis.

FUNDED STATUS AND FUNDING PROGRESS

As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 90.81 percent funded. The actuarial accrued liability for benefits was \$331,601 and the actuarial value of assets was \$301,131, resulting in an underfunded actuarial accrued liability (UAAL) of \$30,470. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$336,266 and the ratio of the UAAL to the covered payroll was 9 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.

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.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

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

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The active member contribution rate for the year ended June 30, 2014, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after Jan. 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2013 and 2012.

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 TO TRS

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, 2014, State of Illinois contributions were based on 35.41 percent of creditable earnings not paid from federal funds, and the Peoria County Regional Office of Education #48 recognized revenue and expenditures of \$546,324 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2013 and June 30, 2012, the contribution rates were 28.05 percent (\$425,754) and 24.91 percent (\$392,837), respectively.

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

2.2 FORMULA CONTRIBUTIONS

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2014 were \$8,324. Contributions for the years ending June 30, 2013 and June 30, 2012, were \$9,632 and \$10,715, 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 has been in effect since 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. Public Act 98-0674 now requires the two rates be the same.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

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

For the year ended June 30, 2014, the employer pension contribution was 35.41 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2013 and 2012, the employer contribution was 28.05 and 24.91 percent, respectively. For the year ended June 30, 2014 salaries totaling \$87,221 were paid from federal and special trust funds that required Peoria County Regional Office of Education #48 contributions of \$30,886. For the years ended June 30, 2013 and June 30, 2012, required Peoria County Regional Office of Education #48 contributions were \$97,419 and \$116,881, respectively.

EARLY RETIREMENT OPTION (ERO)

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

The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement.

For the years ended June 30, 2014, June 30, 2013 and June 30, 2012, the Peoria County Regional Office of Education #48 paid no employer contribution to TRS under the ERO program.

SALARY INCREASES OVER 6 PERCENT AND EXCESS SICK LEAVE

If the Peoria County Regional Office of Education #48 grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the Peoria County Regional Office of Education #48 makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the year ended June 30, 2014 the Peoria County Regional Office of Education #48 paid \$225 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2013 and June 30, 2012, the Peoria County Regional Office of Education #48 paid \$36,048 and \$0 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 rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.29 percent of salary during the year ended June 30, 2014).

For the year ended June 30, 2014, the Peoria County Regional Office of Education #48 paid \$0 to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2013, and June 30, 2012, the Peoria County Regional Office of Education #48 paid \$189 and \$0, respectively.

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 the year ended June 30, 2013. The report for the year ended June 30, 2014, is expected to be available in late 2014.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

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

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at <http://trs.illinois.gov>.

5 TEACHERS' HEALTH INSURANCE SECURITY FUND

The Peoria County Regional Office of Education #48 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the State administered participating provider option plan or choose from several managed care options. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

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

ON BEHALF CONTRIBUTIONS TO THIS FUND

The State of Illinois makes employer retiree health insurance contributions on behalf of Peoria County Regional Office of Education #48. State contributions are intended to match contributions to THIS Fund from active members which were 0.97 percent of pay during the year ended June 30, 2014. State of Illinois contributions were \$13,924, and Peoria County Regional Office of Education #48 recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2013 and June 30, 2012 were 0.92 and 0.88 percent of pay, respectively. State contributions on behalf of Regional Office employees were \$15,278 and \$16,258, respectively.

EMPLOYER CONTRIBUTIONS TO THIS FUND

The Peoria County Regional Office of Education #48 also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.72 percent during the year ended June 30, 2014, and 0.69 and 0.66 percent during the years ended June 30, 2013 and June 30, 2012, respectively. For the year ended June 30, 2014, the Peoria County Regional Office of Education #48 paid \$10,335 to the THIS Fund. For the years ended June 30, 2013 and June 30, 2012, the Peoria Regional Office of Education #48 paid \$11,458 and \$12,193, respectively, which was 100 percent of the required contribution.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

5 TEACHERS' HEALTH INSURANCE SECURITY FUND (Continued)

FURTHER INFORMATION ON THIS FUND

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

6 INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2014 consist of the following individual due to/from other funds in the governmental fund balance sheet and proprietary fund statement of net position. The balances between governmental funds and proprietary funds were eliminated in the government-wide Statement of Net Position.

	Due To Other Funds	Due From Other Funds
Education Fund	\$ 77,012	\$ -
General Fund	11,750	33,744
Nonmajor Special Revenue Funds	425	-
Proprietary Fund	3,230	58,673
Total	\$ 92,417	\$ 92,417

TRANSFERS

Interfund transfer in/out to other fund balances at June 30, 2014 consist of the following individual transfers in/out to other funds in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the proprietary funds Statement of Revenues, Expenses, and Changes in Fund Net Position. The transfer balances between governmental funds and between proprietary funds were eliminated in the government-wide Statement of Activities.

	Transfer In	Transfer Out
Education Fund	\$ 36,171	\$ -
General Fund	8,962	9,651
Proprietary Fund	441,612	477,094
Total	\$ 486,745	\$ 486,745

7 CAPITAL ASSET ACTIVITY

In accordance with GASB Statement No. 34, the Peoria County Regional Office of Education #48 has reported capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased. The Regional Office's assets are composed of furniture and equipment. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2014:

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

7 CAPITAL ASSET ACTIVITY (Continued)

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Governmental Activities:				
Equipment	\$ 445,522	\$ 30,696	\$ (4,474)	\$ 471,744
Governmental Activities Total Assets	445,522	30,696	(4,474)	471,744
Less Accumulated Depreciation	<u>(371,233)</u>	<u>(39,043)</u>	<u>3,645</u>	<u>(406,631)</u>
Governmental Activities Investment in Capital Assets, Net	<u>\$ 74,289</u>	<u>\$ (8,347)</u>	<u>\$ (829)</u>	<u>\$ 65,113</u>
	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Business-type Activities:				
Equipment	\$ 64,520	\$ 28,027	\$ (26,107)	\$ 66,440
Business-type Activities Total Assets	64,520	28,027	(26,107)	66,440
Less Accumulated Depreciation	<u>(39,612)</u>	<u>(10,574)</u>	<u>25,283</u>	<u>(24,903)</u>
Business-type Activities Investment in Capital Assets, Net	<u>\$ 24,908</u>	<u>\$ 17,453</u>	<u>\$ (824)</u>	<u>\$ 41,537</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, 2014 of \$39,043 and \$10,574 was charged to the governmental activities - instructional services and the business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation and related debt.

8 RISK MANAGEMENT

The 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.

9 NONCASH CAPITAL AND RELATED FINANCING TRANSACTIONS

During the year ended June 30, 2014, the Peoria Regional Office of Education #48 acquired a copier valued at \$17,434 through the assumption of a capital lease obligation.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

10 OPERATING LEASES

The Peoria County Regional Office of Education has two lease agreements for office space and two agreements for storage space. The lease for office space at the PROE Center covered the period of July 1, 2013 through June 30, 2014 for a monthly rent of \$4,132. The lease for office space at Peoria Regional High School covered the period of July 1, 2013 through June 30, 2014 for a monthly rent of \$3,370. The lease periods for the large and small storage spaces were July 1, 2013 through June 30, 2014 and had monthly rent of \$300 and \$100, respectively. Subsequent to year-end, the PROE Center, Peoria Regional High School, and large storage space were renewed and extended an additional year through June 30, 2015. During the year ended June 30, 2014, rentals under lease obligations were \$94,824.

11 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	\$ 104,730
Assistant Regional Superintendent Salary	89,921
Regional Superintendent Fringe Benefit (Includes State paid insurance)	30,206
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)	19,713
Regional Superintendent TRS Pension Contribution	37,085
Assistant Regional Superintendent TRS Pension Contribution	31,841
TRS Pension Contributions	477,398
THIS Contributions	13,924
Total	<u>\$ 804,818</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. 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	\$ 252,399
Office Expenses	<u>36,825</u>
Total	<u>\$ 289,224</u>

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

12 DUE TO/FROM OTHER GOVERNMENTS

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

Due From Other Governments:

<u>General Fund</u>	
Local Governments	\$ 41,981
Illinois State Board of Education	13,309
<u>Education Fund</u>	
Local Governments	36,231
Illinois State Board of Education	43,294
Illinois Community College Board	5,521
<u>Proprietary Funds</u>	
Local Governments	423,672
Illinois State Board of Education	100,000
<u>Other Nonmajor Funds</u>	
Local Governments	814
<u>Agency Funds</u>	
Local Governments	498,510
Total	<u>\$ 1,163,332</u>

Due To Other Governments:

<u>General Fund</u>	
Local Governments	\$ 2,227
<u>Education Fund</u>	
Local Governments	6,001
<u>Agency Funds</u>	
Local Governments	504,367
Total	<u>\$ 512,595</u>

13 CAPITAL LEASES

In April of 2014, the Peoria County Regional Office of Education #48 entered into a capital lease reported by the Local Workshops Fund for the acquisition of a copier at a cost of \$17,434. Accumulated depreciation of the copier as of June 30, 2014 was \$630. In August of 2008, the Regional Office of Education #48 entered into a capital lease for the acquisition of computer equipment at a cost of \$39,048 reported in Governmental Activities. This equipment was fully depreciated as of June 30, 2014. Additionally, the Regional Office of Education #48 disposed of a copier previously acquired under a capital lease and reported by the Local Workshops Fund with a cost and accumulated depreciation of \$23,838.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

13 CAPITAL LEASES (Continued)

Capital lease obligation activity for the year ended June 30, 2014 was as follows

Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
\$ 3,147	\$ 17,434	\$ 3,971	\$ 16,610	\$ 3,187

The future minimum lease payments and the principal and interest as of June 30, 2014, were as follows:

Fiscal Year	Principal	Interest
2015	\$ 3,187	\$ 761
2016	3,350	598
2017	3,522	426
2018	3,702	246
2019	2,849	61
	\$ 16,610	\$ 2,092

14 DEFICIT FUND BALANCES

Because some revenues from the State of Illinois will not be collected for several months after the Regional Office's fiscal year ends, they are considered "unavailable" revenues and are reported as deferred inflows of resources in the governmental funds. The deferral of the revenues caused a deficit fund balance as of June 30, 2014 in the Special Education -IDEA Part D fund. The Regional Office of Education #48 intends to reduce these deficits by applying revenues that have been deferred to these balances when they become available. Peoria Regional High School – General State Aid also carried a deficit fund balance as of June 30, 2014.

Funds with Deficit Fund Balance	Deficit Balance
Peoria Regional High School - General State Aid	\$ 493
Special Education - IDEA Part D	19,125
	\$ 19,618

15 ACCOUNTS RECEIVABLE

Accounts receivable and the related allowance for doubtful accounts for the proprietary funds at June 30, 2014, are as follows:

	Outstanding Balance	Allowance for Doubtful Accounts	Net
Illinois Virtual School	\$ 429,155	\$ 21,076	\$ 408,079

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

16 OTHER POST EMPLOYMENT BENEFITS

PLAN DESCRIPTION

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

BENEFITS PROVIDED

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

MEMBERSHIP

At June 30, 2014 membership consisted of:

Retirees and beneficiaries currently receiving benefits	-
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	3
Active nonvested plan members	-
Total	<u>3</u>
Number of participating employers	<u>1</u>

FUNDING POLICY

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

16 OTHER POST EMPLOYMENT BENEFITS (Continued)

ANNUAL OPEB COSTS AND NET OPEB OBLIGATION

The Peoria County Regional Office of Education #48 first had an actuarial valuation performed for the plan as of June 30, 2012 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended June 30, 2014. The Peoria County Regional Office of Education #48's annual OPEB cost (expense) of \$1,582 was equal to the ARC for the fiscal year, as the transition liability was set at zero as of July 1, 2011. The Peoria County Regional Office of Education #48 did not recognize an OPEB liability at June 30, 2014. The Peoria County Regional Office of Education #48's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal years 2014, 2013 and 2012 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2014	\$ 1,582	\$ -	0%	\$ 4,746
June 30, 2013	1,582	-	0%	3,164
June 30, 2012	1,582	-	0%	1,582

The net OPEB obligation as of June 30, 2014, was calculated as follows:

Annual Required Contribution	\$ 1,582
Interest on Net OPEB Obligation	-
Adjustment to Annual Required Contribution	-
Annual OPEB Cost	1,582
Contributions Made	-
Increase in Net OPEB Obligation	1,582
Net OPEB Obligation - Beginning of year	3,164
Net OPEB Obligation - End of Year	<u>\$ 4,746</u>

FUNDED STATUS AND FUNDING PROGRESS

The funded status of the plan was as follows:

	Fiscal Year 2014
Actuarial Accrued Liability (AAL)	\$ 6,265
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 6,265
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%
Covered Payroll (Active Plan Members)	\$ 268,672
UAAL as a Percentage of Covered Payroll	2.33%

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

16 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

In the June 30, 2014 actuarial valuation, the unit credit cost method was used. The actuarial assumptions included a discount rate of 4.00% and an initial healthcare cost trend rate of 10.0%. Both rates include a 3.00% inflation assumption. The actuarial value of assets was not determined as the Peoria County Regional Office of Education #48 has not advanced funded its obligation. The plan's unfunded actuarial accrued liability is being amortized using a level percent of pay based on an open group. The remaining amortization period at June 30, 2014 was 30 years.

17 PRIOR PERIOD ADJUSTMENT

U.S. generally accepted accounting principles for business-type activities use an economic resources focus and accrual basis of accounting, whereby expenses are recorded when incurred and revenues when earned. In the prior year, the Peoria Regional Office of Education did not accrue revenue in the Illinois Virtual School Fund for unbilled instruction services rendered prior to fiscal year-end. Furthermore, in the prior year the Peoria Regional Office of Education #48 did not recognize unearned revenue in the Illinois Virtual School Fund for school terms that ended after June 30, 2013. Accordingly, unbilled instruction services have been accrued and unearned revenue for school terms ending after year-end has been recognized at June 30, 2014, and prior period net position was restated as shown below.

In addition to the above noted errors reported by the Illinois Virtual School Fund, the Peoria Regional Office of Education #48 also determined that accrued payroll reported by this fund was understated by a material amount at June 30, 2013. As a result of the error, prior period net position was restated as shown below.

Additionally, in prior years the Peoria Regional Office of Education #48 reported the Criminal Background Check Fund as an Agency Fund which does not report any revenues, expenditures, or fund balance. However, during the current fiscal year, it was determined that the Criminal Background Check Fund should be reported in the Peoria Regional Office of Education #48's General Fund. As a result, a beginning fund balance has been recognized and prior period fund balance for governmental funds and net position for governmental activities has been restated as shown below.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended June 30, 2014

17 PRIOR PERIOD ADJUSTMENT (Continued)

Further, in the prior fiscal year, the Peoria Regional Office of Education #48 reported a restricted fund balance of \$54,269 in the ROE/ISC Operations account within the Education Fund. During the current fiscal year, it was determined that this fund balance was unrestricted, and should not have been reported in the Education Fund at June 30, 2013. A prior period adjustment has been recorded to remove the amount from the Education Fund and to report the amount as opening fund balance in the ROE Local account within the General Fund.

During the current fiscal year, the Peoria Regional Office of Education #48 determined that fiscal year 2013 revenues and fund balances recorded in the McKinney-Vento Education for Homeless Children and Youth, Learning Technology Center General Operations, and Special Education - IDEA Part D accounts within the Education Fund were understated and these accounts reported cash balances unrelated to the grant funding. However, the fund balances that would have been reported if revenues were properly recognized in the prior fiscal year would not have been reported in the Education Fund since the fund balance would have consisted of unrestricted amounts which generally are not reported in special revenue funds. As a result of these understatements of revenue, a prior period adjustment has been recorded as shown below.

	Net Position Governmental Activities	Net Position Business-Type Activities	Fund Balance General Fund	Fund Balance Education Fund
Net position/fund balance at June 30, 2013	\$ 551,023	\$ 2,639,056	\$ 234,340	\$ (233,058)
Unbilled instruction services	-	149,940	-	-
Unearned revenue	-	(235,805)	-	-
Accrued payroll	-	(23,825)	-	-
Criminal Background Check Fund	12,717	-	12,717	-
Move unrestricted fund balances out of the Education Fund	-	-	54,269	(54,269)
Understatement of Education Fund revenues	1,525	23,991	1,525	-
Net position/fund balance at June 30, 2013, restated	<u>\$ 565,265</u>	<u>\$ 2,553,357</u>	<u>\$ 302,851</u>	<u>\$ (287,327)</u>

18 PROSPECTIVE ACCOUNTING CHANGE

The Governmental Accounting Standards Board has issued Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*. This statement will be implemented for the fiscal year ending June 30, 2015. The revised requirements establish new financial reporting requirements, including additional note disclosures and required supplementary information, for state and local governments that provide their employees with pension benefits. At this time, the effect of the statement on the financial statements is indeterminable; however, the Statement of Net Position may be adjusted to include a significant liability for the government's proportionate share of the employee pension plans' unfunded liabilities.

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

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
(UNAUDITED)

JUNE 30, 2014

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)
12/31/13	\$ 301,131	\$ 331,601	\$ 30,470	90.81%	\$ 336,266	9.06%
12/31/12	244,017	254,210	10,193	95.99%	292,424	3.49%
12/31/11	216,272	209,701	(6,571)	103.13%	290,141	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$356,235.

On a market basis, the funded ratio would be 107.43%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Peoria County Regional Office of Education #48. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

OTHER POST EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS
(UNAUDITED)

JUNE 30, 2014

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2014	7/1/11	\$ -	\$ 6,265	\$ 6,265	0.00%	\$ 268,672	2.33%
2013	7/1/11	-	6,265	6,265	0.00%	267,251	2.34%
2012	7/1/11	-	6,265	6,265	0.00%	234,450	2.67%

See accompanying Independent Auditor's Report.

SUPPLEMENTAL INFORMATION

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND

June 30, 2014

	ROE Local Fund	General State Aid	Jail Library	Lincoln Senior Award
Assets				
Cash and cash equivalents	\$ 27,800	\$ -	\$ 965	\$ 191
Due from other funds	33,744	-	-	-
Due from other governments				
Local	30,326	-	-	-
State	-	-	-	-
Prepaid expenses	-	-	-	-
Total assets	<u>\$ 91,870</u>	<u>\$ -</u>	<u>\$ 965</u>	<u>\$ 191</u>
Liabilities				
Accounts payable	\$ 10,090	\$ -	\$ -	\$ -
Accrued payroll and employee benefits	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	2,227	-	-	-
Total liabilities	<u>12,317</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit)				
Nonspendable	-	-	-	-
Assigned	-	-	965	-
Unassigned	79,553	-	-	191
Total fund balance (deficit)	<u>79,553</u>	<u>-</u>	<u>965</u>	<u>191</u>
Total liabilities and fund balance (deficit)	<u>\$ 91,870</u>	<u>\$ -</u>	<u>\$ 965</u>	<u>\$ 191</u>

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND

June 30, 2014

	Office of Prevention	Spring Celebration	Hospital Tutoring	Directory
Assets				
Cash and cash equivalents	\$ 26,267	\$ -	\$ 33,611	\$ -
Due from other funds	-	-	-	-
Due from other governments				
Local	-	90	11,345	-
State	-	-	-	-
Prepaid expenses	-	-	-	-
Total assets	<u>\$ 26,267</u>	<u>\$ 90</u>	<u>\$ 44,956</u>	<u>\$ -</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ 15,827	\$ -
Accrued payroll and employee benefits	-	-	121	-
Due to other funds	-	90	-	-
Due to other governments	-	-	-	-
Total liabilities	<u>-</u>	<u>90</u>	<u>15,948</u>	<u>-</u>
Fund balance (deficit)				
Nonspendable	-	-	-	-
Assigned	26,267	-	29,008	-
Unassigned	-	-	-	-
Total fund balance (deficit)	<u>26,267</u>	<u>-</u>	<u>29,008</u>	<u>-</u>
Total liabilities and fund balance (deficit)	<u>\$ 26,267</u>	<u>\$ 90</u>	<u>\$ 44,956</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND

June 30, 2014

	Food Co-Op	Title II Co-Op	Peoria Regional High School Truants	Peoria Regional High School General State Aid
Assets				
Cash and cash equivalents	\$ 32,183	\$ 94,523	\$ -	\$ -
Due from other funds	-	-	-	-
Due from other governments				
Local	-	-	-	-
State	-	-	13,309	-
Prepaid expenses	-	-	-	-
Total assets	<u>\$ 32,183</u>	<u>\$ 94,523</u>	<u>\$ 13,309</u>	<u>\$ -</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll and employee benefits	-	-	-	493
Due to other funds	-	-	11,660	-
Due to other governments	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>11,660</u>	<u>493</u>
Fund balance (deficit)				
Nonspendable	-	-	-	-
Assigned	32,183	94,523	1,649	-
Unassigned	-	-	-	(493)
Total fund balance (deficit)	<u>32,183</u>	<u>94,523</u>	<u>1,649</u>	<u>(493)</u>
Total liabilities and fund balance (deficit)	<u>\$ 32,183</u>	<u>\$ 94,523</u>	<u>\$ 13,309</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND

June 30, 2014

	Peoria Regional High School	Upward Generated	Criminal Background Checks	Total
Assets				
Cash and cash equivalents	\$ 23,918	\$ 6	\$ 6,750	\$ 246,214
Due from other funds	-	-	-	33,744
Due from other governments				
Local	-	-	220	41,981
State	-	-	-	13,309
Prepaid expenses	-	-	16	16
Total assets	\$ 23,918	\$ 6	\$ 6,986	\$ 335,264
Liabilities				
Accounts payable	\$ 79	\$ -	\$ -	\$ 25,996
Accrued payroll and employee benefits	-	-	-	614
Due to other funds	-	-	-	11,750
Due to other governments	-	-	-	2,227
Total liabilities	79	-	-	40,587
Fund balance (deficit)				
Nonspendable	-	-	16	16
Assigned	23,839	6	-	208,440
Unassigned	-	-	6,970	86,221
Total fund balance (deficit)	23,839	6	6,986	294,677
Total liabilities and fund balance (deficit)	\$ 23,918	\$ 6	\$ 6,986	\$ 335,264

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2014

	ROE Local Fund	General State Aid	Jail Library	Lincoln Senior Award
Revenues				
Local sources	\$ 6,674	\$ -	\$ -	\$ 1,654
State sources	-	228,350	-	-
On behalf payments - local	289,224	-	-	-
On behalf payments - state	804,818	-	-	-
Total revenues	1,100,716	228,350	-	1,654
Expenditures				
Salaries and benefits	225	-	-	-
Purchased services	8,333	-	-	1,557
Supplies and materials	942	-	-	-
Other objects	2,522	-	-	104
Payments to other governments	-	228,350	-	-
On behalf payments - local	289,224	-	-	-
On behalf payments - state	804,818	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,106,064	228,350	-	1,661
Excess (deficiency) of revenues over (under) expenditures	(5,348)	-	-	(7)
Other financing sources (uses)				
Transfers in	1	-	-	-
Transfers out	(2,152)	-	-	-
Interest income	1	-	-	-
Total other financing sources (uses)	(2,150)	-	-	-
Net change in fund balances	(7,498)	-	-	(7)
Fund balance (deficit) - beginning (Restated - See note 17)	87,051	-	965	198
Fund balance (deficit) - ending	\$ 79,553	\$ -	\$ 965	\$ 191

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2014

	Office of Prevention	Spring Celebration	Hospital Tutoring	Directory
Revenues				
Local sources	\$ 325	\$ 3,640	\$ 78,365	\$ -
State sources	-	-	-	-
On behalf payments - local	-	-	-	-
On behalf payments - state	-	-	-	-
Total revenues	325	3,640	78,365	-
Expenditures				
Salaries and benefits	-	2,922	3,893	-
Purchased services	1,981	313	69,552	-
Supplies and materials	-	-	-	-
Other objects	-	353	-	-
Payments to other governments	-	-	-	-
On behalf payments - local	-	-	-	-
On behalf payments - state	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,981	3,588	73,445	-
Excess (deficiency) of revenues over (under) expenditures	(1,656)	52	4,920	-
Other financing sources (uses)				
Transfers in	-	-	-	1,476
Transfers out	-	-	-	-
Interest income	2	-	1	-
Total other financing sources (uses)	2	-	1	1,476
Net change in fund balances	(1,654)	52	4,921	1,476
Fund balance (deficit) - beginning (Restated - See note 17)	27,921	(52)	24,087	(1,476)
Fund balance (deficit) - ending	\$ 26,267	\$ -	\$ 29,008	\$ -

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2014

	Food Co-Op	Title II Co-Op	Peoria Regional High School Truants	Peoria Regional High School General State Aid
Revenues				
Local sources	\$ 8,250	\$ -	\$ 68	\$ -
State sources	-	-	72,712	301,292
On behalf payments - local	-	-	-	-
On behalf payments - state	-	-	-	-
Total revenues	8,250	-	72,780	301,292
Expenditures				
Salaries and benefits	4,109	-	69,244	227,474
Purchased services	256	-	2,207	74,457
Supplies and materials	762	-	1,329	4,637
Other objects	-	-	-	-
Payments to other governments	-	-	-	-
On behalf payments - local	-	-	-	-
On behalf payments - state	-	-	-	-
Capital outlay	-	-	-	800
Total expenditures	5,127	-	72,780	307,368
Excess (deficiency) of revenues over (under) expenditures	3,123	-	-	(6,076)
Other financing sources (uses)				
Transfers in	-	-	-	6,809
Transfers out	-	(690)	-	-
Interest income	2	2	-	-
Total other financing sources (uses)	2	(688)	-	6,809
Net change in fund balances	3,125	(688)	-	733
Fund balance (deficit) - beginning (Restated - See note 17)	29,058	95,211	1,649	(1,226)
Fund balance (deficit) - ending	\$ 32,183	\$ 94,523	\$ 1,649	\$ (493)

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2014

	Peoria Regional High School	Upward Generated	Criminal Background Checks	Total
Revenues				
Local sources	\$ 21,158	\$ -	\$ 27,361	\$ 147,495
State sources	-	-	-	602,354
On behalf payments - local	-	-	-	289,224
On behalf payments - state	-	-	-	804,818
Total revenues	<u>21,158</u>	<u>-</u>	<u>27,361</u>	<u>1,843,891</u>
Expenditures				
Salaries and benefits	5,250	3,494	-	316,611
Purchased services	2,707	3,291	24,342	188,996
Supplies and materials	1,850	56	1,251	10,827
Other objects	1,281	-	-	4,260
Payments to other governments	-	-	-	228,350
On behalf payments - local	-	-	-	289,224
On behalf payments - state	-	-	-	804,818
Capital outlay	-	-	7,500	8,300
Total expenditures	<u>11,088</u>	<u>6,841</u>	<u>33,093</u>	<u>1,851,386</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,070</u>	<u>(6,841)</u>	<u>(5,732)</u>	<u>(7,495)</u>
Other financing sources (uses)				
Transfers in	-	676	-	8,962
Transfers out	(6,809)	-	-	(9,651)
Interest income	1	-	1	10
Total other financing sources (uses)	<u>(6,808)</u>	<u>676</u>	<u>1</u>	<u>(679)</u>
Net change in fund balances	3,262	(6,165)	(5,731)	(8,174)
Fund balance (deficit) - beginning (Restated - See note 17)	<u>20,577</u>	<u>6,171</u>	<u>12,717</u>	<u>302,851</u>
Fund balance (deficit) - ending	<u>\$ 23,839</u>	<u>\$ 6</u>	<u>\$ 6,986</u>	<u>\$ 294,677</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND

JUNE 30, 2014

	Adult Education Federal Basic	Adult Education State Basic	Adult Education Performance	Upward SOS
Assets				
Cash and cash equivalents	\$ 108	\$ -	\$ -	\$ -
Due from other governments				
Local	-	-	-	-
State	-	3,375	2,146	-
Prepaid expenses	-	-	-	-
Total assets	<u>\$ 108</u>	<u>\$ 3,375</u>	<u>\$ 2,146</u>	<u>\$ -</u>
Liabilities and fund balance (deficit)				
Liabilities				
Accounts payable	\$ 108	\$ -	\$ -	\$ -
Accrued payroll and employee benefits	-	-	-	-
Due to other funds	-	3,375	2,146	-
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>108</u>	<u>3,375</u>	<u>2,146</u>	<u>-</u>
Deferred inflows of resources				
Unavailable revenue	-	-	-	-
Fund balance (deficit)				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total fund balance (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows and fund balance (deficit)	<u>\$ 108</u>	<u>\$ 3,375</u>	<u>\$ 2,146</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND

JUNE 30, 2014

	Communities for Youth Truants Alternative	McKinney-Vento Education for Homeless Children and Youth	Learning Technology Center General Operations	ROE/ISC Operations
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 2,317
Due from other governments				
Local	-	4,944	-	-
State	23,191	-	14,102	-
Prepaid expenses	-	-	-	40
Total assets	<u>\$ 23,191</u>	<u>\$ 4,944</u>	<u>\$ 14,102</u>	<u>\$ 2,357</u>
Liabilities and fund balance (deficit)				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 773
Accrued payroll and employee benefits	-	-	-	-
Due to other funds	23,191	4,944	14,102	1,584
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>23,191</u>	<u>4,944</u>	<u>14,102</u>	<u>2,357</u>
Deferred inflows of resources				
Unavailable revenue	-	-	-	-
Fund balance (deficit)				
Nonspendable	-	-	-	40
Restricted	-	-	-	-
Unassigned	-	-	-	(40)
Total fund balance (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows and fund balance (deficit)	<u>\$ 23,191</u>	<u>\$ 4,944</u>	<u>\$ 14,102</u>	<u>\$ 2,357</u>

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND

JUNE 30, 2014

	Title I School Improvement and Accountability	Foundational Services	Special Education - IDEA Part D	Preschool for All Children
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 29,777
Due from other governments				
Local	-	12,163	19,124	-
State	-	-	-	-
Prepaid expenses	-	-	343	379
Total assets	\$ -	\$ 12,163	\$ 19,467	\$ 30,156
Liabilities and fund balance (deficit)				
Liabilities				
Accounts payable	\$ -	\$ 428	\$ 555	\$ 1,490
Accrued payroll and employee benefits	-	3,409	98	9,637
Due to other funds	-	8,326	18,814	530
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	18,499
Total liabilities	-	12,163	19,467	30,156
Deferred inflows of resources				
Unavailable revenue	-	-	19,125	-
Fund balance (deficit)				
Nonspendable	-	-	343	379
Restricted	-	-	-	-
Unassigned	-	-	(19,468)	(379)
Total fund balance (deficit)	-	-	(19,125)	-
Total liabilities, deferred inflows and fund balance (deficit)	\$ -	\$ 12,163	\$ 19,467	\$ 30,156

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND

JUNE 30, 2014

	Principal Mentoring	Regional Safe Schools	Title II- Teacher Quality- Leadership Grant	Intel Teach Affiliate Grant	Total
Assets					
Cash and cash equivalents	\$ 1,520	\$ -	\$ -	\$ -	\$ 33,722
Due from other governments					
Local	-	-	-	-	36,231
State	-	6,001	-	-	48,815
Prepaid expenses	-	-	-	-	762
Total assets	<u>\$ 1,520</u>	<u>\$ 6,001</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,530</u>
Liabilities and fund balance (deficit)					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 3,354
Accrued payroll and employee benefits	-	-	-	-	13,144
Due to other funds	-	-	-	-	77,012
Due to other governments	-	6,001	-	-	6,001
Unearned revenue	-	-	-	-	18,499
Total liabilities	<u>-</u>	<u>6,001</u>	<u>-</u>	<u>-</u>	<u>118,010</u>
Deferred inflows of resources					
Unavailable revenue	-	-	-	-	19,125
Fund balance (deficit)					
Nonspendable	-	-	-	-	762
Restricted	1,520	-	-	-	1,520
Unassigned	-	-	-	-	(19,887)
Total fund balance (deficit)	<u>1,520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,605)</u>
Total liabilities, deferred inflows and fund balance (deficit)	<u>\$ 1,520</u>	<u>\$ 6,001</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,530</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2014

	Adult Education Federal Basic	Adult Education State Basic	Adult Education Performance	Upward SOS
Revenues				
Local Sources	\$ -	\$ -	\$ -	\$ -
State sources	-	40,499	25,751	60,003
Federal sources	36,489	-	-	-
Total revenues	<u>36,489</u>	<u>40,499</u>	<u>25,751</u>	<u>60,003</u>
Expenditures				
Salaries and benefits	30,279	36,735	25,638	50,460
Purchased services	912	2,760	113	3,157
Supplies and materials	5,298	1,004	-	6,209
Other objects	-	-	-	179
Payments to other governments	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>36,489</u>	<u>40,499</u>	<u>25,751</u>	<u>60,005</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2)</u>
Other financing sources (uses):				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Interest income	-	-	-	1
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Net change in fund balances	-	-	-	(1)
Fund balance (deficit) - beginning (Restated - See note 17)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Fund balance (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2014

	Communities for Youth Truants Alternative	McKinney-Vento Education for Homeless Children and Youth	Learning Technology Center General Operations	ROE/ISC Operations
Revenues				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	128,020	-	156,548	36,718
Federal sources	-	40,272	-	-
Total revenues	<u>128,020</u>	<u>40,272</u>	<u>156,548</u>	<u>36,718</u>
Expenditures				
Salaries and benefits	122,183	34,192	83,205	-
Purchased services	6,064	2,020	71,836	29,909
Supplies and materials	758	893	-	5,211
Other objects	-	-	-	-
Payments to other governments	-	-	-	-
Capital outlay	-	-	-	1,600
Total expenditures	<u>129,005</u>	<u>37,105</u>	<u>155,041</u>	<u>36,720</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(985)</u>	<u>3,167</u>	<u>1,507</u>	<u>(2)</u>
Other financing sources (uses):				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Interest income	-	-	-	2
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Net change in fund balances	(985)	3,167	1,507	-
Fund balance (deficit) - beginning (Restated - See note 17)	<u>985</u>	<u>(3,167)</u>	<u>(1,507)</u>	<u>-</u>
Fund balance (deficit) - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2014

	Title I School Improvement and Accountability	Foundational Services	Special Education - IDEA Part D	Preschool for All Children
Revenues				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	142,329
Federal sources	260,231	12,163	202,249	-
Total revenues	<u>260,231</u>	<u>12,163</u>	<u>202,249</u>	<u>142,329</u>
Expenditures				
Salaries and benefits	-	1,758	201,075	110,132
Purchased services	-	12,615	19,919	13,108
Supplies and materials	-	237	1,326	19,090
Other objects	-	-	-	-
Payments to other governments	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>14,610</u>	<u>222,320</u>	<u>142,330</u>
Excess (deficiency) of revenues over (under) expenditures	<u>260,231</u>	<u>(2,447)</u>	<u>(20,071)</u>	<u>(1)</u>
Other financing sources (uses):				
Transfer in	28,242	2,447	-	-
Transfer out	-	-	-	-
Interest income	-	-	-	1
Total other financing sources (uses)	<u>28,242</u>	<u>2,447</u>	<u>-</u>	<u>1</u>
Net change in fund balances	288,473	-	(20,071)	-
Fund balance (deficit) - beginning (Restated - See note 17)	<u>(288,473)</u>	<u>-</u>	<u>946</u>	<u>-</u>
Fund balance (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,125)</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2014

	Principal Mentoring	Regional Safe Schools	Title II Teacher Quality Leadership Grant	Intel Teach Affiliate Grant	Total
Revenues					
Local sources	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000
State sources	-	95,893	-	-	685,761
Federal sources	-	-	16,869	-	568,273
Total revenues	<u>-</u>	<u>95,893</u>	<u>16,869</u>	<u>20,000</u>	<u>1,274,034</u>
Expenditures					
Salaries and benefits	-	-	-	10,465	706,122
Purchased services	-	-	16,700	17,385	196,498
Supplies and materials	-	-	169	-	40,195
Other objects	-	-	-	-	179
Payments to other governments	-	95,893	-	-	95,893
Capital outlay	-	-	-	-	1,600
Total expenditures	<u>-</u>	<u>95,893</u>	<u>16,869</u>	<u>27,850</u>	<u>1,040,487</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,850)</u>	<u>233,547</u>
Other financing sources (uses):					
Transfer in	-	-	-	5,482	36,171
Transfer out	-	-	-	-	-
Interest income	-	-	-	-	4
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,482</u>	<u>36,175</u>
Net change in fund balances	-	-	-	(2,368)	269,722
Fund balance (deficit) - beginning (Restated - See note 17)	<u>1,520</u>	<u>-</u>	<u>-</u>	<u>2,368</u>	<u>(287,327)</u>
Fund balance (deficit) - ending	<u>\$ 1,520</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,605)</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION - FEDERAL BASIC

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 36,294	\$ 36,294	\$ 36,489
Total revenue	<u>36,294</u>	<u>36,294</u>	<u>36,489</u>
Expenditures			
Salaries and benefits	30,100	30,100	30,279
Purchased services	850	850	912
Supplies and materials	<u>5,344</u>	<u>5,344</u>	<u>5,298</u>
Total expenditures	<u>36,294</u>	<u>36,294</u>	<u>36,489</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION - STATE BASIC

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 40,499	\$ 40,499	\$ 40,499
Total revenue	<u>40,499</u>	<u>40,499</u>	<u>40,499</u>
Expenditures			
Salaries and benefits	37,772	37,772	36,735
Purchased services	1,467	1,467	2,760
Supplies and materials	<u>1,260</u>	<u>1,260</u>	<u>1,004</u>
Total expenditures	<u>40,499</u>	<u>40,499</u>	<u>40,499</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ADULT EDUCATION PERFORMANCE

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 25,751	\$ 25,751	\$ 25,751
Total revenue	<u>25,751</u>	<u>25,751</u>	<u>25,751</u>
Expenditures			
Salaries and benefits	25,044	25,044	25,638
Purchased services	<u>707</u>	<u>707</u>	<u>113</u>
Total expenditures	<u>25,751</u>	<u>25,751</u>	<u>25,751</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
UPWARD SOS

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 60,000	\$ 60,000	\$ 60,003
Total revenue	<u>60,000</u>	<u>60,000</u>	<u>60,003</u>
Expenditures			
Salaries and benefits	49,961	49,961	50,460
Purchased services	3,700	3,700	3,157
Supplies and materials	6,209	6,209	6,209
Other objects	130	130	179
Total expenditures	<u>60,000</u>	<u>60,000</u>	<u>60,005</u>
(Deficiency) of revenues (under) expenditures	<u>-</u>	<u>-</u>	<u>(2)</u>
Other financing sources			
Interest income	<u>-</u>	<u>-</u>	<u>1</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>1</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(1)</u>
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>1</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
COMMUNITIES FOR YOUTH TRUANTS ALTERNATIVE

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 200,732	\$ 200,732	\$ 128,020
Total revenues	<u>200,732</u>	<u>200,732</u>	<u>128,020</u>
Expenditures			
Salaries and benefits	189,674	189,674	122,183
Purchased services	9,138	9,138	6,064
Supplies and materials	1,920	1,920	758
Total expenditures	<u>200,732</u>	<u>200,732</u>	<u>129,005</u>
(Deficiency) of revenues (under) expenditures	<u>-</u>	<u>-</u>	<u>(985)</u>
Net change in fund balance	-	-	(985)
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>985</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 36,478	\$ 36,478	\$ 40,272
Total revenue	<u>36,478</u>	<u>36,478</u>	<u>40,272</u>
Expenditures			
Salaries and benefits	34,249	34,249	34,192
Purchased services	1,674	1,674	2,020
Supplies and materials	555	555	893
Total expenditures	<u>36,478</u>	<u>36,478</u>	<u>37,105</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>3,167</u>
Other financing sources (uses)			
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	3,167
Fund balance (deficit) - beginning	<u>-</u>	<u>-</u>	<u>(3,167)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
LEARNING TECHNOLOGY CENTER GENERAL OPERATIONS

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 155,042	\$ 155,042	\$ 156,548
Total revenue	<u>155,042</u>	<u>155,042</u>	<u>156,548</u>
Expenditures			
Salaries and benefits	84,223	84,223	83,205
Purchased services	<u>70,819</u>	<u>70,819</u>	<u>71,836</u>
Total expenditures	<u>155,042</u>	<u>155,042</u>	<u>155,041</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>1,507</u>
Other financing sources (uses)			
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	1,507
Fund balance (deficit) - beginning	<u>-</u>	<u>-</u>	<u>(1,507)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
ROE/ISC OPERATIONS

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 36,718	\$ 36,718	\$ 36,718
Total revenues	<u>36,718</u>	<u>36,718</u>	<u>36,718</u>
Expenditures			
Purchased services	31,718	29,998	29,909
Supplies and materials	5,000	5,120	5,211
Capital outlay	-	1,600	1,600
Total expenditures	<u>36,718</u>	<u>36,718</u>	<u>36,720</u>
(Deficiency) of revenues (under) expenditures	<u>-</u>	<u>-</u>	<u>(2)</u>
Other financing sources (uses)			
Transfers out			-
Interest	-	-	2
Total Other financing sources	<u>-</u>	<u>-</u>	<u>2</u>
Net change in fund balance	-	-	-
Fund balance - beginning (Restated - See note 17)	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
FOUNDATIONAL SERVICES

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 29,340	\$ 29,340	\$ 12,163
Total revenues	<u>29,340</u>	<u>29,340</u>	<u>12,163</u>
Expenditures			
Salaries and benefits	-	-	1,758
Purchased services	28,500	28,500	12,615
Supplies and materials	840	840	237
Total expenditures	<u>29,340</u>	<u>29,340</u>	<u>14,610</u>
(Deficiency) of revenues (under) expenditures	<u>-</u>	<u>-</u>	<u>(2,447)</u>
Other financing sources			
Transfer in	-	-	2,447
Total other financing sources	<u>-</u>	<u>-</u>	<u>2,447</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Purchased services and supplies and materials were the only expenses in this fund that were reimbursed with grant funding.

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 230,327	\$ 239,265	\$ 202,249
Total revenues	<u>230,327</u>	<u>239,265</u>	<u>202,249</u>
Expenditures			
Salaries and benefits	201,916	202,496	201,075
Purchased services	17,000	24,510	19,919
Supplies and materials	11,411	12,259	1,326
Total expenditures	<u>230,327</u>	<u>239,265</u>	<u>222,320</u>
(Deficiency) of revenues (under) expenditures	<u>-</u>	<u>-</u>	<u>(20,071)</u>
Other financing sources (uses)			
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	(20,071)
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>946</u>
Fund balance (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,125)</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
PRESCHOOL FOR ALL CHILDREN

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 165,804	\$ 165,804	\$ 142,329
Total revenues	<u>165,804</u>	<u>165,804</u>	<u>142,329</u>
Expenditures			
Salaries and benefits	138,906	138,906	110,132
Purchased services	14,809	14,809	13,108
Supplies and materials	<u>12,089</u>	<u>12,089</u>	<u>19,090</u>
Total expenditures	<u>165,804</u>	<u>165,804</u>	<u>142,330</u>
(Deficiency) of revenues (under) expenditures	<u>-</u>	<u>-</u>	<u>(1)</u>
Other financing sources			
Interest	<u>-</u>	<u>-</u>	<u>1</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>1</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: The excess of actual expenditures over budgeted expenditures for supplies and materials are expenditures for the 2013 Early Childhood Block Grant program that ended August 31, 2014. The budget shown above is the 2014 program budget.

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

BUDGETARY COMPARISON SCHEDULE
EDUCATION FUND ACCOUNTS
REGIONAL SAFE SCHOOLS

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 95,893	\$ 95,893	\$ 95,893
Total revenues	95,893	95,893	95,893
Expenditures			
Payments to other governments	95,893	95,893	95,893
Total expenditures	95,893	95,893	95,893
Excess of revenues over expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 17,054	\$ 17,923	\$ 16,869
Total revenue	<u>17,054</u>	<u>17,923</u>	<u>16,869</u>
Expenditures			
Purchased services	16,300	17,300	16,700
Supplies and materials	754	623	169
Total expenditures	<u>17,054</u>	<u>17,923</u>	<u>16,869</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2014

	Bus Driver Training	General Education Development	Institute	Supervisory	Local Foundation	Total
Assets						
Cash and cash equivalents	\$ 9,590	\$ 42,789	\$ 101,136	\$ 2,275	\$ 2,518	\$ 158,308
Due from other governments - Local	-	814	-	-	-	814
Total assets	\$ 9,590	\$ 43,603	\$ 101,136	\$ 2,275	\$ 2,518	\$ 159,122
Liabilities and fund balance						
Liabilities						
Accounts payable	\$ 563	\$ 648	\$ 100	\$ -	\$ 47	\$ 1,358
Due to other funds	100	-	325	-	-	425
Total liabilities	663	648	425	-	47	1,783
Fund balance						
Restricted	8,927	42,955	100,711	2,275	2,471	157,339
Unassigned	-	-	-	-	-	-
Total fund balance	8,927	42,955	100,711	2,275	2,471	157,339
Total liabilities and fund balance	\$ 9,590	\$ 43,603	\$ 101,136	\$ 2,275	\$ 2,518	\$ 159,122

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See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2014

	Bus Driver Training	General Education Development	Institute	Supervisory	Local Foundation	Total
Revenues						
Local sources	\$ 3,394	\$ 22,143	\$ 48,275	\$ -	\$ 3,747	\$ 77,559
State sources	1,200	-	-	-	-	1,200
Total revenues	<u>4,594</u>	<u>22,143</u>	<u>48,275</u>	<u>-</u>	<u>3,747</u>	<u>78,759</u>
Expenditures						
Salaries and benefits	-	1,784	-	-	-	1,784
Purchased services	3,620	9,572	58,341	129	290	71,952
Supplies and materials	-	2,264	1,184	-	986	4,434
Other objects	-	6,000	274	-	-	6,274
Capital outlay	-	20,796	-	-	-	20,796
Total expenditures	<u>3,620</u>	<u>40,416</u>	<u>59,799</u>	<u>129</u>	<u>1,276</u>	<u>105,240</u>
Excess (deficiency) of revenues over (under) expenditures	<u>974</u>	<u>(18,273)</u>	<u>(11,524)</u>	<u>(129)</u>	<u>2,471</u>	<u>(26,481)</u>
Other financing sources						
Interest	-	2	6	-	-	8
Total other financing sources	<u>-</u>	<u>2</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>8</u>
Net change in fund balance	974	(18,271)	(11,518)	(129)	2,471	(26,473)
Fund balance - beginning	<u>7,953</u>	<u>61,226</u>	<u>112,229</u>	<u>2,404</u>	<u>-</u>	<u>183,812</u>
Fund balance - ending	<u>\$ 8,927</u>	<u>\$ 42,955</u>	<u>\$ 100,711</u>	<u>\$ 2,275</u>	<u>\$ 2,471</u>	<u>\$ 157,339</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS

June 30, 2014

	Business-type Activities Proprietary Funds			Total
	Local Workshops	Tech Support	Aspire	
Assets				
Current assets				
Cash and cash equivalents	\$ 19,677	\$ -	\$ -	\$ 19,677
Due from other funds	44,571	-	-	44,571
Due from other government - local	6,342	-	-	6,342
Prepaid expenses	8,618	-	-	8,618
Total current assets	<u>79,208</u>	<u>-</u>	<u>-</u>	<u>79,208</u>
Noncurrent assets				
Equipment, net of depreciation	22,149	-	-	22,149
Total assets	<u>101,357</u>	<u>-</u>	<u>-</u>	<u>101,357</u>
Liabilities				
Current liabilities				
Accounts payable	1,365	-	-	1,365
Lease payable	3,187	-	-	3,187
Accrued payroll liabilities	255	-	-	255
Unearned revenue	3,340	-	-	3,340
Total current liabilities	<u>8,147</u>	<u>-</u>	<u>-</u>	<u>8,147</u>
Noncurrent liabilities				
Lease payable	13,423	-	-	13,423
Total liabilities	<u>21,570</u>	<u>-</u>	<u>-</u>	<u>21,570</u>
Net position				
Invested in capital assets, net of related debt	5,539	-	-	5,539
Unrestricted	74,248	-	-	74,248
Total net position	<u>\$ 79,787</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,787</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

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

For the Year Ended June 30, 2014

	Business-type Activities Proprietary Funds			
	Local Workshops	Tech Support	Aspire	Total
Operating revenues				
Registration fees	\$ 78,218	\$ -	\$ -	\$ 78,218
Operating expenses				
Salaries and benefits	111,175	-	-	111,175
Purchased services	18,907	-	-	18,907
Supplies and materials	1,517	-	-	1,517
Payments to other governments	1,000	-	-	1,000
Other objects	299	-	-	299
Depreciation	2,318	-	-	2,318
Total operating expenses	135,216	-	-	135,216
Operating income (loss)	(56,998)	-	-	(56,998)
Nonoperating revenue (expense)				
Interest income	6	1	-	7
Interest expense	(602)	-	-	(602)
Total nonoperating revenue (expense)	(596)	1	-	(595)
Income (loss) before transfers	(57,594)	1	-	(57,593)
Transfers in	169,881	-	-	169,881
Transfers out	(197,643)	(3,937)	(2,237)	(203,817)
Total transfers	(27,762)	(3,937)	(2,237)	(33,936)
Change in net position	(85,356)	(3,936)	(2,237)	(91,529)
Net Position - beginning (Restated - See note 17)	165,143	3,936	2,237	171,316
Net Position - ending	\$ 79,787	\$ -	\$ -	\$ 79,787

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS

For the Year Ended June 30, 2014

	Business-type Activities Proprietary Funds			Total
	Local Workshops	Tech Support	Aspire	
Cash flows from operating activities				
Receipts from customers	\$ 88,560	\$ -	\$ -	\$ 88,560
Payments to suppliers and providers of goods and services	(29,821)	-	-	(29,821)
Payments to employees	(110,920)	-	-	(110,920)
Net cash (used for) operating activities	(52,181)	-	-	(52,181)
Cash flows from noncapital financing activities				
Cash payments to other funds	(223,037)	(3,937)	(2,237)	(229,211)
Cash payments from other funds	181,790	-	-	181,790
Net cash (used for) noncapital financing activities	(41,247)	(3,937)	(2,237)	(47,421)
Cash flows from capital and related financing activities				
Principal paid on lease obligations	(3,971)	-	-	(3,971)
Interest paid on lease obligations	(602)	-	-	(602)
Purchase of property and equipment	(5,444)	-	-	(5,444)
Net cash (used for) capital and related financing activities	(10,017)	-	-	(10,017)
Cash flows from investing activities				
Interest earned from investments	6	1	-	7
Net cash provided by (used for) investing activities	6	1	-	7
Net increase/decrease in cash and cash equivalents	(103,439)	(3,936)	(2,237)	(109,612)
Cash and cash equivalents - beginning	123,116	3,936	2,237	129,289
Cash and cash equivalents - ending	<u>\$ 19,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,677</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ (56,998)	\$ -	\$ -	\$ (56,998)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	2,318	-	-	2,318
(Increase)/decrease in assets:				
Due from other governments	7,002	-	-	7,002
Prepaid expenses	(7,572)	-	-	(7,572)
Increase/(decrease) in liabilities:				
Accrued payroll	255	-	-	255
Accounts payable	(526)	-	-	(526)
Unearned revenue	3,340	-	-	3,340
Net cash (used for) operating activities	<u>\$ (52,181)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (52,181)</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS

June 30, 2014

	Regional Board of Trustees	C.I.S.E.	PERFECT	SEAPCO	IVS Scholarship Fund	Total
Assets						
Cash and cash equivalents	\$ 18	\$ 2,084	\$ -	\$ -	\$ 3,755	\$ 5,857
Due from other governments	-	-	10,116	488,394	-	498,510
	<u>18</u>	<u>2,084</u>	<u>10,116</u>	<u>488,394</u>	<u>3,755</u>	<u>504,367</u>
Total assets	\$ 18	\$ 2,084	\$ 10,116	\$ 488,394	\$ 3,755	\$ 504,367
Liabilities						
Due to other governments	\$ 18	\$ 2,084	\$ 10,116	\$ 488,394	\$ 3,755	\$ 504,367
	<u>18</u>	<u>2,084</u>	<u>10,116</u>	<u>488,394</u>	<u>3,755</u>	<u>504,367</u>
Total liabilities	\$ 18	\$ 2,084	\$ 10,116	\$ 488,394	\$ 3,755	\$ 504,367

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended June 30, 2014

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
<u>REGIONAL BOARD OF TRUSTEES</u>				
Assets				
Cash and cash equivalents	\$ 18	\$ -	\$ -	\$ 18
Total assets	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18</u>
Liabilities				
Due to other governments	\$ 18	\$ -	\$ -	\$ 18
Total liabilities	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18</u>
<u>C.I.S.E.</u>				
Assets				
Cash and cash equivalents	\$ 2,084	\$ -	\$ -	\$ 2,084
Total assets	<u>\$ 2,084</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,084</u>
Liabilities				
Due to other governments	\$ 2,084	\$ -	\$ -	\$ 2,084
Total liabilities	<u>\$ 2,084</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,084</u>
<u>PERFECT</u>				
Assets				
Due from other governments	\$ 42,975	\$ 729,141	\$ 762,000	\$ 10,116
Total assets	<u>\$ 42,975</u>	<u>\$ 729,141</u>	<u>\$ 762,000</u>	<u>\$ 10,116</u>
Liabilities				
Due to other governments	\$ 42,975	\$ 729,141	\$ 762,000	\$ 10,116
Total liabilities	<u>\$ 42,975</u>	<u>\$ 729,141</u>	<u>\$ 762,000</u>	<u>\$ 10,116</u>

See accompanying Independent Auditor's Report.

REGIONAL OFFICE OF EDUCATION #48
PEORIA COUNTY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended June 30, 2014

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
<u>SEAPCO</u>				
Assets				
Due from other governments	\$ 597,941	\$ 4,419,962	\$ 4,529,509	\$ 488,394
Total assets	\$ 597,941	\$ 4,419,962	\$ 4,529,509	\$ 488,394
Liabilities				
Due to other governments	\$ 597,941	\$ 4,419,962	\$ 4,529,509	\$ 488,394
Total liabilities	\$ 597,941	\$ 4,419,962	\$ 4,529,509	\$ 488,394
 <u>IVS SCHOLARSHIP FUND</u>				
Assets				
Cash and cash equivalents	\$ 8,005	\$ -	\$ 4,250	\$ 3,755
Total assets	\$ 8,005	\$ -	\$ 4,250	\$ 3,755
Liabilities				
Due to other governments	\$ 8,005	\$ -	\$ 4,250	\$ 3,755
Total liabilities	\$ 8,005	\$ -	\$ 4,250	\$ 3,755
 <u>TOTAL - ALL AGENCY FUNDS</u>				
Assets				
Cash and cash equivalents	\$ 10,107	\$ -	\$ 4,250	\$ 5,857
Due from other governments	640,916	5,149,103	5,291,509	498,510
Total assets	\$ 651,023	\$ 5,149,103	\$ 5,295,759	\$ 504,367
Liabilities				
Due to other governments	\$ 651,023	\$ 5,149,103	\$ 5,295,759	\$ 504,367
Total liabilities	\$ 651,023	\$ 5,149,103	\$ 5,295,759	\$ 504,367

See accompanying Independent Auditor's Report.