

**State of Illinois  
PEORIA COUNTY  
REGIONAL OFFICE OF EDUCATION #48  
FINANCIAL AUDIT  
(In Accordance with the Single Audit Act  
and OMB Circular A-133)  
For the Year Ended June 30, 2010**

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

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PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

OFFICIALS

Regional Superintendent  
(Current and during the Audit Period)

Mr. Gerald M. Brookhart

Assistant Regional Superintendent  
(Acting effective July 1, 2010)

Mr. Randy Stueve

Assistant Regional Superintendent  
(During the Audit period)

Dr. Jeffry B. Nelson

Offices are located at:

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION#48  
COMPLIANCE REPORT SUMMARY

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

AUDITOR'S REPORTS

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	4	5
Repeated audit findings	1	5
Prior recommendations implemented or not repeated	4	3

An additional 4 matters, which are less than significant deficiencies or material weaknesses, but more than inconsequential, have been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, this issue may have been included as an immaterial finding in the auditor's reports.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
10-1	12a	Lack of Adequate Policies and Procedures over Certain Administrative Functions	Significant Deficiency
10-2	12c	Controls Over Financial Statement Preparation	Material Weakness
10-3	12e	Use of Designated Grant Balances	Material Weakness
10-4	12f-g	Departure from Generally Accepted Accounting Principle	Material Weakness

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

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
10-1	12a	Lack of Adequate Policies and Procedures Over Certain Administrative Functions	Significant Deficiency

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

09-1	15	Inadequate Internal Controls over Financial Reporting	
09-2	15	Lack of Adequate Policies and Procedures Over Certain Administrative Functions	
09-4	15	Inadequate Controls Over Property and Equipment	

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

09-5	15	Unallowable Costs Charged to Federal Program	
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EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on August 27, 2010. Attending were Gerald Brookhart, Regional Superintendent, Randy Stueve, current Assistant Regional Superintendent, and Michelle D. Smith, Manager, Kemper CPA Group LLP. Responses to the recommendations were provided by Gerald Brookhart, Regional Superintendent.

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

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

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



## INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Peoria County Regional Office of Education #48, as of and for the year ended June 30, 2010, which collectively comprise the Peoria County Regional Office of Education #48's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Peoria County Regional Office of Education #48's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, except for the effects of not recognizing a liability for postemployment benefits other than pensions in the Statement of Net Assets and the Statement of Activities as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Peoria County Regional Office of Education #48, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 16a-16g, and 53 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

*Kemper CPA Group LLP*

*Certified Public Accountants and Consultants*

Evansville, Indiana  
January 20, 2011



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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Peoria County Regional Office of Education #48, as of and for the year ended June 30, 2010, which collectively comprise the Peoria County Regional Office of Education #48's basic financial statements and have issued our report thereon dated January 20, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in findings 10-2, 10-3, and 10-4 in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

Internal Control Over Financial Reporting (concluded)

A *significant deficiency* is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in finding 10-1 in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency.

Compliance and Other Matters

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

The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 10-4.

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

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

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

*Kemper CPA Group LLP*

*Certified Public Accountants and Consultants*

Evansville, Indiana  
January 20, 2011



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

Honorable William G. Holland  
Auditor General  
State of Illinois

Compliance

We have audited the Peoria County Regional Office of Education #48's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Peoria County Regional Office of Education #48's major federal programs for the year ended June 30, 2010. The Peoria County Regional Office of Education #48's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Peoria County Regional Office of Education #48's management. Our responsibility is to express an opinion on the Peoria County Regional Office of Education #48's compliance based on our audit.

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

In our opinion, the Peoria County Regional Office of Education #48 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 10-1.

## Internal Control Over Compliance

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying Schedule of Findings and Questioned Costs as item 10-1. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

*Kemper CPA Group LLP*

*Certified Public Accountants and Consultants*  
Evansville, Indiana  
January 20, 2011

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2010

**SECTION 1 – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of auditor’s report issued: Qualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes
- Noncompliance material to financial statements noted? Yes

**Federal Awards**

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)? Yes

Identification of major programs:

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.010A	Title I Grants to Local Educational Agencies
84.323A	Special Education State Personnel Development
84.196A	Education for Homeless Children and Youth

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

Auditee qualified as a low-risk auditee? No

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Finding No. 10-1– Lack of Adequate Policies and Procedures Over Certain Administrative Functions**

Federal Program Name: Title I - School Improvement and Accountability  
Project #'s: 10-4331-SS, 09-4331-SS  
CFDA#: 84.010A  
Passed Through: Illinois State Board of Education  
Federal Agency: U.S. Department of Education

Federal Program Name: Special Education – IDEA Part D  
Project #'s: 10-4631- RC, 09-4631-RC  
CFDA#: 84.323A  
Passed Through: Regional Office of Education #51  
Federal Agency: U.S. Department of Education

**Criteria/Specific Requirement:**

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

**Condition:**

Salaried employees working on more than one grant funded program do not record their actual time worked on a per program basis. At this time, their salaries are allocated by program on an annual basis based on budgets without regard to actual time and effort.

**Questioned Costs:**

Undeterminable

**Context:**

In documenting internal control over payroll processes, we noted that salaried employees of the Regional Office working on multiple projects are receiving their compensation as an allocation from grant funding based on budgeted amounts. No time and effort reports are submitted.

**Effect:**

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

**Cause:**

The Regional Office did not properly allocate the Regional Office's salary expenditures.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010

**SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)**

**Finding No. 10-1– Lack of Adequate Policies and Procedures Over Certain Administrative Functions (Concluded)**

**Recommendation:**

The Regional Office of Education #48 should ensure in future fiscal years that actual time and effort reports are submitted by employees on a per program basis. Expenditure reports should accurately reflect the activity within a program.

**Management's Response:**

As of September 2010, when this was brought to the attention of the Peoria County Regional Office of Education #48, all employees working on grant programs are required to keep and submit actual time and effort sheets detailing their work within each of those grant programs. Expenditure reports will accurately reflect the activity within each grant program.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010

**SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)**

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

**Criteria/Specific Requirement:**

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

**Condition:**

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

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

**Effect:**

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

**Cause:**

According to Regional Office officials, they did not have adequate funding to hire and/or train their accounting personnel in order to comply with these requirements. The Regional Office attempted to address this issue following the issuance of the audit report for fiscal year 2009; however, the Regional Office did not post all adjusting entries in its accounting records to comply with GAAP during the current year audit.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010

**SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)**

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

**Recommendation:**

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

**Management's Response:**

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010

**SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)**

**Finding No. 10-3 – Use of Designated Grant Balances**

**Criteria/Specific Requirement:**

The Regional Office of Education #48 runs several grant funded programs. Programs funded by State and federal grants must be tracked and maintained separately.

**Condition:**

The Regional Office of Education #48 pools program and local revenue into the same bank accounts. Cash that was granted to the Regional Office, and designated for specific grant purposes, was used to cover deficit cash balances in programs other than those for which the cash was granted.

**Effect:**

Cash balances that were designated for specific grant programs were used to fund expenditures for purposes other than those for which the revenue source was designated.

**Cause:**

Because the Regional Office is primarily funded on a reimbursement basis, the delay in funding receipt from the State of Illinois has caused programs which the Regional Office was already in the midst of operating to have severe cash deficits. To continue operating as the grant agreement stipulates, cash had to be used from other sources in order to fund expenditures that were to be reimbursed by the State.

**Recommendation:**

The Regional Office should not use cash designated for specific grant purposes to cover deficit cash balances in programs other than those for which the cash was granted.

**Management's Response:**

Due to an unprecedented non-payment of more than \$1,000,000 in State grant funds for FY'10 by the State of Illinois to the Peoria Regional Office of Education #48, and due to the fact that the Regional Office tried but was unable to borrow such funds from local banking institutions, the Regional Office was forced to use cash designated for specific grant purposes to cover deficit cash balances in programs other than those for which the cash was granted – i.e. for cash flow. The Regional Office is still owed almost \$900,000 by the State of Illinois for program expenditures made in FY'10, but as of the beginning of the new fiscal year 2011, the Regional Office has eliminated all State programs that are not fiscally self-sustaining. All cash funds are now, and will continue to be, expended only for those specific grant purposes for which they are intended.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010

**SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)**

**Finding No. 10-4 – Departure from Generally Accepted Accounting Principle**

**Criteria/Specific Requirement:**

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

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

**Condition:**

The Peoria County Regional Office of Education #48 participates in a defined benefit OPEB plan that provides postemployment benefits other than pensions to its employees in exchange for employee services rendered. Under accrual accounting, the cost of OPEB, and any related OPEB liability, should generally be recorded in the period when the exchange for the employees' services occurs, rather than when the benefits are paid. Currently, the Peoria County Regional Office of Education #48's OPEB plan is financed on a pay-as-you-go basis, and as such, the financial statements do not report the financial effects of OPEB until the promised benefits are paid. During fiscal year 2010, the Peoria County Regional Office of Education #48 had 14 active employees and contributions to the OPEB plan totaled \$6,615. The Peoria County Regional Office of Education #48 did not obtain an actuarial valuation of its postemployment benefits other than pension liability, or apply the alternative measurement method in order to be in compliance with GASB Statement No. 45.

In the absence of the actuarial valuation, or the application of the alternative measurement method, the auditors could not reasonably determine the amount by which this departure would affect the liabilities, fund balances, and expenditures of the Peoria County Regional Office of Education #48 as of June 30, 2010.

**Effect:**

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010

**SECTION II - FINANCIAL STATEMENT FINDINGS (Concluded)**

**Finding No. 10-4 – Departure from Generally Accepted Accounting Principle (Concluded)**

**Cause:**

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

**Auditors' Recommendation:**

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

**Management's Response:**

The Peoria County Regional Office of Education #48 will consider obtaining an actuarial valuation or pursuing an appropriate alternate measurement method of its other postemployment benefit liability to be in compliance with GASB Statement No. 45 and include all disclosures required by the Statement in its financial statements. Due to current uncertainties in funding of the Regional Office by the State of Illinois, however, this effort will be prioritized along with several other vital management duties and requirements for FY'11.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010

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

**INSTANCES OF NONCOMPLIANCE:**

**Finding No. 10-1 – Lack of Adequate Policies and Procedures Over Certain Administrative Functions** (details on pages 12a-12b)

**MATERIAL WEAKNESSES:**

None

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS  
JUNE 30, 2010

**Corrective Action Plan**

**Finding No. 10-1– Lack of Adequate Policies and Procedures Over Certain Administrative Functions**

**Condition:**

Salaried employees working on more than one grant funded program do not record their actual time worked on a per program basis. At this time, their salaries are allocated by program on an annual basis based on budgets without regard to actual time and effort.

**Plan:**

As of September 2010, when this was brought to the attention of the Peoria County Regional Office of Education #48, all employees working on grant programs are required to keep and submit actual time and effort sheets detailing their work within each of those grant programs. Expenditure reports will accurately reflect the activity within each grant program.

**Anticipated Date of Completion:**

Immediately upon learning of oversight.

**Name of Contact Person:**

Honorable Gerald Brookhart, Regional Superintendent of Schools

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

**Condition:**

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

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

**Plan:**

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

**Anticipated Date of Completion:**

Immediately upon learning of oversight.

**Name of Contact Person:**

Honorable Gerald Brookhart, Regional Superintendent of Schools

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS  
JUNE 30, 2010

**Corrective Action Plan (Continued)**

**Finding No. 10-3 – Use of Designated Grant Balances**

**Condition:**

The Regional Office of Education #48 pools program and local revenue into the same bank accounts. Cash that was granted to the Regional Office, and designated for specific grant purposes, was used to cover deficit cash balances in programs other than those for which the cash was granted.

**Plan:**

Due to an unprecedented non-payment of more than \$1,000,000 in State grant funds for FY'10 by the State of Illinois to the Peoria Regional Office of Education #48, and due to the fact that the Regional Office tried but was unable to borrow such funds from local banking institutions, the Regional Office was forced to use cash designated for specific grant purposes to cover deficit cash balances in programs other than those for which the cash was granted – i.e. for cash flow. The Regional Office is still owed almost \$900,000 by the State of Illinois for program expenditures made in FY'10, but as of the beginning of the new fiscal year 2011, the Regional Office has eliminated all State programs that are not fiscally self-sustaining. All cash funds are now, and will continue to be, expended only for those specific grant purposes for which they are intended.

**Anticipated Date of Completion:**

Immediately upon learning of oversight.

**Name of Contact Person:**

Honorable Gerald Brookhart, Regional Superintendent of Schools

**Finding No. 10-4 – Departure from Generally Accepted Accounting Principle**

**Condition:**

The Peoria County Regional Office of Education #48 participates in a defined benefit OPEB plan that provides postemployment benefits other than pensions to its employees in exchange for employee services rendered. Under accrual accounting, the cost of OPEB, and any related OPEB liability, should generally be recorded in the period when the exchange for the employees' services occurs, rather than when the benefits are paid. Currently, the Peoria County Regional Office of Education #48's OPEB plan is financed on a pay-as-you-go basis, and as such, the financial statements do not report the financial effects of OPEB until the promised benefits are paid. During fiscal year 2010, the Peoria County Regional Office of Education #48 had 14 active employees and contributions to the OPEB plan totaled \$6,615. The Peoria County Regional Office of Education #48 did not obtain an actuarial valuation of its postemployment benefits other than pension liability, or apply the alternative measurement method in order to be in compliance with GASB Statement No. 45.

In the absence of the actuarial valuation, or the application of the alternative measurement method, the auditors could not reasonably determine the amount by which this departure would affect the liabilities, fund balances, and expenditures of the Peoria County Regional Office of Education #48 as of June 30, 2010.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS  
JUNE 30, 2010

**Corrective Action Plan (Concluded)**

**Plan:**

The Peoria County Regional Office of Education #48 will consider obtaining an actuarial valuation or pursuing an appropriate alternate measurement method of its other postemployment benefit liability to be in compliance with GASB Statement No. 45 and include all disclosures required by the Statement in its financial statements. Due to current uncertainties in funding of the Regional Office by the State of Illinois, however, this effort will be prioritized along with several other vital management duties and requirements for FY'11.

**Anticipated Date of Completion:**

As soon as funding is available.

**Name of Contact Person:**

Honorable Gerald Brookhart, Regional Superintendent of Schools

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION#48  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2010

<b><u>Finding No.</u></b>	<b><u>Condition</u></b>	<b><u>Current Status</u></b>
09-1	Inadequate Internal Controls over Financial Reporting	Corrected
09-2	Lack of Adequate Policies and Procedures Over Certain Administrative Functions	Corrected
09-3	Controls over Financial Statement Preparation	Repeated as Finding 10-2
09-4	Inadequate Controls Over Property and Equipment	Corrected
09-5	Unallowable Costs Charged to Federal Program	Corrected

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2010

The Regional Office of Education #48 for the County of Peoria provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year 2010 that ended on June 30, 2010. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements that follow.

**2010 FINANCIAL HIGHLIGHTS**

- Within the Governmental Funds, the General Fund revenues increased by \$262,180 from \$901,762 in fiscal year 2009 to \$1,163,942 in fiscal year 2010. General Fund expenditures increased by \$325,726 from \$912,030 in fiscal year 2009 to \$1,237,756 in fiscal year 2010. The majority of the revenue and expenditure increases are due to an increase in payments made by the State and local governments for employee benefits and other operational support on-behalf of the Regional Office.
- Within the Governmental Funds, the Special Revenue Fund revenue decreased by \$905,116 from \$6,351,021 in fiscal year 2009 to \$5,445,905 in fiscal year 2010. The Special Revenue Fund expenditures increased by \$714,962 from \$6,414,005 in fiscal year 2009 to \$7,128,967 in fiscal year 2010. The majority of the revenue decrease is due to a significant decrease in federal grant funds within the Education Fund. The majority of the increase in expenditures is due to a significant increase in salaries and benefits and purchased services within the Education Fund.

**USING THIS REPORT**

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2010

## **REPORTING THE OFFICE AS A WHOLE**

### **The Statement of Net Assets and the Statement of Activities**

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

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

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

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

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

The Office has three kinds of funds:

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2010

**REPORTING THE OFFICE AS A WHOLE (CONTINUED)**

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

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

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

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

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

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

**OFFICE-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve, when examined over time, as one indicator of the financial position of the Regional Office. The net assets at the end of fiscal year 2010 totaled \$2,096,440. At the end of fiscal year 2009, the net assets were \$1,025,938. Net assets related to the Institute Fund are considered restricted for teacher professional development. The analysis that follows provides a summary of the Office's net assets as of June 30, 2010 and June 30, 2009, for the governmental and business-type activities.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2010

CONDENSED STATEMENT OF NET ASSETS

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Current assets	\$ 3,557,594	\$ 1,842,830	\$ 1,043,354	\$ 379,385	\$ 4,600,948	\$ 2,222,215
Capital assets	157,301	232,271	32,874	37,459	190,175	269,730
Total assets	<u>3,714,895</u>	<u>2,075,101</u>	<u>1,076,228</u>	<u>416,844</u>	<u>4,791,123</u>	<u>2,491,945</u>
Current liabilities	2,632,367	1,325,859	49,429	122,856	2,681,796	1,448,715
Noncurrent liabilities	-	-	12,887	17,292	12,887	17,292
Total liabilities	<u>2,632,367</u>	<u>1,325,859</u>	<u>62,316</u>	<u>140,148</u>	<u>2,694,683</u>	<u>1,466,007</u>
Net assets:						
Invested in capital assets, net of related debt	144,209	232,271	28,467	37,459	172,676	269,730
Unrestricted	901,634	473,035	985,445	239,237	1,887,079	712,272
Restricted for teacher professional development	36,685	43,936	-	-	36,685	43,936
Total net assets	<u>\$ 1,082,528</u>	<u>\$ 749,242</u>	<u>\$ 1,013,912</u>	<u>\$ 276,696</u>	<u>\$ 2,096,440</u>	<u>\$ 1,025,938</u>

The Peoria County Regional Office of Education's net assets increased by \$1,070,502 from FY09. This significant increase occurred primarily as a result of the introduction of new programs, such as the Illinois Virtual School, as well as aggressive cost cutting measures and seeking out alternative revenue sources due to cash flow issues caused by the State of Illinois' funding delays.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2010

CHANGES IN NET ASSETS

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>Revenues:</b>						
<b>Program revenues</b>						
Charges for services	\$ -	\$ -	\$ 1,028,090	\$ 226,703	\$ 1,028,090	\$ 226,703
Operating grants and contributions	3,076,286	4,278,498	-	-	3,076,286	4,278,498
<b>General revenues</b>						
Local sources	620,707	677,764	-	-	620,707	677,764
State sources	3,935,544	1,504,289	-	-	3,935,544	1,504,289
Federal sources	42,026	63,702	-	-	42,026	63,702
<b>Investment earnings (net of returns)</b>						
	919	(19,329)	292	(16,426)	1,211	(35,755)
On behalf payments	1,095,515	728,530	-	-	1,095,515	728,530
Loss on disposal of assets	(35,846)	(6,885)	(2,017)	(1,490)	(37,863)	(8,375)
Interest expense	-	-	(982)	(666)	(982)	(666)
Transfers	3,982	34,655	(3,982)	(34,655)	-	-
<b>Total revenues</b>	<b>\$ 8,739,133</b>	<b>\$ 7,261,224</b>	<b>\$ 1,021,401</b>	<b>\$ 173,466</b>	<b>\$ 9,760,534</b>	<b>\$ 7,434,690</b>
<b>Expenses:</b>						
<b>Program expenses</b>						
Salaries and benefits	\$ 3,496,235	\$ 2,360,660	\$ 71,318	\$ 122,815	\$ 3,567,553	\$ 2,483,475
Purchased services	2,569,250	1,870,210	188,209	187,468	2,757,459	2,057,678
Supplies and materials	206,437	368,189	2,952	3,890	209,389	372,079
Payments to other governments	943,895	1,890,359	9,798	89,692	953,693	1,980,051
Depreciation expense	88,555	105,240	11,646	10,137	100,201	115,377
Other objects	5,960	29,095	262	565	6,222	29,660
<b>Administrative expenses</b>						
On-behalf payments - Local	367,027	251,953	-	-	367,027	251,953
On-behalf payments - State	728,488	476,577	-	-	728,488	476,577
<b>Total expenses</b>	<b>\$ 8,405,847</b>	<b>\$ 7,352,283</b>	<b>\$ 284,185</b>	<b>\$ 414,567</b>	<b>\$ 8,690,032</b>	<b>\$ 7,766,850</b>
Change in net assets	\$ 333,286	\$ (91,059)	\$ 737,216	\$ (241,101)	\$ 1,070,502	\$ (332,160)
Net assets beginning of year	749,242	840,301	276,696	517,797	1,025,938	1,358,098
Net assets end of year	<u>\$ 1,082,528</u>	<u>\$ 749,242</u>	<u>\$ 1,013,912</u>	<u>\$ 276,696</u>	<u>\$ 2,096,440</u>	<u>\$ 1,025,938</u>

**Governmental Activities**

Revenues for governmental activities were \$8,739,133 and expenses were \$8,405,847 for the year ended June 30, 2010. Revenues for governmental activities were \$7,261,224 and expenses were \$7,352,283 for the year ended June 30, 2009. These increases in revenues and expenditures are due primarily to increases in general State revenue within the Education Fund and subsequent increases in services provided in those specific areas by the Regional Office.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2010

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

As previously noted, the Peoria County Regional Office of Education #48 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency's Governmental Funds reported combined fund balances of (\$1,235,004) at June 30, 2010 compared to fiscal year 2009's ending fund balance of \$516,971. The majority of this decrease is due to the dramatic shortfall in revenues actually received from State grants in the Education Fund as of the end of fiscal year 2010.

**Budgetary Highlights**

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

**Capital Assets**

Capital Assets of the Peoria County Regional Office of Education #48 include office equipment, computers, audio-visual equipment, and office furniture. The Peoria County Regional Office of Education #48 maintains an inventory of capital assets that have been accumulated over time. During the year ended June 30, 2010, Peoria County Regional Office of Education #48 purchased assets totaling \$58,509 and disposed of assets totaling \$87,402, resulting in an ending balance of \$653,800. 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.

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

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

- The budget crisis and cash flow problems at the State level dramatically impacted timely grant payments to the Regional Office, thus resulting in the borrowing of funds by the Regional Office to meet payroll and pay bills in FY'10.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2010

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

- Due to continuing uncertainties in funding from the State of Illinois, all State-funded grant programs for FY'11 have been voluntarily eliminated by the Peoria Regional Office of Education #48 except those that are self-sustaining through district and local workshops and grants.
- The Regional Office will continue in FY'11 as the primary administrator and fiscal agent for the \$1.3 million Illinois Virtual School grant project for the entire State of Illinois including Chicago.

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

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

## BASIC FINANCIAL STATEMENTS

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
STATEMENT OF NET ASSETS  
JUNE 30, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 1,439,895	\$ 13,748	\$ 1,453,643
Due (to) from other funds	(832,525)	832,525	-
Due from other governments:			
Local	53,745	197,081	250,826
State	2,605,579	-	2,605,579
Federal	290,900	-	290,900
Total Current Assets	<u>3,557,594</u>	<u>1,043,354</u>	<u>4,600,948</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	157,301	32,874	190,175
Total Noncurrent Assets	<u>157,301</u>	<u>32,874</u>	<u>190,175</u>
<b>TOTAL ASSETS</b>	<u>3,714,895</u>	<u>1,076,228</u>	<u>4,791,123</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	900,046	45,022	945,068
Lease payable	13,092	4,407	17,499
Accrued payroll and employee benefits	203,908	-	203,908
Due to other governments:			
State	153,632	-	153,632
Deferred revenue	1,361,689	-	1,361,689
Total Current Liabilities	<u>2,632,367</u>	<u>49,429</u>	<u>2,681,796</u>
Noncurrent Liabilities:			
Lease payable	-	12,887	12,887
Total Noncurrent Liabilities	<u>-</u>	<u>12,887</u>	<u>12,887</u>
<b>TOTAL LIABILITIES</b>	<u>2,632,367</u>	<u>62,316</u>	<u>2,694,683</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	144,209	28,467	172,676
Restricted for teacher professional development	36,685	-	36,685
Unrestricted	901,634	985,445	1,887,079
<b>TOTAL NET ASSETS</b>	<u>\$ 1,082,528</u>	<u>\$ 1,013,912</u>	<u>\$ 2,096,440</u>

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010

FUNCTIONS/PROGRAMS	Program Revenues		Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary Government:						
Governmental Activities:						
Instructional Services:						
Salaries and benefits	\$ 3,496,235	\$ -	\$ 1,129,382	\$ (2,366,853)	\$ -	\$ (2,366,853)
Purchased services	2,569,250	-	1,141,680	(1,427,570)	-	(1,427,570)
Supplies and materials	206,437	-	134,132	(72,305)	-	(72,305)
Other objects	5,960	-	1,130	(4,830)	-	(4,830)
Depreciation	88,555	-	-	(88,555)	-	(88,555)
Capital outlay	-	-	49,431	49,431	-	49,431
Payments to other governments	943,895	-	620,531	(323,364)	-	(323,364)
Administrative:						
On-behalf payments - Local	367,027	-	-	(367,027)	-	(367,027)
On-behalf payments - State	728,488	-	-	(728,488)	-	(728,488)
Total Governmental Activities	<u>8,405,847</u>	<u>-</u>	<u>3,076,286</u>	<u>(5,329,561)</u>	<u>-</u>	<u>(5,329,561)</u>
Business-type Activities:						
Registration fees	191,481	200,294	-	-	8,813	8,813
Tuition and subscriptions	93,686	827,796	-	-	734,110	734,110
Total Business-Type Activities	<u>285,167</u>	<u>1,028,090</u>	<u>-</u>	<u>-</u>	<u>742,923</u>	<u>742,923</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 8,691,014</u>	<u>\$ 1,028,090</u>	<u>\$ 3,076,286</u>	<u>(5,329,561)</u>	<u>742,923</u>	<u>(4,586,638)</u>
GENERAL REVENUES:						
Local sources				620,707	-	620,707
State sources				3,935,544	-	3,935,544
Federal sources				42,026	-	42,026
On-behalf payments - Local				367,027	-	367,027
On-behalf payments - State				728,488	-	728,488
Loss on disposal of equipment				(35,846)	(2,017)	(37,863)
Investment earnings returned, net of earnings				919	292	1,211
Transfers				3,982	(3,982)	-
Total General Revenues and Transfers				<u>5,662,847</u>	<u>(5,707)</u>	<u>5,657,140</u>
CHANGE IN NET ASSETS				<u>333,286</u>	<u>737,216</u>	<u>1,070,502</u>
NET ASSETS - BEGINNING				<u>749,242</u>	<u>276,696</u>	<u>1,025,938</u>
NET ASSETS - ENDING				<u>\$ 1,082,528</u>	<u>\$ 1,013,912</u>	<u>\$ 2,096,440</u>

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010

	General Fund	Education Fund	Other NonMajor Funds	Eliminations	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 15,200	\$ 1,245,848	\$ 178,847	\$ -	\$ 1,439,895
Due from other funds	60,656	419,310	-	(160,412)	319,554
Due from other governments:					
Local	-	38,870	14,875	-	53,745
State	91,493	2,514,086	-	-	2,605,579
Federal	-	290,900	-	-	290,900
<b>TOTAL ASSETS</b>	<b>\$ 167,349</b>	<b>\$ 4,509,014</b>	<b>\$ 193,722</b>	<b>\$ (160,412)</b>	<b>\$ 4,709,673</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 10,022	\$ 890,024	\$ -	\$ -	\$ 900,046
Lease payable	-	13,092	-	-	13,092
Accrued payroll and employee benefits	-	203,908	-	-	203,908
Due to other funds	72,636	1,239,855	-	(160,412)	1,152,079
Due to other governments:					
State	-	153,632	-	-	153,632
Deferred revenue	70,257	3,435,788	15,875	-	3,521,920
<b>Total Liabilities</b>	<b>152,915</b>	<b>5,936,299</b>	<b>15,875</b>	<b>(160,412)</b>	<b>5,944,677</b>
<b>Fund Balance (Deficit):</b>					
<b>Unreserved, reported in:</b>					
General fund	14,434	-	-	-	14,434
Special revenue funds	-	(1,427,285)	177,847	-	(1,249,438)
<b>Total Fund Balance (Deficit)</b>	<b>14,434</b>	<b>(1,427,285)</b>	<b>177,847</b>	<b>-</b>	<b>(1,235,004)</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 167,349</b>	<b>\$ 4,509,014</b>	<b>\$ 193,722</b>	<b>\$ (160,412)</b>	<b>\$ 4,709,673</b>

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



PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010

	General Fund	Education Fund	Other NonMajor Funds	Eliminations	Total Governmental Funds
<b>REVENUES</b>					
Local sources	\$ 4,906	\$ 423,143	\$ 174,365	\$ -	\$ 602,414
State sources	63,521	2,762,821	1,200	-	2,827,542
Federal sources	-	2,084,376	-	-	2,084,376
On-behalf payments - Local	367,027	-	-	-	367,027
On-behalf payments - State	728,488	-	-	-	728,488
Total Revenues	<u>1,163,942</u>	<u>5,270,340</u>	<u>175,565</u>	<u>-</u>	<u>6,609,847</u>
<b>EXPENDITURES</b>					
Instructional Services					
Salaries and benefits	50,264	3,444,022	1,949	-	3,496,235
Purchased services	77,678	2,328,184	163,388	-	2,569,250
Supplies and materials	9,848	187,322	9,267	-	206,437
Other objects	3,114	2,479	367	-	5,960
Payments to other governments	-	943,895	-	-	943,895
On-behalf payments - Local	367,027	-	-	-	367,027
On-behalf payments - State	728,488	-	-	-	728,488
Capital outlay	1,337	48,094	-	-	49,431
Total Expenditures	<u>1,237,756</u>	<u>6,953,996</u>	<u>174,971</u>	<u>-</u>	<u>8,366,723</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(73,814)</u>	<u>(1,683,656)</u>	<u>594</u>	<u>-</u>	<u>(1,756,876)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in	-	3,982	-	-	3,982
Transfer out	-	-	-	-	-
Interest income	101	672	146	-	919
Net Other Sources and Uses of Financing Resources	<u>101</u>	<u>4,654</u>	<u>146</u>	<u>-</u>	<u>4,901</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(73,713)</u>	<u>(1,679,002)</u>	<u>740</u>	<u>-</u>	<u>(1,751,975)</u>
<b>FUND BALANCE - BEGINNING</b>	<u>88,147</u>	<u>251,717</u>	<u>177,107</u>	<u>-</u>	<u>516,971</u>
<b>FUND BALANCE (DEFICIT) - ENDING</b>	<u>\$ 14,434</u>	<u>\$ (1,427,285)</u>	<u>\$ 177,847</u>	<u>\$ -</u>	<u>\$ (1,235,004)</u>

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010

NET CHANGE IN FUND BALANCE (DEFICIT) \$ (1,751,975)

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

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

Capital outlay	\$ 49,431	
Depreciation expense	(88,555)	
Loss on disposal of equipment	(35,846)	(74,970)

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

Deferred revenue		
Local sources	\$ 18,293	
State sources	2,141,938	2,160,231

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 333,286

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2010

	Business-Type Activities		Eliminations	Totals
	Proprietary Funds			
	Local Workshops	Illinois Virtual School		
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 13,748	\$ -	\$ -	\$ 13,748
Due from other governments - Local	71,107	125,974	-	197,081
Due from other funds	247,024	609,029	(23,528)	832,525
Total Current Assets	<u>331,879</u>	<u>735,003</u>	<u>(23,528)</u>	<u>1,043,354</u>
Noncurrent assets:				
Capital assets, net of accumulated depreciation	24,526	8,348	-	32,874
Total Noncurrent Assets	<u>24,526</u>	<u>8,348</u>	<u>-</u>	<u>32,874</u>
<b>TOTAL ASSETS</b>	<u>356,405</u>	<u>743,351</u>	<u>(23,528)</u>	<u>1,076,228</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	24,088	20,934	-	45,022
Lease payable	4,407	-	-	4,407
Due to other funds	23,528	-	(23,528)	-
Total Current Liabilities	<u>52,023</u>	<u>20,934</u>	<u>(23,528)</u>	<u>49,429</u>
Noncurrent liabilities:				
Lease payable, net of current	12,887	-	-	12,887
Total Noncurrent Liabilities	<u>12,887</u>	<u>-</u>	<u>-</u>	<u>12,887</u>
<b>TOTAL LIABILITIES</b>	<u>64,910</u>	<u>20,934</u>	<u>(23,528)</u>	<u>62,316</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	20,119	8,348	-	28,467
Unrestricted	271,376	714,069	-	985,445
<b>TOTAL NET ASSETS</b>	<u>\$ 291,495</u>	<u>\$ 722,417</u>	<u>\$ -</u>	<u>\$ 1,013,912</u>

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010

	Business-Type Activities - Proprietary Funds		Totals
	Local Workshops	Illinois Virtual School	
<b>OPERATING REVENUES</b>			
Charges for services	\$ 200,294	\$ 827,796	\$ 1,028,090
Total Operating Revenues	<u>200,294</u>	<u>827,796</u>	<u>1,028,090</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	71,318	-	71,318
Purchased services	107,039	81,170	188,209
Supplies and materials	48	2,904	2,952
Payments to other governments	916	8,882	9,798
Other objects	262	-	262
Depreciation	10,916	730	11,646
Total Operating Expenses	<u>190,499</u>	<u>93,686</u>	<u>284,185</u>
OPERATING INCOME (LOSS)	<u>9,795</u>	<u>734,110</u>	<u>743,905</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>			
Interest income	160	132	292
Interest expense	(982)	-	(982)
Loss on disposal of equipment	(2,017)	-	(2,017)
Total Nonoperating Revenue (Expense)	<u>(2,839)</u>	<u>132</u>	<u>(2,707)</u>
Income (Loss) Before Contributions and Transfers	<u>6,956</u>	<u>734,242</u>	<u>741,198</u>
Transfers in	11,825	(11,825)	-
Transfers out	(3,982)	-	(3,982)
Total Contributions and Transfers	<u>7,843</u>	<u>(11,825)</u>	<u>(3,982)</u>
CHANGE IN NET ASSETS	14,799	722,417	737,216
TOTAL NET ASSETS - BEGINNING	<u>276,696</u>	<u>-</u>	<u>276,696</u>
TOTAL NET ASSETS - ENDING	<u>\$ 291,495</u>	<u>\$ 722,417</u>	<u>\$ 1,013,912</u>

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010

	Business-Type Activities Proprietary Funds		Totals
	Local Workshops	Illinois Virtual School	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 172,392	\$ 701,822	\$ 874,214
Payments to suppliers and providers of goods and services	(202,841)	(72,022)	(274,863)
Payments to employees	(71,318)	-	(71,318)
Net Cash Provided by (Used for) Operating Activities	<u>(101,767)</u>	<u>629,800</u>	<u>528,033</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	-	(9,078)	(9,078)
Principal paid on lease obligations	(4,190)	-	(4,190)
Interest paid on lease obligations	(982)	-	(982)
Net Cash (Used for) Capital and Related Financing Activities	<u>(5,172)</u>	<u>(9,078)</u>	<u>(14,250)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest earned from investments	160	132	292
Net Cash Provided by Investing Activities	<u>160</u>	<u>132</u>	<u>292</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash payments to other funds	(10,690)	(620,854)	(631,544)
Cash payments from other funds	131,217	-	131,217
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>120,527</u>	<u>(620,854)</u>	<u>(500,327)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	13,748	-	13,748
CASH AND CASH EQUIVALENTS - BEGINNING	-	-	-
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 13,748</u>	<u>\$ -</u>	<u>\$ 13,748</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 9,795	\$ 734,110	\$ 743,905
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	10,916	730	11,646
Change in assets and liabilities:			
(Increase) / Decrease in due from other governments	(27,902)	(125,974)	(153,876)
Increase / (Decrease) in accounts payable	(94,576)	20,934	(73,642)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ (101,767)</u>	<u>\$ 629,800</u>	<u>\$ 528,033</u>

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
JUNE 30, 2010

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	<u>\$          15,358</u>
LIABILITIES	
Due to other governments	<u>\$          15,358</u>

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In 2010, the Regional Office of Education #48 implemented Governmental Accounting Standards Board (GASB) Statement No.45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*; GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*; GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*; and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. The Regional Office of Education #48 implemented these standards during the current year; however, GASB Statements No. 51, 53, and 58 had no impact on the financial statements.

A. FINANCIAL REPORTING ENTITY

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. FINANCIAL REPORTING ENTITY (Concluded)

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

For the period ended June 30, 2010, the Peoria County Regional Office of Education #48 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Peoria County Regional Office of Education #48. Such activities are reported as a single special revenue fund (Education Fund).

B. SCOPE OF THE REPORTING ENTITY

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Peoria County Regional Office of Education #48's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Peoria County Regional Office of Education #48 has two business-type activities; Local Workshops 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 Illinois Virtual School Fund accounts for tuition and subscription costs charged to schools for use of the Illinois Virtual School (IVS).

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

D. PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

E. GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. GOVERNMENTAL FUND FINANCIAL STATEMENTS (Concluded)

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

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

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

G. FUND ACCOUNTING

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

GOVERNMENTAL FUNDS

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

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

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

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

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

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

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

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

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

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

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

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

Illinois Virtual School – 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.

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

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

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

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

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

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

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

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

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

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

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

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

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

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

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

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

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

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

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

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

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

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

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

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

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

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.

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

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.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Concluded)

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

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.

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

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

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

PROPRIETARY FUNDS

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

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

Illinois Virtual School Fund – This fund accounts for income received and expenses incurred for work awarded to the Illinois Virtual School. The work obtained is a result of proposals submitted by IVS to a district/agency in response to their published scope of work. This fund also accounts for tuition payments from school districts for grade 5-12 online courses and indirect costs that are not covered under the Regional Office of Education #48's contract with the Illinois State Board of Education.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIDUCIARY FUNDS

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

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

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

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

H. NET ASSETS

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

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. CASH AND CASH EQUIVALENTS

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

J. INVENTORY

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

K. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received.

Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

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

L. COMPENSATED ABSENCES

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

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

M. ESTIMATES

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

N. BUDGET INFORMATION

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS

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

A. DEPOSITS

At June 30, 2010, the carrying amount of the Peoria County Regional Office of Education #48's government-wide and Agency fund deposits were \$1,453,643 and \$15,358, respectively, and the bank balances were \$384,815 and \$15,358, respectively. Of the total bank balances as of June 30, 2010, \$250,000 was secured by federal depository insurance and \$150,173 was collateralized by securities pledged by the Peoria County Regional Office of Education #48's financial institution in the name of the Regional Office.

B. INVESTMENTS

The Peoria County Regional Office of Education #48 does not have a formal investment policy but requires that funds be invested solely in investments authorized by the Public Funds Investment Act, 30 ILCS 235/2. As of June 30, 2010, the Peoria County Regional Office of Education #48 had investments with a carrying and fair value of \$1,956,077 invested in the Illinois School District Liquid Asset Fund Plus.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 2 – DEPOSITS AND INVESTMENTS (Concluded)

B. INVESTMENTS (Concluded)

CREDIT RISK

At June 30, 2010, the Illinois School District Liquid Asset Fund Plus (ISDLAF+) had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. The investment advisor for ISDLAF+ is a corporation organized under the laws of the State of Illinois and is registered with the Securities and Exchange Commission. All investments are fully collateralized.

INTEREST RATE RISK

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

CONCENTRATION OF CREDIT RISK

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

NOTE 3 – DEFINED BENEFIT PENSION PLAN

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

IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

**Funding Policy.** As set by statute, the Peoria County Regional Office of Education #48's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 9.74 percent of annual covered payroll. The Peoria County Regional Office of Education #48 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2010

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Concluded)

**Annual Pension Cost.** For the fiscal year ending December 31, 2009, the Peoria County Regional Office of Education #48’s annual pension cost of \$35,079 was equal to the Peoria County Regional Office of Education #48’s required and actual contributions.

A. TREND INFORMATION

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contribution</u>	<u>Net Pension Obligation</u>
12/31/09	\$35,079	100%	\$0
12/31/08	14,023	100%	0
12/31/07	12,326	100%	0

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, 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 your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Peoria County Regional Office of Education #48’s Regular plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 5 years.

**Funded Status and Funding Progress.** As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 83.49 percent funded. The actuarial accrued liability for benefits was \$353,970 and the actuarial value of assets was \$295,532, resulting in an underfunded actuarial accrued liability (UAAL) of \$58,438. The covered payroll (annual payroll of active employees covered by the plan) was \$360,155 and the ratio of the UAAL to the covered payroll was 16 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect 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. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 10 year basis.

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.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

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

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

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2010, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2009 and 2008.

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

**On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Peoria County Regional Office of Education #48. For the year ended June 30, 2010, State of Illinois contributions were based on 23.38 percent of creditable earnings not paid from federal funds, and the Peoria County Regional Office of Education #48 recognized revenue and expenditures of \$482,205 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2009 and June 30, 2008, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 17.08 percent (\$251,417) and 13.11 percent (\$174,614), 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 creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2010 were \$13,641. Contributions for the years ending June 30, 2009 and June 30, 2008, were \$9,952 and \$7,732, respectively.

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

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

For the year ended June 30, 2010, the employer pension contribution was 23.38 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2009 and 2008, the employer pension contribution was 17.08 and 13.11 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2010 salaries totaling \$78,646 were paid from federal and special trust funds that required employer contributions of \$18,387. For the years ended June 30, 2009 and June 30, 2008, required Peoria County Regional Office of Education #48 contributions were \$12,916 and \$10,486, respectively.

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

Public Act 94-0004 made changes in the ERO program that were in effect for all ERO retirements in fiscal years 2008 through 2010. The act increased the member and employer contributions and eliminated the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service.

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

For the year ended June 30, 2010, the Peoria County Regional Office of Education #48 paid no employer contribution to TRS under the ERO program. For the years ended June 30, 2009 and June 30, 2008, the Peoria County Regional Office of Education #48 paid no employer ERO contributions.

- **Salary increases over 6 percent and excess sick leave.** Public Act 94-0004 added two new employer contributions to TRS. If the Peoria County Regional Office of Education #48 grants salary increases over 6 percent and those salaries are used to calculate a retiree’s final average salary, the Peoria County Regional Office of Education #48 makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increase of up to 6 percent. For the years ended June 30, 2010, 2009, and 2008 the Peoria County Regional Office of Education #48 paid no employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent.

If the Peoria County Regional Office of Education #48 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the Peoria County Regional Office of Education #48 makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.55 percent of salary during the year ended June 30, 2010.)

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

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

For the years ended June 30, 2010, 2009, and 2008 the Peoria County Regional Office of Education #48 paid no employer contributions to TRS for sick leave days granted in the excess of the normal annual allotment.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and State funding requirements can be found in the TRS Comprehensive Annual Financial Report for year ended June 30, 2009. The report for the year ended June 30, 2010, is expected to be available in late 2010. The reports may be obtained by writing to the Teachers’ Retirement System of the State of Illinois, PO Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at [trs.illinois.gov](http://trs.illinois.gov).

NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND

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

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

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

**On behalf contributions.** The State of Illinois makes employer retiree health insurance contributions on behalf of Peoria County Regional Office of Education #48. State contributions are intended to match contributions to THIS Fund from active members which were 0.84 percent of pay during the year ended June 30, 2010. State of Illinois contributions were \$19,756, and Peoria County Regional Office of Education #48 recognized revenue and expenditures of this amount during the year.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2010

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

**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 0.63 percent during the years ended June 30, 2010, June 30, 2009, and June 30, 2008. For the year ended June 30, 2010, the Peoria County Regional Office of Education #48 paid \$14,817 to the THIS Fund.

Had the Peoria County Regional Office of Education #48 recognized revenue and expenditures for State contributions intended to match active member contributions during the years ended June 30, 2009 and June 30, 2008 under the current standards, the contribution match would have been 0.84 percent of pay, or \$14,167 and \$11,188, respectively.

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

NOTE 6 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2010 consist of the following individual due to/from other funds in the governmental fund balance sheet and proprietary fund statement of net assets. The balances between governmental funds and proprietary funds were eliminated in the government-wide Statement of Net Assets.

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Education Fund	\$ 419,310	\$1,239,855
General Fund	60,656	72,636
Proprietary Fund	<u>856,053</u>	<u>23,528</u>
Totals	<u>\$1,336,019</u>	<u>\$1,336,019</u>

TRANSFERS

Interfund transfer in/out to other fund balances at June 30, 2010 consist of the following individual transfers in/out to other funds in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the proprietary funds Statement of Revenues, Expenses, and Changes in Fund Net Assets. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

	<u>Transfer Out</u>	<u>Transfer In</u>
Education Fund	\$ -	\$3,982
Proprietary Fund	<u>3,982</u>	<u>-</u>
Totals	<u>\$3,982</u>	<u>\$3,982</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 7 – CAPITAL ASSET ACTIVITY

In accordance with GASB Statement No. 34, the Peoria County Regional Office of Education #48 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased. The Regional Office’s assets are composed of furniture and equipment. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2010:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Governmental Activities:				
<u>Education Fund</u>				
Learning Technology Center	\$ 215,584	\$ 30,182	\$ (408)	\$ 245,358
Two Rivers	402,663	11,292	(84,259)	329,696
Illinois Virtual School	7,403	7,957	-	15,360
	<u>625,650</u>	<u>49,431</u>	<u>(84,667)</u>	<u>590,414</u>
Governmental Activities Total Assets				
Less Accumulated Depreciation	<u>(393,379)</u>	<u>(88,555)</u>	<u>48,821</u>	<u>(433,113)</u>
Governmental Activities				
Investment in Capital Assets, Net	<u>\$ 232,271</u>	<u>\$ (39,124)</u>	<u>\$ (35,846)</u>	<u>\$ 157,301</u>
	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Business-type Activities:				
Local Workshops	\$ 57,043	\$ -	\$ -	\$ 57,043
Illinois Virtual School	-	9,078	(2,735)	6,343
	<u>57,043</u>	<u>9,078</u>	<u>(2,735)</u>	<u>63,386</u>
Business-type Activities				
Total Assets				
	<u>57,043</u>	<u>9,078</u>	<u>(2,735)</u>	<u>63,386</u>
Less Accumulated Depreciation	<u>(19,584)</u>	<u>(11,646)</u>	<u>718</u>	<u>(30,512)</u>
Business-type Activities				
Investment in Capital Assets, Net	<u>\$ 37,459</u>	<u>\$ (2,568)</u>	<u>\$ (2,017)</u>	<u>\$ 32,874</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2010

NOTE 7 – CAPITAL ASSET ACTIVITY (Concluded)

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2010 of \$88,555 and \$11,646 was charged to the governmental activities and the business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

NOTE 8 – RISK MANAGEMENT

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

NOTE 9 – OPERATING LEASE

Two Rivers Professional Development Center has two individual lease agreements for their office space, and one agreement for storage space. The storage lease period was October 1, 2008 through September 30, 2009 for a monthly rent of \$800. One lease for office space covered the period of July 1, 2009 through June 30, 2010 for a monthly rent of \$4,051. The other lease for office space covered the period of June 1, 2009 through May 30, 2010 for a monthly rent of \$1,975, and is being continued on a month-to-month basis with no written contract in place.

During the year ended June 30, 2010, rentals under lease obligations were \$72,737.

NOTE 10 – ON BEHALF PAYMENTS

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

Regional Superintendent Salary	\$ 100,762
Assistant Regional Superintendent Salary	90,686
Regional Superintendent Fringe Benefit (Includes State paid insurance)	18,574
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)	16,505
Regional Superintendent TRS Pension Contribution	23,558
Assistant Regional TRS Pension Contribution	21,202
TRS Pension Contributions	437,445
THIS Contributions	<u>19,756</u>
Total	<u>\$ 728,488</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2010

NOTE 10 – ON BEHALF PAYMENTS (Concluded)

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

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

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

Salaries and Benefits	\$ 292,325
Office Expenses	<u>74,702</u>
 Total	 <u>\$ 367,027</u>

NOTE 11 – DUE TO/FROM OTHER GOVERNMENTS

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

Due From Other Governments:	
<u>Education Fund</u>	
Illinois State Board of Education	\$2,514,086
Local Governments	38,870
Federal Government	290,900
<u>General Fund</u>	
State Government	91,493
<u>Other Nonmajor Funds</u>	
Local Governments	14,875
<u>Proprietary Fund</u>	
Local Sources	<u>197,081</u>
 Total	 <u>\$3,147,305</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2010

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

Due To Other Governments:

<u>Education Fund</u>	
Illinois State Board of Education	\$ 27
Local Governments	<u>153,605</u>
<u>Fiduciary Fund</u>	
Local Governments	<u>15,358</u>
Total	<u>\$168,990</u>

NOTE 12 – CAPITAL LEASES

In November of 2008, the Peoria County Regional Office of Education #48 entered into a capital lease for the acquisition of a copier/printer at a cost of \$23,838. Accumulated depreciation of the copier/printer as of June 30, 2010 was \$7,946. In August of 2008, the Regional Office of Education #48 entered into a capital lease for the acquisition of software at a cost of \$39,048. Accumulated depreciation of the software as of June 30, 2010 was \$18,445. The debt service for the capital leases are:

<u>Fund Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$17,499	\$ 1,403
2012	4,632	539
2013	4,869	302
2014	<u>3,386</u>	<u>64</u>
Total	<u>\$30,386</u>	<u>\$ 2,308</u>

NOTE 13 – RECLASSIFICATION

The Title II Co-Op has been reclassified from a major fund to an education fund in fiscal year 2010. This fund accounts for monies received to enhance math and science instruction within participating schools, and is more appropriately reported in the education fund. This reclassification had the following effect on the beginning fund balance for the education funds:

	<u>Education Funds</u>
Fund Balance, July 1, 2010	\$ 149,183
Reclassification of Title II Co-Op Fund Balance	102,534
Beginning Fund Balance, July 1, 2010, Reclassified	<u>\$ 251,717</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2010

NOTE 14 – DEFICIT FUND BALANCES

Because some revenues from the State of Illinois will not be collected for several months after the Regional Office’s fiscal year ends, they are not considered “available” revenues and are deferred in the governmental funds. The deferral of the revenues caused deficit fund balances as of June 30, 2010 in the following funds:

<u>Funds with Deficit Fund Balance</u>	<u>Deficit Balance</u>
Adult Education Basic	\$ 7,533
Adult Education Performance	7,310
Communities for Youth Truants Alternative	69,667
Learning Technology Center General Operations	13,373
Illinois Virtual School	942,618
Title II Teacher Quality Leadership	13,255
Coordination and Services Grant	9,668
Preschool for All Children	380,003
Standard Aligned Classroom Statewide Professional Development	125
Principial Mentoring	10,178
Beginning Teacher Induction	39,362
Transportation Career Cluster	1,415
Regional Safe Schools	79,002
IDEA ARRA - Galesburg	6
ROE/ISC Operations	18,715
	<u>\$ 1,592,230</u>

Note 15 – SUBSEQUENT EVENTS

The Peoria County Regional Office of Education #48 has evaluated subsequent events through January 20, 2011, the date which the financial statements were available to be issued.

Note 16 – DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 ILLINOIS MUNICIPAL RETIREMENT FUND  
 SCHEDULE OF FUNDING PROGRESS  
 (UNAUDITED)  
 June 30, 2010

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 )
12/31/09	\$ 295,532	\$ 353,970	\$ 58,438	83.49%	\$ 360,155	16.23%
12/31/08	237,383	280,948	43,565	84.49%	328,417	13.27%
12/31/07	225,917	233,778	7,861	96.64%	245,061	3.21%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$289,890. On a market basis, the funded ratio would be 81.90%.

OTHER SUPPLEMENTAL INFORMATION

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF ACCOUNTS  
 GENERAL FUND  
 JUNE 30, 2010

	Administrative Interest Fund	ROE/ISC Operations	ROE Local Fund	TOTALS
<b>ASSETS</b>				
Cash and cash equivalents	\$ 461	\$ -	\$ 14,739	\$ 15,200
Due from other funds	-	-	60,656	60,656
Due from other governments State	-	91,493	-	91,493
<b>TOTAL ASSETS</b>	<b>\$ 461</b>	<b>\$ 91,493</b>	<b>\$ 75,395</b>	<b>\$ 167,349</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 10,022	\$ -	\$ 10,022
Due to other funds	-	29,929	42,707	72,636
Deferred revenue	-	70,257	-	70,257
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>110,208</b>	<b>42,707</b>	<b>152,915</b>
<b>FUND BALANCE (DEFICIT)</b>				
Unreserved (Deficit)	461	(18,715)	32,688	14,434
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 461</b>	<b>\$ 91,493</b>	<b>\$ 75,395</b>	<b>\$ 167,349</b>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GENERAL FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2010

	Administrative Interest Fund	ROE/ISC Operations	ROE Local Fund	TOTALS
<b>REVENUES</b>				
Local sources	\$ 3,682	\$ -	\$ 1,224	\$ 4,906
State sources	-	63,521	-	63,521
On-behalf payments - Local	-	-	367,027	367,027
On-behalf payments -State	-	-	728,488	728,488
Total Revenues	<u>3,682</u>	<u>63,521</u>	<u>1,096,739</u>	<u>1,163,942</u>
<b>EXPENDITURES</b>				
Salaries and benefits	-	50,264	-	50,264
Purchased services	378	75,090	2,210	77,678
Supplies and materials	-	9,848	-	9,848
Other objects	3,114	-	-	3,114
Capital outlay	-	1,337	-	1,337
On-behalf payments - Local	-	-	367,027	367,027
On-behalf payments -State	-	-	728,488	728,488
Total Expenditures	<u>3,492</u>	<u>136,539</u>	<u>1,097,725</u>	<u>1,237,756</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>190</u>	<u>(73,018)</u>	<u>(986)</u>	<u>(73,814)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interest income	1	35	65	101
Total Other Financing Sources (Uses)	<u>1</u>	<u>35</u>	<u>65</u>	<u>101</u>
NET CHANGE IN FUND BALANCE	191	(72,983)	(921)	(73,713)
FUND BALANCE - BEGINNING	<u>270</u>	<u>54,268</u>	<u>33,609</u>	<u>88,147</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 461</u>	<u>\$ (18,715)</u>	<u>\$ 32,688</u>	<u>\$ 14,434</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2009 to June 30, 2010)  
 GENERAL FUND ACCOUNT  
 ROE/ISC OPERATIONS  
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 133,778	\$ 133,778	\$ 63,521
Total Revenue	<u>133,778</u>	<u>133,778</u>	<u>63,521</u>
EXPENDITURES			
Salaries and benefits	50,900	50,900	50,264
Purchased services	69,655	69,655	75,090
Supplies and materials	8,500	8,500	9,848
Capital outlay	1,262	1,262	1,337
Other objects	3,461	3,461	-
Total Expenditures	<u>133,778</u>	<u>133,778</u>	<u>136,539</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(73,018)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	35
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>35</u>
NET CHANGE IN FUND BALANCE	-	-	(72,983)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>54,268</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,715)</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2010

	Adult Education Basic	Adult Education Performance	Upward Generated	Upward SOS	Communities for Youth Truants Alternative	McKinney-Vento Education for Homeless Children and Youth	Peoria County
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ 6,302	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	-	-	-
Due from other governments							
Local	-	-	-	-	-	-	475
State	7,037	7,310	-	60,000	104,472	29,246	-
Federal	496	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 7,533</b>	<b>\$ 7,310</b>	<b>\$ 6,302</b>	<b>\$ 60,000</b>	<b>\$ 104,472</b>	<b>\$ 29,246</b>	<b>\$ 475</b>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ 6,641	\$ -	\$ 1,050	\$ -
Lease payable	-	-	-	-	-	-	-
Accrued payroll and employee benefits	-	-	-	-	-	-	-
Due to other funds	7,463	7,297	-	53,359	88,280	28,196	475
Due to other governments	-	-	-	-	-	-	-
Deferred revenue	7,603	7,323	-	-	85,859	-	-
<b>TOTAL LIABILITIES</b>	<b>15,066</b>	<b>14,620</b>	<b>-</b>	<b>60,000</b>	<b>174,139</b>	<b>29,246</b>	<b>475</b>
<b>FUND BALANCE (DEFICIT)</b>							
Unreserved	(7,533)	(7,310)	6,302	-	(69,667)	-	-
<b>Total Fund Balance (Deficit)</b>	<b>(7,533)</b>	<b>(7,310)</b>	<b>6,302</b>	<b>-</b>	<b>(69,667)</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 7,533</b>	<b>\$ 7,310</b>	<b>\$ 6,302</b>	<b>\$ 60,000</b>	<b>\$ 104,472</b>	<b>\$ 29,246</b>	<b>\$ 475</b>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2010

	Learn and Serve America	Learning Technology Center General Operations	Technical Training and Support	Illinois Virtual School	Education Technology Competitive Grant	Title I School Improvement and Accountability	Title II Teacher Quality Leadership
<b>ASSETS</b>							
Cash and cash equivalents	\$ 20	\$ -	\$ 44,422	\$ -	\$ 406	\$ 2,809	\$ 4,826
Due from other funds	-	-	7,463	-	-	312,091	18,068
Due from other governments							
Local	-	-	3,563	-	-	-	-
State	-	155,942	-	1,067,618	-	-	-
Federal	-	-	-	-	-	-	19,975
<b>TOTAL ASSETS</b>	<b>\$ 20</b>	<b>\$ 155,942</b>	<b>\$ 55,448</b>	<b>\$ 1,067,618</b>	<b>\$ 406</b>	<b>\$ 314,900</b>	<b>\$ 42,869</b>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 19,266	\$ 8,142	\$ 193,088	\$ -	\$ 58,108	\$ 24,304
Lease payable	-	-	13,092	-	-	-	-
Accrued payroll and employee benefits	-	-	-	41,690	-	-	-
Due to other funds	-	12,773	-	832,840	-	-	-
Due to other governments	-	-	-	-	-	-	-
Deferred revenue	20	137,276	3,063	942,618	-	256,792	31,820
<b>TOTAL LIABILITIES</b>	<b>20</b>	<b>169,315</b>	<b>24,297</b>	<b>2,010,236</b>	<b>-</b>	<b>314,900</b>	<b>56,124</b>
<b>FUND BALANCE (DEFICIT)</b>							
Unreserved	-	(13,373)	31,151	(942,618)	406	-	(13,255)
<b>Total Fund Balance (Deficit)</b>	<b>-</b>	<b>(13,373)</b>	<b>31,151</b>	<b>(942,618)</b>	<b>406</b>	<b>-</b>	<b>(13,255)</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 20</b>	<b>\$ 155,942</b>	<b>\$ 55,448</b>	<b>\$ 1,067,618</b>	<b>\$ 406</b>	<b>\$ 314,900</b>	<b>\$ 42,869</b>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2010

	Title I Reading First Part B SEA	Coordination and Services Grant	Mathematics and Science Partnership	Special Education - IDEA Part D	Aspire	Illinois Department of Public Health	Socially Emotional Learning
<b>ASSETS</b>							
Cash and cash equivalents	\$ 173,046	\$ 145,405	\$ 33,299	\$ 172,627	\$ 21,104	\$ 1,025	\$ 27,648
Due from other funds	42,707	-	5,460	-	-	-	-
Due from other governments							
Local	-	-	-	-	1,595	-	-
State	-	417,500	-	-	-	-	-
Federal	-	-	-	206,748	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 215,753</u></b>	<b><u>\$ 562,905</u></b>	<b><u>\$ 38,759</u></b>	<b><u>\$ 379,375</u></b>	<b><u>\$ 22,699</u></b>	<b><u>\$ 1,025</u></b>	<b><u>\$ 27,648</u></b>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 98,058	\$ -	\$ -	\$ 25,239	\$ 165	\$ -	\$ 3,218
Lease payable	-	-	-	-	-	-	-
Accrued payroll and employee benefits	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Due to other governments	-	-	27	-	-	-	21,937
Deferred revenue	117,695	572,573	38,732	354,136	15,112	1,025	2,493
<b>TOTAL LIABILITIES</b>	<b><u>215,753</u></b>	<b><u>572,573</u></b>	<b><u>38,759</u></b>	<b><u>379,375</u></b>	<b><u>15,277</u></b>	<b><u>1,025</u></b>	<b><u>27,648</u></b>
<b>FUND BALANCE (DEFICIT)</b>							
Unreserved	-	(9,668)	-	-	7,422	-	-
<b>Total Fund Balance (Deficit)</b>	<b><u>-</u></b>	<b><u>(9,668)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>7,422</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 215,753</u></b>	<b><u>\$ 562,905</u></b>	<b><u>\$ 38,759</u></b>	<b><u>\$ 379,375</u></b>	<b><u>\$ 22,699</u></b>	<b><u>\$ 1,025</u></b>	<b><u>\$ 27,648</u></b>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2010

	Preschool for All Children	Standard Aligned Classroom Statewide Prof. Develop.	Principal Mentoring	Gifted Education	Beginning Teacher Induction	State Implementation and Scaling Up of Evidence Based Practices	Transportation Career Cluster
<b>ASSETS</b>							
Cash and cash equivalents	\$ 10,892	\$ 9,371	\$ -	\$ 72,982	\$ -	\$ 237,290	\$ -
Due from other funds	-	33,521	-	-	-	-	-
Due from other governments							
Local	-	-	-	-	-	-	-
State	480,003	-	13,928	-	39,362	-	-
Federal	-	-	-	-	-	-	63,681
<b>TOTAL ASSETS</b>	<b>\$ 490,895</b>	<b>\$ 42,892</b>	<b>\$ 13,928</b>	<b>\$ 72,982</b>	<b>\$ 39,362</b>	<b>\$ 237,290</b>	<b>\$ 63,681</b>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 34,205	\$ -	\$ 10,970	\$ 12,525	\$ 14,514	\$ 233,032	\$ 60,551
Lease payable	-	-	-	-	-	-	-
Accrued payroll and employee benefits	162,218	-	-	-	-	-	-
Due to other funds	124,343	33,521	2,958	-	11,983	-	3,130
Due to other governments	-	-	-	-	-	-	-
Deferred revenue	550,132	9,496	10,178	60,457	52,227	4,258	1,415
<b>TOTAL LIABILITIES</b>	<b>870,898</b>	<b>43,017</b>	<b>24,106</b>	<b>72,982</b>	<b>78,724</b>	<b>237,290</b>	<b>65,096</b>
<b>FUND BALANCE (DEFICIT)</b>							
Unreserved	(380,003)	(125)	(10,178)	-	(39,362)	-	(1,415)
<b>Total Fund Balance (Deficit)</b>	<b>(380,003)</b>	<b>(125)</b>	<b>(10,178)</b>	<b>-</b>	<b>(39,362)</b>	<b>-</b>	<b>(1,415)</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 490,895</b>	<b>\$ 42,892</b>	<b>\$ 13,928</b>	<b>\$ 72,982</b>	<b>\$ 39,362</b>	<b>\$ 237,290</b>	<b>\$ 63,681</b>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2010

	Consortium for Educational Change	General State Aid	Regional Safe Schools	ARRA General State Aid	Peoria Promise Foundation	Title II Coop
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,949
Due from other funds	-	-	-	-	-	-
Due from other governments						
Local	25,671	-	-	-	7,566	-
State	-	-	131,668	-	-	-
Federal	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 25,671</b>	<b>\$ -</b>	<b>\$ 131,668</b>	<b>\$ -</b>	<b>\$ 7,566</b>	<b>\$ 100,949</b>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lease payable	-	-	-	-	-	-
Accrued payroll and employee benefits	-	-	-	-	-	-
Due to other funds	25,671	-	-	-	7,566	-
Due to other governments	-	-	131,668	-	-	-
Deferred revenue	-	-	79,002	-	-	-
<b>TOTAL LIABILITIES</b>	<b>25,671</b>	<b>-</b>	<b>210,670</b>	<b>-</b>	<b>7,566</b>	<b>-</b>
<b>FUND BALANCE (DEFICIT)</b>						
Unreserved	-	-	(79,002)	-	-	100,949
<b>Total Fund Balance (Deficit)</b>	<b>-</b>	<b>-</b>	<b>(79,002)</b>	<b>-</b>	<b>-</b>	<b>100,949</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 25,671</b>	<b>\$ -</b>	<b>\$ 131,668</b>	<b>\$ -</b>	<b>\$ 7,566</b>	<b>\$ 100,949</b>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2010

	SISEP University of North Carolina	IDEA ARRA - Galesburg	Title I ARRA - Galesburg	TOTAL
<b>ASSETS</b>				
Cash and cash equivalents	\$ 27,185	\$ 53,915	\$ 100,325	\$ 1,245,848
Due from other funds	-	-	-	419,310
Due from other governments				
Local	-	-	-	38,870
State	-	-	-	2,514,086
Federal	-	-	-	290,900
<b>TOTAL ASSETS</b>	<b>\$ 27,185</b>	<b>\$ 53,915</b>	<b>\$ 100,325</b>	<b>\$ 4,509,014</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 53,915	\$ 33,033	\$ 890,024
Lease payable	-	-	-	13,092
Accrued payroll and employee benefits	-	-	-	203,908
Due to other funds	-	-	-	1,239,855
Due to other governments	-	-	-	153,632
Deferred revenue	27,185	6	67,292	3,435,788
<b>TOTAL LIABILITIES</b>	<b>27,185</b>	<b>53,921</b>	<b>100,325</b>	<b>5,936,299</b>
<b>FUND BALANCE (DEFICIT)</b>				
Unreserved	-	(6)	-	(1,427,285)
<b>Total Fund Balance (Deficit)</b>	<b>-</b>	<b>(6)</b>	<b>-</b>	<b>(1,427,285)</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 27,185</b>	<b>\$ 53,915</b>	<b>\$ 100,325</b>	<b>\$ 4,509,014</b>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2010

	Adult Education Basic	Adult Education Performance	Upward Generated	Upward SOS	Communities for Youth Truants Alternative	McKinney-Vento Education for Homeless Children and Youth	Peoria County	Learn and Serve America
REVENUES								
Local sources	\$ -	\$ -	\$ 3,409	\$ -	\$ 6,477	\$ 29,199	\$ -	\$ -
State sources	21,109	21,928	-	60,036	105,774	-	-	-
Federal sources	25,320	-	-	-	5,022	54,750	-	1,798
Total Revenue	<u>46,429</u>	<u>21,928</u>	<u>3,409</u>	<u>60,036</u>	<u>117,273</u>	<u>83,949</u>	<u>-</u>	<u>1,798</u>
EXPENDITURES								
Salaries and benefits	47,003	24,485	-	49,876	178,068	51,701	-	-
Purchased services	6,243	4,423	25	10,139	5,478	30,213	-	-
Supplies and materials	719	331	6	21	3,395	2,035	-	1,798
Other objects	-	-	2,000	-	-	-	-	-
Payments to other governments	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>53,965</u>	<u>29,239</u>	<u>2,031</u>	<u>60,036</u>	<u>186,941</u>	<u>83,949</u>	<u>-</u>	<u>1,798</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(7,536)</u>	<u>(7,311)</u>	<u>1,378</u>	<u>-</u>	<u>(69,668)</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)								
Transfer in	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-
Interest income	3	1	4	-	1	-	-	-
Total Other Financing Sources (Uses)	<u>3</u>	<u>1</u>	<u>4</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(7,533)</u>	<u>(7,310)</u>	<u>1,382</u>	<u>-</u>	<u>(69,667)</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>4,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (7,533)</u>	<u>\$ (7,310)</u>	<u>\$ 6,302</u>	<u>\$ -</u>	<u>\$ (69,667)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2010

	Learning Technology Center General Operations	Technical Training and Support	Illinois Virtual School	Education Technology Competitive Grant	Title I School Improvement and Accountability	Title II Teacher Quality Leadership
<b>REVENUES</b>						
Local sources	\$ -	\$ 44,380	\$ -	\$ -	\$ -	\$ -
State sources	133,593	-	979,138	-	-	-
Federal sources	-	-	-	-	673,892	146,040
Total Revenue	<u>133,593</u>	<u>44,380</u>	<u>979,138</u>	<u>-</u>	<u>673,892</u>	<u>146,040</u>
<b>EXPENDITURES</b>						
Salaries and benefits	184,494	-	1,189,273	-	317,960	154
Purchased services	34,727	30,143	697,202	-	155,201	30,473
Supplies and materials	3,226	201	26,124	-	7,828	396
Other objects	-	108	-	-	-	-
Payments to other governments	13,326	-	-	-	196,388	128,769
Capital outlay	-	30,182	9,157	-	-	-
Total Expenditures	<u>235,773</u>	<u>60,634</u>	<u>1,921,756</u>	<u>-</u>	<u>677,377</u>	<u>159,792</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>						
	<u>(102,180)</u>	<u>(16,254)</u>	<u>(942,618)</u>	<u>-</u>	<u>(3,485)</u>	<u>(13,752)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer in	-	-	-	-	3,485	497
Transfer out	-	-	-	-	-	-
Interest income	33	99	-	-	-	-
Total Other Financing Sources (Uses)	<u>33</u>	<u>99</u>	<u>-</u>	<u>-</u>	<u>3,485</u>	<u>497</u>
<b>NET CHANGE IN FUND BALANCE</b>						
	<u>(102,147)</u>	<u>(16,155)</u>	<u>(942,618)</u>	<u>-</u>	<u>-</u>	<u>(13,255)</u>
<b>FUND BALANCE - BEGINNING</b>						
	<u>88,774</u>	<u>47,306</u>	<u>-</u>	<u>406</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - ENDING</b>						
	<u>\$ (13,373)</u>	<u>\$ 31,151</u>	<u>\$ (942,618)</u>	<u>\$ 406</u>	<u>\$ -</u>	<u>\$ (13,255)</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2010

	Title I Reading First Part B SEA	Coordination and Services Grant	Mathematics and Science Partnership	Special Education - IDEA Part D	Aspire	Illinois Department of Public Health	Socially Emotional Learning
REVENUES							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 3,043	\$ -	\$ 64,096
State sources	-	-	-	-	-	-	-
Federal sources	179,324	-	-	409,307	-	-	-
Total Revenue	<u>179,324</u>	<u>-</u>	<u>-</u>	<u>409,307</u>	<u>3,043</u>	<u>-</u>	<u>64,096</u>
EXPENDITURES							
Salaries and benefits	7,535	5,840	-	94,244	-	-	30,195
Purchased services	165,063	-	-	260,338	1,615	-	15,984
Supplies and materials	2,346	117	-	9,342	-	-	11,359
Other objects	-	-	-	-	-	-	371
Payments to other governments	4,394	3,837	-	44,591	-	-	6,211
Capital outlay	-	-	-	849	1,788	-	-
Total Expenditures	<u>179,338</u>	<u>9,794</u>	<u>-</u>	<u>409,364</u>	<u>3,403</u>	<u>-</u>	<u>64,120</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(14)</u>	<u>(9,794)</u>	<u>-</u>	<u>(57)</u>	<u>(360)</u>	<u>-</u>	<u>(24)</u>
OTHER FINANCING SOURCES (USES)							
Transfer in	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-
Interest income	14	126	-	57	5	-	24
Total Other Financing Sources (Uses)	<u>14</u>	<u>126</u>	<u>-</u>	<u>57</u>	<u>5</u>	<u>-</u>	<u>24</u>
NET CHANGE IN FUND BALANCE	-	(9,668)	-	-	(355)	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,777</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ (9,668)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,422</u>	<u>\$ -</u>	<u>\$ -</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2010

	Preschool for All Children	Standard Aligned Classroom Statewide Prof. Develop.	Principal Mentoring	Gifted Education	Beginning Teacher Induction	State Implementation and Scaling Up of Evidence Based Practices	Transportation Career Cluster
<b>REVENUES</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	471,203	-	3,753	39,745	48,949	530,742	-
Federal sources	-	31,304	-	-	-	-	146,974
Total Revenue	<u>471,203</u>	<u>31,304</u>	<u>3,753</u>	<u>39,745</u>	<u>48,949</u>	<u>530,742</u>	<u>146,974</u>
<b>EXPENDITURES</b>							
Salaries and benefits	685,551	22,606	-	3,125	35,602	100,715	7,983
Purchased services	78,888	3,787	13,931	29,857	17,014	430,055	93,372
Supplies and materials	81,992	(1,239)	-	6,825	7,695	-	1,596
Other objects	-	-	-	-	-	-	-
Payments to other governments	-	6,390	-	-	28,000	-	44,110
Capital outlay	4,789	-	-	-	-	-	1,329
Total Expenditures	<u>851,220</u>	<u>31,544</u>	<u>13,931</u>	<u>39,807</u>	<u>88,311</u>	<u>530,770</u>	<u>148,390</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(380,017)</u>	<u>(240)</u>	<u>(10,178)</u>	<u>(62)</u>	<u>(39,362)</u>	<u>(28)</u>	<u>(1,416)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer in	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-
Interest income	14	115	-	62	-	28	1
Total Other Financing Sources (Uses)	<u>14</u>	<u>115</u>	<u>-</u>	<u>62</u>	<u>-</u>	<u>28</u>	<u>1</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(380,003)</u>	<u>(125)</u>	<u>(10,178)</u>	<u>-</u>	<u>(39,362)</u>	<u>-</u>	<u>(1,415)</u>
<b>FUND BALANCE - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - ENDING</b>	<u>\$ (380,003)</u>	<u>\$ (125)</u>	<u>\$ (10,178)</u>	<u>\$ -</u>	<u>\$ (39,362)</u>	<u>\$ -</u>	<u>\$ (1,415)</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2010

	Consortium for Educational Change	General State Aid	Regional Safe Schools	ARRA General State Aid	Peoria Promise Foundation	Title II Coop
<b>REVENUES</b>						
Local sources	\$ 231,830	\$ -	\$ -	\$ -	\$ 40,709	\$ -
State sources	-	188,853	157,998	-	-	-
Federal sources	-	-	-	42,026	-	-
Total Revenue	<u>231,830</u>	<u>188,853</u>	<u>157,998</u>	<u>42,026</u>	<u>40,709</u>	<u>-</u>
<b>EXPENDITURES</b>						
Salaries and benefits	231,830	-	-	-	40,709	-
Purchased services	-	-	-	-	-	1,669
Supplies and materials	-	-	-	-	-	-
Other objects	-	-	-	-	-	-
Payments to other governments	-	188,853	237,000	42,026	-	-
Capital outlay	-	-	-	-	-	-
Total Expenditures	<u>231,830</u>	<u>188,853</u>	<u>237,000</u>	<u>42,026</u>	<u>40,709</u>	<u>1,669</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>						
	<u>-</u>	<u>-</u>	<u>(79,002)</u>	<u>-</u>	<u>-</u>	<u>(1,669)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer in	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-
Interest income	-	-	-	-	-	84
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84</u>
<b>NET CHANGE IN FUND BALANCE</b>						
	<u>-</u>	<u>-</u>	<u>(79,002)</u>	<u>-</u>	<u>-</u>	<u>(1,585)</u>
<b>FUND BALANCE - BEGINNING</b>						
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,534</u>
<b>FUND BALANCE (DEFICIT) - ENDING</b>						
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (79,002)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,949</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2010

	SISEP University of North Carolina	IDEA ARRA - Galesburg	Title I ARRA - Galesburg	TOTAL
<b>REVENUES</b>				
Local sources	\$ -	\$ -	\$ -	\$ 423,143
State sources	-	-	-	2,762,821
Federal sources	22,781	215,768	130,070	2,084,376
Total Revenue	<u>22,781</u>	<u>215,768</u>	<u>130,070</u>	<u>5,270,340</u>
<b>EXPENDITURES</b>				
Salaries and benefits	19,017	69,892	46,164	3,444,022
Purchased services	3,747	132,968	75,629	2,328,184
Supplies and materials	18	12,914	8,277	187,322
Other objects	-	-	-	2,479
Payments to other governments	-	-	-	943,895
Capital outlay	-	-	-	48,094
Total Expenditures	<u>22,782</u>	<u>215,774</u>	<u>130,070</u>	<u>6,953,996</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1)</u>	<u>(6)</u>	<u>-</u>	<u>(1,683,656)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	-	-	-	3,982
Transfer out	-	-	-	-
Interest income	1	-	-	672
Total Other Financing Sources (Uses)	<u>1</u>	<u>-</u>	<u>-</u>	<u>4,654</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(6)	-	(1,679,002)
<b>FUND BALANCE - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>251,717</u>
<b>FUND BALANCE (DEFICIT) - ENDING</b>	<u>\$ -</u>	<u>\$ (6)</u>	<u>\$ -</u>	<u>\$ (1,427,285)</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2009 to June 30, 2010)  
 EDUCATION FUND ACCOUNT  
 ADULT EDUCATION BASIC  
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 28,455	\$ 28,455	\$ 21,109
Federal sources	28,330	28,330	25,320
Total Revenues	<u>56,785</u>	<u>56,785</u>	<u>46,429</u>
EXPENDITURES			
Salaries and benefits	47,040	47,040	47,003
Purchased services	6,704	6,704	6,243
Supplies and materials	3,041	3,041	719
Total Expenditures	<u>56,785</u>	<u>56,785</u>	<u>53,965</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(7,536)</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	3
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>3</u>
NET CHANGE IN FUND BALANCE	-	-	(7,533)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,533)</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2009 to June 30, 2010)  
 EDUCATION FUND ACCOUNT  
 ADULT EDUCATION PERFORMANCE  
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
State sources	\$ 29,872	\$ 29,872	\$ 21,928
Total Revenues	<u>29,872</u>	<u>29,872</u>	<u>21,928</u>
<b>EXPENDITURES</b>			
Salaries and benefits	24,120	24,120	24,485
Purchased services	5,752	5,752	4,423
Supplies and materials	-	-	331
Total Expenditures	<u>29,872</u>	<u>29,872</u>	<u>29,239</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>(7,311)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interest	-	-	1
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>1</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(7,310)
<b>FUND BALANCE - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - ENDING</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (7,310)</u></u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2009 to June 30, 2010)  
 EDUCATION FUND ACCOUNT  
 UPWARD SOS  
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 60,000	\$ 60,000	\$ 60,036
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>60,036</u>
EXPENDITURES			
Salaries and benefits	49,961	49,961	49,876
Purchased services	9,209	9,209	10,139
Supplies and materials	700	700	21
Other objects	130	130	-
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>60,036</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Interest	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2009 to June 30, 2010)  
 EDUCATION FUND ACCOUNT  
 COMMUNITIES FOR YOUTH TRUANTS ALTERNATIVE  
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Local sources	\$ -	\$ -	\$ 6,477
State sources	191,541	191,541	105,774
Federal sources			5,022
Total Revenues	191,541	191,541	117,273
<b>EXPENDITURES</b>			
Salaries and benefits	183,555	180,370	178,068
Purchased services	7,986	7,986	5,478
Supplies and materials	-	-	3,395
Other objects	-	3,185	-
Total Expenditures	191,541	191,541	186,941
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	-	(69,668)
<b>OTHER FINANCING SOURCES (USES)</b>			
Interest	-	-	1
Total Other Financing Sources and Uses	-	-	1
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(69,667)
<b>FUND BALANCE - BEGINNING</b>	-	-	-
<b>FUND BALANCE (DEFICIT) - ENDING</b>	\$ -	\$ -	\$ (69,667)

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2009 to August 31, 2010)  
 EDUCATION FUND ACCOUNT  
 MCKINNEY-VENTO EDUCATION FOR HOMELESS CHILDREN AND YOUTH  
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Local sources	\$ -	\$ -	\$ 29,199
State sources	-	-	-
Federal sources	54,750	54,750	54,750
Total Revenues	<u>54,750</u>	<u>54,750</u>	<u>83,949</u>
EXPENDITURES			
Salaries and benefits	50,569	50,569	51,701
Purchased services	1,888	1,888	30,213
Supplies and materials	2,293	2,293	2,035
Total Expenditures	<u>54,750</u>	<u>54,750</u>	<u>83,949</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of September 1, 2009 to August 31, 2010)  
 EDUCATION FUND ACCOUNT  
 LEARN AND SERVE AMERICA  
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 7,000	\$ 7,000	\$ 1,798
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>1,798</u>
EXPENDITURES			
Salaries and benefits	225	225	-
Purchased services	3,250	3,250	-
Supplies and materials	3,525	3,525	1,798
Total Expenditures	<u>7,000</u>	<u>7,000</u>	<u>1,798</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2009 to August 31, 2010)  
 EDUCATION FUND ACCOUNT  
 LEARNING TECHNOLOGY CENTER GENERAL OPERATIONS  
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 253,594	\$ 272,194	\$ 133,593
Total Revenues	<u>253,594</u>	<u>272,194</u>	<u>133,593</u>
EXPENDITURES			
Salaries and benefits	210,384	207,781	184,494
Purchased services	29,481	42,268	34,727
Supplies and materials	1,600	2,550	3,226
Payments to other governments	9,840	17,380	13,326
Capital outlay	2,289	2,215	-
Total Expenditures	<u>253,594</u>	<u>272,194</u>	<u>235,773</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(102,180)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	33
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>33</u>
NET CHANGE IN FUND BALANCE	-	-	(102,147)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>88,774</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,373)</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of September 1, 2009 to August 31, 2010)  
 EDUCATION FUND ACCOUNT  
 TITLE I SCHOOL IMPROVEMENT AND ACCOUNTABILITY  
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 1,101,761	\$ 1,101,761	\$ 673,892
Total Revenues	<u>1,101,761</u>	<u>1,101,761</u>	<u>673,892</u>
EXPENDITURES			
Salaries and benefits	516,933	326,023	317,960
Purchased services	130,128	85,100	155,201
Supplies and materials	40,000	10,000	7,828
Payments to other governments	414,700	680,638	196,388
Total Expenditures	<u>1,101,761</u>	<u>1,101,761</u>	<u>677,377</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(3,485)</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	3,485
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>3,485</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of September 1, 2009 to August 31, 2010)  
 EDUCATION FUND ACCOUNT  
 TITLE II TEACHER QUALITY LEADERSHIP  
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 165,192	\$ 165,192	\$ 146,040
Total Revenues	<u>165,192</u>	<u>165,192</u>	<u>146,040</u>
EXPENDITURES			
Salaries and benefits	104,829	-	154
Purchased services	35,000	25,000	30,473
Supplies and materials	8,000	4,000	396
Payments to other governments	17,363	136,192	128,769
Total Expenditures	<u>165,192</u>	<u>165,192</u>	<u>159,792</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(13,752)</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	497
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>497</u>
NET CHANGE IN FUND BALANCE	-	-	(13,255)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,255)</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of September 1, 2009 to August 31, 2010)  
 EDUCATION FUND ACCOUNT  
 TITLE I READING FIRST PART B SEA (4337-00 and 4337-04)  
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Federal sources	\$ 537,153	\$ 537,153	\$ 179,324
Total Revenues	<u>537,153</u>	<u>537,153</u>	<u>179,324</u>
EXPENDITURES			
Salaries and benefits	6,827	28,305	7,535
Purchased services	484,203	462,725	165,063
Supplies and materials	41,788	41,788	2,346
Payments to other governments	4,335	4,335	4,394
Total Expenditures	<u>537,153</u>	<u>537,153</u>	<u>179,338</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(14)</u>
OTHER FINANCING SOURCES (USES):			
Interest	-	-	14
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>14</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of September 1, 2009 to August 31, 2010)  
 EDUCATION FUND ACCOUNT  
 COORDINATION AND SERVICES GRANT  
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 417,500	\$ 417,500	\$ -
Total Revenues	<u>417,500</u>	<u>417,500</u>	<u>-</u>
EXPENDITURES			
Salaries and benefits	-	-	5,840
Purchased services	417,500	417,500	-
Supplies and materials	-	-	117
Payments to other governments	-	-	3,837
Total Expenditures	<u>417,500</u>	<u>417,500</u>	<u>9,794</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(9,794)</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	126
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>126</u>
NET CHANGE IN FUND BALANCE	-	-	(9,668)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,668)</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of October 1, 2009 to September 30, 2010)  
 EDUCATION FUND ACCOUNT  
 SPECIAL EDUCATION - IDEA PART D  
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Federal sources	\$ 475,000	\$ 625,000	\$ 409,307
Total Revenues	<u>475,000</u>	<u>625,000</u>	<u>409,307</u>
<b>EXPENDITURES</b>			
Salaries and benefits	129,311	133,987	94,244
Purchased services	240,797	383,797	260,338
Supplies and materials	31,850	35,850	9,342
Other objects	1,000	1,000	-
Payments to other governments	72,042	70,366	44,591
Capital outlay	-	-	849
Total Expenditures	<u>475,000</u>	<u>625,000</u>	<u>409,364</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>(57)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interest	-	-	57
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>57</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-
<b>FUND BALANCE - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2009 to August 31, 2010)  
 EDUCATION FUND ACCOUNT  
 PRESCHOOL FOR ALL CHILDREN  
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
State sources	\$ 702,270	\$ 795,600	\$ 471,203
Total Revenues	<u>702,270</u>	<u>795,600</u>	<u>471,203</u>
EXPENDITURES			
Salaries and benefits	593,472	554,960	685,551
Purchased services	88,498	151,420	78,888
Supplies and materials	20,300	84,220	81,992
Capital outlay	-	5,000	4,789
Total Expenditures	<u>702,270</u>	<u>795,600</u>	<u>851,220</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(380,017)</u>
OTHER FINANCING SOURCES (USES)			
Interest	-	-	14
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>14</u>
NET CHANGE IN FUND BALANCE	-	-	(380,003)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (380,003)</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2010

	<u>Art Opportunities</u>	<u>Bus Driver Training</u>	<u>Directory</u>	<u>Food Co-op</u>	<u>Secretary</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 235	\$ 4,517	\$ 202	\$ 10,301	\$ 5
Due from other governments - Local	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 235</u>	<u>\$ 4,517</u>	<u>\$ 202</u>	<u>\$ 10,301</u>	<u>\$ 5</u>
<b>LIABILITIES</b>					
Deferred revenue	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>					
Unreserved	<u>235</u>	<u>4,517</u>	<u>202</u>	<u>10,301</u>	<u>5</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 235</u>	<u>\$ 4,517</u>	<u>\$ 202</u>	<u>\$ 10,301</u>	<u>\$ 5</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2010

	General Education Development	Hospital Tutoring	Institute	Office of Prevention	Spring Celebration
<b>ASSETS</b>					
Cash and cash equivalents	\$ 45,590	\$ 26,431	\$ 36,685	\$ 37,160	\$ 1,592
Due from other governments - Local	-	14,875	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 45,590</b>	<b>\$ 41,306</b>	<b>\$ 36,685</b>	<b>\$ 37,160</b>	<b>\$ 1,592</b>
<b>LIABILITIES</b>					
Deferred revenue	\$ -	\$ 14,875	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>14,875</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>					
Unreserved	45,590	26,431	36,685	37,160	1,592
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 45,590</b>	<b>\$ 41,306</b>	<b>\$ 36,685</b>	<b>\$ 37,160</b>	<b>\$ 1,592</b>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2010

	<u>Supervisory</u>	<u>Jail Library</u>	<u>Pleasant Valley</u>	<u>Lincoln Senior Award</u>	<u>TOTALS</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,790	\$ 965	\$ 10,629	\$ 745	\$ 178,847
Due from other governments - Local	-	-	-	-	14,875
<b>TOTAL ASSETS</b>	<u>\$ 3,790</u>	<u>\$ 965</u>	<u>\$ 10,629</u>	<u>\$ 745</u>	<u>\$ 193,722</u>
<b>LIABILITIES</b>					
Deferred revenue	\$ 1,000	\$ -	\$ -	\$ -	\$ 15,875
<b>TOTAL LIABILITIES</b>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,875</u>
<b>FUND BALANCE</b>					
Unreserved	<u>2,790</u>	<u>965</u>	<u>10,629</u>	<u>745</u>	<u>177,847</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 3,790</u>	<u>\$ 965</u>	<u>\$ 10,629</u>	<u>\$ 745</u>	<u>\$ 193,722</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2010

	Art Opportunities	Bus Driver Training	Directory	Food Co-op	Secretary
<b>REVENUES</b>					
Local sources	\$ -	\$ 2,350	\$ 6,225	\$ 11,900	\$ -
State sources	-	1,200	-	-	-
Total Revenues	<u>-</u>	<u>3,550</u>	<u>6,225</u>	<u>11,900</u>	<u>-</u>
<b>EXPENDITURES</b>					
Salaries and benefits	-	-	-	-	-
Purchased services	-	2,676	6,024	7,193	-
Supplies and materials	-	-	-	47	-
Other objects	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>2,676</u>	<u>6,024</u>	<u>7,240</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>874</u>	<u>201</u>	<u>4,660</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>					
Interest income	-	3	1	6	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>3</u>	<u>1</u>	<u>6</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	877	202	4,666	-
<b>FUND BALANCE (DEFICIT) - BEGINNING</b>	<u>235</u>	<u>3,640</u>	<u>-</u>	<u>5,635</u>	<u>5</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 235</u>	<u>\$ 4,517</u>	<u>\$ 202</u>	<u>\$ 10,301</u>	<u>\$ 5</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2010

	General Education Development	Hospital Tutoring	Institute	Office of Prevention	Spring Celebration
REVENUES					
Local sources	\$ 30,890	\$ 59,493	\$ 35,018	\$ 5,950	\$ 19,873
State sources	-	-	-	-	-
Total Revenues	<u>30,890</u>	<u>59,493</u>	<u>35,018</u>	<u>5,950</u>	<u>19,873</u>
EXPENDITURES					
Salaries and benefits	1,949	-	-	-	-
Purchased services	9,321	71,730	41,675	3,274	18,416
Supplies and materials	7,378	130	566	-	1,037
Other objects	-	297	70	-	-
Total Expenditures	<u>18,648</u>	<u>72,157</u>	<u>42,311</u>	<u>3,274</u>	<u>19,453</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>12,242</u>	<u>(12,664)</u>	<u>(7,293)</u>	<u>2,676</u>	<u>420</u>
Other Financing Sources (Uses)					
Interest income	32	17	42	29	3
Total Other Financing Sources (Uses)	<u>32</u>	<u>17</u>	<u>42</u>	<u>29</u>	<u>3</u>
NET CHANGE IN FUND BALANCE	12,274	(12,647)	(7,251)	2,705	423
FUND BALANCE (DEFICIT) - BEGINNING	<u>33,316</u>	<u>39,078</u>	<u>43,936</u>	<u>34,455</u>	<u>1,169</u>
FUND BALANCE - ENDING	<u>\$ 45,590</u>	<u>\$ 26,431</u>	<u>\$ 36,685</u>	<u>\$ 37,160</u>	<u>\$ 1,592</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2010

	Supervisory	Jail Library	Pleasant Valley	Lincoln Senior Award	TOTALS
<b>REVENUES</b>					
Local sources	\$ -	\$ -	\$ -	\$ 2,666	\$ 174,365
State sources	-	-	-	-	1,200
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,666</u>	<u>175,565</u>
<b>EXPENDITURES</b>					
Salaries and benefits	-	-	-	-	1,949
Purchased services	-	1,280	-	1,799	163,388
Supplies and materials	-	-	-	109	9,267
Other objects	-	-	-	-	367
Total Expenditures	<u>-</u>	<u>1,280</u>	<u>-</u>	<u>1,908</u>	<u>174,971</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>(1,280)</u>	<u>-</u>	<u>758</u>	<u>594</u>
<b>Other Financing Sources (Uses)</b>					
Interest income	<u>3</u>	<u>1</u>	<u>9</u>	<u>-</u>	<u>146</u>
Total Other Financing Sources (Uses)	<u>3</u>	<u>1</u>	<u>9</u>	<u>-</u>	<u>146</u>
<b>NET CHANGE IN FUND BALANCE</b>	3	(1,279)	9	758	740
<b>FUND BALANCE (DEFICIT) - BEGINNING</b>	<u>2,787</u>	<u>2,244</u>	<u>10,620</u>	<u>(13)</u>	<u>177,107</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 2,790</u>	<u>\$ 965</u>	<u>\$ 10,629</u>	<u>\$ 745</u>	<u>\$ 177,847</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 AGENCY FUND  
 JUNE 30, 2010

	Regional Board of Trustees	Central Illinois Science Education	Criminal Background Checks	Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ 83	\$ 1,935	\$ 13,340	\$ 15,358
<b>LIABILITIES</b>				
Due to other governments	\$ 83	\$ 1,935	\$ 13,340	\$ 15,358

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 JUNE 30, 2010

	<u>July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2010</u>
<u>REGIONAL BOARD OF TRUSTEES</u>				
ASSETS				
Cash and cash equivalents	\$ 83	\$ -	\$ -	\$ 83
LIABILITIES				
Due to other governments	\$ 83	\$ -	\$ -	\$ 83
<u>CENTRAL ILLINOIS SCIENCE EDUCATION</u>				
ASSETS				
Cash and cash equivalents	\$ 1,935	\$ -	\$ -	\$ 1,935
LIABILITIES				
Due to other governments	\$ 1,935	\$ -	\$ -	\$ 1,935
<u>CRIMINAL BACKGROUND CHECKS</u>				
ASSETS				
Cash and cash equivalents	\$ 11,091	\$ 19,490	\$ 17,241	\$ 13,340
Due from other governments	1,418	-	1,418	-
Total Assets	<u>\$ 12,509</u>	<u>\$ 19,490</u>	<u>\$ 18,659</u>	<u>\$ 13,340</u>
LIABILITIES				
Due to other governments	<u>\$ 12,509</u>	<u>\$ 19,490</u>	<u>\$ 18,659</u>	<u>\$ 13,340</u>
<u>TOTALS ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 13,109	\$ 19,490	\$ 17,241	\$ 15,358
Due from other governments	1,418	-	1,418	-
Total Assets	<u>\$ 14,527</u>	<u>\$ 19,490</u>	<u>\$ 18,659</u>	<u>\$ 15,358</u>
LIABILITIES				
Due to other governments	<u>\$ 14,527</u>	<u>\$ 19,490</u>	<u>\$ 18,659</u>	<u>\$ 15,358</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor/ Pass-Through Grantor/ <u>Program or Cluster Title</u>	CFDA <u>Number</u>	Project # (1st eight digits) or <u>Contract #</u>	Federal <u>Expenditures</u> 7/1/09 - 6/30/10
<b>U.S. Department of Education</b>			
<b>Passed through Illinois Community College Board:</b>			
Basic Grants to States - Adult Education	84.002	514 AB	\$ 25,320
<b>Total Passed through Illinois Community College Board</b>			<u>25,320</u>
<b>Passed through Illinois State Board of Education:</b>			
Title I Grants to Local Educational Agencies			
System of Support (Title I - School Improvement and Accountability)	84.010A	10-4331-SS	573,498
System of Support (Title I - School Improvement and Accountability)	84.010A	09-4331-SS	100,394
<b>Total Title I Grants to Local Educational Agencies</b>			<u>673,892</u> (M)
Improving Teacher Quality State Grants			
Title II Teacher Quality Leadership	84.367A	10-4935-SS	139,589
Title II Teacher Quality Leadership	84.367A	09-4935-SS	6,451
<b>Passed through Regional Office of Education #11:</b>			
Standards Aligned Classroom	84.367A	09-4935-00	31,218
<b>Passed through Regional Office of Education #51:</b>			
Standards Aligned Classroom	84.367A	09-4932-00	86
<b>Total Improving Teacher Quality State Grants</b>			<u>177,344</u>
Special Education - State Personnel Development -			
Special Education - IDEA Part D	84.323A	10-4631-RC	216,973
Special Education - IDEA Part D	84.323A	09-4631-RC	192,334
<b>Total Special Education - State Personnel Development</b>			<u>409,307</u> (M)
Reading First State Grants -			
Title I- Reading First Part B SEA	84.357A	09-4337-00	24,118
Title I- Reading First Part B SEA	84.357A	10-4337-04	143,206
Title I- Reading First Part B SEA	84.357A	09-4337-04	12,000
<b>Total Reading First State Grants</b>			<u>179,324</u>
State Fiscal Stabilization Funds Cluster -			
State Fiscal Stabilization Fund (SFSF) - Education State Recovery Act -			
ARRA - General State Aid-Sec 18-8	84.394A	10-4850-93	10,639
State Fiscal Stabilization Fund (SFSF) - Government Services Recovery Act -			
ARRA - General State Aid-Sec 18-8	84.397A	10-4870-93	31,387
<b>Total State Fiscal Stabilization Funds Cluster</b>			<u>42,026</u>
<b>Passed through Macomb Community School District #185:</b>			
Education for Homeless Children and Youth -			
Area III - Homeless Liaison Project	84.196A	10-4920-00	53,250 (M)
<b>Passed through Illinois State Board of Education:</b>			
ARRA - Education for Homeless Children and Youth	84.387A	10-4862-00	1,500

The accompanying notes are an integral part of this schedule.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	Project # (1st eight digits) or Contract #	Federal Expenditures 7/1/09 - 6/30/10
<b>Passed through Galesburg Community School District #205</b>			
Title I Grants to Local Educational Agencies, Recovery Act - Title I ARRA	84.389A	10-4851-00	<u>130,070</u>
Special Education Grants to States, Recovery Act - IDEA ARRA	84.391A	10-4857-00	<u>215,768</u>
<b>Total passed through Galesburg Community School District #205</b>			<u>345,838</u>
<b>Passed through University of North Carolina - Chapel Hill</b>			
TA&D Building State Capacity to Improve Achievement of CWD Under NCLB State Implementation and Scaling Up of Evidence Based Practices	84.326K	H326K080001	<u>22,781</u>
<b>Total U.S. Department of Education</b>			<u>1,930,582</u>
<b>Corporation for National and Community Services passed through Illinois State Board of Education:</b>			
Learn and Serve America-School and Community Based Programs - Learn& Serve America	94.004	09-4910-00	<u>1,798</u>
<b>Total Corporation for National and Community Services passed through Illinois State Board of Education</b>			<u>1,798</u>
<b>U.S. Department of Transportation passed through Missouri University of Science and Technology</b>			
Highway Research and Development Program - U.S. Department of Transportation	20.200	DTFH61-08-G-00016	<u>146,974</u>
<b>Total U.S. Department of Transportation passed through Missouri University of Science and Technology</b>			<u>146,974</u>
<b>U.S. Department of Justice passed through Peoria County</b>			
Title V - Delinquency Prevention Program Communities for Youth Truants Alternative	16.548	011GL612000	<u>5,022</u>
<b>Total U.S. Department of Justice passed through Peoria County</b>			<u>5,022</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 2,084,376</u>

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

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

NOTE 2 - SUBRECIPIENTS

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

<u>Program Title</u>	<u>Federal CFDA #</u>	<u>Amount provided to subrecipients</u>
Title I Grants to Local Educational Agencies - Title I – School Improvement and Accountability	84.010A	\$ 196,388
Improving Teacher Quality State Grants Title II Teacher Quality Leadership	84.367A	\$ 128,769
Standards Aligned Classroom – Statewide Professional Development	84.367A	\$ 6,390
Reading First State Grants Title I – Reading First Part B SEA	84.357A	\$ 4,394
Special Education – State Personnel Development - Special Education – IDEA Part D	84.323A	\$ 44,591
Highway Research and Development Program Transportation Career Cluster	20.200	\$ 44,110
State Fiscal Stabilization Fund (SFSF) Education State Recovery Act – ARRA General State Aid-Sec. 18-8	84.394A	\$ 10,639
State Fiscal Stabilization Fund (SFSF) Government Services Recovery Act – ARRA General State Aid-Sec. 18-8	84.397A	\$ 31,387

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM

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

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

Education for Homeless Children and Youth – Area III – Homeless Liaison Project - This program accounts for monies received from the Macomb Community School District #185 and is used to provide information to schools, community members and government entities about the educational rights of homeless students.

NOTE 4 - NON-CASH ASSISTANCE

None

NOTE 5 - AMOUNT OF INSURANCE

None

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

None