

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, 2005

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

TABLE OF CONTENTS

	<u>Page</u>
OFFICIALS .....	1
COMPLIANCE REPORT SUMMARY .....	2
FINANCIAL STATEMENT REPORT SUMMARY .....	4
FINANCIAL SECTION	
Independent Auditor’s Report .....	5
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	7
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	9
Schedule of Findings and Questioned Costs.....	11
Corrective Action Plan for Current Year Audit Findings .....	30
Summary Schedule of Prior Audit Findings .....	39
MANAGEMENT’S DISCUSSION AND ANALYSIS .....	40
BASIC FINANCIAL STATEMENTS	
Statement of Net Assets .....	46
Statement of Activities .....	47
Balance Sheet – Governmental Funds .....	48
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets .....	49
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.....	50
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances to the Statement of Activities – Governmental Funds.....	51
Statement of Net Assets – Proprietary Fund .....	52
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Fund .....	53
Statement of Cash Flows – Proprietary Fund .....	54
Statement of Fiduciary Net Assets – Fiduciary Fund .....	55
Notes to Financial Statements .....	56
REQUIRED SUPPLEMENTAL INFORMATION (OTHER THAN MANAGEMENT’S DISCUSSION AND ANALYSIS)	
Illinois Municipal Retirement Fund – Schedule of Funding Progress .....	79
SUPPLEMENTAL INFORMATION	
General Fund:	
Combining Schedule of Accounts.....	80
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances .....	81
Budgetary Comparison Schedule – General Fund Account – ROE/ISC Operations .....	82

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

TABLE OF CONTENTS

	<u>Page</u>
Education Fund:	
Combining Schedule of Accounts.....	83
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances .....	90
Budgetary Comparison Schedules – Education Fund Accounts:	
State Adult Education (Basic).....	97
State Adult Education (Performance).....	98
Federal Adult Education (Basic) .....	99
Secretary of State Literacy .....	100
Communities for Youth Truants Alternative.....	101
Truants Alternative Homeless.....	102
Standards Aligned Classroom – Statewide Professional Development .....	103
Reading First Super Region .....	104
Reading First Phase Two .....	105
Coordination Services Grant .....	106
Reading First.....	107
Reading First Technical Assistance.....	108
Title II Teacher Quality .....	109
Mathematics and Science Partnership .....	110
Title V Innovative Programs .....	111
Learning Technology Center:	
Combining Schedule of Accounts.....	112
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances .....	113
Budgetary Comparison Schedules – Learning Technology Center:	
Technology for Schools – General Operations .....	114
Education Technology Competitive Grant.....	115
NonMajor Special Revenue Fund:	
Combining Balance Sheet .....	116
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	119
Special Revenue Fund:	
Budgetary Comparison Schedule – Title I School Improvement and Accountability Grant.....	122
Enterprise Fund:	
Budgetary Comparison Schedule – Local Workshops .....	123
Fiduciary Funds:	
Combining Statement of Fiduciary Net Assets – Agency Funds .....	124
Combining Statement of Changes in Assets and Liabilities – Agency Funds .....	125
Schedule of Disbursements to School District Treasurers and Other Entities – Distributive Fund.....	127

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

TABLE OF CONTENTS

	<u>Page</u>
FEDERAL COMPLIANCE SECTION	
Schedule of Expenditures of Federal Awards .....	128
Notes to the Schedule of Expenditures of Federal Awards .....	129

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

OFFICIALS

Regional Superintendent  
(Current and during the audit period)

Dr. Gerald Brookhart

Assistant Regional Superintendent  
(During the audit period)

Mr. Terry Deppert  
Mr. Robert Turk  
Mr. Stephen Heath  
Mr. Larry Williams

Each assistant superintendent worked part time during the audit period.

Offices are located at:

324 Main Street, Room 401  
Peoria, Illinois 61602

Two Rivers Professional Development Center  
10112 W. Dubois Road  
Brimfield, Illinois 61517

Area III Learning Technology Center  
10112 W. Dubois Road  
Brimfield, Illinois 61517

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	8	3
Repeated audit findings	2	1
Prior recommendations implemented or not repeated	1	1

Details of audit findings are presented in a separately tabbed report section.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u> <u>Findings (Government Auditing Standards)</u>
05-1	12	Inactive accounts
05-2	14	Netting revenues against expenses
05-3	15	Accounting records maintained on cash basis
05-4	17	Inappropriate commingling of funds and insufficient cash transfers
05-5	19	Control over compliance with laws and regulations
05-6	22	Overpayment to vendor
05-7	24	Lack of cost allocation plan
<u>Findings and Questioned Costs (Federal Compliance)</u>		
05-8	27	Inadequate monitoring of subrecipients – Regional Education Service Provider Program (RESPRO)
<u>Prior Findings Not Repeated (Federal Compliance)</u>		
04-3	39	Inadequate monitoring of subrecipients – Regional Safe School Program

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

COMPLIANCE REPORT SUMMARY - CONTINUED

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with ROE personnel during a teleconference on November 18, 2005. Participating were Dr. Gerald Brookhart, Regional Superintendent; Larry Williams, Assistant Regional Superintendent; Sally Weber, Two Rivers Professional Development Center; Lynn Roos, ROE Office Manager; Kelly Mittelstaedt, Office of the Auditor General; Dawn Carlson, Manager, and Stephanie Nuttall, Staff Accountant, from Sulaski and Webb, CPAs.

Responses to the recommendations were provided by Peoria County Regional Office of Education #48 personnel in correspondence dated December 22, 2005.

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 Sulaski and Webb, CPAs.

Based on their audit, the auditors expressed an unqualified opinion on the agency'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, 2005, 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.

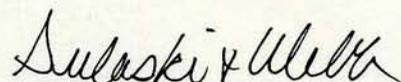
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Peoria County Regional Office of Education #48 as of June 30, 2005, 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 November 14, 2005 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 40 through 45 and 79 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 non-major fund financial statements, budgetary comparison schedules, and the Schedule of Disbursements to School District Treasurers and Other Entities – Distributive Fund 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 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, Schedule of Disbursements to School District Treasurers and Other Entities – Distributive Fund 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.

  
Sulaski and Webb  
Certified Public Accountants

November 14, 2005

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, 2005, which collectively comprise the Peoria County Regional Office of Education #48's basic financial statements and have issued our report thereon dated November 14, 2005. 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

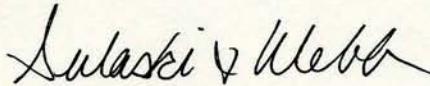
In planning and performing our audit, we considered the Peoria County Regional Office of Education #48's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Peoria County Regional Office of Education #48's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 05-2, 05-6, and 05-7. We also noted other matters involving internal control over financial reporting which are required by the *Guidelines to Auditing and Reporting for a Regional Office of Education*, to be reported on the accompanying Schedule of Findings and Questioned Costs as items 05-1, 05-3, and 05-4.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 05-6 to be a material weakness.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 05-6 and 05-7. We also noted certain immaterial instances of noncompliance which are required by the *Guidelines to Auditing and Reporting for a Regional Office of Education*, to be reported on the accompanying Schedule of Findings and Questioned Costs as items 05-1, 05-3, 05-4, and 05-5.

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.



Sulaski and Webb  
Certified Public Accountants

November 14, 2005

Report on Compliance with Requirements  
Applicable to Each Major Program and Internal Control Over  
Compliance in Accordance with OMB Circular A-133

Honorable William G. Holland  
Auditor General  
State of Illinois

## Compliance

We have audited the compliance of the Peoria County Regional Office of Education #48 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. 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 on the Peoria County Regional Office of Education #48's compliance with those requirements.

As described in item 05-8 in the accompanying Schedule of Findings and Questioned Costs, the Peoria County Regional Office of Education #48 did not comply with requirements regarding monitoring of its subrecipients that are applicable to its Regional Educational Service Provider Program operated under Title I – School Improvement and Accountability. Compliance with such requirements is necessary, in our opinion, for the Peoria County Regional Office of Education #48 to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the Peoria County Regional Office of Education #48 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005. However, the results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 05-6 and 05-7.

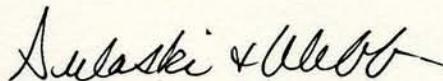
## Internal Control Over Compliance

The management of the Peoria County Regional Office of Education #48 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Peoria County Regional Office of Education #48's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the Peoria County Regional Office of Education #48's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 05-6, 05-7, and 05-8.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 05-6 and 05-8 to be material weaknesses.

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.



Sulaski and Webb  
Certified Public Accountants

November 14, 2005

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

Section I – Summary of the Auditor’s Results

Financial Statements

- (1) An unqualified opinion was issued on the financial statements.

Internal Control Over Financial Reporting:

- (2) Three reportable conditions disclosed during the audit of the financial statements are reported in the *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*. One of the conditions is reported as a material weakness.
- (3) The audit disclosed noncompliance which is material to the financial statements.

Federal Awards:

- (4) Three reportable conditions in internal control over major federal award programs were disclosed during the audit and reported in the *Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133*. Two of the conditions are reported as material weaknesses.
- (5) A qualified opinion was issued on compliance with requirements applicable to each major program.
- (6) Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 were reported in this Schedule.
- (7) The major programs were as follows:
  - CFDA Number 93.558 – Regional Safe Schools Program – General State Aid operated under Temporary Assistance for Needy Families
  - CFDA Number 93.558 – Regional Safe Schools Program operated under Temporary Assistance for Needy Families
  - CFDA Number 84.318X – Technology – Enhancing Education – Competitive
  - CFDA Number 84.010A – Title I – School Improvement and Accountability
- (8) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (9) Peoria County Regional Office of Education #48 was not determined to be a low-risk auditee.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

Section II – Financial Statement Findings

Finding No. 05-1

Inactive Accounts

Criteria/Specific Requirement:

Good accounting practices require inactive accounts with outstanding or deficit cash balances to be closed appropriately. In addition, the Illinois Grant Funds Recovery Act (30 ILCS 705) requires grant funds to be returned to the state within 45 days after the funds are no longer available to be spent or obligated. This Act also requires interest earned on grant funds be treated as part of the grant principal and therefore, must also be returned to the grantor agency if not obligated or spent by the end of the grant period.

Condition:

The Peoria County Regional Office of Education #48 (ROE) has inactive accounts with outstanding or deficit cash balances. Regional Office officials have not determined the appropriate course of action to close these accounts and return or transfer the remaining cash. As of June 30, 2005, there were nineteen accounts on the general ledger with cash balances that had no activity in the current fiscal year. There were also six accounts on the general ledger as of June 30, 2005, that had a deficit cash balance with no activity in the current fiscal year. The total cash balances for all these accounts totaled \$84,578, ranging from an outstanding balance of \$36,479 to a deficit balance of \$19,446. Of the twenty-five accounts with no activity in fiscal year 2005, fourteen of them also had no activity in fiscal year 2004.

Effect:

The ROE is holding cash that may not belong to them. Also, deficit cash balances may distort the total costs of providing various programs. In addition, not returning grant funds to the grantor agency is noncompliance with State mandates and not removing inactive accounts from the general ledger misstates the ending balances.

Cause:

The ROE did not monitor the total number of accounts or cash balances that have remained inactive.

Auditor's Recommendation:

Peoria County Regional Office of Education #48 should investigate the cash balances and deficits remaining in accounts with no activity to determine the appropriate action needed to close out these accounts. In addition, the ROE should obtain adequate documentation from granting agencies regarding the disposition of outstanding grant money.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

Section II – Financial Statement Findings - Continued

Finding No. 05-1

Inactive Accounts - Continued

Management's Response:

Peoria County Regional Office of Education #48 will investigate the cash balances and deficits remaining in accounts with no activity to determine the appropriate action needed to close out these accounts. In addition, the ROE will obtain adequate documentation from granting agencies regarding the disposition of outstanding grant money.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

Section II – Financial Statement Findings - Continued

Finding No. 05-2

Netting Revenues Against Expenses

Criteria/Specific Requirement:

Generally accepted accounting principles require governmental units to report all sources and uses of revenues.

Condition:

The Peoria County Regional Office of Education #48 (ROE) recorded local support totaling \$159,449 as reductions of expenditures instead of as revenues.

Effect:

The General Fund's revenues and expenditures were understated by \$71,341, and the Local Workshop Fund's revenues and expenditures were understated by \$88,108.

Cause:

The ROE does not fully understand how to account for reimbursement agreements.

Auditor's Recommendation:

The Peoria County Regional Office of Education #48 should record all revenues as revenue and not net them against related expenditures.

Management's Response:

The Peoria County Regional Office of Education #48 will record all revenues as revenue and not net them against related expenditures. This corrective action will begin immediately with a review and correction of all such entries that might have occurred beginning July 1, 2005, and will continue with monthly monitoring of bookkeeping entries of revenues and expenditures.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

Section II – Financial Statement Findings - Continued

Finding No. 05-3  
Repeated From 04-1, 03-2,  
02-2, 01-2

Accounting Records Maintained on Cash Basis

Criteria/Specific Requirement:

Accounting principles generally accepted in the United States of America require government-wide financial statements to be prepared on the accrual basis of accounting and the fund financial statements to be prepared on the modified accrual basis of accounting.

Condition:

The Peoria County Regional Office of Education #48 (ROE) maintains its internal financial reports on the cash basis. The ROE attempted to maintain records of its accounts receivable, accounts payable, and deferred revenue in order to efficiently and effectively convert their financial statements from a cash basis to the accrual basis and the modified accrual basis of accounting. However, a total of 41 adjusting entries had to be made to record the proper amount of accounts receivable, accounts payable, and deferred revenue. The ROE recorded most of the receivables and payables at the end of the current audit year; however, the receivable and payable entries that were recorded for the fiscal year of 2004 were not reversed appropriately.

Effect:

Internal financial reports are not accurately prepared in accordance with accounting principles generally accepted in the United States of America. In addition, adjusting entries have been prepared during the audit to properly reflect the accrual basis of accounting.

Cause:

The ROE has failed to maintain accurate subsidiary records of accounts receivable, accounts payable and deferred revenue.

Auditor's Recommendation:

The Peoria County Regional Office of Education #48 should seek training for accounting personnel to begin accurately maintaining subsidiary records of accounts receivable, accounts payable, and deferred revenue balances. These records will make the conversion from cash basis financial statements to accrual basis and modified accrual basis financial statements a more efficient and effective process.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2005

Section II – Financial Statement Findings - Continued

Finding No. 05-3  
Repeated From 04-1, 03-2,  
02-2, 01-2

Accounting Records Maintained on Cash Basis - Continued

Management's Response:

The Peoria County Regional Office of Education #48 will provide immediate training for accounting personnel to begin accurately maintaining subsidiary records of accounts receivable, accounts payable, and deferred revenue balances. Monitoring of this process will also be provided at the end of each fiscal year.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

Section II – Financial Statement Findings - Continued

Finding No. 05-4

Repeated From 04-2

Inappropriate Commingling of Funds and Insufficient Cash Transfers

Criteria/Specific Requirement:

Good business practices require the Peoria County Regional Office of Education #48 (ROE) to transfer cash or record an amount due to and from other funds when cash from one fund is used to pay for expenses of another fund.

Condition:

The ROE used the ROE/ISC Operations fund and the Local Workshops fund to record the payment of salaries and other expenses without properly allocating those expenses between these funds. Also, the ROE recorded some expenses related to Local Workshops within the Education Fund. In addition, the ROE made numerous entries to transfer money between funds, but did not make the correct entries needed to record the transactions appropriately.

Effect:

Audit entries were necessary to make the financial statements for Fiscal Year 2005 properly reflect the activity of the ROE/ISC Operations fund and the Local Workshops fund. Entries totaling \$19,800 were made to reflect the amounts due to and from the two funds. Also, entries totaling \$7,845 were required to record the amounts due between the Local Workshops fund and the Education fund. In addition, the ROE has a total of \$593,133 due between funds at June 30, 2005, primarily as a result of incomplete transfers.

Cause:

The ROE lacked internal controls over pooled cash funds. The ROE staff is unfamiliar with the appropriate accounting procedures over pooled cash funds and transfers between funds. In addition, the ROE staff does not fully understand the appropriate uses of the ROE/ISC Operations and the Local Workshops funds.

Auditor's Recommendation:

Peoria County Regional Office of Education #48 should develop internal control procedures and seek training on cash accounting procedures to ensure that transactions are accurately recorded among pooled cash funds. In addition, the ROE should consider hiring a controller or finance manager. As the ROE continues to grow and add more programs, the need for accurate financial information also grows. A controller or finance manager could help the ROE maintain appropriate accountability for the programs it administers.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

Section II – Financial Statement Findings - Continued

Finding No. 05-4

Repeated From 04-2

Inappropriate Commingling of Funds and Insufficient Cash Transfers – Continued

Management's Response:

The Peoria County Regional Office of Education #48 will improve its internal control procedures and provide more training on cash accounting procedures beginning no later than January 2006 to ensure that transactions are accurately recorded among pooled cash funds. Specifically, procedures will be implemented to insure that revenues and expenditures to and from the ROE/ISC Operations fund and Local Workshops fund are accounted for separately when using pooled cash funds. Training will be provided to insure that proper fund accounting is used in these procedures.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

Section II – Financial Statement Findings - Continued

Finding No. 05-5

Control Over Compliance with Laws and Regulations

Criteria/Specific Requirement:

- A. The Illinois School Code (105 ILCS 5/3-14.17) requires the Regional Superintendent to notify the presidents of the boards of trustees and the clerks and secretaries of school districts, on or before September 30, annually, of the amount of money and date distributed by him to the school.
- B. The Illinois School Code (105 ILCS 5/3-14.11) states that the Regional Superintendent shall examine at least once each year all books, accounts, and vouchers of every school treasurer in his educational service region, and if he finds any irregularities in them, to report them at once, in writing, to the trustees in Class II county school units, to the respective school boards of those districts which form a part of a Class II county school unit but which are not subject to the jurisdiction of the trustees of schools of any township in which any such district is located, or to the respective school boards of the district in Class I county school units whose duty it shall be to take immediately such action as the case demands.

This mandate has existed in its current form since at least 1953.

Condition:

- A. The Peoria County Regional Office of Education #48 (ROE) did not notify the presidents of boards of trustees or the clerks and secretaries of the school districts of the amount of money distributed to the districts. The only communication the ROE sent was the checks to the school treasurers. Upon learning of this requirement, the ROE sent the appropriate notifications on October 18, 2005, eighteen days late.
- B. The ROE is not examining all books, accounts, and vouchers of every school treasurer in its educational service area at least once each year. ROE officials noted that they believe this mandate is outdated and that they are satisfying the intent of the statute by other reviews they undertake. For example, the Regional Superintendent signs off on the Annual Financial Reports from the school districts in his region. In addition, the ROE gets a spreadsheet from the Illinois State Board of Education (ISBE) that outlines all of the school districts and their audit exceptions, if any. The ROE follows up with school districts having exceptions and gets the corrective action and forwards it to ISBE.

While these are reviews involving the finances of school treasurers, they are not in the level of detail required by 105 ILCS 5/3-14.11.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

Section II – Financial Statement Findings - Continued

Finding No. 05-5

Control Over Compliance with Laws and Regulations - Continued

Effect:

- A. The ROE did not comply with statutory requirements.
- B. The ROE did not comply with statutory requirements.

Cause:

- A. The ROE personnel indicated they were not aware of this requirement.
- B. The ROE personnel indicated they were not aware that their reviews of the finances of school treasurers were required to include this level of detail.

Auditor's Recommendation:

- A. The Peoria County Regional Office of Education #48 should ensure they comply with all applicable provisions of the Illinois School Code. Specifically, they should submit the required information to the school districts in a timely manner in accordance with 105 ILCS 5/3-14.17.
- B. The Peoria County Regional Office of Education #48 should comply with the requirements of 105 ILCS 5/3-14.11. If the ROE believes the statutory mandate is obsolete or otherwise unnecessary, then it should seek legislative action to revise the statute accordingly.

Management's Response:

- A. The Peoria County Regional Office of Education #48 will notify the presidents of boards of trustees and the clerks and secretaries of the school districts by September 30 of the amount of money distributed to the districts for the prior fiscal year.
- B. In 1953 there were 102 county superintendents and their duties were a lot less numerous than today. Few schools had budgets that exceeded \$500,000. Under such conditions, this law probably made sense. During the past 50+ years, various practices have evolved eliminating the need for this type of monitoring. In the 21<sup>st</sup> century, all schools have multi-million dollar budgets that are: 1.) audited annually by professionally certified outside auditing firms; 2.) audits are filed for public record and inspection; and 3.) this is tracked through the process by the procedures mentioned above in the section titled "Condition". Requiring the ROE's to do another review would be redundant, costly, and require the hiring of teams of new staff members in each ROE to carry out the task. The latter begs the question of which level(s) of government would bear the cost to carry out this task and how costly might that be to reinstitute the practice?

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

Section II – Financial Statement Findings - Continued

Finding No. 05-5

Control Over Compliance with Laws and Regulations - Continued

Management's Response - Continued:

We are grateful for the OAG's assistance in calling this to our collective attention because it provides the Regional Offices of Education with additional justification to request that the General Assembly delete this and other obsolete sections from the statutes. We will seek a legislative solution to this and other obsolete passages.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

Section II – Financial Statement Findings - Continued

Finding No. 05-6

Overpayment to Vendor

Federal Program Name: Title II – Teacher Quality Leadership Grant  
Project Number: 05-4935-SS and 05-3999-SS  
CFDA Number: 84.367A  
Passed Through: Illinois State Board of Education  
Federal Agency: U.S. Department of Education

Criteria/Specific Requirement:

Material Weakness – Reasonable accounting practices require vendor invoices to be reconciled before payments are made.

Condition:

The Peoria County Regional Office of Education #48 (ROE) made an overpayment of \$18,507 to a vendor for the purchase of equipment for a State and federally funded grant program. The ROE wrote checks to a vendor totaling \$116,997; however, invoices for the equipment purchased totaled \$98,490. One of the checks was written for \$25,900 and was paid from a price quotation rather than an invoice. The vendor credited this check against an unpaid invoice for \$369 and an invoice with an unpaid balance of \$7,024, leaving a credit of \$18,507. After the auditors discovered this error, the ROE contacted the vendor and verified the credit on their account.

Questioned Costs:

Unknown.

Context:

The ROE did not include any amounts for capital outlay in its budget for the Title II – Teacher Quality Leadership Grant. Of the \$98,490 total equipment purchased, \$4,683 was posted to the account within the Education Fund for Title II – Teacher Quality Leadership Grant.

Effect:

The expenditure reports filed with the State Board of Education included overstated amounts for the purchase of equipment.

Cause:

The ROE was unaware of the overpayment due to a lack of adequate controls over reconciliations between vendor invoices and payments.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

Section II – Financial Statement Findings - Continued

Finding No. 05-6

Overpayment to Vendor – Continued

Auditor's Recommendation:

The Peoria County Regional Office of Education #48 should develop internal control procedures to reconcile vendor invoices before payments are made. The ROE must request a refund from the vendor. In addition, the ROE must contact the Illinois State Board of Education (ISBE) for instructions on the disposition of the refunded amount. If ISBE does not allow the ROE to roll the refunded amount into the fiscal year 2006 contract, then the ROE must return it to ISBE.

Management's Response:

Beginning immediately an administrator in the Peoria County Regional Office of Education #48 will verify that vendor invoices are in hand for the proper amounts for services performed or goods received before payments are made. The ROE has requested in writing as of November 18, 2005 a refund from the vendor. In addition, the ROE has contacted the Illinois State Board of Education (ISBE) for instructions on the disposition of the refunded amount and was told to refund that amount to ISBE. This will be done immediately.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

Section II – Financial Statement Findings - Continued

Finding No. 05-7

Lack of Cost Allocation Plan

Federal Program Name: (a) Title I – Reading First Part B SEA Funds (b) Title I - Reading First Part B SEA Funds (c) Title I – Reading First Part B SEA Funds (d) Title I – Reading First Part B SEA Funds (e) Technology – Enhancing Education – Competitive (f) Title I – School Improvement & Accountability (g) Title II – Teacher Quality Leadership Grant (h) Title V – Innovative Programs – SEA Projects (i) Mathematics & Science Partnerships (j) Standards Aligned Classroom – Statewide Professional Development (k) Education for Homeless Children and Youth (l) Adult Education State Grant Program

Project No.: (a) 05-4337-00 (b) 05-4337-01 (c) 05-4337-02 (d) 05-4337-04 (e) 05-4972-00 (f) 05-4331-SS (g) 05-4935-SS (h) 05-4105-SS (i) 05-4936-00 (j) 05-4999-00 (k) 05-4920-00 (l) 514AB

CFDA No.: (a) 84.357A (b) 84.357A (c) 84.357A (d) 84.357A (e) 84.318X (f) 84.010A (g) 84.367A (h) 84.298A (i) 84.366B (j) 84.298A (k) 84.196A (l) 84.002A

Passed Through: (a) Illinois State Board of Education (b) Regional Office of Education #51 (c) Illinois State Board of Education (d) Regional Office of Education #51 (e) Illinois State Board of Education (f) Illinois State Board of Education (g) Illinois State Board of Education (h) Illinois State Board of Education (i) Illinois State Board of Education (j) Regional Office of Education #11 (k) Regional Office of Education #26 (l) Illinois Community College Board

Federal Agency: (a) U.S. Department of Education (b) U.S. Department of Education (c) U.S. Department of Education (d) U.S. Department of Education (e) U.S. Department of Education (f) U.S. Department of Education (g) U.S. Department of Education (h) U.S. Department of Education (i) U.S. Department of Education (j) U.S. Department of Education (k) U.S. Department of Education (l) U.S. Department of Education

Criteria/Specific Requirement:

Grants, cost reimbursement contracts and other agreements with the Federal Government (collectively known as Federal Awards) should bear their fair share of costs recognized under the principles established by the federal Office of Management and Budget (OMB). Costs are allocable to Federal Awards if the goods or services involved are chargeable or assignable to the award in accordance with the relative benefits received. Where an accumulation of indirect costs will ultimately result in charges to a Federal Award, a cost allocation plan is required as described in Attachments C, D and E of the OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

Section II – Financial Statement Findings – Continued

Finding No. 05-7

Lack of Cost Allocation Plan - Continued

Condition:

The Peoria County Regional Office of Education #48 (ROE) does not maintain a cost allocation plan to allocate the indirect costs in accordance with OMB Circular A-87. The ROE invoices the various grants and programs it administers for central service activities, including support services and related benefits, and accounting and secretarial services based on the grant's budgeted costs, rather than as part of a Cost Allocation Plan. Such salaries and benefits are allowable expenditures under OMB Circular A-87; however, where employees work on multiple activities or cost objectives, a distribution of their salaries or wages is required to be documented in accordance with the provisions of OMB Circular A-87 or be included in the ROE's cost allocation plan.

Questioned Costs:

The amount of questioned costs cannot be determined without preparing a cost allocation plan.

Context:

During the audit, the ROE staff created a spreadsheet that allocated indirect costs to the above programs, with amounts allocated to each individual program totaling less than \$10,000. While these costs were approved in the grant budgets, without documentation of the basis for, and rationale behind the allocations, the amounts over or under charged to the programs cannot be readily determined. Based on the total amount of allocated costs charged to the programs, any amount deemed to be over charged to the Award most likely would be considered immaterial or less than \$10,000.

Effect:

The ROE was not able to determine if the amount of central service activities charged to the Federal Awards and other ROE programs represent the program's "fair share" of costs recognized under principles required by OMB Circular A-87.

Cause:

The ROE determined the amount of costs to be allocated to the programs it administers based on the amounts allowable in the programs' budgets.

Auditor's Recommendation:

The Peoria County Regional Office of Education #48 should develop a cost allocation plan in accordance with OMB Circular A-87 which addresses allowable costs to all applicable programs.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

Section II – Financial Statement Findings – Continued

Finding No. 05-7

Lack of Cost Allocation Plan - Continued

Management's Response:

The Peoria County Regional Office of Education #48 will immediately begin developing and implementing a cost allocation plan in accordance with OMB Circular A-87 that addresses allowable costs to all applicable programs, including salary allocations.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

Section III – Federal Award Findings

Finding No. 05-8

Inadequate Monitoring of Subrecipients – Regional Educational Service Provider Program (RESPRO)

Federal Program Name & Year: (a) Title I – School Improvement & Accountability (b) Title II – Teacher Quality Leadership Grant

Project Number: (a) 05- 4331-SS (b) 05-4935-SS

CFDA Number: (a) 84.010A (b) 84.367A

Passed Through: (a) and (b) - Illinois State Board of Education

Federal Agency: (a) and (b) - U.S. Department of Education

Criteria/Specific Requirement:

Material Weakness – OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations*, states recipients of federal awards are responsible for managing and monitoring subawards to ensure subrecipients are meeting audit requirements.

Condition:

The Peoria County Regional Office of Education #48 (ROE) received federal funding through the Illinois State Board of Education (ISBE) for the Regional Education Service Providers (RESPRO) program. In Fiscal Year 2005, the ROE distributed federal pass-through funds totaling \$358,480 to other Regional Offices to perform monitoring and consulting services. The ROE did not provide the Regional Offices adequate information regarding the CFDA numbers and amounts that were distributed to them until they received inquiries from the Regional Offices and their auditors. The ROE did not require the Regional Offices to submit annual expenditure reports to the ROE until the auditors brought it to their attention. The ROE was not performing effective monitoring of its subrecipients for this program.

Questioned Costs:

N/A

Context:

N/A

Effect:

Subrecipients are not being appropriately monitored for compliance with laws, regulations and grant contract provisions.

Cause:

The ROE lacked internal controls over subrecipient monitoring. In addition, the ROE was not aware of all the expectations that ISBE had for this program.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

Section III – Federal Award Findings – Continued

Finding No. 05-8

Inadequate Monitoring of Subrecipients – Regional Educational Service Provider Program - Continued

Auditor’s Recommendation:

The Peoria County Regional Office of Education #48 should develop procedures to ensure that the other Regional Offices are notified of the federal nature of the funds including the CFDA number and total amounts provided from each grant. The ROE should also monitor the other Regional Offices to ensure the federal money is being expended appropriately and in accordance with all compliance requirements of the State of Illinois and the federal government. In addition, the ROE should communicate with the Illinois State Board of Education to ensure they are familiar with all expectations for the program and its reporting requirements.

Management’s Response:

Correspondence has been sent to the Area III regional superintendents explaining RESPRO fiscal reporting procedures for FY06. The ROE has requested the subrecipient Regional Offices submit both expenditure and budget summary information to the ROE three times during the year. The ROE will communicate with the Illinois State Board of Education to ensure we are familiar with all expectations for the program and its reporting requirements.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

Section III – Federal Award Findings – Continued

INSTANCES OF NONCOMPLIANCE:

1. Finding No. 05-6 – Overpayment to vendor (finding details on page 22)
2. Finding No. 05-7 – Lack of cost allocation plan (finding details on page 24)
3. Finding No. 05-8 – Inadequate monitoring of subrecipients – Regional Education Service Provider Program (RESPRO) (finding details on page 27)

REPORTABLE CONDITIONS:

1. Finding No. 05-6 – Overpayment to vendor (finding details on page 22)
2. Finding No. 05-7 – Lack of cost allocation plan (finding details on page 24)
3. Finding No. 05-8 – Inadequate monitoring of subrecipients – Regional Education Service Provider Program (RESPRO) (finding details on page 27)

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

CORRECTIVE ACTION PLAN FOR  
CURRENT YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2005

Corrective Action Plan

Finding No. 05-1

Condition: The Peoria County Regional Office of Education #48 (ROE) has inactive accounts with outstanding or deficit cash balances. Regional Office officials have not determined the appropriate course of action to close these accounts and return or transfer the remaining cash. As of June 30, 2005, there were nineteen accounts on the general ledger with cash balances that had no activity in the current fiscal year. There were also six accounts on the general ledger as of June 30, 2005, that had a deficit cash balance with no activity in the current fiscal year. The total cash balances for all these accounts totaled \$84,578, ranging from an outstanding balance of \$36,479 to a deficit balance of \$19,446. Of the twenty-five accounts with no activity in fiscal year 2005, fourteen of them also had no activity in fiscal year 2004.

Plan: Peoria County Regional Office of Education #48 will investigate the cash balances and deficits remaining in accounts with no activity to determine the appropriate action needed to close out these accounts. In addition, the ROE will obtain adequate documentation from granting agencies regarding the disposition of outstanding grant money.

Completion Date: June 30, 2006

Contact Person: The Honorable Gerald Brookhart

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

CORRECTIVE ACTION PLAN FOR  
CURRENT YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2005

Corrective Action Plan

Finding No. 05-2

Condition: The Peoria County Regional Office of Education #48 (ROE) recorded local support totaling \$159,449 as reductions of expenditures instead of as revenues.

Plan: The Peoria County Regional Office of Education #48 will record all revenues as revenue and not net them against related expenditures. This corrective action will begin immediately with a review and correction of all such entries that might have occurred beginning July 1, 2005, and will continue with monthly monitoring of bookkeeping entries of revenues and expenditures.

Completion Date: Immediate

Contact Person: The Honorable Gerald Brookhart

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

CORRECTIVE ACTION PLAN FOR  
CURRENT YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2005

Corrective Action Plan

Finding No. 05-3

Condition: The Peoria County Regional Office of Education #48 (ROE) maintains its internal financial reports on the cash basis. The ROE attempted to maintain records of its accounts receivable, accounts payable, and deferred revenue in order to efficiently and effectively convert their financial statements from a cash basis to the accrual basis and the modified accrual basis of accounting. However, a total of 41 adjusting entries had to be made to record the proper amount of accounts receivable, accounts payable, and deferred revenue. The ROE recorded most of the receivables and payables at the end of the current audit year; however, the receivable and payable entries that were recorded for the fiscal year of 2004 were not reversed out appropriately.

Plan: The Peoria County Regional Office of Education #48 will provide immediate training for accounting personnel to begin accurately maintaining subsidiary records of accounts receivable, accounts payable, and deferred revenue balances. Monitoring of this process will also be provided at the end of each fiscal year.

Completion Date: June 30, 2006

Contact Person: The Honorable Gerald Brookhart

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

CORRECTIVE ACTION PLAN FOR  
CURRENT YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2005

Corrective Action Plan

Finding No. 05-4

Condition: The ROE used the ROE/ISC Operations fund and the Local Workshops fund to record the payment of salaries and other expenses without properly allocating those expenses between these funds. Also, the ROE recorded some expenses related to Local Workshops within the Education Fund. In addition, the ROE made numerous entries to transfer money between funds, but did not make the correct entries needed to record the transactions appropriately.

Plan: The Peoria County Regional Office of Education #48 will improve its internal control procedures and provide more training on cash accounting procedures beginning no later than January 2006 to ensure that transactions are accurately recorded among pooled cash funds. Specifically, procedures will be implemented to insure that revenues and expenditures to and from the ROE/ISC Operations fund and Local Workshops fund are accounted for separately when using pooled cash funds. Training will be provided to insure that proper fund accounting is used in these procedures.

Completion Date: Immediate

Contact Person: The Honorable Gerald Brookhart

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

CORRECTIVE ACTION PLAN FOR  
CURRENT YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2005

Corrective Action Plan

Finding No. 05-5

- Condition:
- A. The Peoria County Regional Office of Education #48 (ROE) did not notify the presidents of boards of trustees or the clerks and secretaries of the school districts of the amount of money distributed to the districts. The only communication the ROE sent was the checks to the school treasurers. Upon learning of this requirement, the ROE sent the appropriate notifications on October 18, 2005, eighteen days late.
  - B. The ROE is not examining all books, accounts, and vouchers of every school treasurer in its educational service area at least once each year. ROE officials noted that they believe this mandate is outdated and that they are satisfying the intent of the statute by other reviews they undertake. For example, the Regional Superintendent signs off on the Annual Financial Reports from the school districts in his region. In addition, the ROE gets a spreadsheet from the Illinois State Board of Education (ISBE) that outlines all of the school districts and their audit exceptions, if any. The ROE follows up with school districts having exceptions and gets the corrective action and forwards it to ISBE.

While these are reviews involving the finances of school treasurers, they are not in the level of detail required by 105 ILCS 5/3-14.11.

- Plan:
- A. The Peoria County Regional Office of Education #48 will notify the presidents of boards of trustees and the clerks and secretaries of the school districts by September 30 of the amount of money distributed to the districts for the prior fiscal year.
  - B. In 1953 there were 102 county superintendents and their duties were a lot less numerous than today. Few schools had budgets that exceeded \$500,000. Under such conditions, this law probably made sense. During the past 50+ years, various practices have evolved eliminating the need for this type of monitoring. In the 21<sup>st</sup> century, all schools have multi-million dollar budgets that are: 1.) audited annually by professionally certified outside auditing firms; 2.) audits are filed for public record and inspection; and 3.) this is tracked through the process by the procedures mentioned above in the section titled "Condition". Requiring the ROE's to do another review would be redundant, costly, and require the hiring of teams of new staff members in each ROE to carry out the task. The latter begs the question of which level(s) of government would bear the cost to carry out this task and how costly might that be to reinstitute the practice?

We are grateful for the OAG's assistance in calling this to our collective attention because it provides the Regional Offices of Education with additional justification to request that the General Assembly delete this and other obsolete sections from the statutes. We will seek a legislative solution to this and other obsolete passages.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

CORRECTIVE ACTION PLAN FOR  
CURRENT YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2005

Corrective Action Plan

Finding No. 05-5 – Continued

Completion Date: June 30, 2006

Contact Person: The Honorable Gerald Brookhart

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

CORRECTIVE ACTION PLAN FOR  
CURRENT YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2005

Corrective Action Plan

Finding No. 05-6

Condition: The Peoria County Regional Office of Education #48 (ROE) made an overpayment of \$18,507 to a vendor for the purchase of equipment for a State and federally funded grant program. The ROE wrote checks to a vendor totaling \$116,997; however, invoices for the equipment purchased totaled \$98,490. One of the checks was written for \$25,900 and was paid from a price quotation rather than an invoice. The vendor credited this check against an unpaid invoice for \$369 and an invoice with an unpaid balance of \$7,024, leaving a credit of \$18,507. After the auditors discovered this error, the ROE contacted the vendor and verified the credit on their account.

Plan: Beginning immediately an administrator in the Peoria County Regional Office of Education #48 will verify that vendor invoices are in hand for the proper amounts for services performed or goods received before payments are made. The ROE has requested in writing as of November 18, 2005 a refund from the vendor. In addition, the ROE has contacted the Illinois State Board of Education (ISBE) for instructions on the disposition of the refunded amount and was told to refund that amount to ISBE. This will be done immediately.

Completion Date: Immediate

Contact Person: The Honorable Gerald Brookhart

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

CORRECTIVE ACTION PLAN FOR  
CURRENT YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2005

Corrective Action Plan

Finding No. 05-7

- Condition: The Peoria County Regional Office of Education #48 (ROE) does not maintain a cost allocation plan to allocate the indirect costs as in accordance with OMB Circular A-87. The ROE invoices the various grants and programs it administers for central service activities, including support services and related benefits, and accounting and secretarial services based on the grant's budgeted costs, rather than as part of a Cost Allocation Plan. Such salaries and benefits are allowable expenditures under OMB Circular A-87; however, where employees work on multiple activities or cost objectives, a distribution of their salaries or wages is required to be documented in accordance with the provisions of OMB Circular A-87 or be included in the ROE's cost allocation plan.
- Plan: The Peoria County Regional Office of Education #48 will immediately begin developing and implementing a cost allocation plan in accordance with OMB Circular A-87 that addresses allowable costs to all applicable programs, including salary allocations.
- Completion Date: June 30, 2006
- Contact Person: The Honorable Gerald Brookhart

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

CORRECTIVE ACTION PLAN FOR  
CURRENT YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2005

Corrective Action Plan

Finding No. 05-8

Condition: The Peoria County Regional Office of Education #48 (ROE) received federal funding through the Illinois State Board of Education (ISBE) for the Regional Education Service Providers (RESPRO) program. In Fiscal Year 2005, the ROE distributed federal pass-through funds totaling \$358,480 to other Regional Offices to perform monitoring and consulting services. The ROE did not provide the Regional Offices adequate information regarding the CFDA numbers and amounts that were distributed to them until they received inquiries from the Regional Offices and their auditors. The ROE did not require the Regional Offices to submit annual expenditure reports to the ROE until the auditors brought it to their attention. The ROE was not performing effective monitoring of its subrecipients for this program.

Plan: Correspondence has been sent to the Area III regional superintendents explaining RESPRO fiscal reporting procedures for FY06. The ROE has requested the subrecipient Regional Offices submit both expenditure and budget summary information to the ROE three times during the year. The ROE will communicate with the Illinois State Board of Education to ensure we are familiar with all expectations for the program and its reporting requirements.

Completion Date: Immediate

Contact Person: The Honorable Gerald Brookhart

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2005

<u>Finding Number</u>	<u>Prior Finding</u>	<u>Status</u>
04-1	The ROE prepares its financial reports on the cash basis. This finding is repeated. The ROE has made an attempt to maintain records of its accounts receivable, accounts payable, and deferred revenue, however 41 adjusting entries were still made during the audit in order to correctly report the amount of these balance sheet items.	This finding is repeated as Finding 05-3.
04-2	The ROE had inappropriate commingling of funds and insufficient cash transfers between funds. This finding is repeated. Significant audit entries still had to be made to properly account for activity between funds.	This finding is repeated as Finding 05-04.
04-3	The ROE is not adequately monitoring its subrecipient under the Regional Safe Schools Program.	Resolved .

## PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

### MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2005

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 2005 that ended on June 30, 2005. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements that follow.

#### 2005 Financial Highlights

- Within the Governmental Funds, the General Fund revenues increased by \$159,203 from \$1,165,972 in fiscal year 2004 to \$1,325,175 in fiscal year 2005. General Fund expenditures increased by \$68,410 from \$1,242,405 in fiscal year 2004 to \$1,310,815 in fiscal year 2005. The majority of the revenue and expenditure increases are due to the Regional Office teaching more general workshops and thus having more expenses toward these activities.
- Within the Governmental Funds, the Special Revenue Fund revenue increased by \$283,870 from \$3,688,775 in fiscal year 2004 to \$3,972,645 in fiscal year 2005. The Special Revenue Fund expenditures increased by \$209,757 from \$3,670,488 in fiscal year 2004 to \$3,880,245 in fiscal year 2005. The majority of the revenue and expenditure increases are due to receiving more grant money in fiscal year 2005 for additional or expanded activities.

#### 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.

#### 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.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2005

Reporting the Office as a Whole (continued)

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, and various other non-major funds.

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2005

Reporting the Office as a Whole (continued)

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

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

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

Office-Wide Financial Analysis

As noted earlier, net assets may serve, when examined over time, as one indicator of the financial position of the Regional Office. The net assets at the end of fiscal year 2005 totaled \$1,031,864. At the end of fiscal year 2004, the net assets were \$865,023. The analysis that follows provides a summary of the Office's net assets as of June 30, 2005 and June 30, 2004, for the governmental and business-type activities.

CONDENSED STATEMENT OF NET ASSETS

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Current assets	\$ 2,325,997	\$ 1,869,450	\$ 325,739	\$ 313,713	\$ 2,651,736	\$ 2,183,163
Capital assets	187,550	138,006	-	-	187,550	138,006
Total assets	<u>2,513,547</u>	<u>2,007,456</u>	<u>325,739</u>	<u>313,713</u>	<u>2,839,286</u>	<u>2,321,169</u>
Current liabilities	<u>1,805,933</u>	<u>1,456,146</u>	<u>1,489</u>	<u>-</u>	<u>1,807,422</u>	<u>1,456,146</u>
Total liabilities	<u>1,805,933</u>	<u>1,456,146</u>	<u>1,489</u>	<u>-</u>	<u>1,807,422</u>	<u>1,456,146</u>
Net assets:						
Invested in capital assets, net of related debt	187,550	138,006	-	-	187,550	138,006
Unrestricted	520,064	413,304	324,250	313,713	844,314	727,017
Total net assets	<u>\$ 707,614</u>	<u>\$ 551,310</u>	<u>\$ 324,250</u>	<u>\$ 313,713</u>	<u>\$ 1,031,864</u>	<u>\$ 865,023</u>

The Peoria County Regional Office of Education's net assets increased by \$166,841 from FY04. The increase occurred primarily in the Governmental Fund as a result of increased grant revenues.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2005

Office-Wide Financial Analysis (Continued)

CHANGES IN NET ASSETS

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ -	\$ -	\$ 245,690	\$ 109,753	\$ 245,690	\$ 109,753
Operating grants and contributions	4,019,960	3,682,292	-	-	4,019,960	3,682,292
General revenues						
Local sources	233,758	321,457	-	-	233,758	321,457
State sources	516,280	308,309	-	-	516,280	308,309
Investment earnings	21,348	22,033	-	-	21,348	22,033
On behalf payments	506,474	520,656	-	-	506,474	520,656
Loss on disposal of assets	(36,595)	-	-	-	(36,595)	-
<b>Total revenues</b>	<b>\$ 5,261,225</b>	<b>\$ 4,854,747</b>	<b>\$ 245,690</b>	<b>\$ 109,753</b>	<b>\$ 5,506,915</b>	<b>\$ 4,964,500</b>
<b>Expenses:</b>						
Program expenses						
Salaries and benefits	\$ 963,178	\$ 998,258	\$ 122,766	\$ 38,977	\$ 1,085,944	\$ 1,037,235
Purchased services	1,047,350	1,044,735	112,387	62,116	1,159,737	1,106,851
Supplies and materials	294,702	335,466	-	-	294,702	335,466
Payments to other governments	929,233	776,784	-	-	929,233	776,784
Capital outlay	1,386	149,315	-	-	1,386	149,315
Depreciation expense	52,003	53,360	-	-	52,003	53,360
Other objects	1,310,595	1,060,471	-	-	1,310,595	1,060,471
Administrative expenses						
On-behalf payments - Local	227,327	223,312	-	-	227,327	223,312
On-behalf payments - State	279,147	297,344	-	-	279,147	297,344
<b>Total expenses</b>	<b>\$ 5,104,921</b>	<b>\$ 4,939,045</b>	<b>\$ 235,153</b>	<b>\$ 101,093</b>	<b>\$ 5,340,074</b>	<b>\$ 5,040,138</b>
<b>Change in net assets</b>	<b>\$ 156,304</b>	<b>\$ (84,298)</b>	<b>\$ 10,537</b>	<b>\$ 8,660</b>	<b>166,841</b>	<b>(75,638)</b>
<b>Net assets beginning of year</b>	<b>551,310</b>	<b>635,608</b>	<b>313,713</b>	<b>305,053</b>	<b>865,023</b>	<b>940,661</b>
<b>Net assets end of year</b>	<b>\$ 707,614</b>	<b>\$ 551,310</b>	<b>\$ 324,250</b>	<b>\$ 313,713</b>	<b>\$ 1,031,864</b>	<b>\$ 865,023</b>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2005

Governmental Activities

Revenues for governmental activities were \$5,261,225 and expenses were \$5,104,921 for the year ended June 30, 2005. Revenues for governmental activities were \$4,854,747 and expenses were \$4,939,045 for the year ended June 30, 2004. As discussed earlier, the revenue within the General Fund increased by \$159,000. The increases in other revenues and expenditures are due primarily to increases in grant revenues received and an increase in services provided through grant programs.

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 \$520,064 at June 30, 2005 compared to fiscal year 2004's ending fund balance of \$413,304. The majority of this increase is due to fewer requests for professional development services during the fiscal year from participating schools in the Local Math & Science Cooperative Account.

Budgetary Highlights

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

Capital Assets

Capital Assets of the Peoria County Regional Office of Education #48 include office equipment, computers, audio-visual equipment, and office furniture. The Peoria County Regional Office of Education #48 maintains an inventory of capital assets that have been accumulated over time. During the year ended June 30, 2005, Peoria County Regional Office of Education #48 purchased assets totaling \$138,142 and disposed of assets totaling \$119,876 resulting in an ending balance of \$356,622. In addition, the Peoria County Regional Office of Education #48 has adopted a depreciation schedule that reflects the level of Net Governmental Activities Capital Assets. More detailed information about capital assets is available in Note 6 of the financial statements.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2005

Economic Factors and Next Year's Budget

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

- The interest rate on cash accounts remains low and will impact interest earned.
- Several grants have remained near or at previous levels. In addition, the School Service grant has again been reduced.

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, 2005

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 2,134,240	\$ 187,088	\$ 2,321,328
Internal balances	(133,850)	133,850	-
Due from other governments	325,607	4,801	330,408
Total Current Assets	2,325,997	325,739	2,651,736
Noncurrent Assets:			
Capital assets, being depreciated, net	187,550	-	187,550
Total Noncurrent Assets	187,550	-	187,550
<b>TOTAL ASSETS</b>	<b>2,513,547</b>	<b>325,739</b>	<b>2,839,286</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	83,937	1,489	85,426
Deferred revenue	1,721,996	-	1,721,996
<b>TOTAL LIABILITIES</b>	<b>1,805,933</b>	<b>1,489</b>	<b>1,807,422</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	187,550	-	187,550
Unrestricted (deficit)	520,064	324,250	844,314
<b>TOTAL NET ASSETS</b>	<b>\$ 707,614</b>	<b>\$ 324,250</b>	<b>\$ 1,031,864</b>

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, 2005

	General Fund	Education Fund	Learning Technology Center	Title I School Improvement and Accountability	Other Non-Major Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash	\$ 103,310	\$ 519,544	\$ 112,302	\$ 1,111,070	\$ 288,014	\$ 2,134,240
Due from other funds	211,551	208,251	-	-	-	419,802
Due from other governmental units and agencies	3,352	163,713	142,757	-	15,785	325,607
<b>TOTAL ASSETS</b>	<b>\$ 318,213</b>	<b>\$ 891,508</b>	<b>\$ 255,059</b>	<b>\$ 1,111,070</b>	<b>\$ 303,799</b>	<b>\$ 2,879,649</b>
<b>LIABILITIES</b>						
Accounts payable	14,511	51,767	3,460	6,725	7,474	83,937
Due to other funds	181,366	335,994	-	970	35,322	553,652
Deferred revenue	25,862	508,275	53,396	1,103,375	31,088	1,721,996
<b>Total Liabilities</b>	<b>221,739</b>	<b>896,036</b>	<b>56,856</b>	<b>1,111,070</b>	<b>73,884</b>	<b>2,359,585</b>
<b>FUND BALANCES</b>						
Unreserved, reported in:						
General fund	96,474	-	-	-	-	96,474
Special revenue funds	-	(4,528)	198,203	-	229,915	423,590
<b>Total fund balances</b>	<b>96,474</b>	<b>(4,528)</b>	<b>198,203</b>	<b>-</b>	<b>229,915</b>	<b>520,064</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 318,213</b>	<b>\$ 891,508</b>	<b>\$ 255,059</b>	<b>\$ 1,111,070</b>	<b>\$ 303,799</b>	<b>\$ 2,879,649</b>

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
June 30, 2005

Total Fund balances - governmental funds	\$ 520,064
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	<u>187,550</u>
Net assets of governmental activities	<u><u>\$ 707,614</u></u>

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 BALANCE  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2005

	General Fund	Education Fund	Learning Technology Center	Title I School Improvement and Accountability	Other Non-Major Funds	Total Governmental Funds
<b>Revenues:</b>						
Local sources	\$ 3,876	\$ 122,139	\$ 23,265	\$ -	\$ 175,322	\$ 324,602
State sources	718,543	783,688	256,275	-	2,200	1,760,706
Federal sources	87,269	998,241	1,138,462	460,718	-	2,684,690
Interest	17,652	199	3,497	-	-	21,348
On-behalf payments from Peoria County	227,327	-	-	-	-	227,327
On-behalf payments from State	270,508	-	8,639	-	-	279,147
<b>Total revenues</b>	<u>1,325,175</u>	<u>1,904,267</u>	<u>1,430,138</u>	<u>460,718</u>	<u>177,522</u>	<u>5,297,820</u>
<b>Expenditures:</b>						
Salaries	80,991	544,284	157,283	44,835	1,738	829,131
Employee benefits	15,318	75,083	34,851	8,622	173	134,047
Purchased services	107,143	384,803	392,247	83,229	79,928	1,047,350
Supplies and materials	14,579	131,499	127,920	13,151	7,553	294,702
Capital outlay	-	113,434	24,949	1,145	-	139,528
Payments to other governments	584,470	344,763	-	-	-	929,233
On-behalf payments	227,327	-	-	-	-	227,327
On-behalf payments to TRS and State	270,508	-	8,639	-	-	279,147
Other	10,479	300,061	665,152	309,736	25,167	1,310,595
<b>Total expenditures</b>	<u>1,310,815</u>	<u>1,893,927</u>	<u>1,411,041</u>	<u>460,718</u>	<u>114,559</u>	<u>5,191,060</u>
Excess (deficiency) of revenues over expenditures	14,360	10,340	19,097	-	62,963	106,760
Fund balances - beginning	<u>82,114</u>	<u>(14,868)</u>	<u>179,106</u>	<u>-</u>	<u>166,952</u>	<u>413,304</u>
Fund balances - ending	<u>\$ 96,474</u>	<u>\$ (4,528)</u>	<u>\$ 198,203</u>	<u>\$ -</u>	<u>\$ 229,915</u>	<u>\$ 520,064</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, 2005

Net change in fund balances \$ 106,760

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 expenditures per the fund financials	\$ 139,528		
Capital outlay expenditures per the government wide statement	<u>(1,386)</u>		
Capital outlay expenditures that are capitalized		138,142	
Depreciation expense		<u>(52,003)</u>	86,139

The net effect of various transactions involving capital assets (i.e., sales, trade-ins, donations and disposals) is to increase/decrease net assets:

Disposals			(36,595)
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Changes in net assets of governmental activities \$ 156,304

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
June 30, 2005

		<u>Enterprise Fund</u>	<u>Local Workshops</u>
<b>ASSETS</b>			
Current assets:			
Cash	\$	187,088	
Due from other funds		173,331	
Due from other governmental units and agencies		<u>4,801</u>	
Total current assets		365,220	
Noncurrent assets		<u>-</u>	
<b>TOTAL ASSETS</b>		<u>365,220</u>	
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable		1,489	
Due to other funds		<u>39,481</u>	
Total current liabilities		40,970	
Noncurrent liabilities		<u>-</u>	
<b>TOTAL LIABILITIES</b>		40,970	
<b>NET ASSETS</b>			
Unrestricted (deficit)		<u>324,250</u>	
<b>TOTAL NET ASSETS</b>	<b>\$</b>	<b><u>365,220</u></b>	

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUND  
For the Year Ended June 30, 2005

	Enterprise Fund
	Local Workshops
<b>OPERATING REVENUES:</b>	
Charges for services	\$ 245,690
Total operating revenues	245,690
 <b>OPERATING EXPENSES:</b>	
Salaries	113,388
Employee benefits	9,378
Purchased services	112,387
Total operating expenses	235,153
Operating income (loss)	10,537
 TOTAL NET ASSETS - BEGINNING OF YEAR	 313,713
 TOTAL NET ASSETS - END OF YEAR	 \$ 324,250

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 FUND  
For the Year Ended June 30, 2005

	Enterprise Fund
	Local Workshops
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from other funds for goods and services provided	\$ 240,889
Payments to suppliers and providers of goods and services	(110,898)
Payments to employees	(122,766)
Payments made to other funds for operating expenses	165,783
Net cash provided by (used for) operating activities	173,008
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	-
Net increase (decrease) in cash and cash equivalents	173,008
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	14,080
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 187,088
 <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>	
Operating income (loss)	\$ 10,537
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:	
Decrease in due from other funds	126,302
Increase in due from other governmental units and agencies	(4,801)
Increase in accounts payable	1,489
Increase in due to other funds	39,481
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	\$ 173,008

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, 2005

	Agency Funds
<b>ASSETS</b>	
ASSETS	
Cash	\$ 148,971
Due from other governmental units and agencies	324,918
<b>TOTAL ASSETS</b>	<b>\$ 473,889</b>
<b>LIABILITIES</b>	
LIABILITIES	
Due to other governmental units	\$ 473,889
<b>TOTAL LIABILITIES</b>	<b>\$ 473,889</b>

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Peoria County Regional Office of Education #48 (ROE) conform to accounting principles generally accepted in the United States of America for governmental entities. The following is a summary of the significant accounting policies.

FINANCIAL REPORTING ENTITY

The Regional Superintendent is responsible for supervision and control of school districts within Peoria County. This includes all aspects of supervision, reports and financial accounting of districts which are considered by state law to be in the Service Region. In addition, 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 teachers institutes as well as to aid and encourage the formation of other teachers meetings and assist in their management; evaluate the schools in Peoria County, examine school treasurer's books, accounts, and vouchers; examine evidence of indebtedness; file and keep the returns of elections required to be returned to the Regional Superintendent's office; and file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required, providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Peoria County 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 treasurer's bonds. The Regional Superintendent is also required to provide the State Board of Education with an affidavit showing that the treasurers of school districts under his control are properly bonded.

The Regional Superintendent is also responsible for apportionment and payment of funds received from the state for the districts in Peoria County 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, 2005, 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. Such activities are reported as a single special revenue fund (Education Fund).

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REPORTING ENTITY

The ROE's reporting entity includes all related organizations for which it exercises oversight responsibility.

The ROE has developed criteria to determine whether outside agencies with activities which benefit the citizens of the region, including joint agreements which serve pupils from numerous school districts, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the ROE 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.

Certain joint agreements have been determined not to be 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 ROE does not control the assets, operations, or management of the joint agreements. However, Two Rivers Professional Development Center and Area III Learning Technology Hub were determined to be part of the reporting entity and, as such, are reflected as part of these financial statements. In addition, the ROE is not aware of any entity which would exercise such oversight as to result in the ROE being considered a component of the entity.

BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government.

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 to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as *general revenues*. Major individual governmental funds are reported as separate columns in the fund financial statements.

The statements are separated by governmental and business-type activities. The only business-type activity for ROE is the Local Workshop Fund, which accounts for fees that are charged for various workshops and conferences that provide staff development for educators in central and west central Illinois.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Fund Accounting

The accounts of the ROE are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of its assets, liabilities, fund balance, revenues, and expenditures. The ROE's resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other non-major governmental funds.

Governmental Fund Types

Governmental Funds are those through which most governmental functions of the ROE are financed. The acquisition, use, and balances of the ROE's expendable financial resources and the related current liabilities are accounted for through Governmental Funds. The ROE's major Governmental Funds include the following:

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 Internal Review – To account for funds received from the State of Illinois for expenditures incurred to help local school districts implement internal review systems for school improvement planning.

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 State of Illinois funds.

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Education Fund – The Education Fund includes proceeds from specific revenue sources that are legally restricted to expenditures for specified purposes. The following accounts are included in the Education Fund:

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

Adult Education – To account for state and federal monies received for educational programs for incarcerated persons.

Local Professional Development Committee – To account for monies received to assist a local committee plan the professional development for teacher renewal.

Substance Abuse and Violence Prevention Initiative – To account for monies received for programs to help stop substance abuse and violence in the school districts.

Secretary of State Literacy – To account for monies received for programs designed to help meet the needs of adults classified as functionally illiterate.

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

ROE Technology Plan – To account for monies received to assist in preparing Technology Plans and in facilitating the peer review of those plans.

Family Literacy – To account for monies received to provide community programs to promote the literacy of adults.

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

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

Truants Alternative/Safe Kids – To account for state monies received to address the truancy issue at three Peoria County Schools.

Truants Alternative Homeless – To account for monies received to provide information to schools, community members and government entities about the educational rights of homeless students.

Truants Alternative Weed and Seed – To account for monies received from the City of Peoria to address the truancy issue at one Peoria high school.

Learning Technology Challenge Mini Grant – To account for monies received to assist school districts in educating school staff in the use of technology and telecommunications in instructional and administrative functions.

Career Awareness and Development – To account for monies received to provide career development training opportunities for elementary and middle school educators to integrate information on careers and career planning into the existing curriculum.

Title II Eisenhower Professional Development – To account for monies received to provide professional development workshops.

Scientific Literacy Entitlement – To account for monies to provide training to teachers to integrate higher order thinking skills and engaged learning into the classroom.

Standards Aligned Classroom – Statewide Professional Development – To account for monies received from ROE 11 for expenditures for state standards aligned classroom initiatives and salaries.

Accelerated Schools – To account for monies received to provide a comprehensive school reform model to raise student achievement.

Safe to Learn – To account for monies received to provide parent services and support for students enrolled in safe school programs.

Reading Professional Development – To account for monies received for the development of workshops to assist area teachers with effective reading curriculums and assessment.

Life Skills – To account for monies received to provide teachers with a curriculum for their students to prevent alcohol, tobacco and drug use among middle school students.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

Youth Event – To account for monies received to provide student awareness of the effects of tobacco, alcohol and illegal substance abuse.

Education to Careers – To account for monies received for programs designed to provide students exposure to the work world.

Cooke School – To account for monies received to provide professional development for the school district.

Reading Excellence Grant – To account for monies received to provide assistance in reading education to raise student achievement.

Title II Eisenhower/Math Professional Development – To account for monies to provide workshops for educators in math, science, and other content to local schools.

Reading First Super Region – To account for monies received from the state (federal dollars) for expenditures incurred providing reading assistance to Area III Reading First schools.

Reading First Phase Two – To account for monies received from the state (federal dollars) for expenditures incurred providing reading assistance to Reading First districts and buildings.

Zero Math – To account for monies to provide training to area educators for math curriculums.

Department of Commerce Economic Opportunity – To account for monies from Department of Commerce Economic Opportunity for expenditures incurred in the operations of Two Rivers Professional Development Center.

Learning Behavioral Specialist – To account for monies received to provide a program designed to prepare special education teachers with limited certificates or approval to teach all students encompassed by the Learning Behavioral Specialist I.

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

Reading First – To account for monies received from the state (federal dollars) for expenditures incurred providing reading assistance to Reading First districts and buildings.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Reading First Technical Assistance – To account for monies received from the state (federal dollars) for expenditures incurred providing reading assistance to reading coaches in Area III Reading First districts/buildings.

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

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

Title V Innovative Programs – To account for monies received from the state (federal dollars) to support school improvement services for schools in academic difficulty.

National City Interest – To account for interest monies earned on state and federal grants and distributed to the appropriate accounts on an allocation basis.

Learning Technology Center – To account for monies received from the State of Illinois for expenditures incurred in providing a technology support system for ROEs 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 Services/Support – To account for monies received to provide training and professional development to area educators.

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

Technical Training Local Boot Camp – To account for monies received to provide training and professional development to area educators.

Technology Planning – To account for monies received to provide training and professional development to area educators.

Illinois Learning Technology Purchasing Program – To account for monies received for the purchase of technology equipment for area school districts.

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.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

The ROE also reports the following non-major governmental funds:

Non-Major Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The ROE's non-major special revenue funds include the following:

Food Co-op – To account for the ROE's administration of food programs for the schools participating in the co-op.

Clean Water Celebration – To account for contributions received and related to expenditures for the clean water awareness program.

Supervisory Expense – To account for monies from the State of Illinois for expenditures incurred providing supervisory services in the County.

Arts Opportunities – To account for contributions received and related to expenditures for the arts opportunities program.

General Educational Development – To account for the ROE's administration of the GED Testing Program. Revenues are received from testing and diploma fees.

Teachers' Institute – To account for the ROE's stewardship of the assets held in trust for the benefit of the ROE's teachers. Fees are collected from registration of teachers' certificates of qualification. Monies are expended to conduct teachers' institutes, conferences, and workshops.

Bus Driver – To account for the ROE's stewardship of the assets held in trust in connection with the Bus Driver Training Program.

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Administrators Academy – To account for funds received from the State of Illinois to provide professional development opportunities for school administrators.

Local Math and Science Cooperative – To account for monies spent to enhance math and science instruction within participating schools.

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

School Improvement Plan – To account for monies received from the State of Illinois to train and implement the school improvement system within local districts.

Proprietary Fund Types

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

Fiduciary Fund Types

Agency Funds are used to account for assets held by the ROE in a trustee capacity or as an agent for individuals and private or governmental organizations. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The ROE has the following Agency Funds:

Distributive Fund – To account for the pass-through of state aid and federal monies from the ROE to the various school districts within the ROE. At any given point in time, total fund assets are equally offset by related liabilities, including amounts due to the parties for whom the assets are being held. Agency funds have no fund equity and do not involve measurement of revenues, expenditures, or expenses.

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

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

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

Answers – Autism Needs Support Wherever it Strikes, Inc. To account for the receipts and disbursements of Answers. This fund is maintained for the convenience of Answers.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

Accounting records and reports made by ROE officials are maintained on the cash basis of accounting. Under this method, revenue is recorded when collected and expenditures are recorded when disbursements are made. The government-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus. They are reported using 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. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the 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. For this purpose, the ROE considers revenues to be available if they are collected within one year of the end of the current fiscal 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 ROE; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable 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.

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The financial statements of all governmental funds 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 equity (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenue 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.

The proprietary fund of the ROE applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Agency's enterprise fund is charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, gains, losses, and other changes in fund balance during the reporting period. Actual results could differ from those estimates.

BUDGETS

The ROE does not adopt a formal budget for all revenues and expenditures of the governmental funds and is not legally required to do so. The Regional Office of Education Funds are controlled by the Regional Superintendent of Education and the State of Illinois. Certain programs administered by the ROE are subject to budget approval by the State of Illinois. The actual to budget comparisons are prepared on the modified accrual basis of accounting. The following accounts/funds prepare budgets:

General Fund: ROE/ISC Operations

Educational Grants:

State Adult Education (Basic)  
State Adult Education (Performance)  
Federal Adult Education (Basic)  
Secretary of State Literacy  
Communities for Youth Truants Alternative  
Truants Alternative/Homeless  
Standards Aligned Classroom - Statewide  
Professional Development  
Reading First Super Region

Reading First Phase Two  
Coordination Services Grant  
Reading First  
Reading First Technical Assistance  
Title II Teacher Quality  
Mathematics and Science Partnership  
Title V Innovative Programs

Learning Technology Center:

Technology for Schools – General Operations

Education Technology Competitive Grant

Special Revenue Funds: Title I School Improvement  
and Accountability Grant

Enterprise Fund: Local Workshops

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets. Purchases of equipment are recorded as capital outlay expenditures of the various funds. All capital assets are capitalized at cost or estimated historical cost and updated for additions and retirements during the year. Depreciation is recorded.

DUE FROM OTHER GOVERNMENTAL UNITS AND AGENCIES

Due from other governmental units and agencies is reported at gross with no allowance for uncollectibles since management feels the amount of any uncollectible accounts is immaterial.

ACCUMULATED UNPAID VACATION AND SICK PAY

Sick pay must be accumulated but does not vest with the employee. Vacation time must be used during the calendar year earned or it is forfeited. Any accruals as of June 30 are considered immaterial.

INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds and are classified as "due to and from other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

EQUITY CLASSIFICATIONS

Government-wide Statements

Equity is classified as net assets. Net assets represent the difference between assets and liabilities and is displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. 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.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

EQUITY CLASSIFICATIONS (Continued)

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

NEW ACCOUNTING STANDARD

Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosure*, was implemented during the year ended June 30, 2005. This Statement establishes and modifies disclosure requirements related to investment and deposit risks. This Statement addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

2. CASH

The *Illinois Compiled Statutes* authorize the ROE to 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 unit shares; and the Illinois Public Treasurer's Investment Pool.

Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the ROE's deposits may not be returned to it. The ROE does not have a deposit policy for custodial credit risk. At June 30, 2005, \$291,402 of the ROE's bank balance of \$3,799,670 was exposed to custodial credit risk due to it being uninsured and uncollateralized.

At June 30, 2005, the carrying amount of the ROE's various bank deposits totaled \$2,470,299 and the bank balances totaled \$3,799,670. Included in the bank balance is \$1,461 deposited in the Illinois Funds. The Illinois Funds portfolio includes: certificates of deposit issued by Illinois financial institutions, repurchase agreements backed by direct treasury obligations from primary government securities dealers, direct treasury obligations of the U.S. Government, and money market funds backed by full faith and credit obligations of the U.S. Government. The ROE owns no identifiable investment securities in the Illinois Funds; therefore, credit risk cannot be assessed for the Illinois Funds. The bank balance is categorized as follows:

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

CASH (Continued)

	<u>Bank Balance</u>
Category 1	\$ 100,000
Category 2	3,406,807
Category 3	291,402
Illinois Funds – uncategorized	<u>1,461</u>
Total	<u>\$ 3,799,670</u>

Category 1 includes deposits covered by depositing insurance or collateral held by the ROE or third party in the ROE's name.

Category 2 includes deposits covered by collateral held by the financial institution's trust department in the ROE's name.

Category 3 includes deposits which are uncollateralized or the collateral is held by the financial institution's trust department but not in the ROE's name.

3. RECEIVABLES/PAYABLES

Receivables for the Peoria County ROE #48 at June 30, 2005, are as follows:

	<u>Due from Other Governments</u>	<u>Other</u>	<u>Total</u>
Governmental activities:			
General	\$ 325,607	\$ -	\$ 325,607
Total governmental activities	<u>\$ 325,607</u>	<u>\$ -</u>	<u>\$ 325,607</u>

Payables for the Peoria County ROE #48 at June 30, 2005, are as follows:

	<u>Vendors</u>	<u>Other</u>	<u>Total</u>
Governmental activities:			
General	\$ 83,937	\$ -	\$ 83,937
Total governmental activities	<u>\$ 83,937</u>	<u>\$ -</u>	<u>\$ 83,937</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

4. DUE TO/FROM OTHER FUNDS

The Peoria County ROE #48 had the following due to/from other fund balances for the year ended June 30, 2005:

DUE FROM OTHER FUNDS:

	<u>General Fund</u>	<u>Education Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
DUE TO OTHER FUNDS:				
General Fund	\$ 13,646	\$ -	\$ 167,720	\$ 181,366
Education Fund	142,783	187,600	5,611	335,994
School Improvement Grant - Title I	-	970	-	970
Nonmajor Funds	35,322	-	-	35,322
Enterprise Fund	<u>19,800</u>	<u>19,681</u>	<u>-</u>	<u>39,481</u>
Total	<u>\$ 211,551</u>	<u>\$ 208,251</u>	<u>\$ 173,331</u>	<u>593,133</u>

5. DUE TO/FROM OTHER GOVERNMENTS

The Peoria County Regional Office of Education #48's governmental and fiduciary activities have amounts due to and due from various other governmental units which consist of the following:

Due From Other Governments:

Illinois State Board of Education	\$544,360
Other	<u>110,966</u>

\$655,326

Due To Other Governments:

Local School Districts	<u>\$473,889</u>
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PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

6. CAPITAL ASSETS

The following is a summary of the changes in capital assets for the year ended June 30, 2005.

	<u>Primary Government</u>			<u>Ending Balance</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	
Government activities:				
Capital assets being depreciated:				
Equipment	<u>\$ 338,356</u>	<u>\$ 138,142</u>	<u>\$ 119,876</u>	<u>\$ 356,622</u>
Total capital assets being depreciated	<u>338,356</u>	<u>138,142</u>	<u>119,876</u>	<u>356,622</u>
Less accumulated depreciation for:				
Equipment	<u>200,350</u>	<u>52,003</u>	<u>83,281</u>	<u>169,072</u>
Total accumulated depreciation	<u>200,350</u>	<u>52,003</u>	<u>83,281</u>	<u>169,072</u>
Governmental activities capital assets, net	<u><u>\$ 138,006</u></u>	<u><u>\$ 86,139</u></u>	<u><u>\$ 36,595</u></u>	<u><u>\$ 187,550</u></u>

Depreciation expense was charged to functions as follows:

Governmental activities	
General government	<u>\$52,003</u>
Total governmental activities depreciation expense	<u>\$52,003</u>

7. RETIREMENT PLANS

All certified personnel participate in the Teachers' Retirement System of the State of Illinois (TRS). All other employees who meet or exceed prescribed annual hourly standards are enrolled in the Illinois Municipal Retirement Fund (IMRF).

TRS Plan Description

The ROE (employer) 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.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

RETIREMENT PLANS (Continued)

TRS Plan Description (Continued)

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for the 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 nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate through June 30, 2005 was nine percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer.

In addition, virtually all members pay a contribution to the Teachers' Health Insurance Security Fund (THIS), a separate fund in the State Treasury that is not a part of this retirement plan. The employer THIS Fund contribution was 0.5 percent during the year ended June 30, 2005, and the member THIS Fund health insurance contribution was 0.75 percent.

The State of Illinois makes contributions directly to TRS on behalf of the ROE's TRS-covered employees:

- On-behalf Contributions. The State of Illinois makes employer pension contributions on behalf of the ROE. For the year ended June 30, 2005, State of Illinois contributions were based on 11.76 percent of creditable earnings, and the ROE recognized revenue and expenditures of \$94,004 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2004, and June 30, 2003, the State of Illinois contribution rates as percentages of creditable earnings were 13.98 percent (\$112,034) and 13.01 percent (\$106,832), respectively.

The ROE makes other types of employer contributions directly to TRS.

- 2.2 Formula Contributions. For the years ended June 30, 2005 and 2004, employers contributed 0.58 percent of creditable earnings for the 2.2 formula change. Contributions for the years ending June 30, 2005 and 2004 were \$4,636 and \$4,649, respectively.

For the year ended June 30, 2003, part of the employer's 2.2 formula contribution (0.58 percent of pay) was reduced as a result of a new employer THIS Fund contribution for retiree health insurance (0.4 percent of pay). The remaining 0.18 percent was submitted to TRS. Contributions for the year ended June 30, 2003 were \$953.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

RETIREMENT PLANS (Continued)

TRS Plan Description (Continued)

- Federal and Trust Fund Contributions. When TRS members are paid from federal and trust funds administered by the ROE, there is a statutory requirement for the ROE to pay an employer pension contribution from those funds. For the three years ended June 30, 2005, the employer contribution was 10.5 percent of salaries paid from those funds. For the year ended June 30, 2005, no salaries were paid from federal and trust funds that required employer contributions. For the years ended June 30, 2004 and June 30, 2003, required ROE contributions were \$-0- for each year.
- Early Retirement Option. The ROE 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. No member or employer contributions are required if the member has 34 years of service. The maximum employer payment of 100 percent of the member's highest salary used in the calculation of final average salary is required if the member is 55 years old. For the year ending June 30, 2005, the ROE paid \$-0- for employer contributions under the ERO. For the years ended June 30, 2004, and June 30, 2003, the ROE made no payments under the ERO.

Changes – Public Act 94-0004, which was signed into law on June 1, 2005, contained a number of provisions affecting employer and active member contributions. Most will not be effective or impact financial statements until the year ending June 30, 2006. The changes are summarized below:

- Active Member Contributions. The active member contribution rate will increase from the current 9.0 percent of creditable earnings to 9.4 percent beginning July 1, 2005. The increase is to help cover the cost of the new ERO program and will be refunded if the member does not retire under ERO.
- State/Federal Contributions. Under a policy adopted by the Board of Trustees before Public Act 94-0004 was enacted, the employer contribution rate for employees paid from federal funds will be the same as the rate paid by the state. Under Public Act 94-0004, the state contribution rate in FY 2006 was reduced to 7.06 percent of pay. Therefore, the employer contribution rate for employees paid from federal funds in FY 2006 will be 7.06 percent, a decrease from the current 10.50 percent.
- New Employer Contributions – Salary increases over 6 percent. If employers grant salary increases in excess of 6 percent that are used in final average salary calculations, the employer will make a lump-sum contribution to TRS to cover the cost of the portion of the benefit due to salary increases over 6 percent. Public Act 94-0004 exempts salary increases granted under contracts and collective bargaining agreements in effect on June 1, 2005.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

RETIREMENT PLANS (Continued)

Changes (continued)

Sick leave in excess of normal allotment. If employers grant sick leave near retirement in excess of the normal annual allotment and that sick leave is counted as service credit, the employer will make a lump-sum contribution to TRS. The act exempts sick leave granted under contracts and collective bargaining agreements in effect on June 1, 2005.

- Early Retirement Option. In addition to changes described above, the following changes were made to ERO:
  - Both active member and employer ERO contribution rates are increased. For employers, the maximum contribution increases from the current 100 percent of the member's highest salary used in the calculation of final average salary to 117.5 percent.
  - The waiver of member and employer ERO contributions when the member has 34 years of service ended with the program that expired June 30, 2005.
  - A "Pipeline ERO" program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007.
  - Public Act 94-0004 provides for a review of the member and employer ERO contributions every five years to ensure that the program is revenue neutral.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer, and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2004. The report for the year ended June 30, 2005, is expected to be available in late 2005. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois; P.O. Box 19253, 2815 West Washington Street; Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at [www.trs.illinois.gov](http://www.trs.illinois.gov).

Illinois Municipal Retirement Fund

The ROE's employees are covered under the Illinois Municipal Retirement Fund. For all funds other than the Two Rivers Professional Development Center, contributions to the Fund are made by Peoria County on behalf of the Peoria County Regional Office of Education #48 employees.

The Two Rivers Professional Development Center (Center) is a department of the Peoria County Regional Office of Education #48.

The Center's defined benefit pension plan, Illinois Municipal Retirement (IMRF) provides retirement, disability, annual cost of living adjustments, and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

RETIREMENT PLANS (Continued)

Illinois Municipal Retirement Fund (continued)

IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at [www.imrf.org/pubs/pubs\\_homepage.htm](http://www.imrf.org/pubs/pubs_homepage.htm) or by writing to the Illinois Municipal Retirement Fund; 2211 York Road, Suite 500; Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by State statute. The Center is required to contribute at an actuarially determined rate. The employer rate for calendar year 2004 was 5.68 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2004, was 3 years.

For December 31, 2004, the Center's annual pension cost of \$5,812 was equal to the Center's required and actual contributions. The required contribution was determined as part of the December 31, 2002, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50 percent investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 to 11.6 percent per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3.00 percent annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15 percent corridor. The assumptions used for the 2004 actuarial valuation were based on the 1999-2001 experience study.

Trend Information

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2004	\$ 5,812	100 %	\$0
12/31/2003	11,811	100	0
12/31/2002	17,046	100	0
12/31/2001	24,084	100	0
12/31/2000	13,287	100	0
12/31/1999	12,699	100	0
12/31/1998	15,653	100	0
12/31/1997	12,948	100	0
12/31/1996	2,265	100	0
12/31/1995	-	100	0

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

8. TWO RIVERS PROFESSIONAL DEVELOPMENT CENTER

The ROE has entered into an intergovernmental agreement with Knox County Regional Office of Education #33 to form an educational service delivery system known as Two Rivers Professional Development Center (Center). The ROE was designated as the administrative agent and as the director of the Center. The Center provides training, staff development, and educational programs to the educators in Knox and Peoria Counties.

9. RISK MANAGEMENT

The ROE 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. Insurance to cover these risks is provided through Peoria County.

10. OTHER DISCLOSURES

Accounting principles generally accepted in the United States of America require disclosure of certain information concerning individual funds (which are presented only in combination on the financial statements). Funds having deficit fund balances and funds which overextended appropriations during the year are required to be disclosed.

A. The following funds/accounts had a deficit fund balance at June 30, 2005.

<u>Fund/Account</u>	<u>Amount</u>
Administrative Interest Fund	\$ 546
Upward Generated	63
State Adult Education (Performance)	2,157
Federal Adult Education (Basic)	5,282
Secretary of State Literacy	1,297
ROE Technology Plan	523
Secretary	495
Truants Alternative Homeless	277
Truants Alternative Weed and Seed	12,641
Department of Commerce Economic Opportunity	5,611
Technical Training Local Boot Camp	6,117
Technology Planning	7,113
Directory	1,854

B. The following funds had an excess of actual expenditures over budget for the year ended June 30, 2005.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

OTHER DISCLOSURES (Continued)

<u>Fund</u>	<u>Budget Amount</u>	<u>Expenditures</u>	<u>Unfavorable Variance</u>
ROE/ISC Operations	\$ 145,501	\$ 266,123	\$ 120,622
Federal Adult Education (Basic)	20,687	21,386	699
Secretary of State Literacy	56,000	60,158	4,158
Communities for Youth Truants Alternative	191,950	197,099	5,149
Truants Alternative Homeless	60,000	61,029	1,029
Standards Aligned Classroom - Statewide Professional Development	191,251	335,273	144,022
Reading First Super Region	75,000	80,205	5,205
Coordination Services Grant	375,000	451,585	76,585
Mathematics and Science Partnership	116,779	191,329	74,550
Local Workshops	100,000	235,153	135,153

11. AREA III LEARNING TECHNOLOGY CENTER

The Illinois State Board of Education has established a statewide Learning Technology Center Program for the purpose of providing a coordinated, statewide support infrastructure which assists school districts in planning for, implementing, assessing results, and educating school staff in the use of technology and telecommunications in curricular, instructional, and administrative functions. The Peoria County Regional Office of Education #48 is one of seven Learning Technology Centers in Illinois and leads coordination among twenty surrounding counties.

12. INTEREST ON DISTRIBUTIVE FUND

Interest earned on distributive fund receipts is remitted to all affected school boards and other entities that have activity in the distributive fund. The interest monies are allocated based upon the total flow-through activity for each entity and are distributed based on those percentages once per year.

13. OPERATING LEASES

Two Rivers Technology Center leases their office space at a monthly rent of \$3,972. The lease has expired and is currently on a month-to-month basis.

During the year ended June 30, 2005, rentals under lease obligations were \$47,660.

14. ON-BEHALF PAYMENTS AND RELATED PARTY TRANSACTIONS

The State of Illinois makes contributions directly to TRS on behalf of the ROE's TRS-covered employees. The salaries, fringe benefits, and TRS contributions of the Regional Superintendent and the Assistant Superintendents are paid by the State of Illinois. The following salary and benefit data for the Regional Superintendent and Assistant Regional Superintendents was calculated based on data provided by the Illinois State Board of Education.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

ON-BEHALF PAYMENTS AND RELATED PARTY TRANSACTIONS (Continued)

TRS pension contributions	\$94,004
Regional Superintendent – salary	88,540
Regional Superintendent – benefits (includes State paid insurance)	16,099
Assistant Regional Superintendents – salary	79,686
Assistant Regional Superintendents – benefits (includes State paid insurance)	<u>818</u>
Total	<u>\$279,147</u>

ROE 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 ROE 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 ROE's financial statements. Peoria County also provides office space and some administrative expenses for the ROE. The following data was calculated based on information provided by Peoria County.

Salaries and benefits	\$178,334
Office expenses	<u>48,993</u>
Total	<u>\$227,327</u>

This information is an integral part of the accompanying financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**  
(Other than Management Discussion and Analysis)

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF FUNDING PROGRESS  
For the Year Ended June 30, 2005

(Unaudited - See Accompanying Independent Auditor's Report)

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)
12/31/2004	\$ 176,657	\$ 133,241	\$ (43,416)	132.58%	\$ 102,317	0.00%
12/31/2003	160,013	108,982	(51,031)	146.83%	134,220	0.00%
12/31/2002	149,786	135,550	(14,236)	110.50%	228,802	0.00%
12/31/2001	138,720	138,403	(317)	100.23%	295,154	0.00%
12/31/2000	96,249	80,095	(16,154)	120.17%	177,167	0.00%
12/31/1999	68,756	66,440	(2,316)	103.49%	164,499	0.00%
12/31/1998	51,295	45,067	(6,228)	113.82%	189,967	0.00%
12/31/1997	29,333	24,091	(5,242)	121.76%	186,123	0.00%
12/31/1996	-	-	-	0.00%	-	N/A
12/31/1995	-	-	-	0.00%	-	N/A

On a market value basis, the actuarial value of assets as of December 31, 2004 is \$176,934. On a market basis, the funded ratio would be 132.79%.

Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2004 are based on the 1999-2001 Experience Study.

The principal changes were:

- \* Fewer member are expected to take refunds early in their career.
- \* For regular members, fewer normal and early retirements are expected to occur.

**SUPPLEMENTAL INFORMATION**

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF ACCOUNTS  
 GENERAL FUND  
 June 30, 2005

ASSETS	Administrative Interest Fund	ROE/ISC Internal Review	ROE/ISC Operations	ROE Local Fund	Total
Cash	\$ 2,644	\$ 36,479	\$ -	\$ 64,187	\$ 103,310
Due from other funds	-	-	203,962	7,589	211,551
Due from other governmental units and agencies	-	-	1,368	1,984	3,352
<b>TOTAL ASSETS</b>	<b>\$ 2,644</b>	<b>\$ 36,479</b>	<b>\$ 205,330</b>	<b>\$ 73,760</b>	<b>\$ 318,213</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 161	\$ -	\$ 13,812	\$ 538	\$ 14,511
Due to other funds	3,029	10,617	167,720	-	181,366
Deferred revenue	-	25,862	-	-	25,862
	<u>3,190</u>	<u>36,479</u>	<u>181,532</u>	<u>538</u>	<u>221,739</u>
<b>FUND BALANCE</b>					
Unreserved	(546)	-	23,798	73,222	96,474
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 2,644</b>	<b>\$ 36,479</b>	<b>\$ 205,330</b>	<b>\$ 73,760</b>	<b>\$ 318,213</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, 2005

	Administrative Interest Fund	ROE/ISC Internal Review	ROE/ISC Operations	ROE Local Fund	Total
<b>REVENUES</b>					
Local sources	\$ 1,569	\$ -	\$ 2,276	\$ 31	\$ 3,876
State sources	-	-	221,342	497,201	718,543
Federal sources	-	-	-	87,269	87,269
Interest	2,679	-	14,973	-	17,652
On-behalf payments from Peoria County	-	-	-	227,327	227,327
On-behalf payments from State	-	-	52,165	218,343	270,508
<b>Total revenues</b>	<b>4,248</b>	<b>-</b>	<b>290,756</b>	<b>1,030,171</b>	<b>1,325,175</b>
<b>EXPENDITURES</b>					
Salaries	-	-	80,991	-	80,991
Employee benefits	-	-	15,318	-	15,318
Purchased services	-	-	106,735	408	107,143
Supplies and materials	236	-	6,168	8,175	14,579
Payments to other governments	-	-	-	584,470	584,470
On-behalf payments	-	-	-	227,327	227,327
On-behalf payment to TRS and State	-	-	52,165	218,343	270,508
Other	3,958	-	4,746	1,775	10,479
<b>Total expenditures</b>	<b>4,194</b>	<b>-</b>	<b>266,123</b>	<b>1,040,498</b>	<b>1,310,815</b>
Excess (deficiency) of revenues over expenditures	54	-	24,633	(10,327)	14,360
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>(600)</b>	<b>-</b>	<b>(835)</b>	<b>83,549</b>	<b>82,114</b>
<b>FUND BALANCE, END OF YEAR</b>	<b><u>(546)</u></b>	<b><u>-</u></b>	<b><u>23,798</u></b>	<b><u>73,222</u></b>	<b><u>96,474</u></b>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND ACCOUNT  
 ROE/ISC OPERATIONS  
 For the Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local sources	\$ -	\$ -	\$ 2,276	\$ 2,276
State sources	145,501	145,501	221,342	75,841
Interest	-	-	14,973	14,973
On-behalf payments to TRS	-	-	52,165	52,165
	<u>145,501</u>	<u>145,501</u>	<u>290,756</u>	<u>145,255</u>
<b>EXPENDITURES</b>				
Salaries	102,000	102,000	80,991	21,009
Employee benefits	18,000	18,000	15,318	2,682
Purchased services	16,912	16,912	106,735	(89,823)
Supplies and materials	7,000	7,000	6,168	832
Capital outlay	589	589	-	589
On-behalf payments to TRS & State	-	-	52,165	(52,165)
Other	1,000	1,000	4,746	(3,746)
	<u>145,501</u>	<u>145,501</u>	<u>266,123</u>	<u>(120,622)</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	24,633	<u>\$ 24,633</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>			<u>(835)</u>	
<b>FUND BALANCE AT END OF YEAR</b>			<u>\$ 23,798</u>	

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 June 30, 2005

	Upward Generated	State Adult Education (Basic)	State Adult Education (Performance)	Federal Adult Education (Basic)	Local Professional Development Committee	Substance Abuse and Violence Prevention Initiative	Secretary of State Literacy
<b>ASSETS</b>							
Cash	\$ (63)	\$ 1,070	\$ 209	\$ 145	\$ 19	\$ 9,175	\$ -
Due from other funds	-	7,752	-	2,331	-	-	-
Due from other governmental units and agencies	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ (63)</u>	<u>\$ 8,822</u>	<u>\$ 209</u>	<u>\$ 2,476</u>	<u>\$ 19</u>	<u>\$ 9,175</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ 35	\$ 6	\$ -	\$ -	\$ 37
Due to other funds	-	-	2,331	7,752	-	-	1,260
Deferred revenue	-	8,822	-	-	-	9,175	-
<b>Total Liabilities</b>	<u>-</u>	<u>8,822</u>	<u>2,366</u>	<u>7,758</u>	<u>-</u>	<u>9,175</u>	<u>1,297</u>
<b>FUND BALANCE</b>							
Unreserved	<u>(63)</u>	<u>-</u>	<u>(2,157)</u>	<u>(5,282)</u>	<u>19</u>	<u>-</u>	<u>(1,297)</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<u>\$ (63)</u>	<u>\$ 8,822</u>	<u>\$ 209</u>	<u>\$ 2,476</u>	<u>\$ 19</u>	<u>\$ 9,175</u>	<u>\$ -</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 June 30, 2005

ASSETS	Arts in Education	ROE Technology Plan	Family Literacy	Jail Library (Upward Generated)	Secretary	Lincoln Senior Award
ASSETS						
Cash	\$ 1,120	\$ -	\$ 41	\$ 884	\$ (495)	\$ 3,364
Due from other funds	-	-	-	-	-	-
Due from other governmental units and agencies	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,120</b>	<b>\$ -</b>	<b>\$ 41</b>	<b>\$ 884</b>	<b>\$ (495)</b>	<b>\$ 3,364</b>
<b>LIABILITIES AND FUND BALANCE</b>						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ 200	\$ -	\$ -
Due to other funds	-	523	-	-	-	-
Deferred revenue	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>523</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>						
Unreserved	1,120	(523)	41	684	(495)	3,364
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 1,120</b>	<b>\$ -</b>	<b>\$ 41</b>	<b>\$ 884</b>	<b>\$ (495)</b>	<b>\$ 3,364</b>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 June 30, 2005

		Communities For Youth Truants Alternative	Truants Alternative/Safe Kids	Truants Alternative Homeless	Truants Alternative Weed and Seed	Learning Technology Challenge Mini Grant	Career Awareness and Development
<b>ASSETS</b>							
ASSETS							
Cash	\$	15,321	\$ 96	\$ -	\$ (15,072)	\$ 1,034	\$ 12,218
Due from other funds		54	-	-	-	-	-
Due from other governmental units and agencies		-	-	-	2,431	-	-
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>15,375</b>	<b>\$ 96</b>	<b>\$ -</b>	<b>\$ (12,641)</b>	<b>\$ 1,034</b>	<b>\$ 12,218</b>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>LIABILITIES</b>							
Accounts payable	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds		-	54	277	-	-	11,518
Deferred revenue		15,375	-	-	-	1,034	700
Total Liabilities		15,375	54	277	-	1,034	12,218
<b>FUND BALANCE</b>							
Unreserved		-	42	(277)	(12,641)	-	-
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$</b>	<b>15,375</b>	<b>\$ 96</b>	<b>\$ -</b>	<b>\$ (12,641)</b>	<b>\$ 1,034</b>	<b>\$ 12,218</b>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 June 30, 2005

			Standards Aligned				
	Title II Eisenhower Professional Development	Scientific Literacy Entitlement	Classroom - Statewide Professional Development	Accelerated Schools	Safe to Learn	Reading Professional Development	
<b>ASSETS</b>							
Cash	\$ (19,446)	\$ 1,087	\$ 225,821	\$ 6,412	\$ 436	\$ (1,884)	
Due from other funds	-	-	177,463	970	-	-	
Due from other governmental units and agencies	19,446	22,667	-	-	-	1,884	
<b>TOTAL ASSETS</b>	\$ -	\$ 23,754	\$ 403,284	\$ 7,382	\$ 436	\$ -	
 <b>LIABILITIES AND FUND BALANCE</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Due to other funds	-	-	254,813	7,287	-	-	
Deferred revenue	-	22,731	148,471	-	436	-	
Total Liabilities	-	22,731	403,284	7,287	436	-	
 <b>FUND BALANCE</b>							
Unreserved	-	1,023	-	95	-	-	
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	\$ -	\$ 23,754	\$ 403,284	\$ 7,382	\$ 436	\$ -	

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 June 30, 2005

	Life Skills	Youth Event	Education to Careers	Cooke School	Reading Excellence Grant	Title II Eisenhower/Math Professional Development
<b>ASSETS</b>						
ASSETS						
Cash	\$ 5,342	\$ (23)	\$ (1,039)	\$ 5,906	\$ 526	\$ 14,542
Due from other funds	-	-	-	-	-	-
Due from other governmental units and agencies	-	23	1,039	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 5,342</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 5,906</u></b>	<b><u>\$ 526</u></b>	<b><u>\$ 14,542</u></b>
 <b>LIABILITIES AND FUND BALANCE</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	5,145	400	-
Deferred revenue	5,342	-	-	-	-	-
Total Liabilities	<u>5,342</u>	<u>-</u>	<u>-</u>	<u>5,145</u>	<u>400</u>	<u>-</u>
 <b>FUND BALANCE</b>						
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>761</u>	<u>126</u>	<u>14,542</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b><u>\$ 5,342</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 5,906</u></b>	<b><u>\$ 526</u></b>	<b><u>\$ 14,542</u></b>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 June 30, 2005

ASSETS	Reading First Super Region	Reading First Phase Two	Zero Math	Department of Commerce Economic Opportunity	Learning Behavioral Specialist	Coordination Services Grant
Cash	\$ 38,059	\$ 5,611	\$ 1,218	\$ -	\$ 783	\$ 78,678
Due from other funds	-	6,470	-	-	-	-
Due from other governmental units and agencies	10,656	32,189	-	-	-	18,507
<b>TOTAL ASSETS</b>	<b>\$ 48,715</b>	<b>\$ 44,270</b>	<b>\$ 1,218</b>	<b>\$ -</b>	<b>\$ 783</b>	<b>\$ 97,185</b>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 8,715	\$ -	\$ -	\$ -	\$ -	\$ 18,507
Due to other funds	27,185	11,838	-	5,611	-	-
Deferred revenue	12,815	32,432	-	-	-	78,678
Total Liabilities	48,715	44,270	-	5,611	-	97,185
<b>FUND BALANCE</b>						
Unreserved	-	-	1,218	(5,611)	783	-
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 48,715</b>	<b>\$ 44,270</b>	<b>\$ 1,218</b>	<b>\$ -</b>	<b>\$ 783</b>	<b>\$ 97,185</b>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 June 30, 2005

ASSETS	Reading First	Reading First Technical Assistance	Title II Teacher Quality	Mathematics and Science Partnership	Title V Innovative Programs	Total
ASSETS						
Cash	\$ 5,364	\$ 16,339	\$ 18,531	\$ 73,195	\$ 15,020	\$ 519,544
Due from other funds	1,375	-	-	11,836	-	208,251
Due from other governmental units and agencies	14,274	40,597	-	-	-	163,713
<b>TOTAL ASSETS</b>	<b>\$ 21,013</b>	<b>\$ 56,936</b>	<b>\$ 18,531</b>	<b>\$ 85,031</b>	<b>\$ 15,020</b>	<b>\$ 891,508</b>
<b>LIABILITIES AND FUND BALANCE</b>						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ 24,267	\$ -	\$ 51,767
Due to other funds	-	-	-	-	-	335,994
Deferred revenue	21,013	56,936	18,531	60,764	15,020	508,275
Total Liabilities	21,013	56,936	18,531	85,031	15,020	896,036
FUND BALANCE						
Unreserved	-	-	-	-	-	(4,528)
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 21,013</b>	<b>\$ 56,936</b>	<b>\$ 18,531</b>	<b>\$ 85,031</b>	<b>\$ 15,020</b>	<b>\$ 891,508</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, 2005

	Upward Generated	State Adult Education (Basic)	State Adult Education (Performance)	Federal Adult Education (Basic)	Local Professional Development Committee	Substance Abuse and Violence Prevention Initiative	Secretary of State Literacy
<b>REVENUES</b>							
Local sources	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	19,585	19,991	-	-	-	58,861
Federal sources	-	-	-	19,760	-	-	-
Interest	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>200</b>	<b>19,585</b>	<b>19,991</b>	<b>19,760</b>	<b>-</b>	<b>-</b>	<b>58,861</b>
<b>EXPENDITURES</b>							
Salaries	-	9,293	16,504	15,574	-	-	45,560
Employee benefits	-	838	1,881	1,294	-	-	3,428
Purchased services	-	9,454	1,606	4,057	-	-	3,516
Supplies and materials	-	-	-	221	-	-	7,529
Capital outlay	-	-	-	240	-	-	-
Payments to other governments	-	-	-	-	-	-	-
Other	436	-	-	-	-	-	125
<b>Total expenditures</b>	<b>436</b>	<b>19,585</b>	<b>19,991</b>	<b>21,386</b>	<b>-</b>	<b>-</b>	<b>60,158</b>
Excess (deficiency) of revenues over expenditures	(236)	-	-	(1,626)	-	-	(1,297)
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>	<b>173</b>	<b>-</b>	<b>(2,157)</b>	<b>(3,656)</b>	<b>19</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<b>\$ (63)</b>	<b>\$ -</b>	<b>\$ (2,157)</b>	<b>\$ (5,282)</b>	<b>\$ 19</b>	<b>\$ -</b>	<b>\$ (1,297)</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, 2005

	Arts in Education	ROE Technology Plan	Family Literacy	Jail Library (Upward Generated)	Secretary	Lincoln Senior Award
<b>REVENUES</b>						
Local sources	\$ 30,900	\$ -	\$ -	\$ 3,000	\$ 24,893	\$ 1,783
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total revenues	<u>30,900</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>24,893</u>	<u>1,783</u>
<b>EXPENDITURES</b>						
Salaries	3,571	-	-	-	-	-
Employee benefits	-	-	-	-	-	-
Purchased services	25,024	-	-	2,080	25,247	1,818
Supplies and materials	3,090	-	-	-	-	361
Capital outlay	-	-	-	-	-	-
Payments to other governments	-	-	-	-	-	-
Other	-	-	-	-	-	100
Total expenditures	<u>31,685</u>	<u>-</u>	<u>-</u>	<u>2,080</u>	<u>25,247</u>	<u>2,279</u>
Excess (deficiency) of revenues over expenditures	(785)	-	-	920	(354)	(496)
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>						
	<u>1,905</u>	<u>(523)</u>	<u>41</u>	<u>(236)</u>	<u>(141)</u>	<u>3,860</u>
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>						
	<u>\$ 1,120</u>	<u>\$ (523)</u>	<u>\$ 41</u>	<u>\$ 684</u>	<u>\$ (495)</u>	<u>\$ 3,364</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, 2005

	Communities For Youth Truants Alternative	Truants Alternative/Safe Kids	Truants Alternative Homeless	Truants Alternative Weed and Seed	Learning Technology Challenge Mini Grant	Career Awareness and Development
<b>REVENUES</b>						
Local sources	\$ -	\$ 565	\$ 4,419	\$ 23,322	\$ -	\$ -
State sources	197,099	36,567	-	-	-	-
Federal sources	-	-	60,000	-	-	-
Interest	-	104	-	-	-	-
<b>Total revenues</b>	<b>197,099</b>	<b>37,236</b>	<b>64,419</b>	<b>23,322</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>						
Salaries	165,626	-	31,989	28,153	-	-
Employee benefits	22,941	-	7,343	7,422	-	-
Purchased services	7,599	400	10,998	150	-	-
Supplies and materials	933	-	10,699	238	-	-
Capital outlay	-	-	-	-	-	-
Payments to other governments	-	-	-	-	-	-
Other	-	269	-	-	-	-
<b>Total expenditures</b>	<b>197,099</b>	<b>669</b>	<b>61,029</b>	<b>35,963</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	-	36,567	3,390	(12,641)	-	-
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>	<b>-</b>	<b>(36,525)</b>	<b>(3,667)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<b>\$ -</b>	<b>\$ 42</b>	<b>\$ (277)</b>	<b>\$ (12,641)</b>	<b>\$ -</b>	<b>\$ -</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, 2005

	Title II Eisenhower Professional Development	Scientific Literacy Entitlement	Standards Aligned Classroom - Statewide Professional Development	Accelerated Schools	Safe to Learn	Reading Professional Development
<b>REVENUES</b>						
Local sources	\$ -	\$ -	\$ 33,057	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	302,216	-	-	-
Interest	-	-	-	95	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>335,273</u>	<u>95</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>						
Salaries	-	-	121,338	-	-	-
Employee benefits	-	-	13,182	-	-	-
Purchased services	-	-	72,790	-	-	-
Supplies and materials	-	-	3,420	-	-	-
Capital outlay	-	-	1,145	-	-	-
Payments to other governments	-	-	122,414	-	-	-
Other	-	-	984	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>335,273</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	95	-	-
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>	<u>-</u>	<u>1,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ 1,023</u>	<u>\$ -</u>	<u>\$ 95</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, 2005

	Life Skills	Youth Event	Education to Careers	Cooke School	Reading Excellence Grant	Title II Eisenhower/Math Professional Development
<b>REVENUES</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-
<b>EXPENDITURES</b>						
Salaries	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-
Purchased services	-	-	-	-	-	-
Supplies and materials	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Payments to other governments	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>	-	-	-	761	126	14,542
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	\$ -	\$ -	\$ -	\$ 761	\$ 126	\$ 14,542

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, 2005

	Reading First Super Region	Reading First Phase Two	Zero Math	Department of Commerce Economic Opportunity	Learning Behavioral Specialist	Coordination Services Grant
<b>REVENUES</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	451,585
Federal sources	80,205	36,967	-	-	-	-
Interest	-	-	-	-	-	-
Total revenues	<u>80,205</u>	<u>36,967</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>451,585</u>
<b>EXPENDITURES</b>						
Salaries	60,316	-	-	-	-	3,523
Employee benefits	8,090	-	-	-	-	392
Purchased services	1,035	5,275	-	-	10,096	23,606
Supplies and materials	10,764	31,692	-	-	3,101	16,379
Capital outlay	-	-	-	-	-	109,538
Payments to other governments	-	-	-	-	-	-
Other	-	-	-	-	-	298,147
Total expenditures	<u>80,205</u>	<u>36,967</u>	<u>-</u>	<u>-</u>	<u>13,197</u>	<u>451,585</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	(13,197)	-
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>						
	<u>-</u>	<u>-</u>	<u>1,218</u>	<u>(5,611)</u>	<u>13,980</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>						
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,218</u>	<u>\$ (5,611)</u>	<u>\$ 783</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, 2005

	Reading First	Reading First Technical Assistance	Title II Teacher Quality	Mathematics and Science Partnership	Title V Innovative Programs	Total
<b>REVENUES</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,139
State sources	-	-	-	-	-	783,688
Federal sources	20,567	22,658	239,559	191,329	24,980	998,241
Interest	-	-	-	-	-	199
<b>Total revenues</b>	<b>20,567</b>	<b>22,658</b>	<b>239,559</b>	<b>191,329</b>	<b>24,980</b>	<b>1,904,267</b>
<b>EXPENDITURES</b>						
Salaries	8,000	-	16,816	18,021	-	544,284
Employee benefits	1,108	-	3,234	3,930	-	75,083
Purchased services	6,450	1,435	10,191	146,538	15,438	384,803
Supplies and materials	5,009	1,723	6,469	22,840	7,031	131,499
Capital outlay	-	-	-	-	2,511	113,434
Payments to other governments	-	19,500	202,849	-	-	344,763
Other	-	-	-	-	-	300,061
<b>Total expenditures</b>	<b>20,567</b>	<b>22,658</b>	<b>239,559</b>	<b>191,329</b>	<b>24,980</b>	<b>1,893,927</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	10,340
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,868)</b>
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,528)</b>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 STATE ADULT EDUCATION (BASIC)  
 For the Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State sources	\$ 19,758	\$ 19,758	\$ 19,585	\$ (173)
Total revenues	<u>19,758</u>	<u>19,758</u>	<u>19,585</u>	<u>(173)</u>
 <b>EXPENDITURES</b>				
Salaries	8,950	8,950	9,293	(343)
Employee benefits	925	925	838	87
Purchased services	9,450	9,450	9,454	(4)
Supplies and materials	<u>433</u>	<u>433</u>	<u>-</u>	<u>433</u>
Total expenditures	<u>19,758</u>	<u>19,758</u>	<u>19,585</u>	<u>173</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 <b>FUND BALANCE AT BEGINNING OF YEAR</b>				
			<u>-</u>	
 <b>FUND BALANCE AT END OF YEAR</b>				
			<u>\$ -</u>	

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 STATE ADULT EDUCATION (PERFORMANCE)  
 For the Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State sources	\$ 19,991	\$ 19,991	\$ 19,991	\$ -
Total revenues	<u>19,991</u>	<u>19,991</u>	<u>19,991</u>	<u>-</u>
<b>EXPENDITURES</b>				
Salaries	14,878	14,878	16,504	(1,626)
Employee benefits	1,613	1,613	1,881	(268)
Purchased services	-	-	1,606	(1,606)
Supplies and materials	1,500	1,500	-	1,500
Capital outlay	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>19,991</u>	<u>19,991</u>	<u>19,991</u>	<u>-</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>			<u>(2,157)</u>	
<b>FUND BALANCE AT END OF YEAR</b>			<u>\$ (2,157)</u>	

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 FEDERAL ADULT EDUCATION (BASIC)  
 For the Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES</b>				
Federal sources	\$ 20,687	\$ 20,687	\$ 19,760	\$ (927)
Total revenues	20,687	20,687	19,760	(927)
 <b>EXPENDITURES</b>				
Salaries	13,910	13,910	15,574	(1,664)
Employee benefits	1,450	1,450	1,294	156
Purchased services	2,800	2,800	4,057	(1,257)
Supplies and materials	1,527	1,527	221	1,306
Capital outlay	1,000	1,000	240	760
Total expenditures	20,687	20,687	21,386	(699)
Excess of revenue over expenditures	\$ -	\$ -	(1,626)	\$ (1,626)
 <b>FUND BALANCE AT BEGINNING OF YEAR</b>				
			(3,656)	
 <b>FUND BALANCE AT END OF YEAR</b>				
			\$ (5,282)	

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 SECRETARY OF STATE LITERACY  
 For the Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State sources	\$ 56,000	\$ 56,000	\$ 58,861	\$ 2,861
Total revenues	<u>56,000</u>	<u>56,000</u>	<u>58,861</u>	<u>2,861</u>
 <b>EXPENDITURES</b>				
Salaries	45,620	44,620	45,560	(940)
Employee benefits	3,672	3,672	3,428	244
Purchased services	3,561	3,561	3,516	45
Supplies and materials	3,022	4,022	7,529	(3,507)
Other	125	125	125	-
Total expenditures	<u>56,000</u>	<u>56,000</u>	<u>60,158</u>	<u>(4,158)</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	(1,297)	<u>\$ (1,297)</u>
 <b>FUND BALANCE AT BEGINNING OF YEAR</b>				
			<u>-</u>	
 <b>FUND BALANCE AT END OF YEAR</b>				
			<u>\$ (1,297)</u>	

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 COMMUNITIES FOR YOUTH TRUANTS ALTERNATIVE  
 For the Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State sources	\$ 191,950	\$ 191,950	\$ 197,099	\$ 5,149
Total revenues	<u>191,950</u>	<u>191,950</u>	<u>197,099</u>	<u>5,149</u>
 <b>EXPENDITURES</b>				
Salaries	161,950	161,950	165,626	(3,676)
Employee benefits	23,000	23,000	22,941	59
Purchased services	5,000	5,000	7,599	(2,599)
Supplies and materials	<u>2,000</u>	<u>2,000</u>	<u>933</u>	<u>1,067</u>
Total expenditures	<u>191,950</u>	<u>191,950</u>	<u>197,099</u>	<u>(5,149)</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 <b>FUND BALANCE AT BEGINNING OF YEAR</b>				
			<u>-</u>	
 <b>FUND BALANCE AT END OF YEAR</b>				
			<u>\$ -</u>	

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 TRUANTS ALTERNATIVE HOMELESS  
 For the Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local sources	\$ -	\$ -	\$ 4,419	\$ 4,419
Federal sources	56,000	60,000	60,000	-
Total revenues	<u>56,000</u>	<u>60,000</u>	<u>64,419</u>	<u>4,419</u>
<b>EXPENDITURES</b>				
Salaries	31,000	31,000	31,989	(989)
Employee benefits	7,500	7,500	7,343	157
Purchased services	8,500	12,500	10,998	1,502
Supplies and materials	<u>9,000</u>	<u>9,000</u>	<u>10,699</u>	<u>(1,699)</u>
Total expenditures	<u>56,000</u>	<u>60,000</u>	<u>61,029</u>	<u>(1,029)</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	3,390	<u>\$ 3,390</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>(3,667)</u>	
FUND BALANCE AT END OF YEAR			<u>\$ (277)</u>	

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 STANDARDS ALIGNED CLASSROOM - STATEWIDE PROFESSIONAL DEVELOPMENT  
 For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Local sources	\$ -	\$ -	\$ 33,057	\$ 33,057
Federal sources	191,251	191,251	302,216	110,965
<b>Total revenues</b>	<b>191,251</b>	<b>191,251</b>	<b>335,273</b>	<b>144,022</b>
<b>EXPENDITURES</b>				
Salaries	37,335	37,335	121,338	(84,003)
Employee benefits	4,665	4,665	13,182	(8,517)
Purchased services	32,776	32,776	72,790	(40,014)
Supplies and materials	211	211	3,420	(3,209)
Capital outlay	-	-	1,145	(1,145)
Payments to other governments	116,214	116,214	122,414	(6,200)
Other	50	50	984	(934)
<b>Total expenditures</b>	<b>191,251</b>	<b>191,251</b>	<b>335,273</b>	<b>(144,022)</b>
<b>Excess of revenue over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>			<b>-</b>	
<b>FUND BALANCE AT END OF YEAR</b>			<b>\$ -</b>	

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 READING FIRST SUPER REGION  
 For the Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Federal sources	\$ 75,000	\$ 75,000	\$ 80,205	\$ 5,205
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>80,205</u>	<u>5,205</u>
 <b>EXPENDITURES</b>				
Salaries	60,000	60,000	60,316	(316)
Employee benefits	6,422	6,422	8,090	(1,668)
Purchased services	6,401	6,401	1,035	5,366
Supplies and materials	<u>2,177</u>	<u>2,177</u>	<u>10,764</u>	<u>(8,587)</u>
Total expenditures	<u>75,000</u>	<u>75,000</u>	<u>80,205</u>	<u>(5,205)</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 <b>FUND BALANCE AT BEGINNING OF YEAR</b>				
			<u>-</u>	
 <b>FUND BALANCE AT END OF YEAR</b>				
			<u>\$ -</u>	

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 READING FIRST PHASE TWO  
 For the Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal sources	\$ 38,461	\$ 70,650	\$ 36,967	\$ (33,683)
Total revenues	<u>38,461</u>	<u>70,650</u>	<u>36,967</u>	<u>(33,683)</u>
 EXPENDITURES				
Purchased services	18,461	18,461	5,275	13,186
Supplies and materials	<u>20,000</u>	<u>52,189</u>	<u>31,692</u>	<u>20,497</u>
Total expenditures	<u>38,461</u>	<u>70,650</u>	<u>36,967</u>	<u>33,683</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 FUND BALANCE AT BEGINNING OF YEAR			<u>-</u>	
 FUND BALANCE AT END OF YEAR			<u>\$ -</u>	

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 COORDINATION SERVICES GRANT  
 For the Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State sources	\$ 375,000	\$ 375,000	\$ 451,585	\$ 76,585
Total revenues	<u>375,000</u>	<u>375,000</u>	<u>451,585</u>	<u>76,585</u>
<b>EXPENDITURES</b>				
Salaries	-	21,900	3,523	18,377
Employee benefits	-	2,600	392	2,208
Purchased services	121,969	17,000	23,606	(6,606)
Supplies and materials	-	3,000	16,379	(13,379)
Capital outlay	-	-	109,538	(109,538)
Other	<u>253,031</u>	<u>330,500</u>	<u>298,147</u>	<u>32,353</u>
Total expenditures	<u>375,000</u>	<u>375,000</u>	<u>451,585</u>	<u>(76,585)</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>				
			<u>-</u>	
<b>FUND BALANCE AT END OF YEAR</b>				
			<u>\$ -</u>	

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 READING FIRST  
 For the Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Federal sources	\$ 34,690	\$ 44,577	\$ 20,567	\$ (24,010)
Total revenues	<u>34,690</u>	<u>44,577</u>	<u>20,567</u>	<u>(24,010)</u>
 <b>EXPENDITURES</b>				
Salaries	8,000	8,000	8,000	-
Employee benefits	956	956	1,108	(152)
Purchased services	25,734	21,560	6,450	15,110
Supplies and materials	-	14,061	5,009	9,052
Total expenditures	<u>34,690</u>	<u>44,577</u>	<u>20,567</u>	<u>24,010</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 <b>FUND BALANCE AT BEGINNING OF YEAR</b>				
			<u>-</u>	
 <b>FUND BALANCE AT END OF YEAR</b>				
			<u>\$ -</u>	

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 READING FIRST TECHNICAL ASSISTANCE  
 For the Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local sources	\$ -	\$ -	\$ -	\$ -
Federal sources	39,000	39,000	22,658	(16,342)
Total revenues	<u>39,000</u>	<u>39,000</u>	<u>22,658</u>	<u>(16,342)</u>
<b>EXPENDITURES</b>				
Purchased services	13,000	13,000	1,435	11,565
Supplies and materials	26,000	26,000	1,723	24,277
Payments to other governments	-	-	19,500	(19,500)
Total expenditures	<u>39,000</u>	<u>39,000</u>	<u>22,658</u>	<u>16,342</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>				
			<u>-</u>	
<b>FUND BALANCE AT END OF YEAR</b>				
			<u>\$ -</u>	

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 TITLE II TEACHER QUALITY  
 For the Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Federal sources	\$ 132,000	\$ 256,278	\$ 239,559	\$ (16,719)
Total revenues	<u>132,000</u>	<u>256,278</u>	<u>239,559</u>	<u>(16,719)</u>
 <b>EXPENDITURES</b>				
Salaries	-	475	16,816	(16,341)
Employee benefits	-	62	3,234	(3,172)
Purchased services	23,000	6,800	10,191	(3,391)
Supplies and materials	5,000	1,600	6,469	(4,869)
Payments to other governments	104,000	247,341	202,849	44,492
Total expenditures	<u>132,000</u>	<u>256,278</u>	<u>239,559</u>	<u>16,719</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 <b>FUND BALANCE AT BEGINNING OF YEAR</b>				
			<u>-</u>	
 <b>FUND BALANCE AT END OF YEAR</b>				
			<u>\$ -</u>	

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 MATHEMATICS AND SCIENCE PARTNERSHIP  
 For the Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Federal sources	\$ 13,838	\$ 116,779	\$ 191,329	\$ 74,550
Total revenues	<u>13,838</u>	<u>116,779</u>	<u>191,329</u>	<u>74,550</u>
 <b>EXPENDITURES</b>				
Salaries	-	17,754	18,021	(267)
Employee benefits	-	2,358	3,930	(1,572)
Purchased services	7,088	78,592	146,538	(67,946)
Supplies and materials	<u>6,750</u>	<u>18,075</u>	<u>22,840</u>	<u>(4,765)</u>
Total expenditures	<u>13,838</u>	<u>116,779</u>	<u>191,329</u>	<u>(74,550)</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 <b>FUND BALANCE AT BEGINNING OF YEAR</b>				
			<u>-</u>	
 <b>FUND BALANCE AT END OF YEAR</b>				
			<u>\$ -</u>	

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 TITLE V INNOVATIVE PROGRAMS  
 For the Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Federal sources	\$ 50,000	\$ 50,000	\$ 24,980	\$ (25,020)
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>24,980</u>	<u>(25,020)</u>
 <b>EXPENDITURES</b>				
Purchased services	37,000	21,500	15,438	6,062
Supplies and materials	3,000	12,000	7,031	4,969
Capital outlay	<u>10,000</u>	<u>16,500</u>	<u>2,511</u>	<u>13,989</u>
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>24,980</u>	<u>25,020</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 <b>FUND BALANCE AT BEGINNING OF YEAR</b>				
			<u>-</u>	
 <b>FUND BALANCE AT END OF YEAR</b>				
			<u>\$ -</u>	

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF ACCOUNTS  
 LEARNING TECHNOLOGY CENTER  
 June 30, 2005

ASSETS	General Operations	Technical Services/ Support	Education Technology Competitive Grant	Technical Training Local Boot Camp	Technology Planning	Illinois Learning Technology Purchasing Program	Total
ASSETS							
Cash	\$ 196,600	\$ 7,664	\$ (80,839)	\$ (6,117)	\$ (7,186)	\$ 2,180	\$ 112,302
Due from other governmental units and agencies	5,594	1,910	135,163	-	90	-	142,757
<b>TOTAL ASSETS</b>	<b>\$ 202,194</b>	<b>\$ 9,574</b>	<b>\$ 54,324</b>	<b>\$ (6,117)</b>	<b>\$ (7,096)</b>	<b>\$ 2,180</b>	<b>\$ 255,059</b>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 694	\$ 766	\$ 1,983	\$ -	\$ 17	\$ -	\$ 3,460
Deferred revenue	-	-	51,216	-	-	2,180	53,396
Total Liabilities	694	766	53,199	-	17	2,180	56,856
<b>FUND BALANCE</b>							
Unreserved	201,500	8,808	1,125	(6,117)	(7,113)	-	198,203
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 202,194</b>	<b>\$ 9,574</b>	<b>\$ 54,324</b>	<b>\$ (6,117)</b>	<b>\$ (7,096)</b>	<b>\$ 2,180</b>	<b>\$ 255,059</b>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 LEARNING TECHNOLOGY CENTER ACCOUNTS  
 For the Year Ended June 30, 2005

	General Operations	Technical Training/ Support	Education Technology Competitive Grant	Technical Training Local Boot Camp	Technology Planning	Illinois Learning Technology Purchasing Program	Total
<b>REVENUES</b>							
Local sources	\$ -	\$ 9,910	\$ 1,125	\$ -	\$ 2,410	\$ 9,820	\$ 23,265
State sources	256,275	-	-	-	-	-	256,275
Federal sources	-	-	1,138,462	-	-	-	1,138,462
Interest	3,497	-	-	-	-	-	3,497
On-behalf payments from State	8,639	-	-	-	-	-	8,639
<b>Total revenues</b>	<b>268,411</b>	<b>9,910</b>	<b>1,139,587</b>	<b>-</b>	<b>2,410</b>	<b>9,820</b>	<b>1,430,138</b>
<b>EXPENDITURES</b>							
Salaries	157,283	-	-	-	-	-	157,283
Employee benefits	34,851	-	-	-	-	-	34,851
Purchased services	34,531	-	348,109	-	8,383	1,224	392,247
Supplies and materials	10,663	1,102	109,611	-	-	6,544	127,920
Capital outlay	7,305	-	15,592	-	-	2,052	24,949
On-behalf payment to TRS and State	8,639	-	-	-	-	-	8,639
Other	2	-	665,150	-	-	-	665,152
<b>Total expenditures</b>	<b>253,274</b>	<b>1,102</b>	<b>1,138,462</b>	<b>-</b>	<b>8,383</b>	<b>9,820</b>	<b>1,411,041</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>15,137</b>	<b>8,808</b>	<b>1,125</b>	<b>-</b>	<b>(5,973)</b>	<b>-</b>	<b>19,097</b>
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>	<b>186,363</b>	<b>-</b>	<b>-</b>	<b>(6,117)</b>	<b>(1,140)</b>	<b>-</b>	<b>179,106</b>
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<b>\$ 201,500</b>	<b>\$ 8,808</b>	<b>\$ 1,125</b>	<b>\$ (6,117)</b>	<b>\$ (7,113)</b>	<b>\$ -</b>	<b>\$ 198,203</b>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 LEARNING TECHNOLOGY CENTER ACCOUNTS  
 TECHNOLOGY FOR SCHOOLS - GENERAL OPERATIONS  
 For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
State sources	\$ 253,594	\$ 253,594	\$ 256,275	\$ 2,681
Interest	-	-	3,497	3,497
On-behalf payments to TRS	-	-	8,639	8,639
	<u>253,594</u>	<u>253,594</u>	<u>268,411</u>	<u>14,817</u>
<b>EXPENDITURES</b>				
Salaries	157,283	157,283	157,283	-
Employee benefits	38,310	38,310	34,851	3,459
Purchased services	40,001	41,585	34,531	7,054
Supplies and materials	15,000	10,000	10,663	(663)
Capital outlay	3,000	6,416	7,305	(889)
On-behalf payments to TRS	-	-	8,639	(8,639)
Other	-	-	2	(2)
	<u>253,594</u>	<u>253,594</u>	<u>253,274</u>	<u>320</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	15,137	<u>\$ 15,137</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>			<u>186,363</u>	
<b>FUND BALANCE AT END OF YEAR</b>			<u>\$ 201,500</u>	

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 LEARNING TECHNOLOGY CENTER ACCOUNTS  
 EDUCATION TECHNOLOGY COMPETITIVE GRANT  
 For the Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local sources	\$ -	\$ -	\$ 1,125	1,125
Federal sources	<u>974,797</u>	<u>1,214,810</u>	<u>1,138,462</u>	<u>(76,348)</u>
Total revenues	<u>974,797</u>	<u>1,214,810</u>	<u>1,139,587</u>	<u>(75,223)</u>
<b>EXPENDITURES</b>				
Purchased services	212,498	432,951	348,109	84,842
Supplies and materials	10,888	122,131	109,611	12,520
Capital outlay	6,000	15,000	15,592	(592)
Other	<u>745,411</u>	<u>644,728</u>	<u>665,150</u>	<u>(20,422)</u>
Total expenditures	<u>974,797</u>	<u>1,214,810</u>	<u>1,138,462</u>	<u>76,348</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	1,125	<u>\$ 1,125</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>				
			<u>-</u>	
<b>FUND BALANCE AT END OF YEAR</b>				
			<u>\$ 1,125</u>	

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING BALANCE SHEET  
 NON MAJOR SPECIAL REVENUE FUNDS  
 June 30, 2005

	Food Co-op	Clean Water Celebration	Supervisory Expense	Arts Opportunities	General Educational Development
<b>ASSETS</b>					
ASSETS					
Cash	\$ 2,677	\$ 4,542	\$ 1,283	\$ 348	\$ 10,725
Due from other governmental units and agencies	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,677</b>	<b>\$ 4,542</b>	<b>\$ 1,283</b>	<b>\$ 348</b>	<b>\$ 10,725</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 481	\$ -	\$ -	\$ -	\$ 3,022
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total Liabilities	481	-	-	-	3,022
<b>FUND BALANCE (DEFICIT)</b>					
Unreserved	2,196	4,542	1,283	348	7,703
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 2,677</b>	<b>\$ 4,542</b>	<b>\$ 1,283</b>	<b>\$ 348</b>	<b>\$ 10,725</b>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING BALANCE SHEET  
 NON MAJOR SPECIAL REVENUE FUNDS  
 June 30, 2005

	Teachers' Institute	Bus Driver	Directory	Hospital Tutoring	Office of Prevention
<b>ASSETS</b>					
ASSETS					
Cash	\$ 74,779	\$ 2,185	\$ 646	\$ 10,864	\$ 26,648
Due from other governmental units and agencies	-	-	-	5,256	-
<b>TOTAL ASSETS</b>	<b>\$ 74,779</b>	<b>\$ 2,185</b>	<b>\$ 646</b>	<b>\$ 16,120</b>	<b>\$ 26,648</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 3,734	\$ 90	\$ -	\$ 147	\$ -
Due to other funds	-	-	2,500	-	-
Deferred revenue	31,088	-	-	-	-
Total Liabilities	34,822	90	2,500	147	-
<b>FUND BALANCE (DEFICIT)</b>					
Unreserved	39,957	2,095	(1,854)	15,973	26,648
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 74,779</b>	<b>\$ 2,185</b>	<b>\$ 646</b>	<b>\$ 16,120</b>	<b>\$ 26,648</b>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING BALANCE SHEET  
 NON MAJOR SPECIAL REVENUE FUNDS  
 June 30, 2005

ASSETS	Administrators Academy	Local Math and Science Cooperative	Pleasant Valley Funds	School Improvement Plan	Total
ASSETS					
Cash	\$ 2,323	\$ 140,637	\$ 10,352	\$ 5	\$ 288,014
Due from other governmental units and agencies	-	10,529	-	-	15,785
<b>TOTAL ASSETS</b>	<b>\$ 2,323</b>	<b>\$ 151,166</b>	<b>\$ 10,352</b>	<b>\$ 5</b>	<b>\$ 303,799</b>
<b>LIABILITIES AND FUND BALANCE</b>					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 7,474
Due to other funds	2,323	30,499	-	-	35,322
Deferred revenue	-	-	-	-	31,088
<b>Total Liabilities</b>	<b>2,323</b>	<b>30,499</b>	<b>-</b>	<b>-</b>	<b>73,884</b>
FUND BALANCE (DEFICIT)					
Unreserved	-	120,667	10,352	5	229,915
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 2,323</b>	<b>\$ 151,166</b>	<b>\$ 10,352</b>	<b>\$ 5</b>	<b>\$ 303,799</b>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NON MAJOR SPECIAL REVENUE FUNDS  
 For the Year Ended June 30, 2005

	Food Co-op	Clean Water Celebration	Supervisory Expense	Arts Opportunities	General Educational Development
<b>REVENUES</b>					
Local sources	\$ 9,100	\$ -	\$ -	\$ 344	\$ 16,176
State sources	-	-	1,000	-	-
Federal sources	-	-	-	-	-
Total revenues	<u>9,100</u>	<u>-</u>	<u>1,000</u>	<u>344</u>	<u>16,176</u>
<b>EXPENDITURES</b>					
Salaries	-	-	-	-	1,738
Employee benefits	-	-	-	-	173
Purchased services	8,860	-	111	-	4,076
Supplies and materials	193	-	-	-	5,520
Capital outlay	-	-	-	-	-
Other	-	-	-	-	5,180
Total expenditures	<u>9,053</u>	<u>-</u>	<u>111</u>	<u>-</u>	<u>16,687</u>
Excess (deficiency) of revenues over expenditures	47	-	889	344	(511)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	<u>2,149</u>	<u>4,542</u>	<u>394</u>	<u>4</u>	<u>8,214</u>
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ 2,196</u>	<u>\$ 4,542</u>	<u>\$ 1,283</u>	<u>\$ 348</u>	<u>\$ 7,703</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NON MAJOR SPECIAL REVENUE FUNDS  
 For the Year Ended June 30, 2005

	Teachers' Institute	Bus Driver	Directory	Hospital Tutoring	Office of Prevention
<b>REVENUES</b>					
Local sources	\$ 35,250	\$ 2,538	\$ 6,615	\$ 38,407	\$ 3,237
State sources	-	1,200	-	-	-
Federal sources	-	-	-	-	-
Total revenues	<u>35,250</u>	<u>3,738</u>	<u>6,615</u>	<u>38,407</u>	<u>3,237</u>
<b>EXPENDITURES</b>					
Salaries	-	-	-	-	-
Employee benefits	-	-	-	-	-
Purchased services	25,038	2,008	3,734	35,585	66
Supplies and materials	1,434	-	-	-	311
Capital outlay	-	-	-	-	-
Other	6,699	283	2,135	2,729	6,037
Total expenditures	<u>33,171</u>	<u>2,291</u>	<u>5,869</u>	<u>38,314</u>	<u>6,414</u>
Excess (deficiency) of revenues over expenditures	2,079	1,447	746	93	(3,177)
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>	<u>37,878</u>	<u>648</u>	<u>(2,600)</u>	<u>15,880</u>	<u>29,825</u>
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<u>\$ 39,957</u>	<u>\$ 2,095</u>	<u>\$ (1,854)</u>	<u>\$ 15,973</u>	<u>\$ 26,648</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NON MAJOR SPECIAL REVENUE FUNDS  
 For the Year Ended June 30, 2005

	Administrators Academy	Local Math and Science Cooperative	Pleasant Valley Funds	School Improvement Plan	Total
<b>REVENUES</b>					
Local sources	\$ -	\$ 63,655	\$ -	\$ -	\$ 175,322
State sources	-	-	-	-	2,200
Federal sources	-	-	-	-	-
Total revenues	-	63,655	-	-	177,522
<b>EXPENDITURES</b>					
Salaries	-	-	-	-	1,738
Employee benefits	-	-	-	-	173
Purchased services	-	450	-	-	79,928
Supplies and materials	-	95	-	-	7,553
Capital outlay	-	-	-	-	-
Other	-	2,104	-	-	25,167
Total expenditures	-	2,649	-	-	114,559
Excess (deficiency) of revenues over expenditures	-	61,006	-	-	62,963
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	-	59,661	10,352	5	166,952
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ -	\$ 120,667	\$ 10,352	\$ 5	\$ 229,915

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND ACCOUNT  
 TITLE I SCHOOL IMPROVEMENT AND ACCOUNTABILITY GRANT  
 For the Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Federal sources	\$ 490,000	\$ 1,703,615	\$ 460,718	\$(1,242,897)
Total revenues	<u>490,000</u>	<u>1,703,615</u>	<u>460,718</u>	<u>(1,242,897)</u>
 <b>EXPENDITURES</b>				
Salaries	-	14,980	44,835	(29,855)
Employee benefits	-	1,885	8,622	(6,737)
Purchased services	122,000	135,000	83,229	51,771
Supplies and materials	20,000	25,000	13,151	11,849
Capital outlay	20,000	50,000	1,145	48,855
Other	<u>328,000</u>	<u>1,476,750</u>	<u>309,736</u>	<u>1,167,014</u>
Total expenditures	<u>490,000</u>	<u>1,703,615</u>	<u>460,718</u>	<u>1,242,897</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 <b>FUND BALANCE AT BEGINNING OF YEAR</b>				
			<u>-</u>	
 <b>FUND BALANCE AT END OF YEAR</b>				
			<u>\$ -</u>	

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 BUDGETARY COMPARISON SCHEDULE  
 ENTERPRISE FUND  
 LOCAL WORKSHOPS  
 For the Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local sources	\$ 100,000	\$ 100,000	\$ 245,690	\$ 145,690
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>245,690</u>	<u>145,690</u>
 <b>EXPENDITURES</b>				
Salaries	22,800	22,800	113,388	(90,588)
Employee benefits	13,850	13,850	9,378	4,472
Purchased services	54,750	54,750	112,387	(57,637)
Supplies and materials	4,300	4,300	-	4,300
Other	4,300	4,300	-	4,300
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>235,153</u>	<u>(135,153)</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	10,537	<u>\$ 10,537</u>
 <b>FUND BALANCE AT BEGINNING OF YEAR</b>				
			<u>313,713</u>	
 <b>FUND BALANCE AT END OF YEAR</b>				
			<u>\$ 324,250</u>	

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 AGENCY FUNDS  
 June 30, 2005

	ASSETS	Distributive Fund	Regional Board of School Trustees Fund	C.I.S.E. Fund	Criminal Background Checks	Answers	Total
ASSETS							
Cash		\$ 13,027	\$ 83	\$ 1,840	\$ -	\$ 134,021	\$ 148,971
Due from other governmental units and agencies		<u>313,027</u>	<u>-</u>	<u>-</u>	<u>5,478</u>	<u>6,413</u>	<u>324,918</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 326,054</u></u>	<u><u>\$ 83</u></u>	<u><u>\$ 1,840</u></u>	<u><u>\$ 5,478</u></u>	<u><u>\$ 140,434</u></u>	<u><u>\$ 473,889</u></u>
	<b>LIABILITIES</b>						
LIABILITIES							
Due to other governmental units		<u>\$ 326,054</u>	<u>\$ 83</u>	<u>\$ 1,840</u>	<u>\$ 5,478</u>	<u>\$ 140,434</u>	<u>\$ 473,889</u>
<b>TOTAL LIABILITIES</b>		<u><u>\$ 326,054</u></u>	<u><u>\$ 83</u></u>	<u><u>\$ 1,840</u></u>	<u><u>\$ 5,478</u></u>	<u><u>\$ 140,434</u></u>	<u><u>\$ 473,889</u></u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2005

	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
<b>DISTRIBUTIVE FUND</b>				
<b>ASSETS</b>				
Cash	\$ 40,435	\$ 8,423,723	\$ 8,451,131	\$ 13,027
Due from other governmental units and agencies	64,825	313,027	64,825	313,027
Total assets	\$ 105,260	\$ 8,736,750	\$ 8,515,956	\$ 326,054
<b>LIABILITIES</b>				
Due to other governmental units and agencies	\$ 105,260	\$ 8,736,750	\$ 8,515,956	\$ 326,054
 <b>REGIONAL BOARD OF SCHOOL TRUSTEES FUND</b>				
<b>ASSETS</b>				
Cash	\$ 83	\$ -	\$ -	\$ 83
<b>LIABILITIES</b>				
Due to other governmental units and agencies	\$ 83	\$ -	\$ -	\$ 83
 <b>CENTRAL ILLINOIS SCIENCE EDUCATORS (C.I.S.E.) FUND</b>				
<b>ASSETS</b>				
Cash	\$ 2,190	\$ 242	\$ 592	\$ 1,840
<b>LIABILITIES</b>				
Due to other governmental units and agencies	\$ 2,190	\$ 242	\$ 592	\$ 1,840

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2005

	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
<b>CRIMINAL BACKGROUND CHECKS</b>				
<b>ASSETS</b>				
Cash	\$ 215		\$ 215	\$ -
Due from other governmental units and agencies	-	7,211	1,733	5,478
	-	7,211	1,733	5,478
Total assets	\$ 215	\$ 7,211	\$ 1,948	\$ 5,478
<b>LIABILITIES</b>				
Due to other governmental units and agencies	\$ 215	\$ 7,211	\$ 1,948	\$ 5,478
 <b>ANSWERS</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 247,171	\$ 113,150	\$ 134,021
Due from other governmental units and agencies	-	6,413	-	6,413
	-	6,413	-	6,413
Total assets	\$ -	\$ 253,584	\$ 113,150	\$ 140,434
<b>LIABILITIES</b>				
Due to other governmental units and agencies	\$ -	\$ 253,584	\$ 113,150	\$ 140,434
 <b>TOTAL - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash	\$ 42,923	\$ 8,671,136	\$ 8,565,088	\$ 148,971
Due from other governmental units and agencies	64,825	326,651	66,558	324,918
	64,825	326,651	66,558	324,918
Total assets	\$ 107,748	\$ 8,997,787	\$ 8,631,646	\$ 473,889
<b>LIABILITIES</b>				
Due to other governmental units and agencies	\$ 107,748	\$ 8,997,787	\$ 8,631,646	\$ 473,889

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES  
DISTRIBUTIVE FUND  
For the Year Ended June 30, 2005

	Peoria School #150	Special Education Association	Area III Learning Technology Hub	Two Rivers Professional Development Center	TARGET	Regional Office of Education	Total
General State Aid	\$ 339,984	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 339,984
Special Education Association	-	4,109,247	-	-	-	-	4,109,247
School Bus Driver Training	-	-	-	-	-	1,200	1,200
Truants Alternative/Optional Education	-	-	-	-	191,950	-	191,950
ROE/ISC Operations	-	-	-	145,501	-	-	145,501
Supervisory Expense	-	-	-	-	-	1,000	1,000
Technology for Schools - Networks Coordination & Services Grant	-	-	271,175	-	-	-	271,175
Standards and Assessments	-	-	-	559,088	-	-	559,088
Title VI SEA	-	-	-	40,000	-	-	40,000
School Improvement	-	-	-	1,444,274	-	-	1,444,274
Title I Reading 1st Part B SEA Funds	-	-	-	15,052	-	-	15,052
Reading First Super Region	-	-	-	29,847	-	-	29,847
Reading First Phase 2	-	-	-	38,461	-	-	38,461
Title II ESEA	-	-	-	119,222	-	-	119,222
Math/Science Partnership	-	-	-	204,718	-	-	204,718
Enhancing Education through Technology Competitive Grant	-	-	839,634	-	-	-	839,634
Title II Teacher Quality Leadership Grant	-	-	-	100,778	-	-	100,778
<b>TOTAL</b>	<u>\$ 339,984</u>	<u>\$ 4,109,247</u>	<u>\$ 1,110,809</u>	<u>\$ 2,696,941</u>	<u>\$ 191,950</u>	<u>\$ 2,200</u>	<u>\$ 8,451,131</u>

FEDERAL COMPLIANCE SECTION

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended June 30, 2005

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	CFDA Number	Project # (1st Eight Digits) or Contract #	Federal Expenditures July 1, 2004 through June 30, 2005	Obligations/ Encumbrances	Final Status	Amount Provided to Subrecipients
U.S. DEPARTMENT OF EDUCATION						
Passed through Illinois State Board of Education:						
Title I - Reading First Part B SEA Funds	84.357A	2005-4337-00	20,567	-	20,567	-
Title I - Reading First Part B SEA Funds	84.357A	2005-4337-02	36,967	-	36,967	-
Total Title I - Reading First Part B SEA Funds			57,534	-	57,534	-
Technology - Enhancing Education - Competitive (*)	84.318X	2005-4972-00	1,136,479	1,983	1,138,462	-
Title I - School Improvement and Accountability (*)	84.010A	2005-4331-SS	453,993	6,725	460,718	244,526
Title II - Teacher Quality Leadership Grant	84.367A	2005-4935-SS	239,559	-	239,559	113,954
Title V - Innovative Programs - SEA Projects	84.298A	2005-4105-SS	24,980	-	24,980	-
Mathematics & Science Partnerships	84.366B	2005-4936-00	167,062	24,267	191,329	-
Total passed through Illinois State Board of Education			2,079,607	32,975	2,112,582	358,480
Passed through Regional Office of Education #11:						
Standards Aligned Classroom - Statewide Professional Development	84.298A	2005-4999-00	302,216	-	302,216	121,213
Passed through Regional Office of Education #26:						
Education for Homeless Children and Youth	84.196A	2005-4920-00	60,000	-	60,000	-
Passed through Regional Office of Education #51:						
Title I - Reading First Part B SEA Funds	84.357A	2005-4337-01	71,490	8,715	80,205	-
Title I - Reading First Part B SEA Funds	84.357A	2005-4337-04	22,658	-	22,658	-
Total Title I - Reading First Part B SEA Funds			94,148	8,715	102,863	-
Passed through the Illinois Community College Board:						
Adult Education State Grant Program	84.002A	514AB	19,760	-	19,760	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Passed through Illinois State Board of Education						
Temporary Assistance for Needy Families -						
Regional Safe Schools - General State Aid (*)	93.558	2005-3001-93	\$ 56,664	\$ -	\$ 56,664	\$ 56,664
Regional Safe Schools Program (*)	93.558	2005-3696-00	30,605	-	30,605	30,605
Total Temporary Assistance for Needy Families			87,269	-	87,269	87,269
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 2,643,000	\$ 41,690	\$ 2,684,690	\$ 566,962

(\*) = 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, 2005

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Peoria County Regional Office of Education #48 (ROE) 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.

2. SUBRECIPIENTS

Of the federal expenditures presented in the schedule, ROE #48 provided federal awards to subrecipients as follows:

Regional Safe Schools Program operated under Temporary Assistance to Needy Families	93.558	\$ 87,269
Title I – School Improvement and Accountability	84.010A	\$244,526
Title II – Teacher Quality Leadership Grant	84.367A	\$113,954
Standards Aligned Classroom - Statewide Professional Development	84.298A	\$121,213

3. DESCRIPTION OF MAJOR FEDERAL PROGRAMS

The primary goal of the Technology-Enhancing Education-Competitive Program is to improve student academic achievement through the use of technology in elementary and secondary schools. It is designed to assist every student in becoming technologically literate by the end of eighth grade. The purpose of the program is, among other things, to assist States and localities in implementing and supporting a comprehensive system that effectively uses technology in elementary and secondary schools to improve student academic achievement.

The primary goal of the Regional Safe Schools Program operated under Temporary Assistance for Needy Families is to provide time-limited assistance to needy families with children so that the children can be cared for in their own homes or in the homes of relatives; end dependence of needy parents on government benefits by promoting job preparation, work, and marriage; prevent and reduce out-of-wedlock pregnancies, including establishing prevention and reduction goals/ and encourage the formation and maintenance of two-parent families. The Regional Safe Schools Program provides an alternative public school program for students that are disruptive in a traditional public school environment. The focus is on the core curriculum using technological resources and instruction that is individualized to meet the students' needs.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48

NOTES TO THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS

For the Year Ended June 30, 2005

DESCRIPTION OF MAJOR FEDERAL PROGRAMS (Continued)

The primary goals of the Title I School Improvement and Accountability program are to provide funds for programs that will help children who are both academically challenged and reside in areas with high concentrations of children with low income families meet academic standards. These activities can consist of instructional, counseling, or mentoring programs.

4. NON-CASH ASSISTANCE

The Peoria County Regional Office of Education #48 did not receive any Federal awards involving non-cash assistance with continuing compliance requirements.

5. AMOUNT OF INSURANCE

The Peoria County Regional Office of Education #48 did not receive any Federal awards involving insurance with continuing compliance requirements.

6. LOANS OR LOAN GUARANTEES OUTSTANDING

The Peoria County Regional Office of Education #48 did not receive any Federal awards involving loans or loan guarantees with continuing compliance requirements.