

**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, 2013**

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

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

Regional Superintendent
(Current and During the Audit Period)

Mr. Gerald M. Brookhart

Assistant Regional Superintendent
(Current and During the Audit Period)

Ms. Elizabeth Crider Derry

Offices are located at:

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
COMPLIANCE REPORT SUMMARY

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

AUDITOR'S REPORTS

The auditor's reports on compliance and internal control 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	2	2
Repeated audit findings	2	2
Prior recommendations implemented or not repeated	0	1

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
2013-001	13a	Inadequate Internal Controls Over Compliance	Material Weakness
2013-002	13c	Controls Over Financial Statement Preparation	Material Weakness

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
2013-001	13a	Inadequate Internal Controls Over Compliance	Material Weakness

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

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)

None

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)

None

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on August 30, 2013. Attending were Gerald Brookhart, Regional Superintendent, and Michelle D. Smith, Partner, Kemper CPA Group LLP. Responses to the recommendations were provided by Gerald Brookhart, Regional Superintendent.

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

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Peoria County Regional Office of Education #48, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Peoria County Regional Office of Education #48's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Peoria County Regional Office of Education #48, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Illinois Municipal Retirement Fund Schedule of Funding Progress, and Other Post Employment Benefits Schedule of Funding Progress on pages 17a-17g, 59, and 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Peoria County Regional Office of Education #48's financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2013, 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* in considering the Peoria County Regional Office of Education #48's internal control over financial reporting and compliance.

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Evansville, Indiana
December 16, 2013



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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Peoria County Regional Office of Education #48, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Peoria County Regional Office of Education #48's basic financial statements, and have issued our report thereon dated December 16, 2013.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in the accompanying Schedule of Findings and Questioned Costs as items 2013-001 and 2013-002 to be material weaknesses.

Compliance and Other Matters

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

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

Peoria County Regional Office of Education #48's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Peoria County Regional Office of Education #48's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

Kemper CPA Group LLP

Certified Public Accountants and Consultants

Evansville, Indiana
December 16, 2013

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Honorable William G. Holland
Auditor General
State of Illinois

Report on Compliance for Each Major Federal Program

We have audited the Peoria County Regional Office of Education #48's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Peoria County Regional Office of Education #48's major federal programs for the year ended June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Peoria County Regional Office of Education #48's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Peoria County Regional office of Education #48's compliance.

Opinion on Each Major Federal Program

In our opinion, the Peoria County Regional Office of Education #48 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001 to be a material weakness.

Peoria County Regional Office of Education #48's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Peoria County Regional Office of Education #48's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Kemper CPA Group LLP

Certified Public Accountants and Consultants
Evansville, Indiana
December 16, 2013

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2013

SECTION 1 – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
● Material weaknesses identified?	Yes
● Significant deficiency identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
● Material weakness identified?	Yes
● Significant deficiency identified?	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	No

Identification of major programs:	
CFDA Number(s)	Name of Federal Program or Cluster
84.010A	Title I Grants to Local Educational Agencies System of Support (Title I – School Improvement and Accountability)

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as a low-risk auditee?	No

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding No. 2013-001– Inadequate Internal Controls over Compliance (Partial repeat of 12-1 and 11-1)

Federal Program Name: Title I Grants to Local Educational Agencies

Project #'s: 13-4331-SS, 12-4331-SS

CFDA#: 84.010A

Passed Through: Illinois State Board of Education

Federal Agency: U.S. Department of Education

Criteria/Specific Requirement:

As a recipient of federal, State, and local funds from various grantor agencies, the Regional Office must incorporate certain procedures into their operations in order to comply with the grant agreements with these entities. In addition, the Regional Office must supply any subrecipients of its federal awards with certain information on the related federal program. For any subrecipients to whom the Regional Office paid \$25,000 or more, the Regional Office must also report the amount of funding provided in accordance with the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282) on the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Condition:

1. During testing of information provided to subrecipients of this program, it was noted that the information did not include the name of the awarding federal agency or the Data Universal Numbering System (DUNS) number of the subrecipient.
2. During testing of subrecipient reporting, it was noted that the Regional Office did not report amounts paid to subrecipients receiving more than \$25,000 in the Federal Funding Accountability and Transparency Act Subaward Reporting System.

Questioned Costs:

There are no questioned costs associated with either of the conditions noted.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 2013-001– Inadequate Internal Controls over Compliance (Partial Repeat of 12-1 and 11-1) (Concluded)

Context:

1. N/A
2. The Regional Office granted subawards of more than \$25,000 to five subrecipients.

Effect:

The Regional Office was not in compliance with the requirements of this federal program.

Cause:

According to Regional Office management:

1. The Regional Office staff was not aware of the requirement to include the DUNS number in subrecipient agreements.
2. The Regional Office was not aware of the requirement to report this information to the FSRS.

Recommendation:

1. Regional Office staff should review all compliance requirements related to information required to be communicated to subrecipients prior to sending any federal funding to the subrecipients.
2. The Regional Office should have procedures in place to ensure all subrecipients who receive more than \$25,000 in subawards from the Regional Office are reported to the FSRS.

Management's Response:

1. The Regional Office will review all compliance requirements to ensure that proper communication to subrecipients is being made in a timely manner.
2. The Regional Office will notify FSRS when any subawards totaling \$25,000 or more are made to a subrecipient.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

Finding No. 2013-002– Controls Over Financial Statement Preparation (Repeat of Finding 12-2, 11-2, 10-2, 09-3, 08-3 and 07-1)

Criteria/Specific Requirement:

The Regional Office of Education #48 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office of Education #48's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

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

Condition:

The Regional Office of Education #48 does not have sufficient internal controls over the financial reporting process. The Regional Office of Education #48 maintains its accounting records on cash basis accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Regional Office of Education #48 maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the Regional Office of Education #48's financial information prepared by the Regional Office of Education #48, the following was noted:

- The Regional Office's financial information required material adjusting entries in order to present its financial statements in accordance with generally accepted accounting principles. Proposed adjusting entries were approved and accepted by Regional Office management.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

SECTION II - FINANCIAL STATEMENT FINDINGS (Concluded)

Finding No. 2013-002– Controls Over Financial Statement Preparation (Repeat of Finding 12-2, 11-2, 10-2, 09-3, 08-3 and 07-1) (Concluded)

Effect:

The Regional Office of Education #48 management or its employees, in the normal course of performing their assigned functions, may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

Cause:

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

Recommendation:

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

Management's Response:

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

INSTANCES OF NONCOMPLIANCE:

None

MATERIAL WEAKNESSES:

Finding No. 2013-001 – Inadequate Internal Controls over Compliance (details on pages 13a-13b)

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

Corrective Action Plan

Finding No. 2013-001– Inadequate Internal Controls over Compliance (Partial Repeat of 12-1 and 11-1)

Condition:

1. During testing of information provided to subrecipients of this program, it was noted that the information did not include the name of the awarding federal agency or the Data Universal Numbering System (DUNS) number of the subrecipient.
2. During testing of subrecipient reporting, it was noted that the Regional Office did not report amounts paid to subrecipients receiving more than \$25,000 in the Federal Funding Accountability and Transparency Act Subaward Reporting System.

Plan:

1. The Regional Office will review all compliance requirements to ensure that proper communication to subrecipients is being made in a timely manner.
2. The Regional Office will notify FSRS when any subawards totaling \$25,000 or more are made to a subrecipient.

Anticipated Date of Completion:

Immediately upon learning of oversight.

Name of Contact Person:

Honorable Gerald Brookhart, Regional Superintendent of Schools

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

Corrective Action Plan (Concluded)

Finding No. 2013-002– Controls Over Financial Statement Preparation (Repeat of Finding 12-2, 11-2, 10-2, 09-3, 08-3 and 07-1)

Condition:

The Regional Office of Education #48 does not have sufficient internal controls over the financial reporting process. The Regional Office of Education #48 maintains its accounting records on cash basis accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Regional Office of Education #48 maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the Regional Office of Education #48's financial information prepared by the Regional Office of Education #48, the following was noted:

- The Regional Office's financial information required material adjusting entries in order to present its financial statements in accordance with generally accepted accounting principles. Proposed adjusting entries were approved and accepted by Regional Office management.

Plan:

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

Anticipated Date of Completion:

Immediately upon learning of oversight.

Name of Contact Person:

Honorable Gerald Brookhart, Regional Superintendent of Schools

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
12-1	Inadequate Internal Controls Over Compliance	Partially Repeated as Finding 2013-001
12-2	Controls Over Financial Statement Preparation	Repeated as Finding 2013-002

MANAGEMENT'S DISCUSSION AND ANALYSIS

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

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 2013 that ended on June 30, 2013. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements that follow.

2013 FINANCIAL HIGHLIGHTS

- Within the Governmental Funds, the General Fund revenues decreased by \$64,999 from \$2,069,156 in fiscal year 2012 to \$2,004,157 in fiscal year 2013. General Fund expenditures increased by \$35,027 from \$2,021,305 in fiscal year 2012 to \$2,056,332 in fiscal year 2013. The decrease in revenues is a result of a decrease in state grant funding. An increase of expenditures relates to typical overhead increases at the Peoria Regional High School.
- Within the Governmental Funds, the Special Revenue Fund revenue increased by \$15,556 from \$2,209,124 in fiscal year 2012 to \$2,224,680 in fiscal year 2013. The Special Revenue Fund expenditures increased by \$96,445 from \$2,301,074 in fiscal year 2012 to \$2,397,519 in fiscal year 2013. There was an increase of expenditures due to general operations of the Regional Office of Education.

USING THIS REPORT

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

REPORTING THE OFFICE AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

The two government-wide statements report the Office's net position and how it has changed. Net position (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 position can be an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the Regional Office's overall health, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the state level need to be considered.

The government-wide financial statements present the 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 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.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

REPORTING THE OFFICE AS A WHOLE (CONTINUED)

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

- 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's enterprise funds include the following: Local Workshops Fund, Illinois Virtual School Fund, and various other non-major enterprise funds.

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

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

OFFICE-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve, when examined over time, as one indicator of the financial position of the Regional Office. The net position at the end of fiscal year 2013 totaled \$3,190,078. At the end of fiscal year 2012, the net position was \$3,650,251. The analysis that follows provides a summary of the Office's net position as of June 30, 2013 and June 30, 2012, for the governmental and business-type activities.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Current assets	\$ 960,679	\$ 675,269	\$ 2,690,366	\$ 3,132,462	\$ 3,651,045	\$ 3,807,731
Capital assets	74,289	62,392	24,908	35,864	99,197	98,256
Total assets	<u>1,034,968</u>	<u>737,661</u>	<u>2,715,274</u>	<u>3,168,326</u>	<u>3,750,242</u>	<u>3,905,987</u>
Current liabilities	483,946	168,529	76,218	83,823	560,164	252,352
Noncurrent liabilities	-	-	-	3,384	-	3,384
Total liabilities	<u>483,946</u>	<u>168,529</u>	<u>76,218</u>	<u>87,207</u>	<u>560,164</u>	<u>255,736</u>
Net position:						
Invested in capital assets, net of related debt	74,289	62,392	24,908	27,610	99,197	90,002
Unrestricted	234,340	293,855	2,614,148	3,053,509	2,848,488	3,347,364
Restricted for educational purposes	242,393	212,885	-	-	242,393	212,885
Total net position	<u>\$ 551,022</u>	<u>\$ 569,132</u>	<u>\$ 2,639,056</u>	<u>\$ 3,081,119</u>	<u>\$ 3,190,078</u>	<u>\$ 3,650,251</u>

The Peoria County Regional Office of Education's net position decreased by \$460,173 from FY12. Net position decreased due to reduced grant funding in the State of Illinois grants administered by the Regional Office of Education.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2012	2013	2012	2013	2012	2013
Revenues:						
Program revenues						
Charges for services	\$ -	\$ -	\$ 2,571,453	\$ 1,613,018	\$ 2,571,453	\$ 1,613,018
Operating grants and contributions	2,028,169	1,827,138	-	-	2,028,169	1,827,138
General revenues						
Local sources	368,444	290,408	-	-	368,444	290,408
State sources	997,566	1,138,936	-	-	997,566	1,138,936
Investment earnings	42	23	170	114	212	137
On behalf payments	941,548	990,309	-	-	941,548	990,309
Loss on disposal of assets	(874)	(3,060)	(5,530)	(4,514)	(6,404)	(7,574)
Transfers	2,324	177,030	(2,324)	(177,030)	-	-
Total revenues	<u>\$ 4,337,219</u>	<u>\$ 4,420,784</u>	<u>\$ 2,563,769</u>	<u>\$ 1,431,588</u>	<u>\$ 6,900,988</u>	<u>\$ 5,852,372</u>
Expenses:						
Program expenses						
Salaries and benefits	\$ 1,477,103	\$ 1,360,169	\$ 1,255,809	\$ 1,300,405	\$ 2,732,912	\$ 2,660,574
Purchased services	715,243	635,993	561,575	529,853	1,276,818	1,165,846
Supplies and materials	71,620	55,160	16,130	11,923	87,750	67,083
Payments to other governments	1,073,401	1,328,058	21,121	1,844	1,094,522	1,329,902
Capital outlay	-	-	-	-	-	-
Depreciation expense	51,400	37,777	12,685	14,728	64,085	52,505
Other objects	5,261	31,428	401	648	5,662	32,076
Bad debt expense	-	-	45,350	14,250	45,350	14,250
Interest expense	-	-	539	-	539	-
Administrative expenses						
On-behalf payments - Local	294,982	275,988	-	-	294,982	275,988
On-behalf payments - State	646,566	714,321	-	-	646,566	714,321
Total expenses	<u>\$ 4,335,576</u>	<u>\$ 4,438,894</u>	<u>\$ 1,913,610</u>	<u>\$ 1,873,651</u>	<u>\$ 6,249,186</u>	<u>\$ 6,312,545</u>
Change in net position	\$ 1,643	\$ (18,110)	\$ 650,159	\$ (442,063)	\$ 651,802	\$ (460,173)
Net position beginning of year	567,489	569,132	2,430,960	3,081,119	2,998,449	3,650,251
Net position end of year	<u>\$ 569,132</u>	<u>\$ 551,022</u>	<u>\$ 3,081,119</u>	<u>\$ 2,639,056</u>	<u>\$ 3,650,251</u>	<u>\$ 3,190,078</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

Governmental Activities

Revenues for governmental activities were \$4,420,784 and expenses were \$4,438,894 for the year ended June 30, 2013. Revenues for governmental activities were \$4,337,219 and expenses were \$4,335,576 for the year ended June 30, 2012. The increase in revenues and expenditures is due primarily to the student population increase at the Peoria Regional High School. Also, the Preschool for All grant, a State of Illinois grant, was received again in FY13.

Business-type Activities

Revenues for business-type activities were \$1,431,588 and expenses were \$1,873,651 for the year ended June 30, 2013. Revenues for business-type activities were \$2,563,769 and expenses were \$1,913,610 for the year ended June 30, 2012. The decrease in revenues is due primarily to a decrease in subscription revenue for the Illinois Virtual School.

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

As previously noted, the Peoria County Regional Office of Education #48 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Regional Office's Governmental Funds reported combined fund balances of \$185,093 at June 30, 2013 compared to fiscal year 2012's ending fund balance of \$233,054. There was a decrease in fund balances due to the general operations of the Regional Office of Education.

Budgetary Highlights

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

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, 2013, Peoria County Regional Office of Education #48 purchased assets totaling \$61,020 and disposed of assets totaling \$150,143, resulting in an ending balance of \$510,042. In addition, the Peoria County Regional Office of Education #48 has adopted a depreciation schedule that reflects the level of Net Governmental Activities Capital Assets. More detailed information about capital assets is available in Note 7 of the financial statements.

Economic Factors and Next Year's Budget

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

- Due to continuing uncertainties in funding from the State of Illinois, all State-funded grant programs for FY14 have been voluntarily eliminated or reduced by the Peoria Regional Office of Education except those that are self-sustaining through district and local workshops and grants.
- The Regional Office will continue in FY14 as the primary administrator and fiscal agent for the \$1.2 million Illinois Virtual School project for the entire State of Illinois, including Chicago.
- The Regional Office of Education was not selected to continue to be the fiscal agent for a nearly one million dollar Statewide System of Support grant issued by the Illinois State Board of Education for FY14.

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 POSITION
JUNE 30, 2013

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 483,962	\$ 1,937,905	\$ 2,421,867
Due (to) from other funds	(369,479)	369,479	-
Due from other governments:			
Local, net of allowance	6,201	365,259	371,460
State	92,892	-	92,892
Federal	736,231	-	736,231
Prepaid expenses	10,872	17,723	28,595
Total current assets	<u>960,679</u>	<u>2,690,366</u>	<u>3,651,045</u>
NONCURRENT ASSETS:			
Capital assets, net of depreciation	<u>74,289</u>	<u>24,908</u>	<u>99,197</u>
TOTAL ASSETS	<u>1,034,968</u>	<u>2,715,274</u>	<u>3,750,242</u>
LIABILITIES			
CURRENT LIABILITIES:			
Accounts payable	329,763	20,345	350,108
Lease payable	-	3,147	3,147
Accrued payroll and employee benefits	77	52,726	52,803
Due to other governments:			
State	153,907	-	153,907
Unearned revenue	199	-	199
Total current liabilities	<u>483,946</u>	<u>76,218</u>	<u>560,164</u>
TOTAL LIABILITIES	<u>483,946</u>	<u>76,218</u>	<u>560,164</u>
NET POSITION			
Invested in capital assets, net of related debt	74,289	24,908	99,197
Unrestricted	234,340	2,614,148	2,848,488
Restricted for educational purposes	242,393	-	242,393
TOTAL NET POSITION	<u>\$ 551,022</u>	<u>\$ 2,639,056</u>	<u>\$ 3,190,078</u>

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT:						
Governmental Activities:						
Instructional Services:						
Salaries and benefits	\$ 1,360,169	\$ -	\$ 648,413	\$ (711,756)	\$ -	\$ (711,756)
Purchased services	635,993	-	214,003	(421,990)	-	(421,990)
Supplies and materials	55,160	-	38,481	(16,679)	-	(16,679)
Other objects	31,428	-	130	(31,298)	-	(31,298)
Depreciation	37,777	-	-	(37,777)	-	(37,777)
Capital outlay	-	-	52,734	52,734	-	52,734
Payments to other governments	1,328,058	-	873,377	(454,681)	-	(454,681)
Administrative:						
On-behalf payments - Local	275,988	-	-	(275,988)	-	(275,988)
On-behalf payments - State	714,321	-	-	(714,321)	-	(714,321)
Total Governmental Activities	<u>4,438,894</u>	<u>-</u>	<u>1,827,138</u>	<u>(2,611,756)</u>	<u>-</u>	<u>(2,611,756)</u>
Business-type Activities:						
Registration fees	187,039	96,147	-	-	(90,892)	(90,892)
Local revenues	33,116	59,508	-	-	26,392	26,392
Tuition and subscriptions	1,653,496	1,457,363	-	-	(196,133)	(196,133)
Total Business-type Activities	<u>1,873,651</u>	<u>1,613,018</u>	<u>-</u>	<u>-</u>	<u>(260,633)</u>	<u>(260,633)</u>
Total Primary Government	<u>\$ 6,312,545</u>	<u>\$ 1,613,018</u>	<u>\$ 1,827,138</u>	<u>(2,611,756)</u>	<u>(260,633)</u>	<u>(2,872,389)</u>
General Revenues:						
Local sources				290,408	-	290,408
State sources				1,138,936	-	1,138,936
On-behalf payments - Local				275,988	-	275,988
On-behalf payments - State				714,321	-	714,321
Loss on disposal of equipment				(3,060)	(4,514)	(7,574)
Investment income				23	114	137
Transfers				177,030	(177,030)	-
Total General Revenues and Transfers				<u>2,593,646</u>	<u>(181,430)</u>	<u>2,412,216</u>
Change in net position				<u>(18,110)</u>	<u>(442,063)</u>	<u>(460,173)</u>
Net Position - beginning				<u>569,132</u>	<u>3,081,119</u>	<u>3,650,251</u>
Net Position - ending				<u>\$ 551,022</u>	<u>\$ 2,639,056</u>	<u>\$ 3,190,078</u>

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	General Fund	Education Fund	Other NonMajor Funds	Eliminations	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 214,403	\$ 83,617	\$ 185,942	\$ -	\$ 483,962
Due from other funds	30,289	-	-	(30,289)	-
Due from other governments:					
Local	6,040	-	161	-	6,201
State	9,995	82,897	-	-	92,892
Federal	-	736,231	-	-	736,231
Prepaid expenses	995	9,877	-	-	10,872
TOTAL ASSETS	\$ 261,722	\$ 912,622	\$ 186,103	\$ (30,289)	\$ 1,330,158
LIABILITIES:					
Accounts payable	\$ 12,601	\$ 314,871	\$ 2,291	\$ -	\$ 329,763
Accrued payroll and employee benefits	-	77	-	-	77
Due to other funds	12,554	387,214	-	(30,289)	369,479
Due to other governments:					
State	2,227	151,680	-	-	153,907
Unearned revenue	-	291,839	-	-	291,839
Total liabilities	27,382	1,145,681	2,291	(30,289)	1,145,065
FUND BALANCE (DEFICIT):					
Nonspendable	995	2,377	-	-	3,372
Restricted	-	58,985	183,812	-	242,797
Assigned	205,639	-	-	-	205,639
Unassigned	27,706	(294,421)	-	-	(266,715)
Total fund balance (deficit)	234,340	(233,059)	183,812	-	185,093
TOTAL LIABILITIES AND FUND BALANCE	\$ 261,722	\$ 912,622	\$ 186,103	\$ (30,289)	\$ 1,330,158

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 POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2013

Total fund balances - governmental funds	\$	185,093
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		74,289
Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are not considered "available" revenues and are deferred in the governmental funds.		<u>291,640</u>
Net position of governmental activities	\$	<u>551,022</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 BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Education Fund	Other NonMajor Funds	Eliminations	Total Governmental Funds
REVENUES					
Local sources	\$ 151,957	\$ 21,025	\$ 117,426	\$ -	\$ 290,408
State sources	861,891	762,329	1,200	-	1,625,420
Federal sources	-	1,322,700	-	-	1,322,700
On-behalf payments - Local	275,988	-	-	-	275,988
On-behalf payments - State	714,321	-	-	-	714,321
Total revenues	<u>2,004,157</u>	<u>2,106,054</u>	<u>118,626</u>	<u>-</u>	<u>4,228,837</u>
EXPENDITURES					
Instructional Services					
Salaries and benefits	305,831	1,038,696	15,642	-	1,360,169
Purchased services	194,762	374,407	66,824	-	635,993
Supplies and materials	14,969	30,728	9,463	-	55,160
Other objects	30,703	150	575	-	31,428
Payments to other governments	519,758	808,300	-	-	1,328,058
On-behalf payments - Local	275,988	-	-	-	275,988
On-behalf payments - State	714,321	-	-	-	714,321
Capital outlay	-	52,734	-	-	52,734
Total expenditures	<u>2,056,332</u>	<u>2,305,015</u>	<u>92,504</u>	<u>-</u>	<u>4,453,851</u>
Excess/(Deficiency) of revenues over expenditures	<u>(52,175)</u>	<u>(198,961)</u>	<u>26,122</u>	<u>-</u>	<u>(225,014)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	647	183,446	-	(7,063)	177,030
Transfers out	(4,614)	(2,449)	-	7,063	-
Interest income	9	8	6	-	23
Total other financing sources (uses)	<u>(3,958)</u>	<u>181,005</u>	<u>6</u>	<u>-</u>	<u>177,053</u>
Net change in fund balances	(56,133)	(17,956)	26,128	-	(47,961)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>290,473</u>	<u>(215,103)</u>	<u>157,684</u>	<u>-</u>	<u>233,054</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 234,340</u>	<u>\$ (233,059)</u>	<u>\$ 183,812</u>	<u>\$ -</u>	<u>\$ 185,093</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, 2013

Net change in fund balances \$ (47,961)

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	\$ 52,734	
Depreciation expense	(37,777)	
Loss on disposal of equipment	<u>(3,060)</u>	11,897

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

Current year unavailable revenue

Federal sources	291,640	
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Prior year unavailable revenue

State sources	(1,774)	
Federal sources	<u>(271,912)</u>	<u>17,954</u>

Change in net position of governmental activities \$ (18,110)

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	Business-type Activities Proprietary Funds			Eliminations	Totals
	Local Workshops	Illinois Virtual School	Nonmajor Proprietary Funds		
Assets					
Current assets:					
Cash and cash equivalents	\$ 123,116	\$ 1,578,990	\$ 235,799	\$ -	\$ 1,937,905
Due from other funds	19,177	350,302	-	-	369,479
Due from other governments					
Local, net of allowance	13,344	348,650	3,265	-	365,259
Prepaid expenses	1,046	16,677	-	-	17,723
Total current assets	<u>156,683</u>	<u>2,294,619</u>	<u>239,064</u>	<u>-</u>	<u>2,690,366</u>
Noncurrent assets:					
Capital assets, net of depreciation	1,589	19,637	3,682	-	24,908
Total Assets	<u>158,272</u>	<u>2,314,256</u>	<u>242,746</u>	<u>-</u>	<u>2,715,274</u>
Liabilities					
Current liabilities:					
Accounts payable	1,891	18,093	361	-	20,345
Lease payable	3,147	-	-	-	3,147
Accrued payroll liabilities	-	52,726	-	-	52,726
Total current liabilities	<u>5,038</u>	<u>70,819</u>	<u>361</u>	<u>-</u>	<u>76,218</u>
Total Liabilities	<u>5,038</u>	<u>70,819</u>	<u>361</u>	<u>-</u>	<u>76,218</u>
Net Position					
Invested in capital assets, net of related debt	1,589	19,637	3,682	-	24,908
Unrestricted	151,645	2,223,800	238,703	-	2,614,148
Total Net Position	<u>\$ 153,234</u>	<u>\$ 2,243,437</u>	<u>\$ 242,385</u>	<u>\$ -</u>	<u>\$ 2,639,056</u>

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities - Proprietary Funds				Totals
	Local Workshops	Illinois Virtual School	Nonmajor Proprietary Funds	Eliminations	
Operating Revenues					
Registration fees	\$ 96,147	\$ -	\$ -	\$ -	\$ 96,147
Local revenues	-	-	59,508	-	59,508
Tuition and subscriptions	-	1,457,363	-	-	1,457,363
Total Operating Revenues	<u>96,147</u>	<u>1,457,363</u>	<u>59,508</u>	<u>-</u>	<u>1,613,018</u>
Operating Expenses					
Salaries and benefits	99,055	1,200,949	401	-	1,300,405
Purchased services	77,463	421,357	31,033	-	529,853
Supplies and materials	2,134	9,248	541	-	11,923
Payments to other governments	1,844	-	-	-	1,844
Capital outlay	-	-	-	-	-
Other objects	549	-	99	-	648
Bad debt expense	-	14,250	-	-	14,250
Depreciation	5,994	7,692	1,042	-	14,728
Total operating expenses	<u>187,039</u>	<u>1,653,496</u>	<u>33,116</u>	<u>-</u>	<u>1,873,651</u>
Operating Income (Loss)	<u>(90,892)</u>	<u>(196,133)</u>	<u>26,392</u>	<u>-</u>	<u>(260,633)</u>
Nonoperating Revenue (Expense)					
Interest income	7	97	10	-	114
Loss on disposal of equipment	(1,998)	(2,516)	-	-	(4,514)
Total nonoperating revenue (expense)	<u>(1,991)</u>	<u>(2,419)</u>	<u>10</u>	<u>-</u>	<u>(4,400)</u>
Income (Loss) Before Transfers	<u>(92,883)</u>	<u>(198,552)</u>	<u>26,402</u>	<u>-</u>	<u>(265,033)</u>
Transfers in	1,025	366,531	-	(41,677)	325,879
Transfers out	(234,747)	(309,839)	-	41,677	(502,909)
Total transfers	<u>(233,722)</u>	<u>56,692</u>	<u>-</u>	<u>-</u>	<u>(177,030)</u>
Change in Net Position	(326,605)	(141,860)	26,402	-	(442,063)
Net Position- Beginning of year	<u>479,839</u>	<u>2,385,297</u>	<u>215,983</u>	<u>-</u>	<u>3,081,119</u>
Net Position - End of year	<u>\$ 153,234</u>	<u>\$ 2,243,437</u>	<u>\$ 242,385</u>	<u>\$ -</u>	<u>\$ 2,639,056</u>

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities			Totals
	Proprietary Funds			
	Local Workshops	Illinois Virtual School	Nonmajor Proprietary Funds	
Cash Flows from Operating Activities				
Receipts from customers	\$ 95,179	\$ 1,839,527	\$ 58,511	\$ 1,993,217
Payments to suppliers and providers of goods and services	(82,320)	(454,506)	(31,312)	(568,138)
Payments to employees	(99,055)	(1,193,108)	(401)	(1,292,564)
Net cash provided by (used for) operating activities	(86,196)	191,913	26,798	132,515
Cash Flows from Capital and Related Financing Activities				
Acquisition of capital assets	-	(3,562)	-	(3,562)
Principal paid on lease obligations	(4,568)	-	-	(4,568)
Interest paid on lease obligations	(539)	-	-	(539)
Net cash (used for) capital and related financing activities	(5,107)	(3,562)	-	(8,669)
Cash Flows from Investing Activities				
Interest earned from investments	7	97	10	114
Purchase of equipment	-	-	(4,724)	(4,724)
Net cash provided by (used for) investing activities	7	97	(4,714)	(4,610)
Cash Flows from Noncapital Financing Activities				
Cash payments to other funds	(234,747)	(309,839)	-	(544,586)
Cash payments from other funds	120,473	326,583	-	447,056
Net cash provided by (used for) noncapital financing activities	(114,274)	16,744	-	(97,530)
Net increase (decrease) in cash and cash equivalents	(205,570)	205,192	22,084	21,706
Cash and cash equivalents - Beginning of year	328,686	1,373,798	213,715	1,916,199
Cash and cash equivalents - End of year	\$ 123,116	\$ 1,578,990	\$ 235,799	\$ 1,937,905
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (90,892)	\$ (196,133)	\$ 26,392	\$ (260,633)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	5,994	7,692	1,042	14,728
Provision for bad debt	-	14,250	-	14,250
(Increase)/decrease in assets:				
Prepaid expenses	(498)	(9,649)	-	(10,147)
Due from other governments	(968)	382,164	(997)	380,199
Increase/(decrease) in liabilities:				
Accrued payroll	-	7,841	-	7,841
Accounts payable	168	(14,252)	361	(13,723)
Net cash provided by (used for) operating activities	\$ (86,196)	\$ 191,913	\$ 26,798	\$ 132,515

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	Peoria Promise Foundation Private Purpose Trust Fund	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ -	\$ 24,637
Due from other governments	9,584	640,916
	<u> </u>	<u> </u>
TOTAL ASSETS	9,584	\$ 665,553
	<u> </u>	<u> </u>
LIABILITIES		
Due to other governments	\$ -	\$ 665,553
Accounts payable	8,329	-
	<u> </u>	<u> </u>
TOTAL LIABILITIES	8,329	\$ 665,553
	<u> </u>	<u> </u>
NET POSITION		
Reserved for scholarships	\$ 1,255	
	<u> </u>	

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Peoria Promise Foundation Private Purpose Trust Fund
ADDITION	
Donations	\$ 79,014
DEDUCTION	
Salaries and benefits	<u>73,979</u>
CHANGE IN NET POSITION	5,035
NET POSITION, BEGINNING OF YEAR	<u>(3,780)</u>
NET POSITION, END OF YEAR	<u><u>\$ 1,255</u></u>

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. DATE OF MANAGEMENT’S REVIEW

The Peoria County Regional Office of Education #48 has evaluated subsequent events through December 16, 2013, the date which the financial statements were available to be issued.

B. REPORTING ENTITY

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

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. REPORTING ENTITY (Concluded)

For the period ended June 30, 2013, the Peoria County Regional Office of Education #48 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Peoria County Regional Office of Education #48. Such activities are reported as a single special revenue fund (Education Fund).

C. SCOPE OF THE REPORTING ENTITY

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

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

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

D. NEW ACCOUNTING PRONOUNCEMENTS

In 2013, the Peoria County Regional Office of Education #48 implemented Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession arrangements*; GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB No. 14 and No. 34*, and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The Regional Office of Education #48 implemented these standards during the current year; however, GASB Statement No. 60 and GASB Statement No. 61 had no impact on the financial statements. The implementation of GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Peoria County Regional Office of Education #48's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Peoria County Regional Office of Education #48 has five business-type activities; Local Workshops, Tech Support, Learning Technology Center Technical Training and Support, Aspire, and the Illinois Virtual School. The Local Workshop Fund accounts for fees charged for various workshops and conferences that provide staff development for educators in central and west central Illinois. The Tech Support Fund accounts for monies received related to the Regional Office providing technical support to District 150 and the related payroll expenses. The Learning Technology Center Technical Training and Support fund accounts for monies received to provide training and professional development to area educators. The Aspire fund is used to deliver professional development based on the following initiatives: response to intervention, standards-aligned classroom, and reading literacy. The Illinois Virtual School Fund accounts for tuition and subscription costs charged to schools and the Illinois State Board of Education for use of the Illinois Virtual School (IVS).

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

F. PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

G. GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. GOVERNMENTAL FUND FINANCIAL STATEMENTS (Concluded)

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

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

H. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

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

I. FUND ACCOUNTING

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

GOVERNMENTAL FUNDS

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

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

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

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

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

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

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

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

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

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

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

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

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

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

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

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

Major special revenue funds include the following:

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

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

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

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

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

Title I Grants to Local Educational Agencies -System of Support (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.

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

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

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Concluded)

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

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

Standard Aligned Classroom – To account for monies received from Regional Office of Education #11 for expenditures for State Standard Aligned Classroom initiatives and salaries.

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

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

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

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

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

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

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

Target Local – To account for local funding that helps to augment the ability to deliver services to District 150 by supporting the caseworkers that work directly with the school district to handle truancy and attendance issues.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUNDS

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

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

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

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIDUCIARY FUNDS

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

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

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

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

Career & Technical Ed Improvement (PERFECT) - To account for the pass-through of monies from the Illinois State Board of Education to agencies to conduct vocational programs for students.

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

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

Private Purpose Trust Funds – Private Purpose Trust Funds are used to account for assets that are received for a specific purpose. Private Purpose Trust Funds include the following:

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

J. GOVERNMENTAL FUND BALANCES

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. GOVERNMENTAL FUND BALANCES (Concluded)

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

Nonspendable Fund Balance – the portion of a Governmental Fund’s net position that are not available to be spent, either short term or long term, in either form or through legal restrictions. Amounts representing prepaid expenses have been classified as nonspendable funds. The following accounts comprise nonspendable fund balance: Communities for Youth Truants Alternative, Intel Teach Affiliate Grant, Peoria Regional High School – General State Aid, Special Education – IDEA Part D, Preschool for All Children and Learning Technology Center General Operations.

Restricted Fund Balance – the portion of a Governmental Fund’s net position that are subject to external enforceable legal restrictions. The following fund balances are restricted by grant agreements or contracts: ROE/ISC Operations, Special Education – IDEA Part D, and Intel Teach Affiliate Grant. The following funds are restricted by Illinois Statute: Bus Driver Training, Institute, General Education Development, Upward SOS, and Supervisory.

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

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

Unassigned Fund Balance – available expendable resources in a governmental fund that are not designated for a specific purpose. The unassigned fund balance is made up of the following: ROE Local Fund, Lincoln Senior Award, Spring Celebration, Directory, Peoria Regional High School – General State Aid, McKinney-Vento Education for Homeless Children and Youth, Learning Technology Center General Operations, Title I School Improvement and Accountability, Principal Mentoring, and Preschool for All Children.

K. NET POSITION

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

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

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. CASH AND CASH EQUIVALENTS

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

M. INVENTORY

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

N. CAPITAL ASSETS

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

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

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

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

O. COMPENSATED ABSENCES

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

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

P. USE OF ESTIMATES

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

Q. BUDGET DATA

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

Budgetary comparison schedules have been provided in supplementary schedules for the following funds: ROE/ISC Operations, Adult Education Basic, Adult Education Performance, Upward SOS, Communities for Youth Truants Alternative, McKinney-Vento Education for Homeless Children and Youth, Learning Technology Center General Operations, Title I School Improvement and Accountability, Preschool for All Children, Regional Safe Schools, and Title II – Teacher Quality – Leadership Grant.

NOTE 2 – DEPOSITS AND INVESTMENTS

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

A. DEPOSITS

At June 30, 2013, the carrying amount of the Peoria County Regional Office of Education #48's government-wide and Agency fund deposits were \$2,421,867 and \$24,637, respectively, and the bank balances were \$491,359 and \$24,637, respectively. Of the total bank balances as of June 30, 2013, \$250,000 was secured by federal depository insurance and \$241,359 was collateralized by securities pledged by the Peoria County Regional Office of Education #48's financial institution in the name of the Regional Office.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 2 – DEPOSITS AND INVESTMENTS (Concluded)

B. INVESTMENTS

The Peoria County Regional Office of Education #48 does not have a formal investment policy but requires that funds be invested solely in investments authorized by the Public Funds Investment Act, 30 ILCS 235/2. As of June 30, 2013, the Peoria County Regional Office of Education #48 had investments with a carrying and fair value of \$2,177,645 invested in the Illinois School District Liquid Asset Fund Plus.

CREDIT RISK

At June 30, 2013, the Illinois School District Liquid Asset Fund Plus (ISDLAF+) had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. The investment advisor for ISDLAF+ is a corporation organized under the laws of the State of Illinois and is registered with the Securities and Exchange Commission. All investments are fully collateralized.

INTEREST RATE RISK

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

CONCENTRATION OF CREDIT RISK

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

NOTE 3 – DEFINED BENEFIT PENSION PLAN

Plan Description. The Regional Office of Education #48's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #48's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

Funding Policy. As set by statute, the Peoria County Regional Office of Education #48's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2012 was 8.64 percent. The Peoria County Regional Office of Education #48 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2012 was \$25,265.

A. THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

Calendar Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/12	\$ 25,265	100%	\$0
12/31/11	29,014	100%	0
12/31/10	36,196	100%	0

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00% a year, attributable to inflation, c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3% annually. The actuarial value of the Peoria County Regional Office of Education #48's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Peoria County Regional Office of Education #48's Regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 10 year basis.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Concluded)

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 95.99 percent funded. The actuarial accrued liability for benefits was \$254,210 and the actuarial value of assets was \$244,017, resulting in an underfunded actuarial accrued liability (UAAL) of \$10,193. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$292,424 and the ratio of the UAAL to the covered payroll was 3 percent.

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

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

The Peoria County Regional Office of Education #48 participates in the Teachers’ Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor’s approval. The State of Illinois maintains primary responsibility for funding 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 for the year ended June 30, 2013, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after Jan. 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2012 and 2011.

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

On behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the Peoria County Regional Office of Education #48. For the year ended June 30, 2013, State of Illinois contributions were based on 28.05 percent of creditable earnings not paid from federal funds, and the Peoria County Regional Office of Education #48 recognized revenue and expenditures of \$425,754 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2012 and June 30, 2011, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 24.91 percent (\$392,837) and 23.10 percent (\$328,453), respectively.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

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

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

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2013 were \$9,632. Contributions for the years ending June 30, 2012 and June 30, 2011, were \$10,715 and \$10,581, respectively.

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

For the year ended June 30, 2013, the employer pension contribution was 28.05 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2012 and 2011, the employer contribution was 24.91 and 23.10 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2013 salaries totaling \$347,305 were paid from federal and special trust funds that required employer contributions of \$97,419. For the years ended June 30, 2012 and June 30, 2011, required Peoria County Regional Office of Education #48 contributions were \$116,881 and \$137,181, respectively.

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

The maximum employer ERO contribution under the current program is 117.5 percent and applies when the member is age 55 at retirement.

For the years ended June 30, 2013, June 30, 2012 and June 30, 2011, the Peoria County Regional Office of Education #48 paid no employer contribution to TRS under the ERO program.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

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

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

For the year ended June 30, 2013 the Peoria County Regional Office of Education #48 paid \$36,048 in employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2012, and 2011 the Peoria County Regional Office of Education #48 paid no employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent.

If the Peoria County Regional Office of Education #48 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the Peoria County Regional Office of Education #48 makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.63 percent of salary during the year ended June 30, 2013).

For the year ended June 30, 2013, the Peoria County Regional Office of Education #48 paid \$189 in employer contributions to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2012, and 2011 the Peoria County Regional Office of Education #48 paid no employer contributions to TRS for sick leave days granted in the excess of the normal annual allotment.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2012. The report for the year ended June 30, 2013, is expected to be available in late 2013.

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

NOTE 5 – TEACHERS’ HEALTH INSURANCE SECURITY FUND

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

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

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

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

On behalf contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of Peoria County Regional Office of Education #48. State contributions are intended to match contributions to THIS Fund from active members which were 0.92 percent of pay during the year ended June 30, 2013. State of Illinois contributions were \$15,278, and Peoria County Regional Office of Education #48 recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the year ended June 30, 2012 and June 30, 2011 were 0.88 percent of pay, both years. State contributions on behalf of Regional Office employees were \$16,258 and \$16,054, respectively.

Employer contributions to THIS Fund. The Peoria County Regional Office of Education #48 also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.69 percent during the year ended June 30, 2013, and 0.66 percent during the years ended June 30, 2012 and 2011. For the year ended June 30, 2013, the Peoria County Regional Office of Education #48 paid \$11,458 to the THIS Fund. For the years ended June 30, 2012 and June 30, 2011, the Peoria Regional Office of Education #48 paid \$12,193 and \$12,041 to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further information on THIS Fund. The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The 2013 report is listed under “Central Management Services.” Prior reports are available under “Healthcare and Family Services.”

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013

NOTE 6 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2013 consist of the following individual due to/from other funds in the governmental fund balance sheet and proprietary fund statement of net position. The balances between governmental funds and proprietary funds were eliminated in the government-wide Statement of Net Position.

	Due From Other Funds	Due To Other Funds
Education Fund	\$ -	\$ 387,214
General Fund	30,289	12,554
Proprietary Fund	369,479	-
	\$ 399,768	\$ 399,768

TRANSFERS

Interfund transfer in/out to other fund balances at June 30, 2013 consist of the following individual transfers in/out to other funds in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the proprietary funds Statement of Revenues, Expenses, and Changes in Fund Net Position. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities.

	Transfer Out	Transfer In
Education Fund	\$ 2,449	\$ 183,446
General Fund	4,614	647
Proprietary Fund	502,909	325,879
	\$ 509,972	\$ 509,972

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013

NOTE 7 – CAPITAL ASSET ACTIVITY

In accordance with GASB Statement No. 34, the Peoria County Regional Office of Education #48 has reported capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased. The Regional Office’s assets are composed of furniture and equipment. The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2013:

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
Governmental Activities:				
<u>Education Fund</u>				
Equipment	\$ 503,843	\$ 52,734	\$ (111,055)	\$ 445,522
Governmental Activities Total Assets	503,843	52,734	(111,055)	445,522
Less Accumulated Depreciation	<u>(441,451)</u>	<u>(37,777)</u>	<u>107,995</u>	<u>(371,233)</u>
Governmental Activities				
Investment in Capital Assets, Net	<u>\$ 62,392</u>	<u>\$ 14,957</u>	<u>\$ (3,060)</u>	<u>\$ 74,289</u>
	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
Business-type Activities:				
Equipment	\$ 95,322	\$ 8,286	\$ (39,088)	\$ 64,520
Business-type Activities				
Total Assets	95,322	8,286	(39,088)	64,520
Less Accumulated Depreciation	<u>(59,458)</u>	<u>(14,728)</u>	<u>34,574</u>	<u>(39,612)</u>
Business-type Activities				
Investment in Capital Assets, Net	<u>\$ 35,864</u>	<u>\$ (6,442)</u>	<u>\$ (4,514)</u>	<u>\$ 24,908</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013

NOTE 7 – CAPITAL ASSET ACTIVITY (Concluded)

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2013 of \$37,777 and \$14,728 was charged to the governmental activities and the business-type activities, respectively, on the government-wide Statement of Activities. Investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation.

NOTE 8 – RISK MANAGEMENT

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

NOTE 9 – OPERATING LEASE

Two Rivers Professional Development Center has a lease agreement for their office space and two agreements for storage space. The storage lease periods were July 1, 2012 through June 30, 2013 for a total monthly rent of \$400. One lease for office space covered the period of July 1, 2012 through June 30, 2013 for a monthly rent of \$4,132. If this lease is held over at the end of this term it will be continued on a month-to-month basis. The other lease for office space for a monthly rent of \$1,975 is being continued on a month-to-month basis with no written contract in place. Total rent paid during the year ended June 30, 2013 on this month-to-month lease was \$23,700.

During the year ended June 30, 2013, rentals under lease obligations were \$54,384.

NOTE 10 – ON BEHALF PAYMENTS

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

Regional Superintendent Salary	\$	107,640
Assistant Regional Superintendent Salary		96,888
Regional Superintendent Fringe Benefit (Includes State paid insurance)		34,410
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)		34,351
Regional Superintendent TRS Pension Contribution		30,193
Assistant Regional Superintendent TRS Pension Contribution		27,177
TRS Pension Contributions		368,384
THIS Contributions		15,278
Total	\$	<u><u>714,321</u></u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013

NOTE 10 – ON BEHALF PAYMENTS (Concluded)

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education. These amounts have been recorded in the accompanying financial statements as State revenue and expenditures.

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

Salaries and Benefits	\$	249,145
Office Expenses		26,843
Total	<u>\$</u>	<u>275,988</u>

NOTE 11 – DUE TO/FROM OTHER GOVERNMENTS

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

Due From Other Governments:

Education Fund

Illinois State Board of Education	\$	82,897
Federal Government		736,231

General Funds

Local Governments		6,040
Illinois State Board of Education		9,995

Proprietary Funds

Local Governments		365,259
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Other Nonmajor Funds

Local Governments		161
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PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013

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

<u>Agency Funds</u>	
Local Governments	640,916
<u>Private Purpose Trust Funds</u>	
Local Governments	9,584
Total	\$ 1,851,083
Due To Other Governments:	
<u>Education Fund</u>	
State Governments	\$ 151,680
<u>General Fund</u>	
Local Governments	2,227
<u>Agency Funds</u>	
Local Governments	665,553
Total	\$ 819,460

NOTE 12 – CAPITAL LEASES

In November of 2008, the Peoria County Regional Office of Education #48 entered into a capital lease for the acquisition of a copier/printer at a cost of \$23,838. Accumulated depreciation of the copier/printer as of June 30, 2013 was \$22,249. In August of 2008, the Regional Office of Education #48 entered into a capital lease for the acquisition of software at a cost of \$39,048. Accumulated depreciation of the software as of June 30, 2013 was \$38,614. The debt service for the capital leases are:

Fund Year	Principal	Interest
2014	\$ 3,147	\$ 64
Total	\$ 3,147	\$ 64

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013

NOTE 13 – DEFICIT FUND BALANCES

Because some revenues from the State of Illinois will not be collected for several months after the Regional Office’s fiscal year ends, they are not considered “available” revenues and are deferred in the governmental funds. The deferral of the revenues caused deficit fund balances as of June 30, 2013 in the following funds: McKinney-Vento Education for Homeless Children and Youth and Title I School Improvement and Accountability. The Regional Office of Education #48 intends to reduce these deficits by applying revenues that have been deferred to these balances when they become available. Spring Celebration, Directory, Peoria Regional High School – General State Aid, and Learning Technology Center General Operations Funds also carried deficit fund balances as of June 30, 2013. For funds that remain in a deficit position after all of these restricted revenues have been applied, the Regional Office of Education #48 will transfer unrestricted funds from general operating funds to eliminate the remainder of the deficit.

Funds with Deficit Fund Balance	Deficit Balance
Spring Celebration	\$ 52
Directory	1,476
Peoria Regional High School - General State Aid	1,226
McKinney-Vento Education for Homeless Children and Youth	3,167
Learning Technology Center General Operations	1,507
Title I School Improvement and Accountability	288,473
	\$ 295,901

NOTE 14 – ACCOUNTS RECEIVABLE

Accounts receivable and the related allowance for doubtful accounts for the proprietary funds at June 30, 2013, are as follows:

	Outstanding Balance	Allowance for Doubtful Accounts	Net
Illinois Virtual School	\$ 362,900	\$ (14,250)	\$ 348,650

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013

NOTE 15 – OTHER POST EMPLOYMENT BENEFITS

a. Plan Description

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

b. Benefits Provided

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

c. Membership

At June 30, 2013 membership consisted of:

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

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013

NOTE 15 – OTHER POST EMPLOYMENT BENEFITS (Continued)

d. Funding Policy

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

e. Annual OPEB Costs and net OPEB Obligation

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

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

The net OPEB obligation as of June 30, 2013, was calculated as follows:

Annual Required Contribution	\$ 1,582
Interest on Net OPEB Obligation	-
Adjustment to Annual Required Contribution	<u>-</u>
Annual OPEB Cost	1,582
Contributions Made	<u>-</u>
Increase in Net OPEB Obligation	-
Net OPEB Obligation Beginning of year	-
NET OPEB OBLIGATION END OF YEAR	<u><u>\$ 1,582</u></u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2013

NOTE 15 – OTHER POST EMPLOYMENT BENEFITS (Concluded)

f. Funded Status and Funding Progress

The funded status of the plan was as follows:

	Fiscal Year 2013	Fiscal Year 2012
Actuarial Accrued Liability (AAL)	\$ 6,265	\$ 6,265
Actuarial Value of Plan Assets	-	-
Unfunded Actuarial Accrued Liability (UAAL)	6,265	6,265
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%	0%
Covered Payroll (Active Plan Members)	\$ 234,450	\$ 234,450
UAAL as a Percentage of Covered Payroll	2.70%	2.70%

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

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

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

In the June 30, 2013 and 2012 actuarial valuation, the unit credit cost method was used. The actuarial assumptions included a discount rate of 4.00% and an initial healthcare cost trend rate of 10.0%. Both rates include a 3.00% inflation assumption. The actuarial value of assets was not determined as the Peoria County Regional Office of Education #48 has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized using a level percent of pay based on an open group. The remaining amortization period at June 30, 2013 was 30 years.

REQUIRED SUPPLEMENTAL INFORMATION

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF FUNDING PROGRESS
 (UNAUDITED)
 JUNE 30, 2013

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)
12/31/12	\$244,017	\$ 254,210	\$ 10,193	95.99%	\$ 292,424	3.49%
12/31/11	216,272	209,701	(6,571)	103.13%	290,141	0.00%
12/31/10	342,287	347,050	4,763	98.63%	363,776	1.31%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$254,693. On a market basis, the funded ratio would be 100.19%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit Two Rivers Prof. Devel. Center. They do not include amounts for retirees. The actuarial accrued liability for retirees 100% funded.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 OTHER POST EMPLOYMENT BENEFITS
 SCHEDULE OF FUNDING PROGRESS
 (UNAUDITED)
 JUNE 30, 2013

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)
7/1/12	\$ -	\$ 6,265	\$ 6,265	0.00%	\$ 234,450	2.70%
7/1/11	-	6,265	6,265	0.00%	234,450	2.70%

OTHER SUPPLEMENTAL INFORMATION

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2013

	Administrative Interest Fund	ROE Local Fund	General State Aid	Jail Library	Lincoln Senior Award
Assets					
Cash and cash equivalents	\$ -	\$ 968	\$ -	\$ 965	\$ -
Due from other funds	-	30,289	-	-	-
Due from other governments					
Local	-	-	-	-	800
State	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total Assets	\$ -	\$ 31,257	\$ -	\$ 965	\$ 800
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	602
Due to other governments	-	-	-	-	-
Total Liabilities	-	-	-	-	602
Fund Balance (Deficit)					
Nonspendable	-	-	-	-	-
Assigned	-	-	-	965	-
Unassigned	-	31,257	-	-	198
Total Fund Balance (Deficit)	-	31,257	-	965	198
Total Liabilities and Fund Balance	\$ -	\$ 31,257	\$ -	\$ 965	\$ 800

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2013

	<u>Office of Prevention</u>	<u>Spring Celebration</u>	<u>Hospital Tutoring</u>	<u>Directory</u>	<u>Food Co-op</u>	<u>Consortium for Educational Change</u>
Assets						
Cash and cash equivalents	\$ 27,921	\$ -	\$ 30,682	\$ -	\$ 29,058	2,227
Due from other funds	-	-	-	-	-	-
Due from other governments						
Local	-	-	5,240	-	-	-
State	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Total Assets	<u>\$ 27,921</u>	<u>\$ -</u>	<u>\$ 35,922</u>	<u>\$ -</u>	<u>\$ 29,058</u>	<u>\$ 2,227</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ 11,835	\$ -	\$ -	\$ -
Due to other funds	-	52	-	1,476	-	-
Due to other governments	-	-	-	-	-	2,227
Total Liabilities	<u>-</u>	<u>52</u>	<u>11,835</u>	<u>1,476</u>	<u>-</u>	<u>2,227</u>
Fund Balance (Deficit)						
Nonspendable	-	-	-	-	-	-
Assigned	27,921	-	24,087	-	29,058	-
Unassigned	-	(52)	-	(1,476)	-	-
Total Fund Balance (Deficit)	<u>27,921</u>	<u>(52)</u>	<u>24,087</u>	<u>(1,476)</u>	<u>29,058</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 27,921</u>	<u>\$ -</u>	<u>\$ 35,922</u>	<u>\$ -</u>	<u>\$ 29,058</u>	<u>\$ 2,227</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2013

	Title II Co-op	Peoria Regional High School- Truants	Peoria Regional High School- General State Aid	Peoria Regional High School	Upward Generated	TOTALS
Assets						
Cash and cash equivalents	\$ 95,211	\$ -	\$ -	\$ 21,141	\$ 6,230	\$ 214,403
Due from other funds	-	-	-	-	-	30,289
Due from other governments						
Local	-	-	-	-	-	6,040
State	-	6,828	3,167	-	-	9,995
Prepaid expenses	-	-	995	-	-	995
Total Assets	\$ 95,211	\$ 6,828	\$ 3,167	\$ 21,141	\$ 6,230	\$ 261,722
Liabilities						
Accounts payable	\$ -	\$ 143	\$ -	\$ 564	\$ 59	\$ 12,601
Due to other funds	-	5,036	5,388	-	-	12,554
Due to other governments	-	-	-	-	-	2,227
Total Liabilities	-	5,179	5,388	564	59	27,382
Fund Balance (Deficit)						
Nonspendable	-	-	995	-	-	995
Assigned	95,211	1,649	-	20,577	6,171	205,639
Unassigned	-	-	(2,221)	-	-	27,706
Total Fund Balance (Deficit)	95,211	1,649	(1,226)	20,577	6,171	234,340
Total Liabilities and Fund Balance	\$ 95,211	\$ 6,828	\$ 4,162	\$ 21,141	\$ 6,230	\$ 261,722

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	Administrative Interest Fund	ROE Local Fund	General State Aid	Jail Library	Lincoln Senior Award
Revenues					
Local sources	\$ -	\$ 33,347	\$ -	\$ -	\$ 2,575
State sources	-	-	517,531	-	-
On-behalf payments - Local	-	275,988	-	-	-
On-behalf payments -State	-	714,321	-	-	-
Total Revenues	<u>-</u>	<u>1,023,656</u>	<u>517,531</u>	<u>-</u>	<u>2,575</u>
Expenditures					
Salaries and benefits	-	24	-	-	-
Purchased services	-	23,552	-	-	1,752
Supplies and materials	-	1,642	-	-	10
Other objects	-	30,148	-	-	-
Payments to other governments	-	-	517,531	-	-
On-behalf payments - Local	-	275,988	-	-	-
On-behalf payments -State	-	714,321	-	-	-
Total Expenditures	<u>-</u>	<u>1,045,675</u>	<u>517,531</u>	<u>-</u>	<u>1,762</u>
Excess (Deficiency) of revenues over expenditures	<u>-</u>	<u>(22,019)</u>	<u>-</u>	<u>-</u>	<u>813</u>
Other Financing Sources/(Uses)					
Transfers in	620	27	-	-	-
Transfers out	-	(4,608)	-	-	-
Interest income	-	2	-	-	-
Total Other Financing Sources (Uses)	<u>620</u>	<u>(4,579)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	620	(26,598)	-	-	813
Fund Balance (Deficit) -Beginning of year	<u>(620)</u>	<u>57,855</u>	<u>-</u>	<u>965</u>	<u>(615)</u>
Fund Balance (Deficit) - End of year	<u>\$ -</u>	<u>\$ 31,257</u>	<u>\$ -</u>	<u>\$ 965</u>	<u>\$ 198</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	Office of Prevention	Spring Celebration	Hospital Tutoring	Directory	Food Co-op	Consortium for Educational Change
Revenues						
Local sources	\$ -	\$ 14,057	\$ 70,448	\$ 5,245	\$ 10,500	\$ -
State sources	-	-	-	-	-	-
On-behalf payments - Local	-	-	-	-	-	-
On-behalf payments -State	-	-	-	-	-	-
Total Revenues	-	14,057	70,448	5,245	10,500	-
Expenditures						
Salaries and benefits	-	2,530	5,871	-	2,906	-
Purchased services	1,196	10,920	58,592	5,133	1,124	-
Supplies and materials	442	1,476	-	-	506	-
Other objects	-	-	-	-	-	-
Payments to other governments	-	-	-	-	-	2,227
On-behalf payments - Local	-	-	-	-	-	-
On-behalf payments -State	-	-	-	-	-	-
Total Expenditures	1,638	14,926	64,463	5,133	4,536	2,227
Excess (Deficiency) of revenues over expenditures	(1,638)	(869)	5,985	112	5,964	(2,227)
Other Financing Sources/(Uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Interest income	1	-	1	-	1	-
Total Other Financing Sources (Uses)	1	-	1	-	1	-
Net change in fund balance	(1,637)	(869)	5,986	112	5,965	(2,227)
Fund Balance (Deficit) -Beginning of year	29,558	817	18,101	(1,588)	23,093	2,227
Fund Balance (Deficit) - End of year	\$ 27,921	\$ (52)	\$ 24,087	\$ (1,476)	\$ 29,058	\$ -

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	Title II Co-op	Peoria Regional High School- Truants	Peoria Regional High School- General State Aid	Peoria Regional High School	Upward Generated	TOTALS
Revenues						
Local sources	\$ -	\$ -	\$ -	\$ 15,785	\$ -	\$ 151,957
State sources	-	76,589	267,771	-	-	861,891
On-behalf payments - Local	-	-	-	-	-	275,988
On-behalf payments -State	-	-	-	-	-	714,321
Total Revenues	<u>-</u>	<u>76,589</u>	<u>267,771</u>	<u>15,785</u>	<u>-</u>	<u>2,004,157</u>
Expenditures						
Salaries and benefits	-	69,490	224,951	-	59	305,831
Purchased services	1,098	5,945	81,242	3,974	234	194,762
Supplies and materials	-	1,154	7,316	2,423	-	14,969
Other objects	-	-	-	555	-	30,703
Payments to other governments	-	-	-	-	-	519,758
On-behalf payments - Local	-	-	-	-	-	275,988
On-behalf payments -State	-	-	-	-	-	714,321
Total Expenditures	<u>1,098</u>	<u>76,589</u>	<u>313,509</u>	<u>6,952</u>	<u>293</u>	<u>2,056,332</u>
Excess (Deficiency) of revenues over expenditures	<u>(1,098)</u>	<u>-</u>	<u>(45,738)</u>	<u>8,833</u>	<u>(293)</u>	<u>(52,175)</u>
Other Financing Sources/(Uses)						
Transfers in	-	-	-	-	-	647
Transfers out	-	-	-	-	(6)	(4,614)
Interest income	2	-	-	2	-	9
Total Other Financing Sources (Uses)	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>(6)</u>	<u>(3,958)</u>
Net change in fund balance	<u>(1,096)</u>	<u>-</u>	<u>(45,738)</u>	<u>8,835</u>	<u>(299)</u>	<u>(56,133)</u>
Fund Balance (Deficit) -Beginning of year	<u>96,307</u>	<u>1,649</u>	<u>44,512</u>	<u>11,742</u>	<u>6,470</u>	<u>290,473</u>
Fund Balance (Deficit) - End of year	<u>\$ 95,211</u>	<u>\$ 1,649</u>	<u>\$ (1,226)</u>	<u>\$ 20,577</u>	<u>\$ 6,171</u>	<u>\$ 234,340</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2013

	Adult Education Basic	Adult Education Performance	Upward SOS	Communities for Youth Truants Alternative	McKinney-Vento Education for Homeless Children and Youth	Learning Technology Center General Operations	ROE/ISC Operations
Assets							
Cash and cash equivalents	\$ 195	\$ -	\$ 5	\$ -	\$ -	\$ 19,705	\$ 54,269
Due from other governments							
State	3,064	2,132	-	11,965	-	14,177	-
Federal	-	-	-	-	10,998	-	-
Prepaid expenses	-	-	-	985	-	999	-
Total Assets	\$ 3,259	\$ 2,132	\$ 5	\$ 12,950	\$ 10,998	\$ 34,881	\$ 54,269
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,388	\$ -
Accrued payroll and employee benefits	-	-	-	-	-	-	-
Due to other funds	3,064	2,132	-	11,965	10,998	-	-
Due to other governments	-	-	-	-	-	-	-
Unearned revenue	195	-	4	-	3,167	-	-
Total Liabilities	3,259	2,132	4	11,965	14,165	36,388	-
Fund Balance (Deficit)							
Nonspendable	-	-	-	985	-	999	-
Restricted	-	-	1	-	-	-	54,269
Unassigned	-	-	-	-	(3,167)	(2,506)	-
Total Fund Balance (Deficit)	-	-	1	985	(3,167)	(1,507)	54,269
Total Liabilities and Fund Balance	\$ 3,259	\$ 2,132	\$ 5	\$ 12,950	\$ 10,998	\$ 34,881	\$ 54,269

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2013

	Title I School Improvement and Accountability	Special Education - IDEA Part D	Illinois Department of Public Health	Preschool for All Children	Principal Mentoring	Transportation Career Cluster
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 5,628	\$ 1,520	\$ -
Due from other governments						
State	-	-	-	2,754	-	-
Federal	681,887	34,004	-	-	-	9,342
Prepaid expenses	-	46	-	275	-	-
Total Assets	\$ 681,887	\$ 34,050	\$ -	\$ 8,657	\$ 1,520	\$ 9,342
Liabilities						
Accounts payable	\$ 260,231	\$ 330	\$ -	\$ 8,580	\$ -	\$ 9,342
Accrued payroll and employee benefits	-	-	-	77	-	-
Due to other funds	317,528	32,774	-	-	-	-
Due to other governments	104,128	-	-	-	-	-
Unearned revenue	288,473	-	-	-	-	-
Total Liabilities	970,360	33,104	-	8,657	-	9,342
Fund Balance (Deficit)						
Nonspendable	-	46	-	275	-	-
Restricted	-	900	-	-	1,520	-
Unassigned	(288,473)	-	-	(275)	-	-
Total Fund Balance (Deficit)	(288,473)	946	-	-	1,520	-
Total Liabilities and Fund Balance	\$ 681,887	\$ 34,050	\$ -	\$ 8,657	\$ 1,520	\$ 9,342

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2013

	Regional Safe Schools	Title II - Teacher Quality - Leadership Grant	Standard Aligned Classroom	Intel Teach Affiliate Grant	Reading First	TOTAL
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 2,295	\$ -	\$ 83,617
Due from other governments						
State	18,160	1,253	29,392	-	-	82,897
Federal	-	-	-	-	-	736,231
Prepaid expenses	-	7,500	-	72	-	9,877
Total Assets	<u>\$ 18,160</u>	<u>\$ 8,753</u>	<u>\$ 29,392</u>	<u>\$ 2,367</u>	<u>\$ -</u>	<u>\$ 912,622</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 314,871
Accrued payroll and employee benefits	-	-	-	-	-	77
Due to other funds	-	8,753	-	-	-	387,214
Due to other governments	18,160	-	29,392	-	-	151,680
Unearned revenue	-	-	-	-	-	291,839
Total Liabilities	<u>18,160</u>	<u>8,753</u>	<u>29,392</u>	<u>-</u>	<u>-</u>	<u>1,145,681</u>
Fund Balance (Deficit)						
Nonspendable	-	-	-	72	-	2,377
Restricted	-	-	-	2,295	-	58,985
Unassigned	-	-	-	-	-	(294,421)
Total Fund Balance (Deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,367</u>	<u>-</u>	<u>(233,059)</u>
Total Liabilities and Fund Balance	<u>\$ 18,160</u>	<u>\$ 8,753</u>	<u>\$ 29,392</u>	<u>\$ 2,367</u>	<u>\$ -</u>	<u>\$ 912,622</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, 2013

	Adult Education Basic	Adult Education Performance	Upward SOS	Communities for Youth Truants Alternative	McKinney-Vento Education for Homeless Children and Youth	Learning Technology Center General Operations	ROE/ISC Operations
Revenues							
State sources	\$ 38,668	\$ 26,767	\$ 62,245	\$ 132,733	\$ -	\$ 232,924	\$ 36,710
Federal sources	36,042	-	-	-	44,108	-	-
Local sources	-	-	-	-	-	-	-
Total Revenues	<u>74,710</u>	<u>26,767</u>	<u>62,245</u>	<u>132,733</u>	<u>44,108</u>	<u>232,924</u>	<u>36,710</u>
Expenditures							
Salaries and benefits	67,910	24,249	49,812	124,897	41,933	84,407	-
Purchased services	3,557	212	11,954	7,060	2,789	89,338	36,524
Supplies and materials	1,824	3,725	329	721	3,837	2,772	186
Other objects	-	-	150	-	-	-	-
Payments to other governments	-	-	-	-	-	7,859	-
Capital outlay	-	-	-	-	-	52,734	-
Total Expenditures	<u>73,291</u>	<u>28,186</u>	<u>62,245</u>	<u>132,678</u>	<u>48,559</u>	<u>237,110</u>	<u>36,710</u>
Excess/(Deficiency) of revenue over expenditures	<u>1,419</u>	<u>(1,419)</u>	<u>-</u>	<u>55</u>	<u>(4,451)</u>	<u>(4,186)</u>	<u>-</u>
Other Financing Sources/(Uses)							
Transfers in	-	1,419	-	2,704	1,284	-	-
Transfers out	(1,419)	-	-	-	-	-	-
Interest income	-	-	1	-	-	1	1
Total Other Financing Sources/(Uses)	<u>(1,419)</u>	<u>1,419</u>	<u>1</u>	<u>2,704</u>	<u>1,284</u>	<u>1</u>	<u>1</u>
Net change in fund balance	-	-	1	2,759	(3,167)	(4,185)	1
Fund Balance (Deficit) - Beginning of year	-	-	-	(1,774)	-	2,678	54,268
Fund Balance (Deficit) - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 985</u>	<u>\$ (3,167)</u>	<u>\$ (1,507)</u>	<u>\$ 54,269</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, 2013

	Title I School Improvement and Accountability	Special Education - IDEA Part D	Illinois Department of Public Health	Preschool for All Children	Principal Mentoring	Transportation Career Cluster
Revenues						
State sources	\$ -	\$ -	\$ -	\$ 132,397	\$ -	\$ -
Federal sources	975,685	138,963	-	-	-	126,649
Local sources	-	-	1,025	-	-	-
Total Revenues	975,685	138,963	1,025	132,397	-	126,649
Expenditures						
Salaries and benefits	401,252	125,173	-	111,741	(2,503)	3,829
Purchased services	68,566	13,487	-	12,931	983	115,369
Supplies and materials	7,068	813	-	7,725	-	1,728
Other objects	-	-	-	-	-	-
Payments to other governments	699,303	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Expenditures	1,176,189	139,473	-	132,397	(1,520)	120,926
Excess/(Deficiency) of revenue over expenditures	(200,504)	(510)	1,025	-	1,520	5,723
Other Financing Sources/(Uses)						
Transfers in	169,401	510	-	-	-	8,128
Transfers out	-	-	(1,025)	-	-	-
Interest income	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	169,401	510	(1,025)	-	-	8,128
Net change in fund balance	(31,103)	-	-	-	1,520	13,851
Fund Balance (Deficit) - Beginning of year	(257,370)	946	-	-	-	(13,851)
Fund Balance (Deficit) - End of year	\$ (288,473)	\$ 946	\$ -	\$ -	\$ 1,520	\$ -

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, 2013

	Regional Safe Schools	Title II - Teacher Quality - Leadership Grant	Standard Aligned Classroom	Intel Teach Affiliate Grant	Reading First	TOTAL
Revenues						
State sources	\$ 99,885	\$ -	\$ -	\$ -	\$ -	\$ 762,329
Federal sources	-	1,253	-	-	-	1,322,700
Local sources	-	-	-	20,000	-	21,025
Total Revenues	<u>99,885</u>	<u>1,253</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>2,106,054</u>
Expenditures						
Salaries and benefits	-	-	-	5,996	-	1,038,696
Purchased services	-	-	-	11,637	-	374,407
Supplies and materials	-	-	-	-	-	30,728
Other objects	-	-	-	-	-	150
Payments to other governments	99,885	1,253	-	-	-	808,300
Capital outlay	-	-	-	-	-	52,734
Total Expenditures	<u>99,885</u>	<u>1,253</u>	<u>-</u>	<u>17,633</u>	<u>-</u>	<u>2,305,015</u>
Excess/(Deficiency) of revenue over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,367</u>	<u>-</u>	<u>(198,961)</u>
Other Financing Sources/(Uses)						
Transfers in	-	-	-	-	-	183,446
Transfers out	-	-	-	-	(5)	(2,449)
Interest income	-	-	-	-	5	8
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,005</u>
Net change in fund balance	-	-	-	2,367	-	(17,956)
Fund Balance (Deficit) - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(215,103)</u>
Fund Balance (Deficit) - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,367</u>	<u>\$ -</u>	<u>\$ (233,059)</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2012 to June 30, 2013)
 EDUCATION FUND ACCOUNT
 ROE/ISC OPERATIONS
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 36,710	\$ 36,710	\$ 36,710
Total Revenues	<u>36,710</u>	<u>36,710</u>	<u>36,710</u>
Expenditures			
Purchased services	31,710	36,519	36,524
Supplies and materials	5,000	191	186
Total Expenditures	<u>36,710</u>	<u>36,710</u>	<u>36,710</u>
Excess/(Deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources/(Uses)			
Interest income	-	-	1
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>1</u>
Net change in fund balance	-	-	1
Fund Balance (Deficit) - Beginning of year	<u>-</u>	<u>-</u>	<u>54,268</u>
Fund Balance (Deficit) - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,269</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2012 to June 30, 2013)
 EDUCATION FUND ACCOUNT
 ADULT EDUCATION BASIC
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 37,763	\$ 37,763	\$ 38,668
Federal sources	35,837	35,837	36,042
Total Revenues	<u>73,600</u>	<u>73,600</u>	<u>74,710</u>
Expenditures			
Salaries and benefits	67,532	67,532	67,910
Purchased services	3,956	3,956	3,557
Supplies and materials	2,112	2,112	1,824
Total Expenditures	<u>73,600</u>	<u>73,600</u>	<u>73,291</u>
Excess/(Deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>1,419</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>-</u>	<u>-</u>	<u>(1,419)</u>
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>(1,419)</u>
Net change in fund balance	-	-	-
Fund Balance (Deficit) - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2012 to June 30, 2013)
 EDUCATION FUND ACCOUNT
 ADULT EDUCATION PERFORMANCE
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 26,413	\$ 26,413	\$ 26,767
Total Revenues	<u>26,413</u>	<u>26,413</u>	<u>26,767</u>
Expenditures			
Salaries and benefits	22,957	22,957	24,249
Purchased services	456	456	212
Supplies and materials	3,000	3,000	3,725
Total Expenditures	<u>26,413</u>	<u>26,413</u>	<u>28,186</u>
Excess/(Deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(1,419)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>-</u>	<u>1,419</u>
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>1,419</u>
Net change in fund balance	-	-	-
Fund Balance (Deficit) - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - End of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2012 to June 30, 2013)
 EDUCATION FUND ACCOUNT
 UPWARD SOS
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Revenues			
State sources	\$ 60,000	\$ 60,478	\$ 62,245
Total Revenues	<u>60,000</u>	<u>60,478</u>	<u>62,245</u>
Expenditures			
Salaries and benefits	49,961	49,961	49,812
Purchased services	3,700	2,650	11,954
Supplies and materials	6,209	7,737	329
Other objects	<u>130</u>	<u>130</u>	<u>150</u>
Total Expenditures	<u>60,000</u>	<u>60,478</u>	<u>62,245</u>
Excess/(Deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources/(Uses)			
Transfers in	-	-	-
Interest income	<u>-</u>	<u>-</u>	<u>1</u>
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>1</u>
Net change in fund balance	-	-	1
Fund Balance (Deficit) - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2012 to June 30, 2013)
 EDUCATION FUND ACCOUNT
 COMMUNITIES FOR YOUTH TRUANTS ALTERNATIVE
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 207,475	\$ 207,475	\$ 132,733
Total Revenues	<u>207,475</u>	<u>207,475</u>	<u>132,733</u>
Expenditures			
Salaries and benefits	194,779	194,779	124,897
Purchased services	11,084	11,084	7,060
Supplies and materials	1,612	1,612	721
Total Expenditures	<u>207,475</u>	<u>207,475</u>	<u>132,678</u>
Excess/(Deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>55</u>
Other Financing Sources/(Uses)			
Transfers in	-	-	2,704
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>2,704</u>
Net change in fund balance	-	-	2,759
Fund Balance (Deficit) - Beginning of year	<u>-</u>	<u>-</u>	<u>(1,774)</u>
Fund Balance (Deficit) - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 985</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2012 to August 31, 2013)
 EDUCATION FUND ACCOUNT
 MCKINNEY- VENTO EDUCATION FOR HOMELESS CHILDREN AND YOUTH
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 45,386	\$ 46,886	\$ 44,108
Total Revenues	<u>45,386</u>	<u>46,886</u>	<u>44,108</u>
Expenditures			
Salaries and benefits	42,321	42,321	41,933
Purchased services	2,215	2,965	2,789
Supplies and materials	785	1,600	3,837
Other objects	65	-	-
Total Expenditures	<u>45,386</u>	<u>46,886</u>	<u>48,559</u>
Excess/(Deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(4,451)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	1,284
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>1,284</u>
Net change in fund balance	-	-	(3,167)
Fund Balance (Deficit) - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,167)</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2012 to June 30, 2013)
 EDUCATION FUND ACCOUNT
 LEARNING TECHNOLOGY CENTER GENERAL OPERATIONS
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 91,119	\$ 178,463	\$ 232,924
Total Revenues	<u>91,119</u>	<u>178,463</u>	<u>232,924</u>
Expenditures			
Salaries and benefits	42,153	65,500	84,407
Purchased services	41,496	74,493	89,338
Supplies and materials	-	1,000	2,772
Payments to other governments	7,470	7,470	7,859
Capital outlay	-	30,000	52,734
Total Expenditures	<u>91,119</u>	<u>178,463</u>	<u>237,110</u>
Excess/(Deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(4,186)</u>
Other Financing Sources/(Uses)			
Interest income	<u>-</u>	<u>-</u>	<u>1</u>
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>1</u>
Net change in fund balance	-	-	(4,185)
Fund Balance (Deficit) - Beginning of year	<u>-</u>	<u>-</u>	<u>2,678</u>
Fund Balance (Deficit) - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,507)</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2012 to June 30, 2013)
 EDUCATION FUND ACCOUNT
 TITLE I SCHOOL IMPROVEMENT AND ACCOUNTABILITY
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 937,973	\$ 934,523	\$ 975,685
Total Revenues	<u>937,973</u>	<u>934,523</u>	<u>975,685</u>
Expenditures			
Salaries and benefits	578,290	328,004	401,252
Purchased services	163,174	104,791	68,566
Supplies and materials	25,000	6,250	7,068
Payments to other governments	171,509	495,478	699,303
Total Expenditures	<u>937,973</u>	<u>934,523</u>	<u>1,176,189</u>
Excess/(Deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(200,504)</u>
Other Financing Sources/(Uses)			
Transfer in	-	-	169,401
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>169,401</u>
Net change in fund balance	-	-	(31,103)
Fund Balance (Deficit) - Beginning of year	<u>-</u>	<u>-</u>	<u>(257,370)</u>
Fund Balance (Deficit)- End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (288,473)</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2012 to August 31, 2013)
 EDUCATION FUND ACCOUNT
 PRESCHOOL FOR ALL CHILDREN
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 165,804	\$ 165,804	\$ 132,397
Total Revenues	<u>165,804</u>	<u>165,804</u>	<u>132,397</u>
Expenditures			
Salaries and benefits	135,238	119,355	111,741
Purchased services	16,926	21,908	12,931
Supplies and materials	13,640	24,541	7,725
Total Expenditures	<u>165,804</u>	<u>165,804</u>	<u>132,397</u>
Excess/(Deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources/(Uses)			
Transfer in	-	-	-
Interest income	-	-	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund Balance (Deficit) - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - End of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2012 to June 30, 2013)
 EDUCATION FUND ACCOUNT
 REGIONAL SAFE SCHOOLS
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 99,885	\$ 99,885	\$ 99,885
Total Revenues	<u>99,885</u>	<u>99,885</u>	<u>99,885</u>
Expenditures			
Payments to other governments	99,885	99,885	99,885
Total Expenditures	<u>99,885</u>	<u>99,885</u>	<u>99,885</u>
Excess/(Deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund Balance (Deficit) - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of April 9, 2013 to September 30, 2013)
 EDUCATION FUND ACCOUNT
 TITLE II – TEACHER QUALITY- LEADERSHIP GRANT
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 10,705	\$ 13,659	\$ 1,253
Total Revenues	<u>10,705</u>	<u>13,659</u>	<u>1,253</u>
Expenditures			
Purchased services	7,800	10,300	-
Supplies and materials	-	454	-
Payments to other governments	2,905	2,905	1,253
Total Expenditures	<u>10,705</u>	<u>13,659</u>	<u>1,253</u>
Excess/(Deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund Balance (Deficit) - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - End of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2013

	Bus Driver Training	General Education Development	Institute	Supervisory	Target Local	TOTALS
Assets						
Cash and cash equivalents	\$ 8,318	\$ 63,152	\$ 112,068	\$ 2,404	\$ -	\$ 185,942
Due from other governments - Local	-	-	161	-	-	161
Total Assets	\$ 8,318	\$ 63,152	\$ 112,229	\$ 2,404	\$ -	\$ 186,103
Liabilities and Fund Balance						
Liabilities						
Accounts payable	365	1,926	-	-	-	2,291
Total Liabilities	365	1,926	-	-	-	2,291
Fund Balance						
Restricted	7,953	61,226	112,229	2,404	-	183,812
Total Liabilities and Fund Balance	\$ 8,318	\$ 63,152	\$ 112,229	\$ 2,404	\$ -	\$ 186,103

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Bus Driver Training	General Education Development	Institute	Supervisory	Target Local	TOTALS
Revenues						
Local sources	\$ 4,924	\$ 24,784	\$ 75,984	\$ -	\$ 11,734	\$ 117,426
State sources	1,200	-	-	-	-	1,200
Total Revenues	<u>6,124</u>	<u>24,784</u>	<u>75,984</u>	<u>-</u>	<u>11,734</u>	<u>118,626</u>
Expenditures						
Salaries and benefits	-	3,908	-	-	11,734	15,642
Purchased services	4,132	11,464	50,575	653	-	66,824
Supplies and materials	-	8,084	1,379	-	-	9,463
Other objects	-	-	575	-	-	575
Total Expenditures	<u>4,132</u>	<u>23,456</u>	<u>52,529</u>	<u>653</u>	<u>11,734</u>	<u>92,504</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>1,992</u>	<u>1,328</u>	<u>23,455</u>	<u>(653)</u>		<u>26,122</u>
Other Financing Sources/(Uses)						
Interest income	-	2	4	-	-	6
Total Other Financing Sources/(Uses)	<u>-</u>	<u>2</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>6</u>
Net change in fund balance	1,992	1,330	23,459	(653)	-	26,128
Fund Balance (Deficit) - Beginning of year	<u>5,961</u>	<u>59,896</u>	<u>88,770</u>	<u>3,057</u>	<u>-</u>	<u>157,684</u>
Fund Balance (Deficit) - End of year	<u>\$ 7,953</u>	<u>\$ 61,226</u>	<u>\$ 112,229</u>	<u>\$ 2,404</u>	<u>\$ -</u>	<u>\$ 183,812</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR
 PROPRIETARY FUNDS
 JUNE 30, 2013

	Business-type Activities Proprietary Funds			TOTALS
	Tech Support	Learning Technology Center Technical Training and Support	Aspire	
Assets				
Current assets				
Cash and cash equivalents	\$ 3,936	\$ 229,626	\$ 2,237	\$ 235,799
Due from other governments - Local	-	3,265	-	3,265
Total current assets	<u>3,936</u>	<u>232,891</u>	<u>2,237</u>	<u>239,064</u>
Noncurrent assets				
Equipment, net of depreciation	-	3,682	-	3,682
Total Assets	<u>3,936</u>	<u>236,573</u>	<u>2,237</u>	<u>242,746</u>
Liabilities				
Accounts payable	\$ -	\$ 361	\$ -	\$ 361
Total Liabilities	<u>-</u>	<u>361</u>	<u>-</u>	<u>361</u>
Net Position				
Invested in capital assets, net of related debt	-	3,682	-	3,682
Unrestricted	3,936	232,530	2,237	238,703
Total Net Position	<u>\$ 3,936</u>	<u>\$ 236,212</u>	<u>\$ 2,237</u>	<u>\$ 242,385</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
 FUND NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities - Proprietary Funds			Totals
	Tech Support	Learning Technology Center Technical Training and Support	Aspire	
Operating Revenues				
Charges for services	\$ -	\$ 59,508	\$ -	\$ 59,508
Operating Expenses				
Salaries and benefits	-	401	-	401
Purchased services	-	31,033	-	31,033
Supplies and materials	-	541	-	541
Other objects	-	99	-	99
Depreciation	-	1,042	-	1,042
Total Operating Expenses	-	33,116	-	33,116
Operating Income (Loss)	-	26,392	-	26,392
Nonoperating Revenue (Expense)				
Interest income	-	10	-	10
Total Nonoperating Revenue (Expense)	-	10	-	10
Income (Loss) Before Transfers	-	26,402	-	26,402
Change in Net Position	-	26,402	-	26,402
Net Position - Beginning of year	3,936	209,810	2,237	215,983
Net Position - End of year	\$ 3,936	\$ 236,212	\$ 2,237	\$ 242,385

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Business-Type Activities Proprietary Funds			Totals
	Tech Support	Learning Technology Center Technical Training and Support	Aspire	
Cash Flows from Operating Activities				
Receipts from customers	\$ -	\$ 58,511	\$ -	\$ 58,511
Payments to suppliers and providers of goods and services	-	(31,312)	-	(31,312)
Payments to employees	-	(401)	-	(401)
Net cash provided by (used for) operating activities	-	26,798	-	26,798
Cash Flows from Investing Activities				
Interest earned from investments	-	10	-	10
Purchase of property and equipment	-	(4,724)	-	(4,724)
Net cash provided by (used for) investing activities	-	(4,714)	-	(4,714)
Net increase (decrease) in cash and cash equivalents	-	22,084	-	22,084
Cash and cash equivalents - beginning of year	3,936	207,542	2,237	213,715
Cash and cash equivalents - end of year	<u>\$ 3,936</u>	<u>\$ 229,626</u>	<u>\$ 2,237</u>	<u>\$ 235,799</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ -	\$ 26,392	\$ -	\$ 26,392
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	-	1,042	-	1,042
(Increase)/decrease in assets:				
Due from other governments	-	(997)	-	(997)
Increase/(decrease) in liabilities:				
Accounts payable	-	361	-	361
Net cash provided by (used for) operating activities	<u>\$ -</u>	<u>\$ 26,798</u>	<u>\$ -</u>	<u>\$ 26,798</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 JUNE 30, 2013

	Regional Board of Trustees	Central Illinois Science Education (C.I.S.E.)	Criminal Background Checks	Perfect	SEAPCO	IVS Scholarship Fund	Totals
Assets							
Cash and cash equivalents	\$ 18	\$ 2,084	\$ 14,530	\$ -	\$ -	\$ 8,005	\$ 24,637
Due from other governments	-	-	-	42,975	597,941	-	640,916
Total Assets	\$ 18	\$ 2,084	\$ 14,530	\$ 42,975	\$ 597,941	\$ 8,005	\$ 665,553
Liabilities							
Due to other governments	\$ 18	\$ 2,084	\$ 14,530	\$ 42,975	\$ 597,941	\$ 8,005	\$ 665,553
Total Liabilities	\$ 18	\$ 2,084	\$ 14,530	\$ 42,975	\$ 597,941	\$ 8,005	\$ 665,553

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2013</u>
<u>REGIONAL BOARD OF TRUSTEES</u>				
Assets				
Cash and cash equivalents	\$ 18	\$ -	\$ -	\$ 18
Total Assets	\$ 18	\$ -	\$ -	\$ 18
Liabilities				
Due to other governments	\$ 18	\$ -	\$ -	\$ 18
Total Liabilities	\$ 18	\$ -	\$ -	\$ 18
<u>CENTRAL ILLINOIS SCIENCE EDUCATION</u>				
Assets				
Cash and cash equivalents	\$ 2,084	\$ -	\$ -	\$ 2,084
Total Assets	\$ 2,084	\$ -	\$ -	\$ 2,084
Liabilities				
Due to other governments	\$ 2,084	\$ -	\$ -	\$ 2,084
Total Liabilities	\$ 2,084	\$ -	\$ -	\$ 2,084
<u>CRIMINAL BACKGROUND CHECKS</u>				
Assets				
Cash and cash equivalents	\$ 9,125	\$ 26,632	\$ 21,227	\$ 14,530
Total Assets	\$ 9,125	\$ 26,632	\$ 21,227	\$ 14,530
Liabilities				
Due to other governments	\$ 9,125	\$ 26,632	\$ 21,227	\$ 14,530
Total Liabilities	\$ 9,125	\$ 26,632	\$ 21,227	\$ 14,530

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2013</u>
<u>PERFECT</u>				
Assets				
Due from other governments	\$ 84,044	\$ 42,975	\$ 84,044	\$ 42,975
Total Assets	<u>\$ 84,044</u>	<u>\$ 42,975</u>	<u>\$ 84,044</u>	<u>\$ 42,975</u>
Liabilities				
Due to other governments	\$ 84,044	\$ 42,975	\$ 84,044	\$ 42,975
Total Liabilities	<u>\$ 84,044</u>	<u>\$ 42,975</u>	<u>\$ 84,044</u>	<u>\$ 42,975</u>
<u>SEAPCO</u>				
Assets				
Due from other governments	\$ 694,168	\$ 597,941	\$ 694,168	\$ 597,941
Total Assets	<u>\$ 694,168</u>	<u>\$ 597,941</u>	<u>\$ 694,168</u>	<u>\$ 597,941</u>
Liabilities				
Due to other governments	\$ 694,168	\$ 597,941	\$ 694,168	\$ 597,941
Total Liabilities	<u>\$ 694,168</u>	<u>\$ 597,941</u>	<u>\$ 694,168</u>	<u>\$ 597,941</u>
<u>IVS SCHOLARSHIP FUND</u>				
Assets				
Cash and cash equivalents	\$ 8,005	\$ -	\$ -	\$ 8,005
Total Assets	<u>\$ 8,005</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,005</u>
Liabilities				
Due to other governments	\$ 8,005	\$ -	\$ -	\$ 8,005
Total Liabilities	<u>\$ 8,005</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,005</u>
<u>TOTALS ALL AGENCY FUNDS</u>				
Assets				
Cash and cash equivalents	\$ 19,232	\$ 26,632	\$ 21,227	\$ 24,637
Due from other governments	778,212	640,916	778,212	640,916
Total Assets	<u>\$ 797,444</u>	<u>\$ 667,548</u>	<u>\$ 799,439</u>	<u>\$ 665,553</u>
Liabilities				
Due to other governments	\$ 797,444	\$ 667,548	\$ 799,439	\$ 665,553
Total Liabilities	<u>\$ 797,444</u>	<u>\$ 667,548</u>	<u>\$ 799,439</u>	<u>\$ 665,553</u>

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2013

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # (1st eight digits) or Contract #</u>	<u>Federal Expenditures 7/1/12 - 6/30/13</u>
U.S. Department of Education			
Passed through Illinois Community College Board:			
Basic Grants to States - Adult Education	84.002	514 AB	\$ 36,042
Total Passed through Illinois Community College Board			<u>36,042</u>
Passed through Illinois State Board of Education:			
Title I Grants to Local Educational Agencies			
System of Support (Title I - School Improvement and Accountability)	84.010A	13-4331-SS	527,990
System of Support (Title I - School Improvement and Accountability)	84.010A	12-4331-SS	<u>478,107</u>
Total Title I Grants to Local Educational Agencies			<u>1,006,097 (M)</u>
Title II - Teacher Quality - Leadership Grant	84.367A	13-4935-00	<u>1,253</u>
Total Passed through Illinois State Board of Education:			1,007,350
Passed through Lee/Ogle Regional Office of Education #47			
Special Education - State Personnel Development	84.323A	13-4631-RC	<u>138,963</u>

The accompanying notes are an integral part of this schedule.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2013

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # (1st eight digits) or Contract #</u>	<u>Federal Expenditures 7/1/12 - 6/30/13</u>
Passed through Hancock/McDonough Regional Office of Education #26			
Education for Homeless Children and Youth - Area III - Homeless Liaison Project	84.196A	13-4920-00	47,275
Total U.S. Department of Education			1,229,630
U.S. Department of Transportation Passed through Missouri University of Science and Technology			
Highway Research and Development Program - Transportation Career Cluster	20.200	DTFH61-08-G-00016	112,798
Total U.S. Department of Transportation Passed through Missouri University of Science and Technology			112,798
Total Expenditures of Federal Awards			\$ 1,342,428

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

PEORIA COUNTY REGIONAL OFFICE OF EDUCATION #48
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

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

NOTE 2 - SUBRECIPIENTS

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

<u>Program Title</u>	<u>Federal CFDA #</u>	<u>Amount provided to subrecipients</u>
Title I Grants to Local Educational Agencies - System of Support (Title I – School Improvement and Accountability)	84.010A	\$ 699,303
Title II – Teacher Quality – Leadership Grant	84.367A	\$ 1,253

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM

Title I Grants to Local Educational Agencies -System of Support (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.

NOTE 4 - NON-CASH ASSISTANCE

None

NOTE 5 - AMOUNT OF INSURANCE

None

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

None