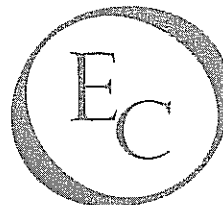


**STATE OF ILLINOIS
IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32**

**FINANCIAL AUDIT
(In Accordance with the Single Audit Act and OMB Circular A-133)
FOR THE YEAR ENDED JUNE 30, 2008**

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



E.C. ORTIZ & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32

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IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32

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**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
OFFICIALS**

Regional Superintendent
(current and during the audit period)

Dr. Kay M. Pangle

Assistant Regional Superintendent
(current and during the audit period)

Ms. Vicky Hensley

Assistant to the Regional Superintendent
(current and during the audit period)

Mr. Gregg Murphy

Office is located at:

189 East Court Street, Suite 600
Kankakee, Illinois 60901

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
COMPLIANCE REPORT SUMMARY**

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	–	1
Repeated audit findings	–	–
Prior recommendations implemented or not repeated	–	2

An additional matter which is less than a significant deficiency or material weakness but more than inconsequential, has been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, this issue may have been included as an immaterial finding in the auditors' reports.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<i>FINDINGS (GOVERNMENT AUDITING STANDARDS)</i>			
	12	None	N/A
<i>FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)</i>			
	12	None	N/A
<i>PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)</i>			
07-1	13	Inadequate Controls Over Bank Reconciliation Process	
<i>PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)</i>			
	13	None	N/A

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
COMPLIANCE REPORT SUMMARY - CONTINUED**

EXIT CONFERENCE

The Iroquois-Kankakee Regional Office of Education No. 32 opted not to have an exit conference during the financial audit for the year ended June 30, 2008.

FINANCIAL STATEMENT REPORT

A financial statement audit consists of an audit of an agency's financial statements, including an examination of the underlying books and records, to determine whether those financial statements are fairly presented in accordance with generally accepted accounting principles.

The financial statement report is comprised of the following:

A Summary section providing a brief overview of the financial statement audit.

- An Auditors' Report section containing statements by the auditors on the scope and results of their audit, as required by applicable professional standards.
- A Findings & Recommendations section containing sequentially numbered findings in which the auditors note any instances of nonconformity by the agency with applicable laws, rules, regulations, grant agreements, and other standards governing its conduct that were found by the auditors in the course of their review. All findings are discussed with the agency officials during the post audit process.

Each finding generally contains: a description of the condition found; a recommendation by the auditors for corrective action; a response by the agency either accepting or rejecting the auditors' finding; and a description of the agency's plan for addressing the problem.

- A Financial Statement section generally consisting of:
 - Management's discussion and analysis (MD&A) as required supplementary information;
 - Basic financial statements (entity-wide financial statements, fund financial statements, and notes to the financial statements);
 - Required supplementary information other than MD&A.

Additional financial statements may be presented for agencies with special reporting requirements.

Financial Presentation Examined

Auditors' Reports

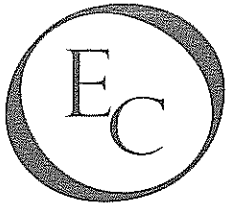
Findings and Recommendations

Financial Statements

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the Iroquois-Kankakee Regional Office of Education No. 32 was performed by E. C. Ortiz & Co., LLP.

Based on their audit, the auditors expressed an unqualified opinion on the Agency's basic financial statements.



INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois-Kankakee Regional Office of Education No. 32, as of and for the year ended June 30, 2008, which collectively comprise the Iroquois-Kankakee Regional Office of Education No. 32's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Iroquois-Kankakee Regional Office of Education No. 32's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois-Kankakee Regional Office of Education No. 32, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 26, 2009 on our consideration of the Iroquois-Kankakee Regional Office of Education No. 32's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over

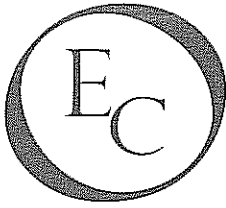
financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 14 through 20, and page 56 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Iroquois-Kankakee Regional Office of Education No. 32's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Schedule of Disbursements to School District Treasurers and Others are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Others, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

E. C. Ortig & Co., LLP

Chicago, Illinois
June 26, 2009



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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois-Kankakee Regional Office of Education No. 32, as of and for the year ended June 30, 2008, which collectively comprise the Iroquois-Kankakee Regional Office of Education No. 32's basic financial statements and have issued our report thereon dated June 26, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Iroquois-Kankakee Regional Office of Education No. 32's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the Iroquois-Kankakee Regional Office of Education No. 32's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Iroquois-Kankakee Regional Office of Education No. 32's internal control over financial reporting.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

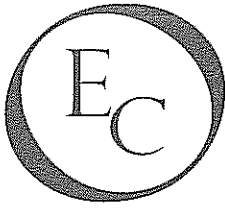
As part of obtaining reasonable assurance about whether the Iroquois-Kankakee Regional Office of Education No. 32's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance 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*.

We noted certain matters which we have reported to management of Iroquois-Kankakee Regional Office of Education No. 32 in a separate letter dated June 26, 2009.

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

E. C. Outing & Co., LLP

Chicago, Illinois
June 26, 2009



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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the compliance of the Iroquois-Kankakee Regional Office of Education No. 32 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Iroquois-Kankakee Regional Office of Education No. 32's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Iroquois-Kankakee Regional Office of Education No. 32's management. Our responsibility is to express an opinion on the Iroquois-Kankakee Regional Office of Education No. 32's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Iroquois-Kankakee Regional Office of Education No. 32's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Iroquois-Kankakee Regional Office of Education No. 32's compliance with those requirements.

In our opinion, the Iroquois-Kankakee Regional Office of Education No. 32 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the Iroquois-Kankakee Regional Office of Education No. 32 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Iroquois-Kankakee Regional Office of Education No. 32's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Iroquois-Kankakee Regional Office of Education No. 32's internal control over compliance.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

E. C. Ortiz & Co., LLP

Chicago, Illinois
June 26, 2009

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008**

Part I: Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes ✓ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes ✓ None reported
- Noncompliance material to financial statements noted? Yes ✓ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes ✓ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes ✓ None reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? Yes ✓ No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.010A	Title I - School Improvement and Accountability
84.010A	Standards Aligned Classroom
84.357A	Title I - Reading First Part B SEA Funds
84.287C	Title IV- 21 st Century Community Learning Centers

Dollar threshold used to distinguish between type A and type B Programs: \$300,000

Auditee qualified as low-risk auditee? Yes ✓ No

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008**

Part II: Findings Related to the Basic Financial Statements

There are no audit findings in the current year.

Part III: Federal Award Findings

Instances of Noncompliance:

None

Significant Deficiencies:

None

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2008**

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
07-1	Inadequate Controls Over Bank Reconciliation Process	Resolved

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008**

The Iroquois-Kankakee Regional Office of Education No. 32 (ROE No. 32) provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the year ended June 30, 2008 with comparative information for the year ended June 30, 2007. Readers are encouraged to consider the information in conjunction with the ROE No. 32's financial statements that follow.

2008 Financial Highlights

- Within the Governmental Funds, the General Fund revenues increased by \$146,477 (15%) from \$948,248 in FY 2007 to \$1,094,725 in FY 2008. General Fund expenditures increased by \$165,942 (18%) from \$939,929 in FY 2007 to \$1,105,871 in FY 2008.
- Within the Governmental Funds, the Special Revenue Funds revenues decreased by \$157,468 (3%) from \$6,021,268 in FY 2007 to \$5,863,800 in FY 2008. The Special Revenue Funds expenditures slightly decreased by \$39,974 (1%) from \$5,750,851 in FY 2007 to \$5,710,877 in FY 2008.
- Proprietary Funds revenues decreased by \$116,841 (15%) from \$765,431 in FY 2007 to \$648,590 in FY 2008. The Proprietary Funds expenditures increased by \$9,244 (2%) from \$597,701 in FY 2007 to \$606,945 in FY 2008.
- The ROE No. 32 has no long term debt.

Using This Report

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

- *Management's Discussion and Analysis* introduces financial statements and provides an analytical overview of the ROE No. 32's financial activities.
- The *Government-wide financial statements* consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the ROE No. 32 as a whole and present an overall view of the Office's finances.
- *Fund financial statements* report the ROE No. 32'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 other supplementary information provides detailed information about the major and non-major funds.

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008**

Reporting the Iroquois-Kankakee Regional Office as a Whole

It is important to note, that many grants (RESPRO, McKinney Vento Education for Homeless Children Lead Liaison, In-Touch, etc.) are cooperative efforts of ROE No. 32 and the other ROEs in Area IV. Therefore, these figures may reflect grants that are intended to serve Iroquois-Kankakee Counties only and also grants that serve ROE Nos. 9, 11, 17, 39 and 54.

The Statement of Net Assets and the Statement of Activities

The Government-wide financial statements report information about the ROE No. 32 as a whole. The Statement of Net Assets includes all of the assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid using Generally Accepted Accounting Principles and GASB 34.

The Government-wide financial statements report the Office's net assets and how they have changed. Net assets - the difference between assets and liabilities - are one way to measure the Office's financial condition.

- Over time, increases or decreases in the net assets can be an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the ROE No. 32's overall financial condition, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the State level need to be considered.

We divide the ROE No. 32's activities into three broad types:

Regulatory Activities - Supported primarily by the funds of Kankakee County government and Iroquois County government through a ratified Joint Agreement effectuated in 1995. The activities include but are not limited to Teacher/Administrator Certification, Health/Life Safety Inspections of school facilities, General Educational Development Administration, Bus Driver Training, etc. as prescribed in the Illinois School Code, Articles 3 and 3A.

Service Activities - Supported primarily through funds appropriated by the Illinois General Assembly and distributed to the Office through the Illinois State Board of Education and through locally generated fees for service. The activities include assisting schools in all areas of school improvement including staff development opportunities for teachers and administrators, etc. as prescribed in 105 ILCS 5/2-3.62.

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008**

Ombudsman Activities - Supported through various competitive grants and/or entitlements from various State and federal government agencies and including private trusts/contributions. The activities supported include but are not limited to truancy prevention efforts, drug prevention efforts, attention to homeless children and families, out-of-school time programming, provision of education for multi-suspended or potentially expelled students, etc.

Fund Financial Statements

The fund financial statements provide detailed information about the Regional Office's 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 ROE No. 32 established other funds to control and manage money for particular purposes.

The Office has three kinds of funds:

- (1) Governmental Funds account for all of the ROE No. 32'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 the 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 governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balance.
- (2) Proprietary Funds account for resources from fees charged directly to those entities or individuals that use its services. Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by government-wide financial statements but with more detail for major and non-major enterprise funds. The proprietary funds required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses and Changes in Fund Net Assets and Statement of Cash Flows.
- (3) Fiduciary Funds are used to account for assets held by the ROE No. 32 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The fiduciary funds required financial statements include a Statement of Fiduciary Net Assets.

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008**

Government-Wide Financial Analysis

As noted earlier, net assets may serve when examined over time as one indicator of the financial position of the ROE No. 32. The net assets at the end of FY 2008 and FY 2007 totaled \$2,150,277 and \$1,966,855, respectively. The analysis that follows provides a summary of the ROE No. 32's net assets as of June 30.

CONDENSED STATEMENT OF NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
ASSETS						
Current assets	\$ 1,519,728	\$ 1,668,125	\$ 1,448,742	\$ 1,404,321	\$ 2,968,470	\$ 3,072,446
TOTAL ASSETS	<u>1,519,728</u>	<u>1,668,125</u>	<u>1,448,742</u>	<u>1,404,321</u>	<u>2,968,470</u>	<u>3,072,446</u>
LIABILITIES						
Current liabilities	784,644	1,074,818	33,549	30,773	818,193	1,105,591
TOTAL LIABILITIES	<u>784,644</u>	<u>1,074,818</u>	<u>33,549</u>	<u>30,773</u>	<u>818,193</u>	<u>1,105,591</u>
NET ASSETS						
Restricted for teacher professional development	115,969	134,438	-	-	115,969	134,438
Unrestricted	619,115	458,869	1,415,193	1,373,548	2,034,308	1,832,417
TOTAL NET ASSETS	<u>\$ 735,084</u>	<u>\$ 593,307</u>	<u>\$ 1,415,193</u>	<u>\$ 1,373,548</u>	<u>\$ 2,150,277</u>	<u>\$ 1,966,855</u>

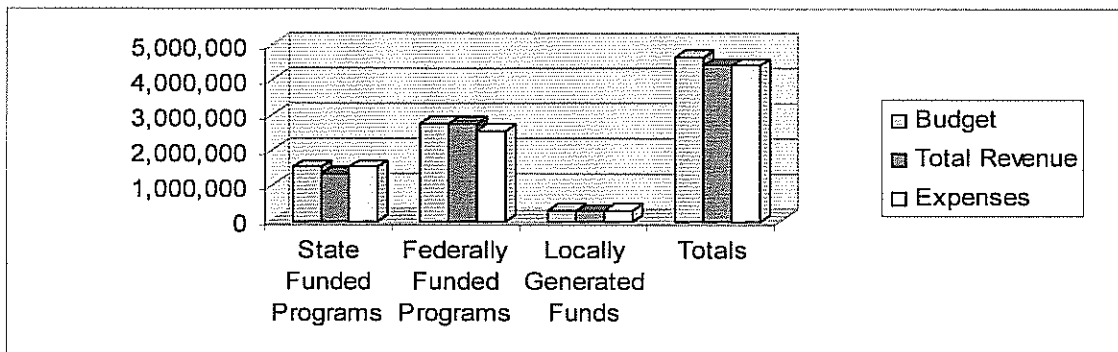
The ROE No. 32's net assets increased by \$183,422 (9%) from FY 2007. The increase occurred in the Education Fund primarily due to the excess of revenues over expenditures of the General State Aid grant. Grant funding level for the General State Aid increased in FY 2008. In addition, net assets related to the Teacher Institute Fund are considered restricted for teacher professional development.

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008**

CHANGES IN NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 32,792	\$ 105,170	\$ 614,412	\$ 720,556	\$ 647,204	\$ 825,726
Operating grants and contributions	5,806,512	5,881,441	-	-	5,806,512	5,881,441
General revenues:						
State and local sources	623,594	584,424	-	-	623,594	584,424
Interest income	28,873	39,706	34,178	44,875	63,051	84,581
On-behalf payments	466,754	358,775	-	-	466,754	358,775
Total revenues	6,958,525	6,969,516	648,590	765,431	7,607,115	7,734,947
Expenses:						
Salaries	2,539,795	2,475,516	347,382	261,086	2,887,177	2,736,602
Benefits	452,479	324,497	62,508	46,428	514,987	370,925
Purchased services	1,776,924	2,678,979	157,619	195,026	1,934,543	2,874,005
Supplies and materials	383,076	641,130	19,965	50,965	403,041	692,095
Capital expenditures	18,627	38,841	15,875	10,729	34,502	49,570
Depreciation	-	-	-	-	-	-
Payments to other governments	1,162,963	159,687	-	-	1,162,963	159,687
Miscellaneous	16,130	13,355	3,596	33,467	19,726	46,822
On-behalf payments	466,754	358,775	-	-	466,754	358,775
Total expenses	6,816,748	6,690,780	606,945	597,701	7,423,693	7,288,481
Income (loss) before operating transfers	141,777	278,736	41,645	167,730	183,422	446,466
Operating transfers	-	3,318	-	(3,318)	-	-
Change in net assets	141,777	282,054	41,645	164,412	183,422	446,466
Net assets, beginning	593,307	311,253	1,373,548	1,209,136	1,966,855	1,520,389
Net assets, ending	\$ 735,084	\$ 593,307	\$ 1,415,193	\$ 1,373,548	\$ 2,150,277	\$ 1,966,855

Governmental Fund Activities



**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008**

Revenues for governmental fund activities were \$6,958,525 and expenses were \$6,816,748. Governmental revenues slightly decreased by \$10,991 (less than 1%) primarily due to the lower federal revenues received for the Title I School Improvement and Accountability grant and 21st Century grant which decreased by \$139,587 and \$440,200, respectively. The net decrease in federal funding was however offset by the increase in State revenues. In FY 2008, the ROE received new State funding for the Beginning Teachers Pilot program which totaled to \$258,086. Revenues from the National Board of Professional Teaching Standards (NBPTS) program likewise increased by \$335,753. Program expenditures slightly increased by \$125,968 (2%) primarily due to the increase in payments to other governments and payroll expenditures related to the Beginning Teachers Pilot program and NBPTS program. This was however offset by the decrease in supplies and materials expenses.

Business-Type Activities

Revenues for business-type activities were \$648,590 and expenditures were \$606,945. The decrease in revenues is mainly due to the decrease in local revenues for the Life Education - Local fund, as well as a decrease in interest income. Expenditures slightly increased due to the increase in payroll expenditures and offset by the decrease in other expenses as a result of streamlining of operations.

Financial Analysis of the ROE No. 32 Funds

As previously noted, the ROE No. 32 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The ROE No. 32's governmental funds reported combined fund balances of \$735,084.

Governmental Fund Highlights

- State funding of Regional Offices of Education has been stable compared to the previous year.
- The dollar return on investments (certificates of deposit and short-term investments) decreased due to the lower interest rates.
- County support for the ROE No. 32 slightly increased from last year's funding level.
- The Regional Safe Schools Program was able to maintain services due to an increase in the foundation level of General State Aid.

Proprietary Fund Highlights

Total proprietary fund net assets increased by \$41,645 (3%) primarily due to excess of revenues over expenditures for the Life Education - Local and Safe Schools - Local funds.

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008**

Fiduciary Fund Highlights

There was an increase of \$6,444 (43%) in total fiduciary funds for FY 2008. Transactions represent mainly transfers in and out of funds under the Distributive Fund.

Budgetary Highlights

The ROE No. 32 annually adopts budgets for several funds. Budgets for the General Fund and Special Revenue Fund Accounts are prepared by the Regional Superintendent and serve as a guideline for activities and expenditures. The typical fiscal year for the State budget is July 1 to June 30. The Regional Superintendent annually prepares a County Support Budget and submits it to the County Board for their approval. The County Support Budget covers a fiscal year which runs from December 1 to November 30. All grant budgets are prepared by the ROE No. 32 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. These fiscal years vary by design of the grants. Federal Grants are typically October 1 to September 30.

Capital Assets

ROE No. 32's capital assets include office equipment, computers, audio-visual equipment, and office furniture. The ROE No. 32 maintains an inventory of capital assets which have been accumulated over time. For FY 2008, additions amounted to \$0 and retirement amount to \$6,040. Depreciation expense for FY 2008 was \$0. As of June 30, 2008, the ROE No. 32's capital assets are fully depreciated but remain in use.

Economic Factors and Next Years' Budget

At the time these financial statements were prepared and audited, the ROE No. 32 was aware of several existing circumstances that could affect its financial condition in the future:

- The State aid foundation level for FY 2009 has increased to \$5,859 per student;
- The interest rate on investments remains low and will impact interest earned;
- Most federal and State grants have remained near or at previous levels;
- County board support for Regional Office of Education No. 32 remains the same for FY 2009.

Contacting the Regional Office's Financial Management

The financial report is designed to provide a general overview of the Office's finances and accountability for the money it receives. If you have questions about the report or desire additional information, please contact the Regional Superintendent or the Chief Bookkeeper of the Iroquois-Kankakee Regional Office of Education No. 32, 189 E. Court Street, Suite 600, Kankakee, IL 60901.

BASIC FINANCIAL STATEMENTS

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
STATEMENT OF NET ASSETS
JUNE 30, 2008

EXHIBIT A

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,216,423	\$ 1,435,311	\$ 2,651,734
Accounts receivable	-	587	587
Due from other governmental agencies	303,305	12,844	316,149
TOTAL ASSETS	1,519,728	1,448,742	2,968,470
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	628,876	2,776	631,652
Due to (from) other funds	(30,773)	30,773	-
Due to other governmental agencies	157,434	-	157,434
Deferred revenues	29,107	-	29,107
TOTAL LIABILITIES	784,644	33,549	818,193
NET ASSETS			
Restricted for teacher professional development	115,969	-	115,969
Unrestricted	619,115	1,415,193	2,034,308
TOTAL NET ASSETS	\$ 735,084	\$ 1,415,193	\$ 2,150,277

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

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2008

EXHIBIT C

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 203,419	\$ 791,247	\$ 221,757	\$ 1,216,423
Due from other funds	-	30,773	-	30,773
Due from other governmental agencies	-	300,898	2,407	303,305
TOTAL ASSETS	203,419	1,122,918	224,164	1,550,501
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	103,753	525,123	-	628,876
Due to other governmental agencies	-	157,434	-	157,434
Deferred revenues	-	29,107	-	29,107
Total liabilities	103,753	711,664	-	815,417
FUND BALANCES				
Unreserved, reported in:				
General fund	99,666	-	-	99,666
Special revenue funds	-	411,254	224,164	635,418
Total fund balances	99,666	411,254	224,164	735,084
TOTAL LIABILITIES AND FUND BALANCES	\$ 203,419	\$ 1,122,918	\$ 224,164	\$ 1,550,501

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

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
GOVERNMENTAL FUNDS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008**

EXHIBIT D

Total fund balances - governmental funds	\$	735,084
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		<u>-</u>
Net assets of governmental activities	\$	<u>735,084</u>

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

IROUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
 GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2008

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
REVENUES				
Federal sources	\$ -	\$ 3,283,189	\$ 17,880	\$ 3,301,069
State sources	95,151	2,501,445	3,997	2,600,593
Local sources				
Intergovernmental	523,617	-	-	523,617
Licenses and fees	-	-	18,667	18,667
Fees for services	4,826	-	14,126	18,952
Interest	4,377	16,903	7,593	28,873
On-behalf payments	466,754	-	-	466,754
Total revenues	1,094,725	5,801,537	62,263	6,958,525
EXPENDITURES				
Instructional Services:				
Salaries	432,277	2,106,873	645	2,539,795
Benefits	116,276	336,089	114	452,479
Purchased services	62,099	1,645,777	69,048	1,776,924
Supplies and materials	20,119	342,653	20,304	383,076
Miscellaneous	3,619	8,214	4,297	16,130
Payments to other governments	-	1,154,597	8,366	1,162,963
On-behalf payments	466,754	-	-	466,754
Capital expenditures	4,727	11,464	2,436	18,627
Total expenditures	1,105,871	5,605,667	105,210	6,816,748
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(11,146)	195,870	(42,947)	141,777
FUND BALANCES, BEGINNING OF YEAR	110,812	215,384	267,111	593,307
FUND BALANCES, END OF YEAR	\$ 99,666	\$ 411,254	\$ 224,164	\$ 735,084

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

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

EXHIBIT F

Net change in fund balances \$ 141,777

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.

Depreciation expense

-

Change in net assets of governmental activities \$ 141,777

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

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2008

EXHIBIT G

	Business Type Activities - Enterprise Funds				Total
	Life Education - Local	Safe Schools - Local	Truant - Local	Nonmajor Proprietary Funds	
ASSETS					
Cash and cash equivalents	\$ 247,118	\$ 701,001	\$ 258,164	\$ 229,028	\$ 1,435,311
Accounts receivable	-	-	-	587	587
Due from other governmental agencies	634	12,210	-	-	12,844
TOTAL ASSETS	247,752	713,211	258,164	229,615	1,448,742
LIABILITIES					
Accounts payable and accrued expenses	-	1,452	-	1,324	2,776
Due to other funds	-	-	-	30,773	30,773
TOTAL LIABILITIES	-	1,452	-	32,097	33,549
NET ASSETS					
Unrestricted	<u>\$ 247,752</u>	<u>\$ 711,759</u>	<u>\$ 258,164</u>	<u>\$ 197,518</u>	<u>\$ 1,415,193</u>

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

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT H

	Business Type Activities - Enterprise Funds				Total
	Life			Nonmajor	
	Education -	Safe Schools -	Truant -	Proprietary	
	Local	Local	Local	Funds	
OPERATING REVENUES					
Local sources	\$ 74,260	\$ 169,139	\$ 93,074	\$ 277,939	\$ 614,412
OPERATING EXPENSES					
Salaries	19,790	101,152	72,054	154,386	347,382
Benefits	1,844	15,530	11,854	33,280	62,508
Purchased services	7,370	27,194	14,986	108,069	157,619
Supplies and materials	3,095	2,739	2,606	11,525	19,965
Miscellaneous	-	-	-	3,596	3,596
Capital expenditures	-	900	6,228	8,747	15,875
Total operating expenses	32,099	147,515	107,728	319,603	606,945
OPERATING INCOME (LOSS)	42,161	21,624	(14,654)	(41,664)	7,467
NONOPERATING REVENUES					
Interest income	4,826	17,429	5,177	6,746	34,178
CHANGE IN NET ASSETS	46,987	39,053	(9,477)	(34,918)	41,645
TOTAL NET ASSETS, BEGINNING OF YEAR	200,765	672,706	267,641	232,436	1,373,548
TOTAL NET ASSETS, END OF YEAR	\$ 247,752	\$ 711,759	\$ 258,164	\$ 197,518	\$ 1,415,193

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

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2008**

EXHIBIT I

	Business Type Activities - Enterprise Funds				
	Life			Nonmajor	
	Education - Local	Safe Schools - Local	Truant - Local	Proprietary Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts for workshops/services	\$ 73,626	\$ 156,929	\$ 93,074	\$ 277,783	\$ 601,412
Payment to suppliers and providers of goods and services	(10,465)	(29,381)	(23,820)	(130,613)	(194,279)
Payment to employees	(21,634)	(116,682)	(83,908)	(187,666)	(409,890)
Net cash provided by (used in) operating activities	<u>41,527</u>	<u>10,866</u>	<u>(14,654)</u>	<u>(40,496)</u>	<u>(2,757)</u>
CASH FLOWS FROM INVESTING ACTIVITY:					
Interest	4,826	17,429	5,177	6,746	34,178
Net cash provided by investing activity	<u>4,826</u>	<u>17,429</u>	<u>5,177</u>	<u>6,746</u>	<u>34,178</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	46,353	28,295	(9,477)	(33,750)	31,421
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>200,765</u>	<u>672,706</u>	<u>267,641</u>	<u>262,778</u>	<u>1,403,890</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 247,118</u>	<u>\$ 701,001</u>	<u>\$ 258,164</u>	<u>\$ 229,028</u>	<u>\$ 1,435,311</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 42,161	\$ 21,624	\$ (14,654)	\$ (41,664)	\$ 7,467
Effects of changes in assets and liabilities:					
Accounts receivable	-	-	-	(156)	(156)
Due from (to) other funds	-	-	-	-	-
Due from other governmental agencies	(634)	(12,210)	-	-	(12,844)
Accounts payable and accrued expenses	-	1,452	-	1,324	2,776
Net cash provided by (used in) operating activities	<u>\$ 41,527</u>	<u>\$ 10,866</u>	<u>\$ (14,654)</u>	<u>\$ (40,496)</u>	<u>\$ (2,757)</u>

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

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
FIDUCIARY FUND
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2008**

EXHIBIT J

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ <u>21,512</u>
LIABILITIES	
Due to other governmental agencies	\$ <u>21,512</u>

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

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Iroquois-Kankakee Regional Office of Education No. 32's (ROE) accounting policies conform to the generally accepted accounting principles which are appropriate to local governmental units of this type.

A. Reporting Entity

Iroquois-Kankakee Regional Office of Education No. 32 operates under the School Code (Articles 3 and 3A of Illinois Compiled Statutes, Chapter 105). The Iroquois-Kankakee Regional Office of Education No. 32 contains twenty (20) school districts within Kankakee and Iroquois Counties. The Regional Superintendent of Schools serves as chief administrative officer of the Regional Office of Education No. 32 and is elected to the position for a four-year term, pursuant to Article 3 of Illinois Compiled Statutes, Chapter 105. The Regional Superintendent is responsible for the supervision and control of the school districts. This responsibility includes, but is not limited to, providing directions to teachers and school officers on science, art and teaching methods; implementing the Illinois State Board of Education's Policy Programs; encouraging camaraderie among teachers through the teachers' institute; making public notices of unfilled teaching positions within Iroquois-Kankakee Regional Office of Education No. 32; insuring the safety, health and welfare of the students in Iroquois-Kankakee Regional Office of Education No. 32 by periodically inspecting the school buildings and ensuring that bus drivers have licenses and are properly trained to operate the school buses. Further, the Regional Superintendent receives an allocation of school funds from the State Board of Education and apportions these funds to the school districts in accordance with the State Board of Education's formula.

B. Principles Used to Determine the Scope of the Reporting Entity

The reporting entity includes the governing board and all related organizations for which the Iroquois/Kankakee Regional Office of Education No. 32 exercises oversight responsibility.

The Office of the Regional Superintendent of Schools has developed criteria to determine whether outside agencies with activities which benefit the citizens of Iroquois-Kankakee Regional Office of Education No. 32 should be included within its financial reporting entity. The criteria used in determining manifestation of oversight responsibility are:

- a) Financial interdependency
- b) Selection of governing authority
- c) Designation of management

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

- d) Ability to significantly influence operations
- e) Accountability for fiscal matters
- f) Scope of public service, and
- g) Special financial relationships

The Office of the Regional Superintendent of Schools is supported by Kankakee and Iroquois Counties, Illinois, in the form of secretarial service and other expenses incurred in the operations of the office. In addition, the Illinois State Board of Education provides support in the form of salaries to the Regional Superintendent and the Assistant Regional Superintendent.

The Iroquois-Kankakee Regional Office of Education No. 32 does not consider itself to be a component unit of any other entity.

C. New Accounting Pronouncements

Effective July 1, 2007, the Iroquois-Kankakee Regional Office of Education No. 32 adopted the following accounting pronouncements:

- GASB Statement No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and 27*, which aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. This statement amends applicable note disclosure and RSI requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 27, *Accounting for Pensions by State and Local Governmental Employers*.
- GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, which establishes criteria to ascertain whether certain transactions should be regarded as a sale or a collateralized borrowing.

There was no significant impact on the Iroquois-Kankakee Regional Office of Education No. 32's financial statements as a result of adopting the above statements.

D. Government-wide and Fund Financial Statements

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

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

primary government. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between those activities of the ROE that are governmental in nature and those that are considered business-type activities. *Governmental activities* normally are supported by operating grants and contributions, charges for services and intergovernmental revenues. *Business-type activities* normally are supported by amounts assessed or received from local sources for the ROE programs.

The Statement of Net Assets presents the Iroquois-Kankakee Regional Office of Education No. 32's nonfiduciary assets and liabilities with the differences reported as net assets. Net assets of the ROE are classified as follows:

Invested in Capital Assets, Net of Related Debt - represent the ROE's total investment in capital assets. There is no outstanding debt related to these assets at this time.

Restricted Net Assets - represent resources in which the ROE is legally obligated to spend in accordance with restrictions imposed by enabling legislation.

Unrestricted Net Assets - represent resources used for transactions relating to the general operations of the ROE and may be used at the discretion of management to meet expenses for any purpose.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to users who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Items not properly included among program revenues are reported instead as general revenues. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of Iroquois-Kankakee Counties Regional Office of Education No. 32 are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Iroquois-Kankakee Counties Regional Office of Education No. 32 applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

The government-wide financial statements are reported using the economic *resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. 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 revenues are recognized as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund and fiduciary financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Iroquois-Kankakee Counties Regional Office of Education No. 32 considers revenues as available if they are collected within 60 days after year end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. 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; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

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

When both restricted and unrestricted resources are available for use, it is the ROE's policy to use restricted resources first, then unrestricted resources as they are needed.

The Iroquois-Kankakee Counties Regional Office of Education No. 32 records on-behalf payments made by the State to the Teachers' Retirement System as revenues and expenditures.

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

F. Fund Accounting

The accounts of the Iroquois-Kankakee Counties Regional Office of Education No. 32 are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue, and expenditures. The resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following summarizes the fund types used:

Government Fund Types

Governmental Funds are those through which most governmental functions of the Iroquois-Kankakee Regional Office of Education No. 32 are financed. The acquisition, use and balances of the Iroquois-Kankakee Regional Office of Education No. 32's expendable financial resources and the related liabilities are accounted for through governmental funds.

General Fund - to account for all financial resources except those required to be accounted for in another fund. The following are the general funds:

ROE/ISC Operations - to account for monies received for, and payment of, assisting schools in all areas of school improvement.

General Operations - to account for the general operating fund of the Iroquois-Kankakee Regional Office of Education No. 32. It has been used to record expenditures in connection with general administration activities.

Special Revenue Funds - to account for the proceeds of special revenue sources that are legally restricted to expenditures for specific purposes. The following are the special revenue funds of the Iroquois-Kankakee Regional Office of Education No. 32:

Education - to account for State and federal grant monies received for, and payment of, expenditures incurred in administering numerous grant awards which include:

Truants' Alternative Program - to account for grant monies received for, and payment of, expenses of the Truants Alternative Program.

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Summer Bridges - to account for the administration of monies to be used for the summer bridges fund by Illinois State Board of Education.

Title II - Teacher Quality - to account for federal grant monies received for, and payment of, expenditures incurred for improvement of instruction in the classroom.

Title II - Teacher Quality - Leadership Grant - to account for grant monies received for, and payment of, expenditures incurred in providing workshops to teachers for improvement of instruction in the classroom.

Title IV - Safe & Drug Free Schools (Reduce Alcohol Abuse) - to account for federal grant monies received, and the payment of, expenditures incurred for the prevention of alcohol abuse among secondary students.

Standards Aligned Classroom - to account for revenues received and expenditures incurred in the improvement of teaching and learning.

Regional Safe Schools - this fund is an alternative schooling program for disruptive youth, creating alternative placement for those students who are suspended and/or are deemed ineligible.

General State Aid - to account for grant monies received for, and payment of expenditures for regional learning academy supplements.

K-6 Reading Improvement - to account for State funds received and expended to provide professional development for local reading recovery teachers.

Illinois Violence Prevention Authority (IVPA) Family Violence Coordinating Council - to account for funds received from IVPA to provide community awareness, coordination and training to impede family violence.

Title I - School Improvement & Accountability - to account for federal monies received for, and payment of, expenditures of the Title I - Accountability grant. This grant provides school districts with funds to carry out their school improvement and corrective action responsibilities under Section 1116(c) of Title I while offering students in schools identified for improvement and corrective action the opportunity to transfer to another higher performing public school, including a public charter within the district.

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Title I - Reading First Part B SEA Funds - to account for funds received from Illinois State Board of Education to provide professional development to the area schools' Reading First coaches.

Title IV - 21st Century Community Learning Centers - to account for monies received for, and payment of, expenditures of the 21st Century Community Learning Center grant. The purpose of this grant is to create community learning centers that provided academic enrichment opportunities for children, particularly students who attend high-poverty and low performing schools.

Federal Special Education - I.D.E.A - Discretionary - to account for federal grant monies received and expended in providing special education and related services to children with disabilities.

McKinney Education for Homeless Children - to account for grant monies received for, and payment of, expenditures associated with a federal program designed to provide counseling and educational support to homeless children and their families. The program is funded by Stewart B. McKinney Education for Homeless Children and Youth Grant administered through the Illinois State Board of Education.

Addiction Prevention Comprehensive - to account for the federal, State, and local revenue received and expended under the drug prevention program developed and funded by the State Board of Education and the Illinois Department of Human Services. The program, developed in cooperation with the Lt. Governor's Office, is a school-based program concentrating on comprehensive prevention and coordination of school policies, curriculum, family support, and community activities to provide comprehensive prevention efforts. The program operates in Kankakee and Iroquois Counties.

Addiction Prevention In-Touch - to account for the federal, State and local revenue received and expended under the drug prevention program developed and funded by the State Board of Education and the Illinois Department of Human Services. The program, developed in cooperation with the Lt. Governor's Office, is a school-based program concentrating on developing regional prevention groups (RPG's) and coordination of school policies, curriculum, family support, and community activities to improve the effectiveness of prevention efforts. The program operates in Kankakee, Vermilion, Iroquois, Livingston, Champaign, Ford, Douglas, and Piatt counties.

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Teen Reach - to account for the federal grants and local support received and expended under the drug prevention program developed and funded by the State Board of Education and the Illinois Department of Human Services. The program, developed in cooperation with the Lt. Governor's office, is a school based program concentrating on developing regional prevention groups (RPG's) and coordination of school policies, curriculum, family support, and community activities to improve the effectiveness of prevention efforts. The program operates in Kankakee and Iroquois Counties.

Other State Programs - to account for grant monies received, and the payment of, expenditures incurred for various support service programs funded by the State.

Learn and Serve America - to account for grant monies received for, and payment of, expenditures of the Learn and Serve America Grant. Funds are used to encourage teachers to create, develop and offer service-learning opportunities; to introduce young people to a broad range of education, training, and careers; and to develop local service-learning partnerships.

HUD Supportive Housing Program - to account for grant monies received for, and payment of, expenditures of the Supportive Housing grant from the U.S. Department of Housing and Urban Development. Funds are used to provide case management, information and referral, and transportation services for homeless families with children, helping the families to meet their basic needs and obtain permanent housing.

United States Department of Justice (USDOJ) Project Hope - to account for grant monies received for, and payment of expenditures for the Elder Abuse & Neglect Awareness Campaign. Funds are used to pay for public service announcements related to the program objectives.

Emergency Response Plans for School Safety Initiative (ER/CM) - to account for grant monies received for, and payment of expenditures related to programs aimed at strengthening and improving the emergency response and crisis plans at the district and school-building level.

Grants to Improve the Mental Health of Children - to account for grant monies received for, and payment of expenditures related to programs aimed at improving efforts between school-based service systems and mental health service systems to provide and enhance prevention, diagnosis, and treatment services to students.

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National Board for Professional Teaching Standards - to account for grant monies received for, and payment of expenditures related to professional trainings and certifications provided to teachers to achieve national board certification.

Beginning Teachers Pilot - to account for grant money received and the expenditures incurred to support the statewide new teacher mentoring program that includes assigning a mentor teacher to each new teacher for a period of at least two years and providing professional development designed to ensure the growth of the new teachers' knowledge and skills.

Title V - Innovative Programs - Formula - to account for grant monies received for, and payment of, expenditures of the Title V - Innovative Programs.

Title IV - Safe and Drug Free Schools - Formula - to account for grant monies received for, and payment of, expenditures of the Title IV -- Safe and Drug Free Schools program.

Nonmajor Special Revenue Funds - The ROE reported the following special revenue funds as non-major governmental funds:

General Education Development (GED) - to account for proceeds earned from students who participate in the high school equivalency program. These proceeds are used to pay the administrative expenses incurred to administer the GED program.

Bus Driver Training - to account for the proceeds from federal and State grants, registration, and other fees. These proceeds pay administrative expenses incurred to insure compliance with 105 ILCS 5/3-14.23.

Supervisory - to account for the proceeds provided to the Regional Superintendent by the State Board of Education to be used for travel and related expenses.

State Free Lunch and Breakfast - to account for the proceeds received and expended in the operations of the free lunch and breakfast program.

National School Lunch - to account for the grant monies received for, and payment of, expenditures for the National School Lunch program.

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Project Care Healthy Decision - to account for the revenue received and the expenses incurred in providing a suicide hotline for students.

Life Education Center (LEC) USA - to account for the proceeds received and expenses incurred for the LEC USA program.

Institute Fund - to account for the proceeds earned from teacher registration, certificate renewals, and examinations. The Regional Superintendent uses these proceeds to pay administration expenses incurred on behalf of the teachers' institute certificates, workshops, and general meetings. All funds generated remain restricted until expended only on the aforementioned activities.

National School Breakfast - to account for the proceeds received and expended in the operations of the free breakfast program.

Proprietary Fund Types

Enterprise Funds are used to account for resources from fees charged directly to those entities or individuals that use its services.

Major Proprietary Funds - The Iroquois-Kankakee Regional Office of Education No. 32 reported the following proprietary funds as major funds:

Life Education - Local - to account for local revenues received and related disbursements for the Life Education program.

Safe Schools - Local - to account for local revenues and disbursements related to the Safe School program.

Truant - Local - to account for local revenues and disbursements related to the Truant programs.

Nonmajor Proprietary Funds - The Iroquois-Kankakee Regional Office of Education No. 32 reported the following proprietary funds as non-major funds:

Fluoride Fund - to account for revenues and expenses of the Fluoride Program. The objective of this program is to prevent tooth decay among students.

Internet Connectivity - to account for local revenues and disbursements for the Internet Connectivity Program.

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Administrator's Academy - Local - to account for local revenues and disbursements related to the Administrators Academy Program.

Career Awareness and Development Workshop - to account for local revenues and disbursements related to the Career Awareness and Development workshop.

School Lunch Student Payments - to account for local revenues and disbursements for the Students School Lunch program.

Regional Alternative Attendance Center (RAAC) Activity - to account for local revenues and disbursements related to the RAAC Activity Fund.

Service Provided - Standards - to account for local revenues and disbursements related to the Service Provided Standards program.

RAAC Renaissance Program - to account for local revenues and disbursements related to the Regional Alternative Attendance Center Renaissance program.

Service Provided - Positive Behavioral Interventions and Support (PBIS) - to account for local revenues and disbursements related to the Service Provided Positive Behavioral Intervention and Support program.

School Crises Assistance Team (SCAT) Donations - to account for donations and related disbursements for the School Crisis Assistance Team.

21st Century Learning Center Activity - to account for local revenues and disbursements related to the 21st Century Learning Center Activity.

Reading Recovery Fees - to account for local revenues and disbursements related to the Reading Recovery workshops.

Children and Adolescent Local Area Network System (C & A LANS) - #26 Funds - to account for the funds received by the Regional Office of Education upon the closure of the local organization, C & A LANS. This fund is used to service at-risk youth.

Title I Workshops - to account for local revenues and disbursements for workshops related to the Title I - School Improvement & Accountability.

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Service Provided - Goals 2000 - to account for local revenues and disbursements related to the Service Provided Goals 2000 program.

Teen Reach Local Program - to account for local revenues and disbursements related to the Teen Reach program.

Para-Professional Workshop Fees - to account for local revenues and disbursements related to the Paraprofessional Test Preparatory Course program.

Reading First Academy Workshops - to account for local revenues and disbursements related to the Illinois Reading First Academy.

Local Induction - Mentoring Training Fees - to account for local revenues and disbursements for Induction/Mentoring Training programs.

Criminal Background Investigation - to account for the assessments received from the school districts to pay for the processing of fingerprinting the substitute teachers and expenditures incurred providing this service to the school districts.

Service Provided - Alcohol Reduction - to account for local revenues and disbursements related to the Alcohol Reduction program.

Service Provided - HUD - to account for local revenues and disbursements related to the U.S. Department of Housing and Urban Development Supplemental Housing program.

Supplemental Educational Services - to account for local revenues and disbursements in providing supplemental education for students from low-income families.

Service Provided - Payroll Operation - to account for local revenues and disbursements related to the payroll operations.

Service Provided - ER/CM - to account for local revenues and disbursements related to the Safe and Drug-free Schools Emergency Response/Crisis Management program.

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Service Provided - Mental Health - to account for local revenues and disbursements related to the Safe and Drug-free Schools Mental Health program.

ER/CM Workshop - to account for local revenues and disbursements related to the workshop conducted for the Safe and Drug-free Schools Emergency Response/Crisis Management program.

Scientific Literacy Workshops - to account for local revenues and disbursements related to the Scientific Literacy workshops.

ROE Workshops - to account for local revenues and disbursements related to various workshops conducted by the Iroquois-Kankakee Regional Office of Education No. 32 which are not accounted for in a separate fund.

SALT Activity - to account for local revenues and disbursements related to activities under the Students All Learning Together program.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held in a trustee capacity or as an agent for individuals or private or governmental organizations. The Fiduciary Funds include:

Agency Funds - to account for assets held by the Regional Superintendent in a trustee capacity. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to outside organizations are equal to the assets held. The agency funds are as follows:

Distributive - to account for federal and State funds appropriated to school districts under the oversight of the Regional Superintendent. These proceeds are received and disbursed to the local school districts that are part of the Iroquois-Kankakee Regional Office of Education No. 32. Interest revenue earned on the custodial funds collected is part of the overall revenues of the General Fund. This treatment is in accordance with an agreement between the Regional Superintendent and all the school boards within the Iroquois-Kankakee Regional Office of Education No. 32.

School District Expansion Fees - to account for receipts and expenses incurred for fees levied by the County on incorporated new developments in the area/city limits.

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Scholarship - to account for the receipts and disbursement of scholarship awards to selected individuals.

Payroll - to account for monies received for various funds and subsequent payments of payroll expenditures.

Petitions and Detachment - to account for receipts and disbursements related to petitions filed for annexation or detachment of school district boundaries.

G. Interest Revenue

Illinois State Board of Education (ISBE) funds received by the ROE for the Distributive Fund accrue interest for the period of time between the receipt of the funds and clearance of checks to the recipient. In accordance with an agreement dated May 24, 1988 with the school district boards served, interest earned on Distributive Fund deposits is transferred to the General Fund to offset wire service and other bank charges incurred by the Distributive Fund.

Distributive Fund interest earned and related charges are recognized as revenues and expenditures in the general fund.

H. License and Permits

License and permit revenues are recognized in the year for which the licenses or permits are issued.

I. Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Non-exchange transactions, in which the ROE receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the ROE must provide local resources to be used for specific purpose; and expenditure requirements, in which the resources are

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provided to the ROE on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

J. Capital Assets

Capital assets result from expenditures in the governmental funds. These assets are reported in the governmental and business-type activities column of the government-wide Statement of Net Assets but are not reported in the fund financial statements for the governmental funds.

Capital assets are recorded at cost at the time of acquisition or fair value at the date of donation. The ROE capitalizes items costing \$5,000 or more. Depreciation is calculated on a straight-line basis over the estimated useful lives (three to five years) of the respective assets.

K. Deferred Revenues

The ROE reports unearned deferred revenue in the governmental fund Balance Sheet. Deferred and unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period.

L. Management Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. Investments and Cash Accounts

State regulations require that the Iroquois-Kankakee Regional Office of Education No. 32 deposit funds under its control into accounts insured by the federal government, secured by substantial collateral or into pooled investment trusts. All funds not needed for immediate disbursements are maintained in interest bearing accounts. Statutes authorize the Iroquois-Kankakee Regional Office of Education No. 32 to make deposits or invest in obligation of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurer's Investment Pool.

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N. Revenue from Federal and State Grants

Revenues from federal and State grant awards are recorded net of the amount due to the State for the unused portion of the grant or the amount carried over to the following fiscal year project. Amounts due to the State or carried over to the following year project are recorded as liabilities.

O. Budgetary Data

The Iroquois-Kankakee Regional Office of Education No. 32 did not formally adopt a budget for the year ended June 30, 2008 and is not legally required to do so. The Illinois State Board of Education requires budgets for certain State and Federal programs. These budgets were used to prepare Budgetary Comparison Schedules for the following programs:

General Fund:

- ROE/ISC Operations

Special Revenue Funds:

- Education Fund:
 - Truants' Alternative Program
 - Summer Bridges
 - Title II - Teacher Quality
 - Title II - Teacher Quality - Leadership Grant
 - Regional Safe Schools
 - K-6 Reading Improvement
 - Title I - School Improvement & Accountability
 - Title I - Reading First Part B SEA Funds
 - Title IV - 21st Century Community Learning Centers
 - Federal Special Education - I.D.E.A. - Discretionary
 - McKinney Education for Homeless Children
 - Addiction Prevention Comprehensive
 - Teen Reach
 - Other State Programs
 - Learn and Serve America
 - Beginning Teachers Pilot (Teacher Mentoring)
 - Title V - Innovative Program - Formula
 - Title IV - Safe and Drug Free Schools - Formula

The budget for the office operations is submitted to the County Schools committee and the Kankakee and Iroquois County boards. The county boards are obligated to pay

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certain office operating expenses and approve the Regional Office of Education No. 32's operating budget. The county funds the approved budget based upon the county's November 30 year end. These expenditures are not included in this report.

P. Compensated Absences

The Iroquois-Kankakee Regional Office of Education No. 32 provides paid vacation time for its full-time employees who work all twelve months of the year. Unused vacation time does not accumulate and carryover to future calendar years. Sick pay may accumulate for full-time employees of the In-Touch Program up to a maximum of 180 days. Unused sick pay for those employees may be certified in writing to the next employer at the request of the employee at the time of re-employment elsewhere. Unused sick pay for those employees may be used as service credits toward the employee's retirement fund when the employee retires. Employees of all other programs may not accumulate and carryover unused sick pay to future years. There are no material accumulations of sick pay or vacation pay at June 30, 2008.

NOTE 2 - CASH AND INVESTMENTS

Deposits

The Iroquois-Kankakee Regional Office of Education No. 32 utilizes several different bank accounts for its various activities. The book balance of such accounts is \$2,545,274 at June 30, 2008, while the bank balance was \$2,897,402. The difference between the above amounts primarily represents checks that have been issued but have not yet cleared the bank as of June 30, 2008. Of the total bank balance as of June 30, 2008, \$100,000 was secured by federal depository insurance or collateral held by the ROE No. 32 in its name and \$2,797,402 was collateralized by security pledged by the ROE No. 32's financial institution on behalf of the ROE No. 32.

Investments

The ROE has pooled its investments. Investments are stated at fair value. Net income from investments of pooled funds is allocated and credited to the original sources of the funds. As of June 30, 2008, the ROE No. 32 had investments with carrying and fair values of \$96,205 and \$31,767 invested in certificates of deposit and in the Illinois Funds Money Market.

Credit Risk

At June 30, 2008, the Illinois Funds Money Market Fund had a Standards and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the

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report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provisions of the Illinois Public Funds Investments Act, 30 ILCS 235. All investments are fully collateralized.

Interest Rate Risk

The Illinois Funds Money Market Fund, created by the Illinois General Assembly, 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 Funds Money Market Funds states that unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years maturity.

Concentration of Credit Risk

Unless specifically authorized by the Treasurer, the Illinois Funds Money Market Fund's investment policy limits investment categories to not exceed 25% of the portfolio, with the exception of cash equivalents and U.S. Treasury securities. Further, certificates of deposits cannot exceed 10% of any single financial institution's total deposits.

NOTE 3 - RETIREMENT FUND COMMITMENTS

Teachers' Retirement System of the State of Illinois

The Iroquois-Kankakee Regional Office of Education No. 32 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 the 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, 2008, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. In addition, virtually all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The employer THIS Fund

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contribution was 0.63 percent during the year ended June 30, 2008, and the member THIS Fund health insurance contribution was 0.84 percent.

The State of Illinois makes contributions directly to TRS on behalf of the Iroquois-Kankakee Regional Office of Education No. 32's TRS-covered employees.

- **On-behalf Contributions.** The State of Illinois makes employer pension contributions on behalf of the Iroquois-Kankakee Regional Office of Education No. 32. For the year ended June 30, 2008, State of Illinois contributions were based on 13.11 percent of creditable earnings not paid from federal funds, and the Iroquois-Kankakee Regional Office of Education No. 32, recognized revenue and expenditures of \$224,999 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2007 and June 30, 2006, the State of Illinois contribution rates as percentages of creditable earnings were 9.78 percent (\$152,576) and 7.06 percent (\$106,156), respectively. The State contributions to TRS for the year ended June 30, 2008 were based on an actuarial formula. The State contributions to TRS for the years ended June 30, 2007 and June 30, 2006 were based on dollar amounts specified by the statute and were not actuarially determined.

The Iroquois-Kankakee Regional Office of Education No. 32 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, 2008 were \$9,963. Contributions for the years ended June 30, 2007, and June 30, 2006, were \$9,050 and \$8,721, respectively.
- **Federal and Trust Fund Contributions.** When TRS members are paid from federal and special trust funds administered by the Iroquois-Kankakee Regional Office of Education No. 32, there is a statutory requirement for the Iroquois-Kankakee Regional Office of Education No. 32 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, 2008, the employer pension contribution was 13.11 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2007 and 2006, the employer contribution was 9.78 and 7.06 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2008, salaries totaling \$741,694 were paid from federal and special trust funds that required employer contributions of \$97,236. For the years ended June 30, 2007 and June 30, 2006,

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required Iroquois-Kankakee Regional Office of Education No. 32 contributions were \$66,006 and \$50,303, respectively.

- **Early Retirement Option.** The Iroquois-Kankakee Regional Office of Education No. 32 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires. Under Public Act 94-0004, a “Pipeline ERO” program was provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they met certain conditions and retired on or before July 1, 2007. If members did not meet these conditions, they can retire under the “Modified ERO” program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies for the Pipeline ERO). Under the Pipeline ERO, the maximum employer contribution was 100 percent of the member’s highest salary used in the final average salary calculation. Under the Modified ERO, the maximum employer contribution is 117.5 percent. Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement. For the year ended June 30, 2008, the Iroquois-Kankakee Regional Office of Education No. 32 paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2007 and June 30, 2006, the Iroquois-Kankakee Regional Office of Education No. 32 paid \$0 in employer ERO contributions.
- **Salary Increases Over 6 Percent and Excess Sick Leave.** Public Act 94-0004 added two new employer contributions to TRS.
 - If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree’s final average salary, the employer 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, 2008, the Iroquois-Kankakee Regional Office of Education No. 32 paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2007 and June 30, 2006, the Iroquois-Kankakee Regional Office of Education No. 32 did not have any payments to TRS for employer contributions due on salary increases in excess of 6 percent.
 - If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.62 percent of salary during the year ended June 30, 2008). For

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the year ended June 30, 2008, the Iroquois-Kankakee Regional Office of Education No. 32 paid \$0 to TRS for sick leave days granted in excess of the normal annual allotment. For the years ended June 30, 2007 and June 30, 2006, the Iroquois-Kankakee Regional Office of Education No. 32 did not have any payments to TRS for sick leave days granted in 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, 2007. The report for the year ended June 30, 2008, is expected to be available in late 2008. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS web site at trs.illinois.gov.

Illinois Municipal Retirement Fund

Plan Description

The Iroquois-Kankakee Regional Office of Education No. 32'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 Iroquois-Kankakee Regional Office of Education No. 32'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. The report may be obtained on-line at www.imrf.org.

Funding Policy

As set by statute, the Iroquois-Kankakee Regional Office of Education No. 32's regular plan members are required to contribute 4.50% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2007 was 9.90% of annual covered payroll. The Iroquois-Kankakee Regional Office of Education No. 32 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.

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

Annual Pension Cost

For 2007, the Iroquois-Kankakee Regional Office of Education No. 32's annual pension cost of \$78,125 for the regular plan was equal to the Iroquois-Kankakee Regional Office of Education No. 32's required and actual contributions.

THREE - YEAR TREND INFORMATION

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/07	\$ 78,125	100%	\$ -
12/31/06	89,777	100%	-
12/31/05	81,516	100%	-

The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2005 included (a) 7.50% 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 10.0% 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 Iroquois-Kankakee Regional Office of Education No. 32 plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Iroquois-Kankakee Regional Office of Education No. 32's regular plan's overfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 5 years.

Funded Status and Funding Progress

As of December 31, 2007, the most recent actuarial valuation date, the regular plan was 102.27% funded. The actuarial accrued liability for benefits was \$1,568,491 and the actuarial value of assets was \$1,604,164, resulting in an overfunded actuarial accrued liability (UAAL) of \$35,673. The covered payroll (annual payroll of active employees covered by the plan) was \$789,143 and since the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

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.

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 4 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2008 is as follows:

	Balance July 1, 2007	Additions	Retirements	Balance June 30, 2008
GOVERNMENTAL FUNDS				
Equipment	\$ 12,757	\$ -	\$ -	\$ 12,757
Less: accumulated depreciation	12,757	-	-	12,757
Capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
PROPRIETARY FUNDS				
Equipment	\$ 16,856	\$ -	\$ (6,040)	\$ 10,816
Less: accumulated depreciation	16,856	-	(6,040)	10,816
Capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 - RELATED PARTY TRANSACTIONS

Salaries of the Regional Superintendent and Assistant Regional Superintendent are paid by the State of Illinois. A significant portion of the operational expenditures of the Iroquois-Kankakee Regional Office of Education No. 32 are paid by Kankakee County, Illinois, in accordance with the statutes and the basic financial statements do not include amounts for these expenditures.

NOTE 6 - SALARIES AND PENSION PLAN CONTRIBUTIONS

The salaries of the Superintendent and Assistant Superintendent of Iroquois-Kankakee Regional Office of Education No. 32 are paid for by the State of Illinois and Teachers Retirement System (TRS) contributions are paid by the State of Illinois, in accordance with applicable State of Illinois Law.

The breakdown of the on-behalf payments is as follows:

Regional Superintendent Salary	\$ 105,761
Regional Superintendent Benefits (includes State paid insurance)	20,747
Assistant Regional Superintendent Salary	95,185
Assistant Regional Superintendent Benefits (includes State paid insurance)	20,062
TRS Pension Contributions	<u>224,999</u>
Total on-behalf payments	<u>\$ 466,754</u>

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

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

NOTE 7 - DEFICIT FUND BALANCES

At June 30, 2008, the following had deficit fund balances. They are expected to correct themselves in 2008, through payments from the State and transfers from local funds.

Special Revenue Funds:

Education Funds:

K-6 Reading Improvement	\$ 24
Addiction Prevention In-Touch	368
Learn and Serve America	805
Emergency Response Plans for School Safety Initiative (ER/CM)	7,636
Grants to Improve the Mental Health of Children	5,059
National Board of Professional Teaching Standards	127

Proprietary Funds:

Nonmajor Proprietary Funds:

Internet Connectivity	1,131
21st Century Learning Center Activity	167
Criminal Background Investigation	25,253
Service Provided - Alcohol Reduction	32,557
Service Provided - Payroll Operation	55,752
Scientific Literacy Workshops	4,898

NOTE 8 - DUE FROM (TO) OTHER GOVERNMENTAL AGENCIES

The Iroquois-Kankakee Regional Office of Education No. 32's General Funds, Special Revenue Funds, Enterprise Funds, Agency Funds and various grant programs have funds due from (to) various governmental units which consist of the following:

Due from Other Governmental Agencies:

Illinois State Board of Education	\$ 170,059
Illinois Department of Human Services	84,910
Northern Suburban Special Education District	48,336
Local School Districts	12,844
Total	\$ 316,149

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

Due to Other Governmental Agencies:	
Local School Districts	<u>\$ 178,946</u>

NOTE 9 - DUE FROM (TO) OTHER FUNDS

The following is a summary of amounts due from (to) other funds as of June 30, 2008:

Fund	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Education Fund - Safe and Drug-free Schools - Reduce Alcohol Abuse	\$ 30,773	\$ -
Nonmajor Proprietary Fund - Service Provided - Alcohol Reduction	-	30,773
Total	<u>\$ 30,773</u>	<u>\$ 30,773</u>

**REQUIRED SUPPLEMENTARY INFORMATION
(OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS)**

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2008**

**ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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)
12/31/07	\$1,604,164	\$1,568,491	\$ (35,673)	102.27%	\$789,143	(4.52%)
12/31/06	1,408,111	1,493,521	85,410	94.28%	863,237	9.89%
12/31/05	1,231,732	1,297,281	65,549	94.95%	789,881	8.30%

OTHER SUPPLEMENTARY INFORMATION

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
GENERAL FUND
COMBINING SCHEDULE OF ACCOUNTS
JUNE 30, 2008

SCHEDULE 1

	<u>ROE/ISC Operations</u>	<u>General Operations</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 203,419	\$ 203,419
TOTAL ASSETS	<u>-</u>	<u>203,419</u>	<u>203,419</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	<u>-</u>	<u>103,753</u>	<u>103,753</u>
 FUND BALANCES			
Unreserved	<u>-</u>	<u>99,666</u>	<u>99,666</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 203,419</u>	<u>\$ 203,419</u>

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
GENERAL FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 2

	<u>ROE/ISC</u> <u>Operations</u>	<u>General</u> <u>Operations</u>	<u>Total</u>
REVENUES			
State sources	\$ 95,151	\$ -	\$ 95,151
Local sources			
Intergovernmental	-	523,617	523,617
Fees for services	-	4,826	4,826
Interest	8	4,369	4,377
On-behalf payments	-	466,754	466,754
	<u>95,159</u>	<u>999,566</u>	<u>1,094,725</u>
EXPENDITURES			
Salaries	63,133	369,144	432,277
Benefits	12,787	103,489	116,276
Purchased services	12,753	49,346	62,099
Supplies and materials	5,315	14,804	20,119
Capital expenditures	-	4,727	4,727
Miscellaneous	-	3,619	3,619
On-behalf payments	-	466,754	466,754
	<u>93,988</u>	<u>1,011,883</u>	<u>1,105,871</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,171	(12,317)	(11,146)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>(1,171)</u>	<u>111,983</u>	<u>110,812</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 99,666</u>	<u>\$ 99,666</u>

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
GENERAL FUND ACCOUNTS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2008**

SCHEDULE 3

	ROE/ISC Operations		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 95,151	\$ 95,151	\$ -
Interest	-	8	8
Total revenues	<u>95,151</u>	<u>95,159</u>	<u>8</u>
EXPENDITURES			
Salaries	59,372	63,133	(3,761)
Benefits	13,054	12,787	267
Purchased services	14,507	12,753	1,754
Supplies and materials	8,218	5,315	2,903
Total expenditures	<u>95,151</u>	<u>93,988</u>	<u>1,163</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	1,171	<u>\$ 1,171</u>
DEFICIT, BEGINNING OF YEAR		<u>(1,171)</u>	
FUND BALANCE, END OF YEAR		<u>\$ -</u>	

IRROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
EDUCATION FUND
COMBINING SCHEDULE OF ACCOUNTS
JUNE 30, 2008

SCHEDULE 4

	Truants' Alternative Program	Summer Bridges	Title II - Teacher Quality	Title II - Teacher Quality - Leadership Grant		Title IV - Safe and Drug Free Schools (Reduce Alcohol Abuse)	Standards Aligned Classroom		Regional Safe Schools	General State Aid
				Quality - Leadership Grant	Standards Aligned Classroom					
Cash and cash equivalents (overdrafts)	\$ 248	\$ 53	\$ -	\$ 138,253	\$ 1,870	\$ (30,773)	\$ 1,870	\$ 544	\$ 346,485	
Due from other funds	-	-	-	-	-	30,773	-	-	-	
Due from other governmental agencies	-	-	-	-	-	-	-	-	-	
TOTAL ASSETS	248	53	-	138,253	1,870	-	1,870	544	346,485	

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payable and accrued expenses	151	-	-	69,470	-	-	-	429	3,292
Due to other governmental agencies	-	-	-	62,778	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-	-	-	-
Total liabilities	151	-	-	132,248	-	-	-	429	3,292

FUND BALANCES (DEFICIT)

Unreserved	97	53	-	6,005	1,870	-	1,870	115	343,193
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TOTAL LIABILITIES AND

FUND BALANCES (DEFICIT)	\$ 248	\$ 53	\$ -	\$ 138,253	\$ 1,870	\$ -	\$ 1,870	\$ 544	\$ 346,485
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**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
EDUCATION FUND
COMBINING SCHEDULE OF ACCOUNTS
JUNE 30, 2008**

	Illinois Violence Prevention Authority (IVPA) Family Violence Coordinating Council	Title I - School Improvement & Accountability	Title I - Reading First Part B SEA Funds	Title IV - 21st Century Community Learning Centers	Federal Special Education - I.D.E.A - Discretionary	McKinney Education for Homeless Children
ASSETS						
Cash and cash equivalents (overdrafts)	\$ 2,025	\$ 1,872	\$ (90,795)	\$ 30,795	\$ (48,336)	\$ 15,036
Due from other funds	-	-	-	-	-	-
Due from other governmental agencies	-	-	115,033	-	48,336	-
TOTAL ASSETS	<u>2,025</u>	<u>1,872</u>	<u>24,238</u>	<u>30,795</u>	<u>-</u>	<u>15,036</u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payable and accrued expenses	2,049	253,397	22,746	29,961	-	-
Due to other governmental agencies	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	13,160
Total liabilities	<u>2,049</u>	<u>253,397</u>	<u>22,746</u>	<u>29,961</u>	<u>-</u>	<u>13,160</u>

FUND BALANCES (DEFICIT)

Unreserved	(24)	1,872	1,492	834	-	1,876
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**TOTAL LIABILITIES AND
FUND BALANCES (DEFICIT)**

	<u>\$ 2,025</u>	<u>\$ 1,872</u>	<u>\$ 24,238</u>	<u>\$ 30,795</u>	<u>\$ -</u>	<u>\$ 15,036</u>
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IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
EDUCATION FUND
COMBINING SCHEDULE OF ACCOUNTS
JUNE 30, 2008

SCHEDULE 4
(CONTINUED)

	Addiction Prevention Comprehensive	Addiction Prevention In-Touch	Teen Reach	Other State Programs	Learn and Serve America	HUD Supportive Housing Program	USDOJ Project Hope
ASSETS							
Cash and cash equivalents (overdrafts)	\$ (50,389)	\$ -	\$ (33,712)	\$ 64,050	\$ (1,136)	\$ 16	\$ 18
Due from other funds	-	-	-	-	-	-	-
Due from other governmental agencies	50,910	-	34,000	-	1,100	-	-
TOTAL ASSETS	521	-	288	64,050	(36)	16	18
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable and accrued expenses	-	368	-	44,740	769	-	-
Due to other governmental agencies	-	-	-	-	-	-	-
Deferred revenues	-	-	-	15,947	-	-	-
Total liabilities	-	368	-	60,687	769	-	-
FUND BALANCES (DEFICIT)							
Unreserved	521	(368)	288	3,363	(805)	16	18
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 521	\$ -	\$ 288	\$ 64,050	\$ (36)	\$ 16	\$ 18

IRROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
EDUCATION FUND
COMBINING SCHEDULE OF ACCOUNTS
JUNE 30, 2008

SCHEDULE 4
(CONTINUED)

	Emergency Response Plans for School Safety Initiative (ER/CM)	Grants to Improve the Mental Health of Children	National Board of Professional Teaching Standards	Beginning Teachers Pilot	Title V - Innovative Programs - Formula	Title IV - Safe and Drug Free Schools - Formula	Total
ASSETS							
Cash and cash equivalents (overdrafts)	\$ (7,636)	\$ (5,059)	\$ (30,725)	\$ 178,326	\$ -	\$ -	\$ 791,247
Due from other funds	-	-	-	-	-	-	30,773
Due from other governmental agencies	-	-	30,598	20,921	-	-	300,898
TOTAL ASSETS	<u>(7,636)</u>	<u>(5,059)</u>	<u>(127)</u>	<u>199,247</u>	<u>-</u>	<u>-</u>	<u>1,122,918</u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payable and accrued expenses	-	-	-	97,751	-	-	525,123
Due to other governmental agencies	-	-	-	94,656	-	-	157,434
Deferred revenues	-	-	-	-	-	-	29,107
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,407</u>	<u>-</u>	<u>-</u>	<u>711,664</u>

FUND BALANCES (DEFICIT)

Unreserved	(7,636)	(5,059)	(127)	6,840	-	-	411,254
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ (7,636)</u>	<u>\$ (5,059)</u>	<u>\$ (127)</u>	<u>\$ 199,247</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,122,918</u>

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32

EDUCATION FUND ACCOUNTS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2008

Truants' Alternative Program	Summer Bridges	Title II - Teacher Quality	Title II - Teacher Quality - Leadership Grant	Title IV - Safe and Drug Free Schools (Reduce Alcohol Abuse)	Standards Aligned Classroom	Regional Safe Schools	General State Aid
\$ -	\$ -	\$ 373	\$ 279,292	\$ -	\$ 25,204	\$ -	\$ -
237,415	147,359	-	-	-	-	222,797	585,464
41	1	1	1,896	-	64	27	6,249
237,456	147,360	374	281,188	-	25,268	222,824	591,713
169,247	72,350	-	40,679	-	10,910	181,675	292,857
19,921	3,209	-	4,312	-	2,545	17,786	39,310
31,236	22,564	374	69,732	-	11,198	14,852	116,052
16,955	49,184	-	16,616	-	1,245	6,555	31,953
-	-	-	147,753	-	-	-	-
-	-	-	-	-	609	1,841	6,791
-	-	-	-	-	-	-	35
237,359	147,307	374	279,292	-	26,507	222,709	486,998

REVENUES

Federal sources
State sources
Local sources
Interest
Total revenues

EXPENDITURES

Salaries
Benefits
Purchased services
Supplies and materials
Payments to other governments
Capital expenditures
Miscellaneous
Total expenditures

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES

FUND BALANCES (DEFICIT), BEGINNING OF YEAR

FUND BALANCES (DEFICIT), END OF YEAR

97	53	-	1,896	-	(1,239)	115	104,715
-	-	-	4,109	-	3,109	-	238,478
\$ 97	\$ 53	\$ -	\$ 6,005	\$ -	\$ 1,870	\$ 115	\$ 343,193

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
EDUCATION FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008

	K-6 Reading Improvement	Illinois Violence Prevention Authority (IVPA) Family Violence Coordinating Council	Title I - School Improvement & Accountability	Title I - Reading First Part B SEA Funds	Title IV - 21st Century Community Learning Centers	Federal Special Education - I.D.E.A. - Discretionary	McKinney Education for Homeless Children
REVENUES							
Federal sources	\$ -	\$ -	\$ 1,062,413	\$ 524,800	\$ 392,300	\$ 91,736	\$ 154,453
State sources	28,750	16,270	-	-	-	-	-
Local sources	32	95	5,772	75	834	-	474
Interest	28,782	16,365	1,068,185	524,875	393,134	91,736	154,927
Total revenues							
EXPENDITURES							
Salaries	19,500	13,423	172,397	155,776	203,736	71,428	52,963
Benefits	283	1,027	33,323	35,024	34,469	13,132	12,418
Purchased services	8,943	1,399	114,125	292,640	118,440	7,131	11,413
Supplies and materials	24	865	32,649	41,360	23,219	-	9,351
Payments to other governments	-	-	674,295	-	-	-	68,353
Capital expenditures	-	-	598	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total expenditures	28,750	16,714	1,027,387	524,800	379,864	91,691	154,498
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	32	(349)	40,798	75	13,270	45	429
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	(56)	2,221	16,022	1,417	(12,436)	(45)	1,447
FUND BALANCES (DEFICIT), END OF YEAR	\$ (24)	\$ 1,872	\$ 56,820	\$ 1,492	\$ 834	\$ -	\$ 1,876

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
EDUCATION FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008**

	Addiction Prevention Comprehensive	Addiction Prevention In-Touch	Teen Reach	Other State Programs	Learn and Serve America	HUD Supportive Housing Program	USDOJ Project Hope
REVENUES							
Federal sources	\$ 53,534	\$ -	201,880	\$ -	11,000	\$ 66,226	\$ -
State sources	250,376	-	4,120	206,356	-	-	-
Local sources							
Interest	382	-	93	460	8	-	1
Total revenues	304,292	-	206,093	206,816	11,008	66,226	1
EXPENDITURES							
Salaries	215,431	-	29,368	49,003	1,501	52,573	-
Benefits	41,911	-	6,795	6,441	359	12,424	-
Purchased services	22,359	-	6,317	149,674	7,231	1,308	-
Supplies and materials	24,209	-	3,722	1,238	2,677	1,725	-
Payments to other governments	-	-	159,770	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	1,734	-
Total expenditures	303,910	-	205,972	206,356	11,768	69,764	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	382	-	121	460	(760)	(3,538)	1
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	139	(368)	167	2,903	(45)	3,554	17
FUND BALANCES (DEFICIT), END OF YEAR	\$ 521	\$ (368)	\$ 288	\$ 3,363	\$ (805)	\$ 16	\$ 18

IRROUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
EDUCATION FUND ACCOUNTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 5
(CONTINUED)

	Emergency Response Plans for School Safety Initiative (ER/CM)	Grants to Improve the Mental Health of Children	National Board of Professional Teaching Standards	Beginning Teachers Pilot	Title V - Innovative Programs - Formula	Title IV - Safe and Drug Free Schools - Formula	Total
REVENUES							
Federal sources	\$ 200,090	\$ 219,788	\$ -	\$ -	38	62	\$ 3,283,189
State sources	-	-	544,452	258,086	-	-	2,501,445
Local sources	-	-	-	-	-	-	-
Interest	-	-	-	398	-	-	16,903
Total revenues	200,090	219,788	544,452	258,484	38	62	5,801,537
EXPENDITURES							
Salaries	66,233	94,383	63,999	77,441	-	-	2,106,873
Benefits	16,014	17,695	15,110	2,381	-	-	336,089
Purchased services	73,083	58,182	450,354	57,070	38	62	1,645,777
Supplies and materials	30,897	20,262	13,491	14,456	-	-	342,653
Payments to other governments	-	4,130	-	100,296	-	-	1,154,597
Capital expenditures	-	-	1,625	-	-	-	11,464
Miscellaneous	6,445	-	-	-	-	-	8,214
Total expenditures	192,672	194,652	544,579	251,644	38	62	5,605,667
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,418	25,136	(127)	6,840	-	-	195,870
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	(15,054)	(30,195)	-	-	-	-	215,384
FUND BALANCES (DEFICIT), END OF YEAR	\$ (7,636)	\$ (5,059)	\$ (127)	\$ 6,840	\$ -	\$ -	\$ 411,254

	Truantis/ Alternative Program			Summer Bridges			Title II - Teacher Quality		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES									
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 373	\$ 373	\$ -
State sources	237,415	237,415	-	302,959	147,359	(155,600)	-	-	-
Local sources	-	-	-	-	-	-	-	-	-
Interest	-	41	41	-	1	1	-	1	1
Total revenues	237,415	237,456	41	302,959	147,360	(155,599)	373	374	1
EXPENDITURES									
Salaries	169,162	169,247	(85)	219,150	72,350	146,800	-	-	-
Benefits	18,540	19,921	(1,381)	6,098	3,209	2,889	-	-	-
Purchased services	32,967	31,236	1,731	26,361	22,564	3,797	373	374	(1)
Supplies and materials	16,746	16,955	(209)	51,350	49,184	2,166	-	-	-
Payments to other governments	-	-	-	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total expenditures	237,415	237,359	56	302,959	147,307	155,652	373	374	(1)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 97	\$ 97	\$ -	\$ 53	\$ 53	\$ -	\$ -	\$ -
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	-	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICIT), END OF YEAR	\$ -	\$ 97	\$ 97	\$ -	\$ 53	\$ 53	\$ -	\$ -	\$ -

IRROQUIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
 EDUCATION FUND ACCOUNTS
 BUDGETARY COMPARISON SCHEDULES
 FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 6
 (CONTINUED)

	Title II - Teacher Quality - Leadership Grant			Regional Safe Schools			K-6 Reading Improvement		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES									
Federal sources	\$ 279,292	\$ 279,292	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	222,797	222,797	-	28,750	28,750	-
Local sources	-	-	-	-	-	-	-	-	-
Interest	-	1,896	1,896	-	27	27	-	32	32
Total revenues	279,292	281,188	1,896	222,797	222,824	27	28,750	28,782	32
EXPENDITURES									
Salaries	35,154	40,679	(5,525)	177,645	181,675	(4,030)	19,000	19,500	(500)
Benefits	3,899	4,512	(613)	17,876	17,786	90	276	283	(7)
Purchased services	54,619	69,732	(15,113)	19,821	14,852	4,969	7,874	8,943	(1,069)
Supplies and materials	21,128	16,616	4,512	5,500	6,555	(1,055)	1,600	24	1,576
Payments to other governments	164,492	147,753	16,739	-	-	-	-	-	-
Capital expenditures	-	-	-	1,955	1,841	114	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total expenditures	279,292	279,292	-	222,797	222,709	88	28,750	28,750	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 1,896	\$ 1,896	\$ -	\$ 115	\$ 115	\$ -	\$ 32	\$ 32
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		4,109						(56)	
FUND BALANCES (DEFICIT), END OF YEAR	\$ -	\$ 6,005	\$ 6,005	\$ -	\$ 115	\$ 115	\$ -	\$ (24)	\$ (24)

IRROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
 EDUCATION FUND ACCOUNTS
 BUDGETARY COMPARISON SCHEDULES
 FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 6
 (CONTINUED)

	Title I - School Improvement & Accountability			Title I - Reading First Part B SEA Funds			Title IV - 21st Century Community Learning Centers		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES									
Federal sources	\$ 1,062,413	\$ 1,062,413	\$ -	\$ 524,800	\$ 524,800	\$ -	\$ 392,300	\$ 392,300	\$ -
Slate sources	-	-	-	-	-	-	-	-	-
Local sources	-	-	-	-	-	-	-	-	-
Interest	-	5,772	5,772	-	75	75	-	834	834
Total revenues	1,062,413	1,068,185	5,772	524,800	524,875	75	392,300	393,134	834
EXPENDITURES									
Salaries	215,558	172,397	43,161	-	155,776	(155,776)	216,964	203,736	13,228
Benefits	28,029	33,323	(5,294)	-	35,024	(35,024)	42,270	34,469	7,801
Purchased services	64,524	114,125	(49,601)	-	292,640	(292,640)	110,766	118,440	(7,674)
Supplies and materials	33,998	32,649	1,349	-	41,360	(41,360)	22,300	23,219	(919)
Payments to other governments	720,304	674,295	46,009	-	-	-	-	-	-
Capital expenditures	-	598	(598)	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total expenditures	1,062,413	1,027,387	35,026	-	524,800	(524,800)	392,300	379,864	12,436
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 40,798	\$ 40,798	\$ 524,800	\$ 75	\$ (524,725)	\$ -	\$ 13,270	\$ 13,270
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		16,022			1,417			(12,436)	
FUND BALANCES (DEFICIT), END OF YEAR	\$ -	\$ 56,820		\$ -	\$ 1,492		\$ -	\$ 834	

IRROUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
 EDUCATION FUND ACCOUNTS
 BUDGETARY COMPARISON SCHEDULES
 FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 6
 (CONTINUED)

	Federal Special Education - I.D.E.A. - Discretionary			McKinney Education for Homeless Children			Addiction Prevention Comprehensive		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES									
Federal sources	\$ 94,380	\$ 91,736	\$ (2,644)	\$ 167,613	\$ 154,453	\$ (13,160)	\$ 53,534	\$ 53,534	\$ -
State sources	-	-	-	-	-	-	250,376	250,376	-
Local sources	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	474	474	-	382	382
Total revenues	94,380	91,736	(2,644)	167,613	154,927	(12,686)	303,910	304,292	382
EXPENDITURES									
Salaries	71,427	71,428	(1)	51,256	52,963	(1,707)	221,813	215,431	6,382
Benefits	11,601	13,132	(1,531)	11,731	12,418	(687)	43,222	41,911	1,311
Purchased services	11,352	7,131	4,221	22,973	11,413	11,560	18,875	22,359	(3,484)
Supplies and materials	-	-	-	11,178	9,351	1,827	20,000	24,209	(4,209)
Payments to other governments	-	-	-	70,475	68,353	2,122	-	-	-
Capital expenditures	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total expenditures	94,380	91,691	2,689	167,613	154,498	13,115	303,910	303,910	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 45	\$ 45	\$ -	\$ 429	\$ 429	\$ -	\$ 382	\$ 382
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		(45)			1,447			139	
FUND BALANCES (DEFICIT), END OF YEAR	\$ -	\$ -		\$ 1,876	\$ 1,876		\$ -	\$ 521	

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
 EDUCATION FUND ACCOUNTS
 BUDGETARY COMPARISON SCHEDULES
 FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 6
 (CONTINUED)

	Teen Reach			Other State Programs			Learn and Serve America		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES									
Federal sources	\$ 201,880	\$ 201,880	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,000	\$ 11,000
State sources	4,120	4,120	-	222,303	206,356	(15,947)	11,000	-	(11,000)
Local sources	-	-	-	-	-	-	-	-	-
Interest	-	93	93	-	460	460	-	8	8
Total revenues	206,000	206,093	93	222,303	206,816	(15,487)	11,000	11,008	8
EXPENDITURES									
Salaries	58,105	29,368	28,737	57,871	49,003	8,868	2,000	1,501	499
Benefits	15,830	6,795	9,035	8,710	6,441	2,269	400	359	41
Purchased services	11,225	6,317	4,908	155,105	149,674	5,431	5,500	7,231	(1,731)
Supplies and materials	4,340	3,722	618	617	1,238	(621)	3,100	2,677	423
Payments to other governments	116,500	159,770	(43,270)	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total expenditures	206,000	205,972	28	222,303	206,356	15,947	11,000	11,768	(768)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	121	121	\$ -	460	460	\$ -	(760)	(760)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		167			2,903			(45)	
FUND BALANCES (DEFICIT), END OF YEAR	\$ -	288		\$ -	3,363		\$ -	(805)	

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
 EDUCATION FUND ACCOUNTS
 BUDGETARY COMPARISON SCHEDULES
 FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 6
 (CONTINUED)

	Beginning Teachers Pilot			Title V - Innovative Programs - Formula			Title IV - Safe and Drug Free Schools - Formula			Variance Favorable (Unfavorable)
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES										
Federal sources	\$ -	\$ -	\$ -	\$ 38	\$ 38	\$ -	\$ -	\$ 62	\$ 62	\$ -
State sources	258,086	258,086	-	-	-	-	-	-	-	-
Local sources	-	-	-	-	-	-	-	-	-	-
Interest	-	398	398	-	-	-	-	-	-	-
Total revenues	258,086	258,484	398	38	38	-	62	62	62	-
EXPENDITURES										
Salaries	76,717	77,441	(724)	-	-	-	-	-	-	-
Benefits	2,621	2,381	240	-	-	-	-	-	-	-
Purchased services	54,048	57,070	(3,022)	38	38	-	62	62	62	-
Supplies and materials	15,360	14,456	904	-	-	-	-	-	-	-
Payments to other governments	109,340	100,296	9,044	-	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total expenditures	258,086	251,644	6,442	38	38	-	62	62	62	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 6,840	\$ 6,840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	-	-	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICIT), END OF YEAR	\$ -	\$ 6,840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

IRROQUIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
EDUCATION FUND ACCOUNTS
BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 6
(CONTINUED)

	Total		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Federal sources	\$ 2,776,685	\$ 2,771,881	\$ (4,804)
State sources	1,537,806	1,355,259	(182,547)
Local sources	-	10,494	10,494
Interest	-	-	-
Total revenues	<u>4,314,491</u>	<u>4,137,634</u>	<u>(176,857)</u>
EXPENDITURES			
Salaries	1,591,822	1,512,495	79,327
Benefits	211,103	231,964	(20,861)
Purchased services	596,483	934,201	(337,718)
Supplies and materials	207,217	242,215	(34,998)
Payments to other governments	1,181,111	1,150,467	30,644
Capital expenditures	1,955	2,439	(484)
Miscellaneous	-	-	-
Total expenditures	<u>3,789,691</u>	<u>4,073,781</u>	<u>(284,090)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 524,800</u>	<u>63,853</u>	<u>\$ (460,947)</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		<u>13,622</u>	
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ 77,475</u>	

IRROUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2008

SCHEDULE 7

	General Education Development (GED)		Bus Driver Training		Supervisory		State Free Lunch and Breakfast		National School Lunch		Project Care Healthy Decision		Life Education Center (LEC) USA		Institute Fund		National School Breakfast		Total		
Cash and cash equivalents	\$	50,965	\$	39,120	\$	-	\$	582	\$	2,232	\$	4,002	\$	8,134	\$	115,969	\$	753	\$	221,757	
Due from other governmental agencies		-		-		-		162		975		-		-		-		1,270		2,407	
TOTAL ASSETS		<u>50,965</u>		<u>39,120</u>		<u>-</u>		<u>744</u>		<u>3,207</u>		<u>4,002</u>		<u>8,134</u>		<u>115,969</u>		<u>2,023</u>		<u>224,164</u>	
FUND BALANCES																					
Unreserved		50,965		39,120		-		744		3,207		4,002		8,134		115,969		2,023		224,164	
TOTAL FUND BALANCES		<u>\$ 50,965</u>		<u>\$ 39,120</u>		<u>\$ -</u>		<u>\$ 744</u>		<u>\$ 3,207</u>		<u>\$ 4,002</u>		<u>\$ 8,134</u>		<u>\$ 115,969</u>		<u>\$ 2,023</u>		<u>\$ 224,164</u>	

IRROUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
 NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2008

	General Education Development (GED)	Bus Driver Training	Supervisory	State Free Lunch and Breakfast	National School Lunch	Project Care Healthy Decision	Life Education Center (LEC) USA	Institute Fund	National School Breakfast	Total
REVENUES										
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ 12,798	\$ -	\$ -	\$ -	\$ 5,082	\$ 17,880
State sources	-	1,200	2,000	797	-	-	-	-	-	3,997
Local sources	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	18,667	-	18,667
Fees for services	11,523	2,603	-	-	-	-	-	-	-	14,126
Interest	1,272	1,127	-	13	57	93	291	4,735	5	7,593
Total revenues	12,795	4,930	2,000	810	12,855	93	291	23,402	5,087	62,263
EXPENDITURES										
Salaries	-	645	-	-	-	-	-	-	-	645
Benefits	-	114	-	-	-	-	-	-	-	114
Purchased services	5,309	3,833	2,000	653	12,174	1	7,802	34,212	3,064	69,048
Supplies and materials	6,119	536	-	-	-	111	10,176	3,362	-	20,304
Miscellaneous	-	-	-	-	-	-	-	4,297	-	4,297
Payments to other government	-	8,210	-	-	-	-	156	-	-	8,366
Capital expenditure	-	-	-	-	-	-	2,436	-	-	2,436
Total expenditures	11,428	13,338	2,000	653	12,174	112	20,570	41,871	3,064	105,210
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,367	(8,408)	-	157	681	(19)	(20,279)	(18,469)	2,023	(42,947)
FUND BALANCES, BEGINNING OF YEAR	49,598	47,528	-	587	2,526	4,021	28,413	134,438	-	267,111
FUND BALANCES, END OF YEAR	\$ 50,965	\$ 39,120	\$ -	\$ 744	\$ 3,207	\$ 4,002	\$ 8,134	\$ 115,969	\$ 2,023	\$ 224,164

IRROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2008

SCHEDULE 9

	Fluoride Fund	Internet Connectivity	Administrator's Academy - Local	Career Awareness and Development Workshop	School Lunch Student Payments	Regional Alternative Attendance Center (RAAC) Activity	Service Provided - Standards
ASSETS							
Cash and cash equivalents (overdraft)	\$ 1,040	\$ (1,131)	\$ 22,787	\$ 9,047	\$ 3,802	\$ 88	\$ 12,893
Accounts receivable	-	-	-	-	-	-	-
TOTAL ASSETS	<u>1,040</u>	<u>(1,131)</u>	<u>22,787</u>	<u>9,047</u>	<u>3,802</u>	<u>88</u>	<u>12,893</u>
LIABILITIES							
Accounts payable and accrued expenses	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS							
Unrestricted	\$ 1,040	\$ (1,131)	\$ 22,787	\$ 9,047	\$ 3,802	\$ 88	\$ 12,893

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2008

SCHEDULE 9
(CONTINUED)

	RAAC Renaissance Program	Service Provided - Positive Behavioral Interventions and Support (PBIS)	School Crises Assistance Team (SCAT) Donations	21st Century Learning Center Activity	Reading Recovery Fees	Children and Adolescent Local Area Network System (C&A LANS)
ASSETS						
Cash and cash equivalents (overdraft)	\$ 65	\$ 12,072	\$ 2,504	\$ (167)	\$ 21,540	\$ 763
Accounts receivable	-	-	-	-	-	-
TOTAL ASSETS	65	12,072	2,504	(167)	21,540	763
LIABILITIES						
Accounts payable and accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-
NET ASSETS						
Unrestricted	\$ 65	\$ 12,072	\$ 2,504	\$ (167)	\$ 21,540	\$ 763

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2008

SCHEDULE 9
(CONTINUED)

	Title I Workshops	Service Provided - Goals 2000	Teen Reach Program	Local Program	Para-Professional Workshop Fees	Reading First Academy Workshops	Local Induction - Mentoring Training Fees
ASSETS							
Cash and cash equivalents (overdraft)	\$ 2,778	\$ 28,476	\$ 261	\$ 261	\$ 5,766	\$ 6,845	\$ 15,738
Accounts receivable	-	-	-	-	-	-	-
TOTAL ASSETS	<u>2,778</u>	<u>28,476</u>	<u>261</u>	<u>261</u>	<u>5,766</u>	<u>6,845</u>	<u>15,738</u>
LIABILITIES							
Accounts payable and accrued expenses	-	-	-	-	-	-	16
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16</u>
NET ASSETS							
Unrestricted	\$ 2,778	\$ 28,476	\$ 261	\$ 261	\$ 5,766	\$ 6,845	\$ 15,722

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2008

SCHEDULE 9
(CONTINUED)

	Criminal Background Investigation	Service Provided - Alcohol Reduction	Service Provided - HUD	Supplemental Educational Services	Service Provided - Payroll Operation	Service Provided - ER/CM
ASSETS						
Cash and cash equivalents (overdraft)	\$ (25,253)	\$ (1,784)	\$ 4,548	\$ 95,972	\$ (55,752)	\$ 7,372
Accounts receivable	-	-	-	-	-	-
TOTAL ASSETS	<u>(25,253)</u>	<u>(1,784)</u>	<u>4,548</u>	<u>95,972</u>	<u>(55,752)</u>	<u>7,372</u>
LIABILITIES						
Accounts payable and accrued expenses	-	-	-	-	-	-
Due to other funds	-	30,773	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>30,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS						
Unrestricted	\$ (25,253)	\$ (32,557)	\$ 4,548	\$ 95,972	\$ (55,752)	\$ 7,372

IRQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2008

SCHEDULE 9
(CONTINUED)

	Service Provided - Mental Health	ER/CM Workshop	Scientific Literacy Workshops	ROE Workshops	SALT Activity	Total
ASSETS						
Cash and cash equivalents (overdraft)	\$ 6,318	\$ 265	\$ (4,898)	\$ 56,940	\$ 133	\$ 229,028
Accounts receivable	-	-	-	587	-	587
TOTAL ASSETS	6,318	265	(4,898)	57,527	133	229,615
LIABILITIES						
Accounts payable and accrued expenses	-	-	-	1,308	-	1,324
Due to other funds	-	-	-	-	-	30,773
TOTAL LIABILITIES	-	-	-	1,308	-	32,097
NET ASSETS						
Unrestricted	\$ 6,318	\$ 265	\$ (4,898)	\$ 56,219	\$ 133	\$ 197,518

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 10

Fluoride Fund	Internet Connectivity	Administrator's Academy - Local	Career Awareness and Development Workshop	School Lunch Student Payments	Regional Alternative Attendance Center (RAAC) Activity	Service Provided - Standards
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\$	4,529	\$ -	\$ 12,860	\$ 176	\$ 1,572	\$ 549	\$ 315
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OPERATING REVENUES

Local sources

OPERATING EXPENSES

Salaries

Benefits

Purchased services

Supplies and materials

Miscellaneous

Capital expenditures

Total operating expenses

OPERATING INCOME (LOSS)

NONOPERATING REVENUES

Interest income

CHANGE IN NET ASSETS

TOTAL NET ASSETS, BEGINNING OF YEAR

TOTAL NET ASSETS, END OF YEAR

-	-	-	-	-	-	5,302
-	-	-	-	-	-	309
162	1,743	17,185	-	1,068	577	374
3,411	-	458	-	-	-	239
17	-	-	-	-	-	-
-	-	-	-	-	-	-
3,590	1,743	17,643	-	1,068	577	6,224
939	(1,743)	(4,783)	176	504	(28)	(5,909)
10	3	1,487	36	83	3	51
949	(1,740)	(3,296)	212	587	(25)	(5,858)
91	609	26,083	8,835	3,215	113	18,751
\$ 1,040	\$ (1,131)	\$ 22,787	\$ 9,047	\$ 3,802	\$ 88	\$ 12,893

**SCHEDULE 10
(CONTINUED)**

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008**

	RAAC Renaissance Program	Service Provided - Positive Behavioral Interventions and Support (PBIS)	School Crises Assistance Team (SCAT) Donations	21st Century Learning Center Activity	Reading Recovery Fees	Children and Adolescent Local Area Network System (C&A LANS)
OPERATING REVENUES						
Local sources	\$ -	\$ -	\$ 700	\$ -	\$ 15,750	\$ -
OPERATING EXPENSES						
Salaries	-	-	-	-	12,000	-
Benefits	-	-	-	-	174	-
Purchased services	-	-	658	9,724	2,711	-
Supplies and materials	-	-	-	-	-	-
Miscellaneous	-	-	-	-	2,289	-
Capital expenditures	-	-	-	-	-	-
Total operating expenses	-	-	658	9,724	17,174	-
OPERATING INCOME (LOSS)	-	-	42	(9,724)	(1,424)	-
NONOPERATING REVENUES						
Interest income	8	283	53	-	535	17
CHANGE IN NET ASSETS	8	283	95	(9,724)	(889)	17
TOTAL NET ASSETS, BEGINNING OF YEAR	57	11,789	2,409	9,557	22,429	746
TOTAL NET ASSETS, END OF YEAR	\$ 65	\$ 12,072	\$ 2,504	\$ (167)	\$ 21,540	\$ 763

SCHEDULE 10
(CONTINUED)

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

	Title I Workshops	Service Provided - Goals 2000	Teen Reach Program	Local Academy	Para-Professional Workshop Fees	Reading First Academy Workshops	Local Induction - Mentoring Training Fees
OPERATING REVENUES							
Local sources	\$ -	\$ 418	\$ -	\$ -	\$ -	\$ 13,935	\$ 8,310
OPERATING EXPENSES							
Salaries	-	1,238	-	-	5,192	420	-
Benefits	-	-	-	-	3,176	11	-
Purchased services	-	687	-	-	2,977	12,734	7,455
Supplies and materials	-	-	-	-	-	466	563
Miscellaneous	-	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-
Total operating expenses	-	1,925	-	-	11,345	13,631	8,018
OPERATING INCOME (LOSS)	-	(1,507)	-	-	(11,345)	304	292
NONOPERATING REVENUES							
Interest income	65	674	5	5	332	179	361
CHANGE IN NET ASSETS	65	(833)	5	5	(11,013)	483	653
TOTAL NET ASSETS, BEGINNING OF YEAR	2,713	29,309	256	256	16,779	6,362	15,069
TOTAL NET ASSETS, END OF YEAR	\$ 2,778	\$ 28,476	\$ 261	\$ 261	\$ 5,766	\$ 6,845	\$ 15,722

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008**

	Criminal Background Investigation	Service Provided - Alcohol Reduction	Service Provided - HUD	Supplemental Educational Services	Service Provided - Payroll Operation	Service Provided - ER/CM
OPERATING REVENUES						
Local sources	\$ 6,255	\$ -	\$ 1,734	\$ 118,736	\$ 50,737	\$ 6,445
OPERATING EXPENSES						
Salaries	-	-	-	57,845	68,579	-
Benefits	-	-	-	4,399	24,838	-
Purchased services	17,680	-	-	3,020	1,810	-
Supplies and materials	-	-	-	3,358	966	-
Miscellaneous	-	-	-	-	-	-
Capital expenditures	-	-	-	-	1,056	-
Total operating expenses	17,680	-	-	68,622	97,249	-
OPERATING INCOME (LOSS)	(11,425)	-	1,734	50,114	(46,512)	6,445
NONOPERATING REVENUES						
Interest income	-	-	86	1,054	-	118
CHANGE IN NET ASSETS	(11,425)	-	1,820	51,168	(46,512)	6,563
TOTAL NET ASSETS, BEGINNING OF YEAR	(13,828)	(32,557)	2,728	44,804	(9,240)	809
TOTAL NET ASSETS, END OF YEAR	\$ (25,253)	\$ (32,557)	\$ 4,548	\$ 95,972	\$ (55,752)	\$ 7,372

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 10
(CONTINUED)

	Service Provided -		Scientific Literacy		SALT Activity	Total
	Mental Health	ER/CM Workshop	Workshops	ROE Workshops		
OPERATING REVENUES						
Local sources	\$ 5,339	\$ 49	\$ 2,875	\$ 26,522	\$ 133	\$ 277,939
OPERATING EXPENSES						
Salaries	-	-	3,660	150	-	154,386
Benefits	-	-	283	90	-	33,280
Purchased services	-	-	2,636	24,868	-	108,069
Supplies and materials	-	-	590	1,474	-	11,525
Miscellaneous	-	-	-	1,290	-	3,596
Capital expenditures	-	-	609	7,082	-	8,747
Total operating expenses	-	-	7,778	34,954	-	319,603
OPERATING INCOME (LOSS)	5,339	49	(4,903)	(8,432)	133	(41,664)
NONOPERATING REVENUES						
Interest income	88	5	-	1,210	-	6,746
CHANGE IN NET ASSETS	5,427	54	(4,903)	(7,222)	133	(34,918)
TOTAL NET ASSETS, BEGINNING OF YEAR	891	211	5	63,441	-	232,436
TOTAL NET ASSETS, END OF YEAR	\$ 6,318	\$ 265	\$ (4,898)	\$ 56,219	\$ 133	\$ 197,518

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 11

	Fluoride Fund	Internet Connectivity	Administrator's Academy - Local	Career Awareness and Development Workshop	School Lunch Student Payments	Regional Alternative Attendance Center (RAAC) Activity	Service Provided - Standards
\$	4,529	\$ -	\$ 12,860	\$ 176	\$ 1,572	\$ 549	\$ 315
	(3,590)	(1,743)	(17,643)	-	(1,068)	(577)	(613)
	-	-	-	-	-	-	(5,611)
	939	(1,743)	(4,783)	176	504	(28)	(5,909)

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts for workshops/services
Payment to suppliers
Payment to employees
Net cash provided by (used in) operating activities

CASH FLOWS FROM INVESTING ACTIVITY:

Interest
Net cash provided by investing activity

NET INCREASE (DECREASE) IN

CASH AND CASH EQUIVALENTS (OVERDRAFT)

**CASH AND CASH EQUIVALENTS (OVERDRAFT),
BEGINNING OF YEAR**

**CASH AND CASH EQUIVALENTS (OVERDRAFT),
END OF YEAR**

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:

Operating income (loss)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:
Effects of changes in assets and liabilities:
Accounts receivable
Accounts payable and accrued expenses
Net cash provided by (used in) operating activities

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 11
(CONTINUED)

RAAC Renaissance Program	Service Provided -			21st Century Learning Center Activity	Reading Recovery Fees	Children and Adolescent Local Area Network System (C&A LANS)
	Positive Behavioral Interventions and Support (PBIS)	School Crises Assistance Team (SCAT) Donations				
\$ -	\$ -	\$ 700	\$ -	\$ -	\$ 15,750	\$ -
-	-	(658)	(9,724)	-	(5,000)	-
-	-	-	-	-	(12,174)	-
-	-	42	(9,724)	-	(1,424)	-

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts for workshops/services
Payment to suppliers
Payment to employees
Net cash provided by (used in) operating activities

CASH FLOWS FROM INVESTING ACTIVITY:

Interest
Net cash provided by investing activity

NET INCREASE (DECREASE) IN

CASH AND CASH EQUIVALENTS (OVERDRAFT)

**CASH AND CASH EQUIVALENTS (OVERDRAFT),
BEGINNING OF YEAR**

**CASH AND CASH EQUIVALENTS (OVERDRAFT),
END OF YEAR**

Reconciliation of operating income (loss) to net cash

provided by (used in) operating activities:

Operating income (loss)
Adjustments to reconcile operating income (loss)
to net cash provided by (used in) operating activities:
Effects of changes in assets and liabilities:
Accounts receivable
Accounts payable and accrued expenses
Net cash provided by (used in) operating activities

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 11
(CONTINUED)

	Service Provided -		Teen Reach Local		Para-Professional		Reading First		Local Induction -	
	Title I Workshops	Goals 2000	Program	Workshop Fees	Academy	Workshops	Mentoring	Workshops	Training Fees	
\$	-	\$ 418	\$ -	\$ -	\$ 13,935	\$ 8,310				
	-	(687)	-	(2,977)	(13,200)	(8,002)				
	-	(1,238)	-	(8,368)	(431)	-				
	-	(1,507)	-	(11,345)	304	308				
	65	674	5	332	179	361				
	65	674	5	332	179	361				
	65	(833)	5	(11,013)	483	669				
	2,713	29,309	256	16,779	6,362	15,069				
\$	2,778	28,476	261	5,766	6,845	15,738				

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts for workshops/services
Payment to suppliers
Payment to employees
Net cash provided by (used in) operating activities

CASH FLOWS FROM INVESTING ACTIVITY:

Interest
Net cash provided by investing activity

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (OVERDRAFT)

CASH AND CASH EQUIVALENTS (OVERDRAFT), BEGINNING OF YEAR

CASH AND CASH EQUIVALENTS (OVERDRAFT), END OF YEAR

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:

Operating income (loss)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:
Effects of changes in assets and liabilities:
Accounts receivable
Accounts payable and accrued expenses
Net cash provided by (used in) operating activities

IROUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 11
(CONTINUED)

	Criminal Background Investigation	Service Provided - Alcohol Reduction	Service Provided - HUD	Supplemental Educational Services	Service Provided - Payroll Operation	Service Provided - ER/CM
\$	6,255	\$ -	1,734	\$ 118,736	\$ 50,737	\$ 6,445
	(17,680)	-	-	(6,378)	(3,832)	-
	-	-	-	(62,244)	(93,417)	-
	(11,425)	-	1,734	50,114	(46,512)	6,445
CASH FLOWS FROM INVESTING ACTIVITY:						
	-	-	86	1,054	-	118
	-	-	86	1,054	-	118
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (OVERDRAFT)						
	(11,425)	-	1,820	51,168	(46,512)	6,563
CASH AND CASH EQUIVALENTS (OVERDRAFT), BEGINNING OF YEAR						
	(13,828)	(1,784)	2,728	44,804	(9,240)	809
CASH AND CASH EQUIVALENTS (OVERDRAFT), END OF YEAR						
\$	(25,253)	(1,784)	4,548	95,972	(55,752)	7,372
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
	(11,425)	-	1,734	50,114	(46,512)	6,445
	-	-	-	-	-	-
	-	-	-	-	-	-
	(11,425)	-	1,734	50,114	(46,512)	6,445

CASH FLOWS FROM OPERATING ACTIVITIES:
Receipts for workshops/services
Payment to suppliers
Payment to employees
Net cash provided by (used in) operating activities

CASH FLOWS FROM INVESTING ACTIVITY:
Interest
Net cash provided by investing activity

**NET INCREASE (DECREASE) IN
CASH AND CASH EQUIVALENTS (OVERDRAFT)**

**CASH AND CASH EQUIVALENTS (OVERDRAFT),
BEGINNING OF YEAR**

**CASH AND CASH EQUIVALENTS (OVERDRAFT),
END OF YEAR**

**Reconciliation of operating income (loss) to net cash
provided by (used in) operating activities:**
Operating income (loss)
Adjustments to reconcile operating income (loss)
to net cash provided by (used in) operating activities:
Effects of changes in assets and liabilities:
Accounts receivable
Accounts payable and accrued expenses
Net cash provided by (used in) operating activities

IRROQUIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
 NON-MAJOR PROPRIETARY FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 11
 (CONTINUED)

	Service Provided		ER/CM Workshop	Scientific Literacy Workshops		ROE Workshops	SALT Activity	Total	
	Mental Health			Workshops					
\$	5,339	\$	49	\$	2,875	\$	26,366	\$	277,783
	-		-		(3,835)		(33,406)		(130,613)
	-		-		(3,943)		(240)		(187,666)
	5,339		49		(4,903)		(7,280)		133
									(40,496)

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts for workshops/services
 Payment to suppliers
 Payment to employees
 Net cash provided by (used in) operating activities

CASH FLOWS FROM INVESTING ACTIVITY:

Interest	88	5	-	1,210	-	6,746
Net cash provided by investing activity	88	5	-	1,210	-	6,746

NET INCREASE (DECREASE) IN

CASH AND CASH EQUIVALENTS (OVERDRAFT)

5,427	54	(4,903)	133	(6,070)	(33,750)
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**CASH AND CASH EQUIVALENTS (OVERDRAFT),
 BEGINNING OF YEAR**

891	211	5	-	63,010	262,778
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**CASH AND CASH EQUIVALENTS (OVERDRAFT),
 END OF YEAR**

6,318	265	(4,898)	133	56,940	229,028
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**Reconciliation of operating income (loss) to net cash
 provided by (used in) operating activities:**

Operating income (loss)	5,339	49	(4,903)	(8,432)	133	(41,664)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Effects of changes in assets and liabilities:						
Accounts receivable	-	-	-	(156)	-	(156)
Accounts payable and accrued expenses	-	-	-	1,308	-	1,324
Net cash provided by (used in) operating activities	5,339	49	(4,903)	(7,280)	133	(40,496)

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 JUNE 30, 2008

	Distributive	School District Expansion Fees	Scholarship	Payroll	Petitions and Detachment	Total
ASSETS						
Cash and cash equivalents	\$ 15,075	\$ 4,498	\$ 1,899	\$ -	\$ 40	\$ 21,512
LIABILITIES						
Due to other governmental agencies	\$ 15,075	\$ 4,498	\$ 1,899	\$ -	\$ 40	\$ 21,512

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 13

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2008</u>
DISTRIBUTIVE				
ASSETS				
Cash and cash equivalents	\$ 3,809	\$ 5,707,775	\$ 5,696,509	\$ 15,075
LIABILITIES				
Due to other governmental agencies	\$ 3,809	\$ 5,707,775	\$ 5,696,509	\$ 15,075
SCHOOL DISTRICT EXPANSION FEES				
ASSETS				
Cash and cash equivalents	\$ 232	\$ 4,266	\$ -	\$ 4,498
LIABILITIES				
Due to other governmental agencies	\$ 232	\$ 4,266	\$ -	\$ 4,498
SCHOLARSHIP				
ASSETS				
Cash and cash equivalents	\$ 2,851	\$ 34	\$ 986	\$ 1,899
LIABILITIES				
Due to other governmental agencies	\$ 2,851	\$ 34	\$ 986	\$ 1,899
PAYROLL				
ASSETS				
Cash and cash equivalents	\$ 8,176	\$ -	\$ 8,176	\$ -
LIABILITIES				
Due to other governmental agencies	\$ 8,176	\$ -	\$ 8,176	\$ -
PETITIONS AND DETACHMENT				
ASSETS				
Cash and cash equivalents	\$ -	\$ 3,000	\$ 2,960	\$ 40
LIABILITIES				
Due to other governmental agencies	\$ -	\$ 3,000	\$ 2,960	\$ 40
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 15,068	\$ 5,715,075	\$ 5,708,631	\$ 21,512
LIABILITIES				
Due to other governmental agencies	\$ 15,068	\$ 5,715,075	\$ 5,708,631	\$ 21,512

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
DISTRIBUTIVE FUND**

SCHEDULE 14

**SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHERS
FOR THE YEAR ENDED JUNE 30, 2008**

Program	I-KAN ROE #32	Kankakee School District #111	Iroquois Area Del #370	Kankakee Career Center	Kankakee Reg. System #120	Totals
General State Aid	\$ 585,464	\$ -	\$ -	\$ -	\$ -	\$ 585,464
Vocational Education - Sec. Program Imp.	-	-	-	-	886,999	886,999
Vocational Education - Agriculture Ed. Incentive	-	-	41,207	-	-	41,207
State Free Lunch and Breakfast	664	-	-	-	-	664
Transportation - Regular	-	-	-	19,134	-	19,134
ROE School Bus Driver Training	1,200	-	-	-	-	1,200
Truants Alternative Optional Education	237,415	-	-	-	-	237,415
Regional Safe School Program	222,797	-	-	-	-	222,797
K - 6 Reading Improvement - Reading Recovery	28,750	-	-	-	-	28,750
ROE / ISC Operations	95,151	-	-	-	-	95,151
Supervisory Fund	2,000	-	-	-	-	2,000
Bridges Extended Learning Opportunities	302,959	-	-	-	-	302,959
Teacher Mentoring Pilot Program	237,165	-	-	-	-	237,165
RESPRO State Funds	222,303	-	-	-	-	222,303
Title V - Innov Program	38	-	-	-	-	38
National School Lunch	11,823	-	-	-	-	11,823
National School Breakfast	3,812	-	-	-	-	3,812
SOS Title I	1,062,413	-	-	-	-	1,062,413
TITLE IV - Safe and Drug Free	62	-	-	-	-	62
Title I Reading First (00)	466,745	-	-	-	-	466,745
Title I Reading First (04)	133,537	-	-	-	-	133,537
21st Century LC (04)	243,400	-	-	-	-	243,400
21st Century LC (05)	148,900	-	-	-	-	148,900
V. E. Perkins Title II Secondary	-	-	-	-	273,654	273,654
Learn and Serve America	11,382	-	-	-	-	11,382
McKinney Ed. For Homeless Children	167,613	-	-	-	-	167,613
Title II - Teacher Quality	373	-	-	-	-	373
Title II - Professional Development	130,257	-	-	-	-	130,257
Title II - Teacher Quality SEA (SOS)	159,292	-	-	-	-	159,292
Total	\$ 4,475,515	\$ -	\$ 41,207	\$ 19,134	\$ 1,160,653	\$ 5,696,509

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

SCHEDULE 15

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through Number	FY 2008 Expenditures
DEPARTMENT OF EDUCATION			
Safe and Drug-Free Schools and Communities_National Programs <i>Emergency Response Plans for School Safety Initiative</i>	84.184E	2008-4400-02	\$ 192,672
Fund for the Improvement of Education <i>Grants to Improve the Mental Health of Children</i>	84.215M	2008-4400-03	194,652
Title I Grants to Local Educational Agencies Passed-Through Illinois State Board of Education <i>Title I - School Improvement & Accountability</i>	(M) 84.010A	2008-4331-SS	1,027,387
Passed-Through Clark, Coles, Cumberland, Douglas, Edgar, Moultrie and Shelby Counties Regional Office of Education No. 11 <i>Standards Aligned Classroom</i>	(M) 84.010A	2007-4331-SS	19,704
<i>Standards Aligned Classroom</i>	(M) 84.010A	2008-4331-SS	5,500
			<u>25,204</u>
			<u>1,052,591</u>
Education for Homeless Children and Youth Passed-Through Illinois State Board of Education <i>McKinney Education for Homeless Children</i>	84.196A	2008-4920-00	154,453
Reading First State Grants Passed-Through Illinois State Board of Education <i>Title I - Reading First Part B SEA Funds</i>	(M) 84.357A	2008-4337-00	405,550
<i>Title I - Reading First Part B SEA Funds</i>	(M) 84.357A	2008-4337-04	119,250
			<u>524,800</u>
Twenty-First Century Community Learning Centers Passed-Through Illinois State Board of Education <i>Title IV - 21st Century Community Learning Centers</i>	(M) 84.287C	2008-4421-04	243,400
<i>Title IV - 21st Century Community Learning Centers</i>	(M) 84.287C	2008-4421-05	136,464
			<u>379,864</u>
Improving Teacher Quality State Grants Passed-Through Illinois State Board of Education <i>Title II - Teacher Quality</i>	84.367A	2008-4932-00	373
<i>Title II - Teacher Quality - Leadership Grant</i>	84.367A	2008-4935-00	120,000
<i>Title II - Teacher Quality - Leadership Grant</i>	84.367A	2008-4935-SS	159,292
			<u>279,665</u>
Safe and Drug-Free Schools and Communities_State Grants Passed-Through Illinois State Board of Education <i>Title IV - Safe and Drug Free Schools - Formula</i>	84.186A	2008-4400-00	62
State Grants for Innovative Programs Passed-Through Illinois State Board of Education <i>Title V - Innovative Programs - Formula</i>	84.298A	2008-4100-00	38
Special Education_Grants to States Passed-Through Northern Suburban Special Education District <i>Federal Special Education - I.D.E.A. - Discretionary</i>	84.027A	2008-4630-02	91,691
TOTAL DEPARTMENT OF EDUCATION			\$ 2,870,488

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

**SCHEDULE 15
(CONTINUED)**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through Number	FY 2008 Expenditures
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Temporary Assistance for Needy Families Passed-Through Illinois Department of Human Services <i>Teen Reach</i>	93.558	11G8269000	\$ 201,880
Block Grants for Prevention and Treatment of Substance Abuse Passed-Through Illinois Department of Human Services <i>Addiction Prevention Comprehensive</i>	93.959	11G8269000	53,534
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 255,414
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>			
Learn and Serve America_School and Community Based Programs Passed-Through Illinois State Board of Education <i>Learn and Serve America</i>	94.004	2008-4910-00	\$ 11,000
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			\$ 11,000
<u>DEPARTMENT OF AGRICULTURE</u>			
National School Lunch Program Passed-Through Illinois State Board of Education <i>National School Lunch</i>	10.555	2008-4210-00	12,174
School Breakfast Program Passed-Through Illinois State Board of Education <i>National School Breakfast Program</i>	10.553	2008-4220-00	3,064
TOTAL DEPARTMENT OF AGRICULTURE			\$ 15,238
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Supportive Housing Program <i>HUD Supportive Housing Program</i>	14.235	2008-499932	\$ 66,226
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			\$ 66,226
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 3,218,366

(M) Program was audited as major program.

The accompanying notes are an integral part of this schedule.

**IROQUOIS/KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

Note 1. Reporting Entity Basis of Presentation and Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Iroquois-Kankakee Regional Office of Education No. 32 and is prepared 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 in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note 2. Subrecipients

The Iroquois-Kankakee Regional Office of Education No. 32 provided federal awards totaling \$1,050,171 to the following:

Subrecipient	Title I - School Improvement & Accountability (CFDA #84.010A)	Title II - Teacher Quality - Leadership Grant (CFDA #84.367A)	McKinney Education for Homeless Children (CFDA #84.196A)	Teen Reach (CFDA #93.558)	Total
Champaign-Ford Counties Regional Office of Education No. 9	\$ 350,101	\$ 53,034	\$ 29,038	\$ -	\$ 432,173
Clark, Coles, Cumberland, Douglas, Edgar, Moultrie and Shelby Counties Regional Office of Education No. 11	139,881	25,354	8,646	-	173,881
Macon/Piatt Counties Regional Office of Education No. 39	184,313	26,583	30,669	-	241,565
DeWitt, Livingston and McLean Counties Regional Office of Education No. 17	-	42,782	-	-	42,782
Kankakee Community Development Corporation	-	-	-	72,950	72,950
Garden of Prayer Youth Center	-	-	-	86,820	86,820
Total	\$ 674,295	\$ 147,753	\$ 68,353	\$ 159,770	\$ 1,050,171

Note 3. Description of Major Federal Programs

Title I - School Improvement & Accountability is a grant that provides school districts with funds to carry out their school improvement and corrective action responsibilities under Section 1116(c) of Title I while offering students in schools identified for improvement and corrective action the opportunity to transfer to another higher performing public school, including a public charter within the district.

**IROQUOIS/KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

Standards Aligned Classroom is a grant used to provide staff development thru aligning curriculum at the school or district-level to the Standards.

Title I - Reading First Part B SEA Funds is a grant received from Illinois State Board of Education to provide professional development to the area schools' Reading First coaches.

Title IV - 21st Century Community Learning Centers is a federal grant given by the Department of Education to create community learning centers that provide academic enrichment opportunities for children, particularly students who attend high-poverty and low performing schools.

Note 4. Non-Cash Assistance

Not Applicable.

Note 5. Amount of Insurance

Not Applicable.

Note 6. Loans or Loan Guarantees Outstanding

Not Applicable.