

**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, 2009**

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

TABLE OF CONTENTS

	PAGE
OFFICIALS	1
COMPLIANCE REPORT SUMMARY	2
FINANCIAL STATEMENT REPORT SUMMARY	4
 FINANCIAL SECTION	
Independent Auditors' Report	5
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	7
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	9
Schedule of Findings and Questioned Costs	11
Financial Statement Findings	12
Federal Award Findings	12
Summary Schedule of Prior Audit Findings	13
Management's Discussion and Analysis	14
 EXHIBIT	
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Assets	A 21
Statement of Activities	B 22
Fund Financial Statements	
Governmental Funds - Balance Sheet	C 23
Governmental Funds - Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	D 24
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances	E 25

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32

TABLE OF CONTENTS (CONTINUED)

	PAGE
EXHIBIT	
BASIC FINANCIAL STATEMENTS (Continued)	
Fund Financial Statements (Continued)	
Governmental Funds - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	F..... 26
Proprietary Funds - Statement of Net Assets.....	G..... 27
Proprietary Funds - Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	H..... 28
Proprietary Funds - Statement of Cash Flows.....	I..... 29
Fiduciary Funds - Statement of Fiduciary Net Assets.....	J..... 30
Notes to Financial Statements.....	31

REQUIRED SUPPLEMENTARY INFORMATION

Illinois Municipal Retirement Fund - Schedule of Funding Progress.....	57
--	----

SUPPLEMENTARY INFORMATION

	SCHEDULE	
General Fund Accounts:		
Combining Schedule of Accounts.....	1.....	58
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances.....	2.....	59
Budgetary Comparison Schedule.....	3.....	60
Special Revenue Funds:		
Education Fund		
Combining Schedule of Accounts.....	4.....	61
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances.....	5.....	65
Budgetary Comparison Schedules.....	6.....	69
Nonmajor Special Revenue Funds		
Combining Balance Sheet.....	7.....	77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	8.....	78
Nonmajor Proprietary Funds		
Combining Statement of Net Assets.....	9.....	79
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	10.....	84
Combining Statement of Cash Flows.....	11.....	89

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32

TABLE OF CONTENTS (CONTINUED)

	SCHEDULE	PAGE
SUPPLEMENTARY INFORMATION (Continued)		
Fiduciary Funds:		
Combining Statement of Agency Net Assets	12	94
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	13	95
Schedule of Disbursements to School District Treasurers and Others	14	96
FEDERAL COMPLIANCE SECTION		
Schedule of Expenditures of Federal Awards	15	97
Notes to Schedule of Expenditures of Federal Awards		99

**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	-	-
Repeated audit findings	-	-
Prior recommendations implemented or not repeated	-	-

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (<i>GOVERNMENT AUDITING STANDARDS</i>)			
	12	None	N/A
FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)			
	12	None	N/A
PRIOR FINDINGS NOT REPEATED (<i>GOVERNMENT AUDITING STANDARDS</i>)			
	13	None	
PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)			
	13	None	

**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, 2009.

**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.



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

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, 2009, 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, 2009, 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 March 12, 2010 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

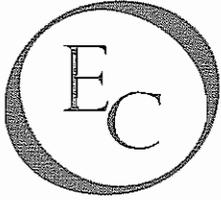
financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing 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 57 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. Ortiz & Co., LLP

Chicago, Illinois
March 12, 2010



**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, 2009, which collectively comprise the Iroquois-Kankakee Regional Office of Education No. 32's basic financial statements and have issued our report thereon dated March 12, 2010. 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, but 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

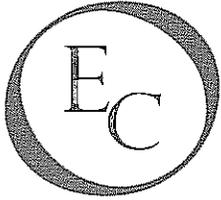
Compliance and Other Matters

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*.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, others within the entity, 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. Ortig & Co., LLP

Chicago, Illinois
March 12, 2010



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

**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, 2009. 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, 2009.

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 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 entity, Illinois State Board of Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

E. C. Ortig & Co., LLP

Chicago, Illinois
March 12, 2010

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

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>
84.357A	Title I - Reading First Part B SEA Funds
84.367A	Title II - Teacher Quality - Leadership Grant
84.394A	ARRA - General State Aid
93.558	Teen Reach

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, 2009**

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, 2009**

There were no audit findings in the prior year.

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

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, 2009 with comparative information for the year ended June 30, 2008. Readers are encouraged to consider the information in conjunction with the ROE No. 32's financial statements that follow.

2009 Financial Highlights

- Within the Governmental Funds, the General Fund revenues decreased by \$64,075 (6%) from \$1,094,725 in FY 2008 to \$1,030,650 in FY2009. General Fund expenditures increased by \$9,359 (1%) from \$1,105,871 in FY 2008 to \$1,115,230 in FY 2009.
- Within the Governmental Funds, the Special Revenue Funds revenues decreased by \$1,029,273 (18%) from \$5,863,800 in FY 2008 to \$4,834,527 in FY 2009. The Special Revenue Funds expenditures decreased by \$876,004 (15%) from \$5,710,877 in FY 2008 to \$4,834,873 in FY 2009.
- Proprietary Funds revenues increased by \$23,453 (4%) from \$648,590 in FY 2008 to \$672,043 in FY 2009. The Proprietary Funds expenditures increased by \$12,163 (2%) from \$606,945 in FY 2008 to \$619,108 in FY 2009.
- 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, 2009**

Reporting the Iroquois-Kankakee Regional Office as a Whole

It is important to note, that many grants (RESPRO, McKinney Vento Education for Homeless Children, 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.

Ombudsman Activities - Supported through various competitive grants and/or entitlements from various State and federal government agencies and including private

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

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, 2009**

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 2009 and FY 2008 totaled \$2,118,286 and \$2,150,277, 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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
ASSETS						
Current assets	\$ 1,705,841	\$ 1,519,728	\$ 1,495,683	\$ 1,448,742	\$ 3,201,524	\$ 2,968,470
TOTAL ASSETS	<u>1,705,841</u>	<u>1,519,728</u>	<u>1,495,683</u>	<u>1,448,742</u>	<u>3,201,524</u>	<u>2,968,470</u>
LIABILITIES						
Current liabilities	1,080,926	784,644	2,312	33,549	1,083,238	818,193
TOTAL LIABILITIES	<u>1,080,926</u>	<u>784,644</u>	<u>2,312</u>	<u>33,549</u>	<u>1,083,238</u>	<u>818,193</u>
NET ASSETS						
Restricted for teacher professional development	101,379	115,969	-	-	101,379	115,969
Unrestricted	523,536	619,115	1,493,371	1,415,193	2,016,907	2,034,308
TOTAL NET ASSETS	<u>\$ 624,915</u>	<u>\$ 735,084</u>	<u>\$ 1,493,371</u>	<u>\$ 1,415,193</u>	<u>\$ 2,118,286</u>	<u>\$ 2,150,277</u>

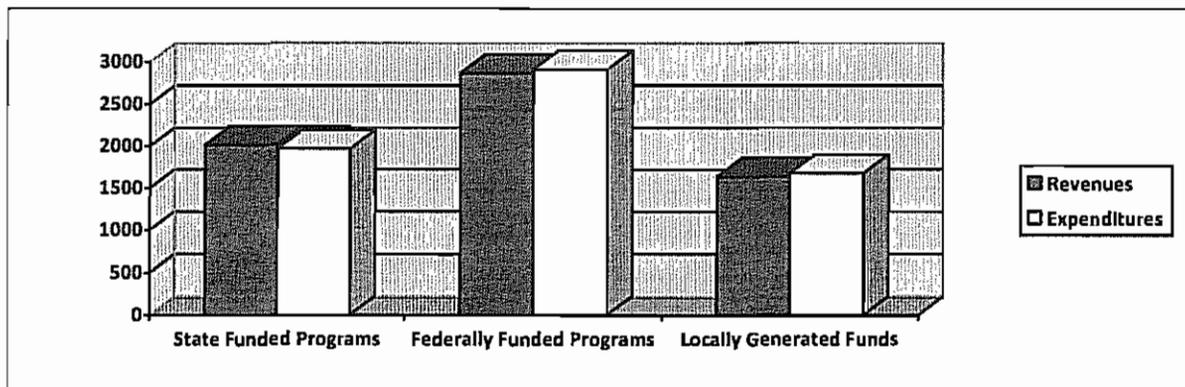
The ROE No. 32's net assets decreased by \$31,991 (1%) from FY 2008. The decrease occurred in the governmental funds under the general operations fund and nonmajor special revenue funds. This was however offset by the excess of revenues over expenditures of the nonmajor proprietary funds. In addition, 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, 2009**

CHANGES IN NET ASSETS

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues:						
Program revenues:						
Charges for services	\$ 31,872	\$ 32,792	\$ 656,145	\$ 614,412	\$ 688,017	\$ 647,204
Operating grants and contributions	4,790,328	5,806,512	-	-	4,790,328	5,806,512
General revenues:						
State and local sources	506,206	623,594	-	-	506,206	623,594
Interest income	26,951	28,873	15,898	34,178	42,849	63,051
On-behalf payments	509,820	466,754	-	-	509,820	466,754
Total revenues	5,865,177	6,958,525	672,043	648,590	6,537,220	7,607,115
Expenses:						
Salaries	2,403,078	2,539,795	385,126	347,382	2,788,204	2,887,177
Benefits	465,798	452,479	63,634	62,508	529,432	514,987
Purchased services	830,672	1,776,924	142,571	157,619	973,243	1,934,543
Supplies and materials	306,168	383,076	27,760	19,965	333,928	403,041
Capital expenditures	57,053	18,627	-	15,875	57,053	34,502
Payments to other governments	1,371,249	1,162,963	-	-	1,371,249	1,162,963
Miscellaneous	6,265	16,130	17	3,596	6,282	19,726
On-behalf payments	509,820	466,754	-	-	509,820	466,754
Total expenses	5,950,103	6,816,748	619,108	606,945	6,569,211	7,423,693
Income (loss) before operating transfers	(89,926)	141,777	52,935	41,645	(31,991)	183,422
Operating transfers	(25,243)	-	25,243	-	-	-
Change in net assets	(110,169)	141,777	78,178	41,645	(31,991)	183,422
Net assets, beginning	735,084	593,307	1,415,193	1,373,548	2,150,277	1,966,855
Net assets, ending	\$ 624,915	\$ 735,084	\$ 1,493,371	\$ 1,415,193	\$ 2,118,286	\$ 2,150,277

Governmental Fund Activities



**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

Revenues for governmental fund activities were \$5,865,177 and expenses were \$5,950,103. Governmental revenues decreased by \$1,093,348 (16%) primarily due to decrease in funding for programs that ended during FY 2009 totaling \$462,845. These include the Summer Bridges program, Emergency Response and Mental Health grants from the U.S. Department of Education. Funding for certain grants such as Title IV 21st Century Community Learning Centers and the National Board of Professional Teaching Standards (NBPTS) were also reduced by a total of \$573,630, as these grants were substantially completed in FY 2009. Program expenditures proportionally increased or decreased to meet the funding level.

Business-Type Activities

Revenues for business-type activities were \$672,043 and expenditures were \$619,108. The increase in revenues and expenditures is attributed to the increase in workshops and trainings conducted in FY 2009.

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 \$624,915.

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 decreased from last year's funding level.
- There was a decrease in program revenues as most of the operating grants, such as the 21st Century Learning Centers, grants for the Emergency Response Plans and Mental Health ended during FY2009.

Proprietary Fund Highlights

Total proprietary fund net assets increased by \$78,178 (6%) primarily due to excess of revenues over expenditures for the nonmajor proprietary funds.

Fiduciary Fund Highlights

There was a decrease of \$17,686 (82%) in total fiduciary funds for FY 2009. Transactions represent mainly transfers in and out of funds under the Distributive Fund.

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

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. There were no additions or retirements for FY 2009. Depreciation expense for FY 2009 was \$0. As of June 30, 2009, 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:

- State funding of Regional Offices of Education has been stable in funding compared to the previous year.
- County board support for ROE No. 32 is expected to remain at FY09 funding level.
- Several federal grants are expected to be received in FY 2010 in the form of general State aid and competitive grants in an effort to reduce the impact of the State's current fiscal deficit on the school district operations.
- The growth in the region is stabilizing.

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, 2009

EXHIBIT A

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,050,641	\$ 1,454,838	\$ 2,505,479
Investments	99,124	-	99,124
Accounts receivable	-	5,472	5,472
Due from other funds	(24,378)	24,378	-
Due from other governmental agencies	580,454	10,995	591,449
TOTAL ASSETS	1,705,841	1,495,683	3,201,524
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	565,879	2,312	568,191
Due to other governmental agencies	463,202	-	463,202
Deferred revenues	51,845	-	51,845
TOTAL LIABILITIES	1,080,926	2,312	1,083,238
NET ASSETS			
Restricted for teacher professional development	101,379	-	101,379
Unrestricted	523,536	1,493,371	2,016,907
TOTAL NET ASSETS	\$ 624,915	\$ 1,493,371	\$ 2,118,286

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

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2009

EXHIBIT B

	Program Revenues			Net Revenue (Expense) and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contribution	Governmental Activities	Primary Government Business-Type Activities	Total
FUNCTIONS/PROGRAMS						
Primary government						
Governmental activities:						
Instructional services						
Salaries	\$ 2,403,078	\$ 319	\$ 2,017,610	\$ (385,149)	\$ -	\$ (385,149)
Benefits	465,798	-	347,557	(118,241)	-	(118,241)
Purchased services	830,672	20,717	720,940	(89,015)	-	(89,015)
Supplies and materials	306,168	6,374	278,112	(21,682)	-	(21,682)
Capital expenditures	57,053	4,462	45,393	(7,198)	-	(7,198)
Miscellaneous	6,265	-	6,280	15	-	15
Payments to other governments	1,371,249	-	1,374,436	3,187	-	3,187
Administrative						
On-behalf payments	509,820	-	-	(509,820)	-	(509,820)
Total governmental activities	5,950,103	31,872	4,790,328	(1,127,903)	-	(1,127,903)
Business-type activities:						
Professional development	619,108	656,145	-	-	37,037	37,037
Total business-type activities	619,108	656,145	-	-	37,037	37,037
Total primary government	\$ 6,569,211	\$ 688,017	\$ 4,790,328	(1,127,903)	37,037	(1,090,866)
General revenues:						
State sources				94,851	-	94,851
On-behalf payments				509,820	-	509,820
Local sources:						
Intergovernmental				406,038	-	406,038
Fees for services				5,317	-	5,317
Interest				26,951	15,898	42,849
Transfers				(25,243)	25,243	-
Total general revenues and transfers				1,017,734	41,141	1,058,875
Change in net assets				(110,169)	78,178	(31,991)
Net assets - beginning				735,084	1,415,193	2,150,277
Net assets - ending				\$ 624,915	\$ 1,493,371	\$ 2,118,286

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, 2009

EXHIBIT C

	<u>General Fund</u>	<u>Education Fund</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 36,909	\$ 863,698	\$ 150,034	\$ 1,050,641
Investments	29,726	-	69,398	99,124
Due from other governmental agencies	49,147	530,761	546	580,454
TOTAL ASSETS	<u>115,782</u>	<u>1,394,459</u>	<u>219,978</u>	<u>1,730,219</u>
LIABILITIES AND FUND BALANCES (DEFICIT)				
LIABILITIES				
Accounts payable and accrued expenses	125,949	434,503	5,427	565,879
Due to other funds	-	24,378	-	24,378
Due to other governmental agencies	-	463,202	-	463,202
Deferred revenues	-	44,944	6,901	51,845
Total liabilities	<u>125,949</u>	<u>967,027</u>	<u>12,328</u>	<u>1,105,304</u>
FUND BALANCES (DEFICIT)				
Unreserved, reported in:				
General fund	(10,167)	-	-	(10,167)
Special revenue funds	-	427,432	207,650	635,082
Total fund balances (deficit)	<u>(10,167)</u>	<u>427,432</u>	<u>207,650</u>	<u>624,915</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ 115,782</u>	<u>\$ 1,394,459</u>	<u>\$ 219,978</u>	<u>\$ 1,730,219</u>

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, 2009**

EXHIBIT D

Total fund balances - governmental funds	\$ 624,915
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>\$ 624,915</u>

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

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2009**

EXHIBIT E

	<u>General Fund</u>	<u>Education Fund</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Federal sources	\$ -	\$ 2,840,869	\$ 25,857	\$ 2,866,726
State sources	94,851	1,918,304	5,298	2,018,453
Local sources				
Intergovernmental	406,038	-	-	406,038
Licenses and fees	-	-	12,206	12,206
Fees for services	5,317	-	19,666	24,983
Interest	14,624	8,936	3,391	26,951
On-behalf payments	509,820	-	-	509,820
Total revenues	<u>1,030,650</u>	<u>4,768,109</u>	<u>66,418</u>	<u>5,865,177</u>
EXPENDITURES				
Instructional Services:				
Salaries	389,544	2,012,934	600	2,403,078
Benefits	118,971	346,750	77	465,798
Purchased services	84,395	692,518	53,759	830,672
Supplies and materials	12,500	276,937	16,731	306,168
Miscellaneous	-	6,265	-	6,265
Payments to other governments	-	1,371,249	-	1,371,249
On-behalf payments	509,820	-	-	509,820
Capital expenditures	-	45,288	11,765	57,053
Total expenditures	<u>1,115,230</u>	<u>4,751,941</u>	<u>82,932</u>	<u>5,950,103</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(84,580)	16,168	(16,514)	(84,926)
OTHER FINANCING SOURCES (USES)				
Transfer in (out)	(25,253)	10	-	(25,243)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	(109,833)	16,178	(16,514)	(110,169)
FUND BALANCES, BEGINNING OF YEAR	<u>99,666</u>	<u>411,254</u>	<u>224,164</u>	<u>735,084</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ (10,167)</u>	<u>\$ 427,432</u>	<u>\$ 207,650</u>	<u>\$ 624,915</u>

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, 2009**

EXHIBIT F

Net change in fund balances \$ (110,169)

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 \$ (110,169)

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, 2009

EXHIBIT G

	Business Type Activities - Enterprise Funds				Total
	Life Education - Local	Safe Schools - Local	Truant - Local	Nonmajor Proprietary Funds	
ASSETS					
Cash and cash equivalents	\$ 244,771	\$ 724,523	\$ 236,100	\$ 249,444	\$1,454,838
Accounts receivable	2,042	-	-	3,430	5,472
Due from other funds	-	-	-	24,378	24,378
Due from other governmental agencies	-	6,695	4,300	-	10,995
Total assets	<u>246,813</u>	<u>731,218</u>	<u>240,400</u>	<u>277,252</u>	<u>1,495,683</u>
LIABILITIES					
Accounts payable and accrued expenses	<u>467</u>	<u>900</u>	<u>-</u>	<u>945</u>	<u>2,312</u>
NET ASSETS					
Unrestricted	<u>\$ 246,346</u>	<u>\$ 730,318</u>	<u>\$ 240,400</u>	<u>\$ 276,307</u>	<u>\$1,493,371</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, 2009

EXHIBIT H

	Business Type Activities - Enterprise Funds				Total
	Life Education - Local	Safe Schools - Local	Truant - Local	Nonmajor Proprietary Funds	
OPERATING REVENUES					
Local sources	\$ 68,345	\$ 168,396	\$ 84,955	\$ 334,449	\$ 656,145
OPERATING EXPENSES					
Salaries	38,026	99,900	82,434	164,766	385,126
Benefits	3,606	18,731	13,301	27,996	63,634
Purchased services	20,331	37,051	4,954	80,235	142,571
Supplies and materials	10,207	1,993	4,432	11,128	27,760
Miscellaneous	-	-	-	17	17
Total operating expenses	72,170	157,675	105,121	284,142	619,108
OPERATING INCOME (LOSS)	(3,825)	10,721	(20,166)	50,307	37,037
NONOPERATING REVENUES					
Interest income	2,419	7,838	2,402	3,239	15,898
INCOME (LOSS) BEFORE OPERATING TRANSFER	(1,406)	18,559	(17,764)	53,546	52,935
OPERATING TRANSFER					
Transfer in	-	-	-	25,243	25,243
CHANGE IN NET ASSETS	(1,406)	18,559	(17,764)	78,789	78,178
TOTAL NET ASSETS, BEGINNING OF YEAR	247,752	711,759	258,164	197,518	1,415,193
TOTAL NET ASSETS, END OF YEAR	\$ 246,346	\$ 730,318	\$ 240,400	\$ 276,307	\$ 1,493,371

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, 2009**

EXHIBIT I

	Business Type Activities - Enterprise Funds				Total
	Life Education - Local	Safe Schools - Local	Truant - Local	Nonmajor Proprietary Funds	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts for workshops/services	\$ 66,937	\$ 173,911	\$ 80,655	\$ 276,455	\$ 597,958
Payment to suppliers and providers of goods and services	(30,071)	(39,596)	(9,386)	(91,759)	(170,812)
Payment to employees	(41,632)	(118,631)	(95,735)	(192,762)	(448,760)
Net cash provided by (used in) operating activities	<u>(4,766)</u>	<u>15,684</u>	<u>(24,466)</u>	<u>(8,066)</u>	<u>(21,614)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:					
Cash transfer from other funds	-	-	-	25,243	25,243
Net cash provided by noncapital financing activity	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,243</u>	<u>25,243</u>
CASH FLOWS FROM INVESTING ACTIVITY:					
Interest	2,419	7,838	2,402	3,239	15,898
Net cash provided by investing activity	<u>2,419</u>	<u>7,838</u>	<u>2,402</u>	<u>3,239</u>	<u>15,898</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(2,347)</u>	<u>23,522</u>	<u>(22,064)</u>	<u>20,416</u>	<u>19,527</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>247,118</u>	<u>701,001</u>	<u>258,164</u>	<u>229,028</u>	<u>1,435,311</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 244,771</u>	<u>\$ 724,523</u>	<u>\$ 236,100</u>	<u>\$ 249,444</u>	<u>\$ 1,454,838</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (3,825)	\$ 10,721	\$ (20,166)	\$ 50,307	\$ 37,037
Effects of changes in assets and liabilities:					
Accounts receivable	(2,042)	-	-	(2,843)	(4,885)
Due from (to) other funds	-	-	-	(55,151)	(55,151)
Due from (to) other governmental agencies	634	5,515	(4,300)	-	1,849
Accounts payable and accrued expenses	467	(552)	-	(379)	(464)
Net cash provided by (used in) operating activities	<u>\$ (4,766)</u>	<u>\$ 15,684</u>	<u>\$ (24,466)</u>	<u>\$ (8,066)</u>	<u>\$ (21,614)</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, 2009**

EXHIBIT J

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 3,826
LIABILITIES	
Due to other governmental agencies	\$ 3,826

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, 2009**

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, 2009**

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

The Iroquois-Kankakee Regional Office of Education No. 32 has determined that no outside agency meets the above criteria and, therefore, no agency has been included as a component unit in the Iroquois-Kankakee Regional Office of Education No. 32's financial statements. In addition, the Iroquois-Kankakee Regional Office of Education No. 32 is not aware of any entity which would exercise such oversight which would result in the Iroquois-Kankakee Regional Office of Education No. 32 being considered a component unit of another entity.

C. 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 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

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

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.

D. 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.

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 fund 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

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

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.

E. 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 expenditures in assisting schools in all areas of school improvement.

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

General Operations - to account for monies received for, and payment of 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.

Summer Bridges - to account for grant monies received for, and payment of expenditures of the Summer Bridges extended learning program.

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 training and professional development for the improvement of teacher preparation programs.

Title IV - Safe & Drug Free Schools (Reduce Alcohol Abuse) - to account for federal grant monies received for, 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 - to account for grant monies received for, and payment of expenditures of the alternative school program for at-risk youth, creating alternative placement for those students.

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

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

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

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.

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 provide 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.

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 school-based program focuses on prevention and coordination of school policies, curriculum, family support, and community activities to provide comprehensive addiction prevention efforts.

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

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Human Services. The school-based program focuses on developing regional prevention groups (RPG's) and coordination of school policies, curriculum, family support, and community activities to improve the effectiveness of addiction prevention efforts.

Teen Reach - to account for the grant monies received for, and expenses for the drug prevention program funded by the State Board of Education and the Illinois Department of Human Services. The program focuses on improving academic performance, prevent violence and risky behaviors, encourage parental involvement, and create opportunities for recreation and sports activities for the youth ages 6 - 17.

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

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

improving efforts between school-based service systems and mental health service systems to provide and enhance prevention, diagnosis, and treatment services to students.

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.

Teachers & Administrators Mentoring Program (Formerly Beginning Teachers Pilot) - to account for grant money received for, 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.

ARRA - General State Aid (State Fiscal Stabilization Fund - Education State Grants. Recovery Act) - to account for grant monies received for, and payment of expenditures related to helping stabilize state budgets in order to minimize the possible impact of the State's current fiscal deficit and avoid reductions in education. This is funded by the American Reinvestment and Recovery Act (ARRA) - General State Aid.

Other Federal Programs (English Language Learners - ELL Grant) - to account for grant money received for, and the expenditures incurred for trainings provided for the English Language Learners program.

Gifted Education - to account for grant money received for, and the expenditures incurred to train and assist school districts in designing programs and coursework for gifted learners.

Truancy Review Board - to account for grant money received for, and the expenditures incurred to develop and maintain a functioning Truancy Review Board (TRB). The Board will develop overall policies and procedures for identifying, reviewing and accepting truancy cases.

Redeploy Illinois - to account for grant money received for, and the expenditures incurred to provide services to youth who are at high risk of being committed to the Department of Corrections. The program provides services to youth that include case management, court advocacy, education assistance, family counseling and crisis intervention.

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

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.

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

Proprietary Funds account for resources from fees charged directly to other entities or individuals that use the services of the Iroquois-Kankakee Regional Office of Education No. 32.

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

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.

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.

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

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) - 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.

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.

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

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.

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:

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

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 revenues and expenses incurred for fees levied by the County for school district applications for new developments within the area/city limits.

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

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

F. 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.

G. License and Permits

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

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

H. 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 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.

I. Capital Assets

Capital assets result from expenditures in the governmental and proprietary 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.

J. 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.

K. 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

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

revenues and expenses during the reporting period. Actual results could differ from those estimates.

L. 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.

M. 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 are recorded as liabilities.

N. Budgetary Data

The Iroquois-Kankakee Regional Office of Education No. 32 did not formally adopt a budget for the year ended June 30, 2009 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
 - Title II - Teacher Quality
 - Title II - Teacher Quality - Leadership Grant
 - Regional Safe Schools
 - Title I - School Improvement & Accountability
 - Title I - Reading First Part B SEA Funds
 - Title IV - 21st Century Community Learning Centers

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

- 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
- Teachers & Administrators Mentoring Program (Formerly Beginning Teachers Pilot)
- Truancy Review Board

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 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.

O. 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, 2009.

P. New Accounting Pronouncements

Effective July 1, 2008, the Iroquois-Kankakee Regional Office of Education No. 32 adopted the following accounting pronouncements:

- GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups.
- GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, which improves the quality of financial reporting by requiring

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income.

- GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which incorporates the hierarchy of GAAP for State and local governments into the GASB's authoritative literature. It is intended to make it easier for preparers of State and local government financial statements to identify and apply the "GAAP hierarchy," which consists of sources of accounting principles used in the preparation of financial statements so that they are presented in conformity with GAAP and the framework for selecting those principles.
- GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, which incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards. This statement addresses three issues not included in the authoritative literature that establishes accounting principles—related party transactions, going concern considerations, and subsequent events. The presentation of principles used in the preparation of financial statements is more appropriately included in accounting and financial reporting standards rather than in the auditing literature.

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

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 \$2,340,130 at June 30, 2009, while the bank balance was \$2,584,111. The difference between the above amounts primarily represents checks that have been issued but have not yet cleared the bank as of June 30, 2009.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, Iroquois-Kankakee Regional Office of Education No. 32's deposits may not be returned. The ROE No. 32's deposit and investment policy states that in order to protect its deposits, depository

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

institutions are to maintain collateral pledges on ROE No. 32's deposits during the term of the deposit. Collateral is required as security whenever deposits exceed the insured limits of the FDIC. Of the total bank balance as of June 30, 2009, \$103,060 was secured by federal depository insurance and \$2,481,051 was collateralized by securities pledged by the ROE No. 32's financial institution in the name of the ROE No. 32.

Investments

The ROE's established investment policy follows the State of Illinois Public Funds Investment Act which authorizes the ROE to purchase certain obligations of the U.S. Treasury, federal agencies and instrumentalities; certificates of deposit and time deposits covered by Federal depository insurance; commercial paper of U.S. corporations with assets exceeding \$500,000,000, if such paper is rated at the highest classification established by at least two standard rating services; money market funds and the Illinois Funds.

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, 2009, the carrying and fair values of certificates of deposit and investment in the Illinois Funds Money Market were \$99,124 and \$169,175, respectively. All investments are fully collateralized.

Credit Risk

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ROE's policy for managing its exposure to the risk is to limit investments to those allowable by the Illinois Public Funds Investment Act. As of June 30, 2009, the ROE's investment in the State investment pool (Illinois Funds) was rated AAAM by Standard & Poor's.

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

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

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, 2009, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2008 and 2007. 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 contribution was 0.63 percent during the year ended June 30, 2009, 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, 2009, State of Illinois contributions were based on 17.08 percent of creditable earnings not paid from federal funds, and the Iroquois-Kankakee Regional Office of Education No. 32 recognized revenue and expenditures of \$279,633 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2008 and June 30, 2007, the State of Illinois contribution rates as percentages of creditable earnings were 13.11 percent (\$224,999) and 9.78 percent (\$152,576), respectively. The State contributions to TRS for the years ended June 30, 2009 and June 30, 2008 were based on an actuarial formula. The State contribution for the year

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

ended June 30, 2007 was based on a dollar amount specified by the statute and was 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, 2009 were \$9,496. Contributions for the years ended June 30, 2008, and June 30, 2007, were \$9,963 and \$9,050, 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 for 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, 2009, the employer pension contribution was 17.08 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2008 and 2007, the employer contribution was 13.11 and 9.78 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2009, salaries totaling \$658,972 were paid from federal and special trust funds that required employer contributions of \$112,552. For the years ended June 30, 2008 and June 30, 2007, required Iroquois-Kankakee Regional Office of Education No. 32 contributions were \$97,236 and \$66,006, 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 qualified 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

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

percent and 117.5 percent maximums apply when the member is age 55 at retirement. For the year ended June 30, 2009, 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, 2008 and June 30, 2007, 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 additional 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, 2009, 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, 2008 and June 30, 2007, 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 (18.67 percent of salary during the year ended June 30, 2009). For the year ended June 30, 2009, 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, 2008 and June 30, 2007, 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, 2008. The report for the year ended June 30, 2009, is expected to be available in late 2009. 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.

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

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 2008 was 10.22% 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.

Annual Pension Cost

For 2008, the Iroquois-Kankakee Regional Office of Education No. 32's annual pension cost of \$80,270 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
12/31/08	\$ 80,270	100%	\$ -
12/31/07	78,125	100%	-
12/31/06	89,777	100%	-

The required contribution for 2008 was determined as part of the December 31, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006 included (a) 7.50% investment rate of return (net of

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

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 11.6% 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 regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Iroquois-Kankakee Regional Office of Education No. 32's regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006 was 5 years.

Funded Status and Funding Progress

As of December 31, 2008, the most recent actuarial valuation date, the regular plan was 91.88% funded. The actuarial accrued liability for benefits was \$1,698,885 and the actuarial value of assets was \$1,560,871, resulting in an underfunded actuarial accrued liability (UAAL) of \$138,014. The covered payroll (annual payroll of active employees covered by the plan) was \$785,418 and the ratio of the UAAL to the covered payroll was 18%.

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

NOTE 4 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2009 is as follows:

	Balance July 1, 2008	Additions	Retirements	Balance June 30, 2009
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	\$ 10,816	\$ -	\$ -	\$ 10,816
Less: accumulated depreciation	(10,816)	-	-	(10,816)
Capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 5 - RELATED PARTY TRANSACTIONS

Certain fixed assets used by the Iroquois-Kankakee Regional Office of Education No. 32 are purchased by the Kankakee County. Ownership of these fixed assets remains with the Kankakee County and, accordingly, the cost of these assets is not included in any fund or in the Capital Assets in the financial statements.

NOTE 6 - SALARIES AND PENSION PLAN CONTRIBUTIONS

The salaries of the Regional Superintendent and the Assistant Regional Superintendent are paid for by the State of Illinois. Employees' salaries are paid by the Iroquois-Kankakee Regional Office of Education No. 32. Pension plan contributions associated with these salaries are also paid respectively, by the State of Illinois and by the Iroquois-Kankakee Regional Office of Education No. 32.

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

Regional Superintendent salary	\$	100,762
Regional Superintendent benefits (includes State paid insurance)		19,697
Assistant Regional Superintendent salary		90,686
Assistant Regional Superintendent benefits (includes State paid insurance)		19,042
TRS pension contributions		279,633
Total on-behalf payments	\$	509,820

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, 2009, the following had deficit fund balances. They are expected to correct themselves in 2009, through payments from the State and transfers from local funds.

General Fund:		
ROE/ISC Operations	\$	69
General Operations		10,098

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Special Revenue Funds:

Education Fund	
Truants Alternative Program	206
Title II - Teacher Quality - Leadership Grant	7,233
Addiction Prevention Comprehensive	296
Teen Reach	267
Learn and Serve America	794
National Board of Professional Teaching Standards	18,700
Truancy Review Board	8

Proprietary Funds:

Nonmajor Proprietary Funds:	
Internet Connectivity	\$ 2,734

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:

U.S. Department of Housing and Urban Development	\$ 18,456
Illinois State Board of Education	408,796
Illinois Department of Human Services	90,144
Northern Suburban Special Education District	27,086
Kankakee County	35,972
Local School Districts	10,995
Total	<u>\$ 591,449</u>

Due to Other Governmental Agencies:

Champaign-Ford Counties Regional Office of Education No. 9	\$ 190,467
Macon/Piatt Counties Regional Office of Education No. 39	78,046
Dewitt, Livingston, McLean Counties Regional Office of Education No. 17	63,094
Clark, Coles, Cumberland, Douglas, Edgar, Moultrie and Shelby Counties Regional Office of Education No. 11	31,027
DuPage County Regional Office of Education No. 19	13,295
Local School Districts	91,099
Total	<u>\$ 467,028</u>

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 9 - INTERFUND TRANSACTIONS

(a) Due From (To) Other Funds

The following is a summary of amounts due from (to) other funds as of June 30, 2009:

Fund	Due From Other Funds	Due To Other Funds
Nonmajor Proprietary Fund - Service Provided - Payroll Operation	\$ 24,378	\$ -
Education Fund - Title II - Teacher Quality - Leadership Grant	-	5,373
Education Fund - Standards Aligned Classroom	-	1,500
Education Fund - Regional Safe Schools	-	5,877
Education Fund - Other State Programs	-	5,711
Education Fund - National Board of Professional Teaching Standards	-	2,500
Education Fund - ARRA - General State Aid	-	2,417
Education Fund - Redeploy Illinois	-	1,000
Total	<u>\$ 24,378</u>	<u>\$ 24,378</u>

(b) Transfers From (To) Other Funds

The composition of interfund transfers for the year ended June 30, 2009 is as follows:

Fund	Transfers-out	Transfers-in
General Fund - General Operations	\$ 25,253	\$ -
Education Fund - K-6 Reading Improvement	32	-
Education Fund - Other Federal Programs (ELL Grant)	-	42
Nonmajor Proprietary Fund - Service Provided - Standards	13,015	-
Nonmajor Proprietary Fund - Service Provided - Positive Behavioral Interventions and Support (PBIS)	12,194	-
Nonmajor Proprietary Fund - Reading Recovery Fees	3,339	-
Nonmajor Proprietary Fund - Service Provided - Goals 2000	28,764	-
Nonmajor Proprietary Fund - Criminal Background Investigation	-	25,253
Nonmajor Proprietary Fund - Service Provided - Alcohol Reduction	-	853
Nonmajor Proprietary Fund - Service Provided - HUD	6,747	-
Nonmajor Proprietary Fund - Service Provided - Payroll Operation	-	79,585
Nonmajor Proprietary Fund - Service Provided - ER/CM	8,940	-
Nonmajor Proprietary Fund - Service Provided - Mental Health	7,407	-
Nonmajor Proprietary Fund - Scientific Literacy Workshops	-	3,873
Nonmajor Proprietary Fund - ROE Workshops	3,915	-
Total	<u>\$ 109,606</u>	<u>\$ 109,606</u>

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

**IROQUOIS-KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2009**

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/08	\$1,560,871	\$1,698,885	\$138,014	91.88%	\$785,418	17.57%
12/31/07	1,604,164	1,568,491	(35,673)	102.27%	789,143	0.00%
12/31/06	1,408,111	1,493,521	85,410	94.28%	863,237	9.89%

OTHER SUPPLEMENTARY INFORMATION

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
GENERAL FUND
COMBINING SCHEDULE OF ACCOUNTS
JUNE 30, 2009

SCHEDULE 1

	<u>ROE/ISC Operations</u>	<u>General Operations</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents (overdraft)	\$ (14,920)	\$ 51,829	\$ 36,909
Investments	-	29,726	29,726
Due from other governmental agencies	14,851	34,296	49,147
TOTAL ASSETS	<u>(69)</u>	<u>115,851</u>	<u>115,782</u>
 LIABILITIES AND FUND BALANCES (DEFICIT)			
LIABILITIES			
Accounts payable and accrued expenses	-	125,949	125,949
 FUND BALANCES (DEFICIT)			
Unreserved	(69)	(10,098)	(10,167)
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	<u>\$ (69)</u>	<u>\$ 115,851</u>	<u>\$ 115,782</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, 2009

SCHEDULE 2

	<u>ROE/ISC</u> <u>Operations</u>	<u>General</u> <u>Operations</u>	<u>Total</u>
REVENUES			
State sources	\$ 94,851	\$ -	\$ 94,851
Local sources			
Intergovernmental	-	406,038	406,038
Fees for services	-	5,317	5,317
Interest	-	14,624	14,624
On-behalf payments	-	509,820	509,820
	<u>94,851</u>	<u>935,799</u>	<u>1,030,650</u>
EXPENDITURES			
Salaries	58,530	331,014	389,544
Benefits	12,778	106,193	118,971
Purchased services	18,071	66,324	84,395
Supplies and materials	5,541	6,959	12,500
On-behalf payments	-	509,820	509,820
	<u>94,920</u>	<u>1,020,310</u>	<u>1,115,230</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(69)	(84,511)	(84,580)
OTHER FINANCING USES			
Transfer out	-	(25,253)	(25,253)
DEFICIENCY OF REVENUES AND OTHER FINANCING USES OVER EXPENDITURES	(69)	(109,764)	(109,833)
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>99,666</u>	<u>99,666</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ (69)</u>	<u>\$ (10,098)</u>	<u>\$ (10,167)</u>

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
GENERAL FUND ACCOUNTS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009**

SCHEDULE 3

	ROE/ISC Operations		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State sources	\$ 94,851	\$ 94,851	\$ -
EXPENDITURES			
Salaries	53,840	58,530	(4,690)
Benefits	15,638	12,778	2,860
Purchased services	16,605	18,071	(1,466)
Supplies and materials	8,768	5,541	3,227
Total expenditures	94,851	94,920	(69)
DEFICIENCY OF REVENUES OVER EXPENDITURES	\$ -	(69)	\$ (69)
FUND BALANCE, BEGINNING OF YEAR		-	
FUND BALANCE (DEFICIT), END OF YEAR		\$ (69)	

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
EDUCATION FUND
COMBINING SCHEDULE OF ACCOUNTS
JUNE 30, 2009

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
ASSETS								
Cash and cash equivalents (overdrafts)	\$ (66,258)	\$ -	\$ -	\$ 85,210	\$ -	\$ 4,511	\$ (32,464)	\$ 417,955
Due from other governmental agencies	66,989	-	-	15,922	-	-	45,817	-
TOTAL ASSETS	731	-	-	101,132	-	4,511	13,353	417,955
LIABILITIES AND FUND BALANCES (DEFICIT)								
LIABILITIES								
Accounts payable and accrued expenses	937	-	-	70,141	-	3,000	7,476	3,504
Due to other funds	-	-	-	5,373	-	1,500	5,877	-
Due to other governmental agencies	-	-	-	32,851	-	-	-	-
Deferred revenues	-	-	-	-	-	-	-	-
Total liabilities	937	-	-	108,365	-	4,500	13,353	3,504
FUND BALANCES (DEFICIT)								
Unreserved	(206)	-	-	(7,233)	-	11	-	414,451
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 731	\$ -	\$ -	\$ 101,132	\$ -	\$ 4,511	\$ 13,353	\$ 417,955

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
 EDUCATION FUND
 COMBINING SCHEDULE OF ACCOUNTS
 JUNE 30, 2009**

**SCHEDULE 4
 (CONTINUED)**

	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	Addiction Prevention Comprehensive
ASSETS								
Cash and cash equivalents (overdrafts)	\$ -	\$ 7,143	\$ 503,579	\$ (71,833)	\$ 1,231	\$ (27,086)	\$ 22,183	\$ (24,581)
Due from other governmental agencies	-	-	-	159,278	-	27,086	-	24,285
TOTAL ASSETS	-	7,143	503,579	87,445	1,231	-	22,183	(296)
LIABILITIES AND FUND BALANCES (DEFICIT)								
LIABILITIES								
Accounts payable and accrued expenses	-	5,327	91,434	86,591	826	-	17,305	-
Due to other funds	-	-	-	-	-	-	-	-
Due to other governmental agencies	-	-	348,932	-	-	-	-	-
Deferred revenues	-	-	38,888	-	-	-	2,925	-
Total liabilities	-	5,327	479,254	86,591	826	-	20,230	-
FUND BALANCES (DEFICIT)								
Unreserved	-	1,816	24,325	854	405	-	1,953	(296)
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ -	\$ 7,143	\$ 503,579	\$ 87,445	\$ 1,231	\$ -	\$ 22,183	\$ (296)

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
 EDUCATION FUND
 COMBINING SCHEDULE OF ACCOUNTS
 JUNE 30, 2009**

**SCHEDULE 4
 (CONTINUED)**

	Addiction Prevention In-Touch	Teen Reach	Other State Programs	Learn and Serve America	HUD Supportive Housing Program	USDOJ Project Hope	Emergency Response Plans for School Safety Initiative (ER/CM)	Grants to Improve the Mental Health of Children
ASSETS								
Cash and cash equivalents (overdrafts)	\$ -	\$ (63,071)	\$ 11,763	\$ 380	\$ (5,103)	\$ -	\$ -	\$ -
Due from other governmental agencies	-	63,659	66,677	-	18,456	-	-	-
TOTAL ASSETS	-	588	78,440	380	13,353	-	-	-
LIABILITIES AND FUND BALANCES (DEFICIT)								
LIABILITIES								
Accounts payable and accrued expenses	-	855	21,401	1,174	13,337	-	-	-
Due to other funds	-	-	5,711	-	-	-	-	-
Due to other governmental agencies	-	-	47,877	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-	-	-
Total liabilities	-	855	74,989	1,174	13,337	-	-	-
FUND BALANCES (DEFICIT)								
Unreserved	-	(267)	3,451	(794)	16	-	-	-
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ -	\$ 588	\$ 78,440	\$ 380	\$ 13,353	\$ -	\$ -	\$ -

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
EDUCATION FUND
COMBINING SCHEDULE OF ACCOUNTS
JUNE 30, 2009

SCHEDULE 4
(CONTINUED)

	National Board of Professional Teaching Standards	Teachers & Administrators Mentoring Program (Formerly Beginning Teachers Pilot)	ARRA - General State Aid	Other Federal Programs (ELL Grant)	Gifted Education	Truaney Review Board	Redeploy Illinois	Total
ASSETS								
Cash and cash equivalents (overdrafts)	\$ 20,028	\$ 53,409	\$ 29,463	\$ 274	\$ (151)	\$ (2,208)	\$ (676)	\$ 863,698
Due from other governmental agencies	30,565	-	-	-	8,151	2,200	1,676	530,761
TOTAL ASSETS	50,593	53,409	29,463	274	8,000	(8)	1,000	1,394,459
LIABILITIES AND FUND BALANCES (DEFICIT)								
LIABILITIES								
Accounts payable and accrued expenses	33,251	42,680	26,990	274	8,000	-	-	434,503
Due to other funds	2,500	-	2,417	-	-	-	1,000	24,378
Due to other governmental agencies	33,542	-	-	-	-	-	-	463,202
Deferred revenues	-	3,131	-	-	-	-	-	44,944
Total liabilities	69,293	45,811	29,407	274	8,000	-	1,000	967,027
FUND BALANCES (DEFICIT)								
Unreserved	(18,700)	7,598	56	-	-	(8)	-	427,432
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 50,593	\$ 53,409	\$ 29,463	\$ 274	\$ 8,000	\$ (8)	\$ 1,000	\$ 1,394,459

**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, 2009**

65

	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
REVENUES								
Federal sources	\$ -	\$ -	\$ 292	\$ 319,247	\$ 930	\$ 13,500	\$ -	\$ -
State sources	239,789	-	-	-	-	-	226,114	611,616
Local sources								
Interest	-	-	-	791	-	30	7	3,861
Total revenues	239,789	-	292	320,038	930	13,530	226,121	615,477
EXPENDITURES								
Salaries	166,709	53	-	42,357	-	-	144,561	358,473
Benefits	19,805	-	-	5,054	-	-	15,332	50,859
Purchased services	37,319	-	292	146,737	-	15,389	33,502	102,061
Supplies and materials	16,259	-	-	18,163	-	-	21,472	28,839
Payments to other governments	-	-	-	119,891	-	-	-	-
Capital expenditures	-	-	-	1,074	-	-	11,369	3,987
Miscellaneous	-	-	-	-	930	-	-	-
Total expenditures	240,092	53	292	333,276	930	15,389	226,236	544,219
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES								
	(303)	(53)	-	(13,238)	-	(1,859)	(115)	71,258
OTHER FINANCING SOURCES (USES)								
Transfers in (out)	-	-	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES								
	(303)	(53)	-	(13,238)	-	(1,859)	(115)	71,258
FUND BALANCES (DEFICIT), BEGINNING OF YEAR								
	97	53	-	6,005	-	1,870	115	343,193
FUND BALANCES (DEFICIT), END OF YEAR								
	\$ (206)	\$ -	\$ -	\$ (7,233)	\$ -	\$ 11	\$ -	\$ 414,451

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, 2009

	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	Addition Prevention Comprehensive
REVENUES								
Federal sources	\$ -	\$ -	\$ 1,023,525	\$ 418,240	\$ 124,100	\$ 99,488	\$ 161,918	\$ 77,000
State sources	-	26,067	-	-	-	-	-	222,885
Local sources								
Interest	56	54	2,531	61	104	-	94	22
Total revenues	56	26,121	1,026,056	418,301	124,204	99,488	162,012	299,907
EXPENDITURES								
Salaries	-	17,834	190,097	175,315	59,977	74,284	71,303	242,985
Benefits	-	3,632	25,164	45,880	12,867	19,177	15,296	50,902
Purchased services	-	4,261	12,689	114,354	31,903	5,879	8,558	5,802
Supplies and materials	-	450	17,108	83,390	19,886	148	6,103	1,035
Payments to other governments	-	-	813,080	-	-	-	60,675	-
Capital expenditures	-	-	413	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total expenditures	-	26,177	1,058,551	418,939	124,633	99,488	161,935	300,724
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES								
	56	(56)	(32,495)	(638)	(429)	-	77	(817)
OTHER FINANCING SOURCES (USES)								
Transfers in (out)	(32)	-	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES								
	24	(56)	(32,495)	(638)	(429)	-	77	(817)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR								
	(24)	1,872	56,820	1,492	834	-	1,876	521
FUND BALANCES (DEFICIT), END OF YEAR								
	\$ -	\$ 1,816	\$ 24,325	\$ 854	\$ 405	\$ -	\$ 1,953	\$ (296)

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, 2009

67

	Addiction Prevention In-Touch	Teen Reach	Other State Programs	Learn and Serve America	HUD Supportive Housing Program	USDOJ Project Hope	Emergency Response Plans for School Safety Initiative (ER/CM)	Grants to Improve the Mental Health of Children
REVENUES								
Federal sources	\$ -	\$ 197,659	\$ -	\$ 11,000	\$ 64,017	\$ -	\$ 75,174	\$ 57,968
State sources	-	-	222,427	-	-	-	-	-
Local sources								
Interest	368	-	88	11	-	-	-	-
Total revenues	368	197,659	222,515	11,011	64,017	-	75,174	57,968
EXPENDITURES								
Salaries	-	48,895	69,640	2,264	44,810	-	17,161	28,789
Benefits	-	11,025	9,672	508	13,941	-	4,854	5,953
Purchased services	-	7,735	18,497	6,473	1,851	-	30,261	6,357
Supplies and materials	-	6,688	3,825	1,755	1,000	18	13,592	10,560
Payments to other governments	-	123,871	120,793	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	2,415	-	1,670	1,250
Total expenditures	-	198,214	222,427	11,000	64,017	18	67,538	52,909
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	368	(555)	88	11	-	(18)	7,636	5,059
OTHER FINANCING SOURCES (USES)								
Transfers in (out)	-	-	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	368	(555)	88	11	-	(18)	7,636	5,059
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	(368)	288	3,363	(805)	16	18	(7,636)	(5,059)
FUND BALANCES (DEFICIT), END OF YEAR	\$ -	\$ (267)	\$ 3,451	\$ (794)	\$ 16	\$ -	\$ -	\$ -

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, 2009

88

	National Board of Professional Teaching Standards	Teachers & Administrators Mentoring Program (Formerly Beginning Teachers Pilot)	ARRA - General State Aid	Other Federal Programs (ELL Grant)	Gifted Education	Truancy Review Board	Redeploy Illinois	Total
REVENUES								
Federal sources	\$ -	\$ -	\$ 180,811	\$ 6,000	\$ -	\$ 10,000	\$ -	\$ 2,840,869
State sources	239,022	116,869	-	-	8,151	-	5,364	1,918,304
Local sources								
Interest	20	758	56	18	-	6	-	8,936
Total revenues	239,042	117,627	180,867	6,018	8,151	10,006	5,364	4,768,109
EXPENDITURES								
Salaries	62,540	63,040	118,917	-	3,279	6,208	3,443	2,012,934
Benefits	15,937	3,055	16,297	44	262	971	263	346,750
Purchased services	49,376	41,174	3,782	1,971	4,610	626	1,059	692,518
Supplies and materials	4,378	5,620	13,370	470	-	2,209	599	276,937
Payments to other governments	125,384	3,980	-	3,575	-	-	-	1,371,249
Capital expenditures	-	-	28,445	-	-	-	-	45,288
Miscellaneous	-	-	-	-	-	-	-	6,265
Total expenditures	257,615	116,869	180,811	6,060	8,151	10,014	5,364	4,751,941
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES								
	(18,573)	758	56	(42)	-	(8)	-	16,168
OTHER FINANCING SOURCES (USES)								
Transfers in (out)	-	-	-	42	-	-	-	10
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES								
	(18,573)	758	56	-	-	(8)	-	16,178
FUND BALANCES (DEFICIT), BEGINNING OF YEAR								
	(127)	6,840	-	-	-	-	-	411,254
FUND BALANCES (DEFICIT), END OF YEAR								
	\$ (18,700)	\$ 7,598	\$ 56	\$ -	\$ -	\$ (8)	\$ -	\$ 427,432

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
EDUCATION FUND ACCOUNTS
BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2009

SCHEDULE 6

	<u>Truants' Alternative Program</u>			<u>Title II - Teacher Quality</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES						
Federal sources	\$ -	\$ -	\$ -	\$ 292	\$ 292	\$ -
State sources	239,789	239,789	-	-	-	-
Local sources						
Interest	-	-	-	-	-	-
Total revenues	<u>239,789</u>	<u>239,789</u>	<u>-</u>	<u>292</u>	<u>292</u>	<u>-</u>
EXPENDITURES						
Salaries	159,600	166,709	(7,109)	-	-	-
Benefits	24,243	19,805	4,438	-	-	-
Purchased services	39,749	37,319	2,430	292	292	-
Supplies and materials	16,197	16,259	(62)	-	-	-
Payments to other governments	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-
Total expenditures	<u>239,789</u>	<u>240,092</u>	<u>(303)</u>	<u>292</u>	<u>292</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	<u>\$ -</u>	<u>(303)</u>	<u>\$ (303)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR						
		<u>97</u>			<u>-</u>	
FUND BALANCES (DEFICIT), END OF YEAR						
		<u>\$ (206)</u>			<u>\$ -</u>	

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
 EDUCATION FUND ACCOUNTS
 BUDGETARY COMPARISON SCHEDULES
 FOR THE YEAR ENDED JUNE 30, 2009**

**SCHEDULE 6
 (CONTINUED)**

	Title II - Teacher Quality - Leadership Grant			Regional Safe Schools		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Federal sources	\$ 319,247	\$ 319,247	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	226,114	226,114	-
Local sources						
Interest	-	791	791	-	7	7
Total revenues	<u>319,247</u>	<u>320,038</u>	<u>791</u>	<u>226,114</u>	<u>226,121</u>	<u>7</u>
EXPENDITURES						
Salaries	43,987	42,357	1,630	144,711	144,561	150
Benefits	6,047	5,054	993	15,335	15,332	3
Purchased services	85,644	146,737	(61,093)	29,294	33,502	(4,208)
Supplies and materials	9,097	18,163	(9,066)	22,704	21,472	1,232
Payments to other governments	173,372	119,891	53,481	-	-	-
Capital expenditures	1,100	1,074	26	14,070	11,369	2,701
Total expenditures	<u>319,247</u>	<u>333,276</u>	<u>(14,029)</u>	<u>226,114</u>	<u>226,236</u>	<u>(122)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>(13,238)</u>	<u>\$ (13,238)</u>	<u>\$ -</u>	<u>(115)</u>	<u>\$ (115)</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		<u>6,005</u>			<u>115</u>	
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ (7,233)</u>			<u>\$ -</u>	

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
 EDUCATION FUND ACCOUNTS
 BUDGETARY COMPARISON SCHEDULES
 FOR THE YEAR ENDED JUNE 30, 2009**

**SCHEDULE 6
 (CONTINUED)**

	Title I - School Improvement & Accountability			Title I - Reading First Part B SEA Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Federal sources	\$ 1,062,413	\$ 1,023,525	\$ (38,888)	\$ 418,240	\$ 418,240	\$ -
State sources	-	-	-	-	-	-
Local sources						
Interest	-	2,531	2,531	-	61	61
Total revenues	<u>1,062,413</u>	<u>1,026,056</u>	<u>(36,357)</u>	<u>418,240</u>	<u>418,301</u>	<u>61</u>
EXPENDITURES						
Salaries	182,714	190,097	(7,383)	171,752	175,315	(3,563)
Benefits	31,167	25,164	6,003	46,998	45,880	1,118
Purchased services	33,786	12,689	21,097	117,208	114,354	2,854
Supplies and materials	13,048	17,108	(4,060)	82,282	83,390	(1,108)
Payments to other governments	800,698	813,080	(12,382)	-	-	-
Capital expenditures	1,000	413	587	-	-	-
Total expenditures	<u>1,062,413</u>	<u>1,058,551</u>	<u>3,862</u>	<u>418,240</u>	<u>418,939</u>	<u>(699)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	<u>\$ -</u>	<u>(32,495)</u>	<u>\$ (32,495)</u>	<u>\$ -</u>	<u>(638)</u>	<u>\$ (638)</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR						
		<u>56,820</u>			<u>1,492</u>	
FUND BALANCES (DEFICIT), END OF YEAR						
		<u>\$ 24,325</u>			<u>\$ 854</u>	

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
 EDUCATION FUND ACCOUNTS
 BUDGETARY COMPARISON SCHEDULES
 FOR THE YEAR ENDED JUNE 30, 2009**

**SCHEDULE 6
 (CONTINUED)**

	<u>Title IV - 21st Century Community Learning Centers</u>			<u>Federal Special Education - I.D.E.A - Discretionary</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES						
Federal sources	\$ 124,100	\$ 124,100	\$ -	\$ 94,380	\$ 99,488	\$ 5,108
State sources	-	-	-	-	-	-
Local sources						
Interest	-	104	104	-	-	-
Total revenues	<u>124,100</u>	<u>124,204</u>	<u>104</u>	<u>94,380</u>	<u>99,488</u>	<u>5,108</u>
EXPENDITURES						
Salaries	60,301	59,977	324	71,427	74,284	(2,857)
Benefits	12,647	12,867	(220)	11,601	19,177	(7,576)
Purchased services	31,062	31,903	(841)	11,352	5,879	5,473
Supplies and materials	20,090	19,886	204	-	148	(148)
Payments to other governments	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-
Total expenditures	<u>124,100</u>	<u>124,633</u>	<u>(533)</u>	<u>94,380</u>	<u>99,488</u>	<u>(5,108)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	<u>\$ -</u>	<u>(429)</u>	<u>\$ (429)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR						
		<u>834</u>			<u>-</u>	
FUND BALANCES (DEFICIT), END OF YEAR						
		<u>\$ 405</u>			<u>\$ -</u>	

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
 EDUCATION FUND ACCOUNTS
 BUDGETARY COMPARISON SCHEDULES
 FOR THE YEAR ENDED JUNE 30, 2009**

**SCHEDULE 6
 (CONTINUED)**

	<u>McKinney Education for Homeless Children</u>			<u>Addiction Prevention Comprehensive</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES						
Federal sources	\$ 164,843	\$ 161,918	\$ (2,925)	\$ 77,000	\$ 77,000	\$ -
State sources	-	-	-	222,885	222,885	-
Local sources						
Interest	-	94	94	-	22	22
Total revenues	<u>164,843</u>	<u>162,012</u>	<u>(2,831)</u>	<u>299,885</u>	<u>299,907</u>	<u>22</u>
EXPENDITURES						
Salaries	64,046	71,303	(7,257)	242,985	242,985	-
Benefits	14,990	15,296	(306)	51,897	50,902	995
Purchased services	16,114	8,558	7,556	3,003	5,802	(2,799)
Supplies and materials	9,018	6,103	2,915	2,000	1,035	965
Payments to other governments	60,675	60,675	-	-	-	-
Capital expenditures	-	-	-	-	-	-
Total expenditures	<u>164,843</u>	<u>161,935</u>	<u>2,908</u>	<u>299,885</u>	<u>300,724</u>	<u>(839)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>77</u>	<u>\$ 77</u>	<u>\$ -</u>	<u>(817)</u>	<u>\$ (817)</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		<u>1,876</u>			<u>521</u>	
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ 1,953</u>			<u>\$ (296)</u>	

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
EDUCATION FUND ACCOUNTS
BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2009**

**SCHEDULE 6
(CONTINUED)**

	Teen Reach			Other State Programs		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Federal sources	\$ 197,659	\$ 197,659	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	222,427	222,427	-
Local sources						
Interest	-	-	-	-	88	88
Total revenues	197,659	197,659	-	222,427	222,515	88
EXPENDITURES						
Salaries	65,594	48,895	16,699	72,153	69,640	2,513
Benefits	-	11,025	(11,025)	11,526	9,672	1,854
Purchased services	127,725	7,735	119,990	10,519	18,497	(7,978)
Supplies and materials	4,340	6,688	(2,348)	7,181	3,825	3,356
Payments to other governments	-	123,871	(123,871)	121,048	120,793	255
Capital expenditures	-	-	-	-	-	-
Total expenditures	197,659	198,214	(555)	222,427	222,427	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	(555)	\$ (555)	\$ -	88	\$ 88
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		288			3,363	
FUND BALANCES (DEFICIT), END OF YEAR		\$ (267)			\$ 3,451	

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
EDUCATION FUND ACCOUNTS
BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2009

SCHEDULE 6
(CONTINUED)

	Learn and Serve America			Teachers & Administrators Mentoring Program (Formerly Beginning Teachers Pilot)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Federal sources	\$ 11,000	\$ 11,000	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	258,086	116,869	(141,217)
Local sources						
Interest	-	11	11	-	758	758
Total revenues	<u>11,000</u>	<u>11,011</u>	<u>11</u>	<u>258,086</u>	<u>117,627</u>	<u>(140,459)</u>
EXPENDITURES						
Salaries	2,000	2,264	(264)	76,717	63,040	13,677
Benefits	400	508	(108)	2,621	3,055	(434)
Purchased services	6,878	6,473	405	54,048	41,174	12,874
Supplies and materials	1,722	1,755	(33)	15,360	5,620	9,740
Payments to other governments	-	-	-	109,340	3,980	105,360
Capital expenditures	-	-	-	-	-	-
Total expenditures	<u>11,000</u>	<u>11,000</u>	<u>-</u>	<u>258,086</u>	<u>116,869</u>	<u>141,217</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	<u>\$ -</u>	<u>11</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>758</u>	<u>\$ 758</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR						
		<u>(805)</u>			<u>6,840</u>	
FUND BALANCES (DEFICIT), END OF YEAR						
		<u>\$ (794)</u>			<u>\$ 7,598</u>	

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
 EDUCATION FUND ACCOUNTS
 BUDGETARY COMPARISON SCHEDULES
 FOR THE YEAR ENDED JUNE 30, 2009**

**SCHEDULE 6
 (CONTINUED)**

	Truancy Review Board			Total		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Federal sources	\$ 10,000	\$ 10,000	\$ -	\$ 2,479,174	\$ 2,442,469	\$ (36,705)
State sources	-	-	-	1,169,301	1,028,084	(141,217)
Local sources						
Interest	-	6	6	-	4,473	4,473
Total revenues	10,000	10,006	6	3,648,475	3,475,026	(173,449)
EXPENDITURES						
Salaries	7,210	6,208	1,002	1,365,197	1,357,635	7,562
Benefits	490	971	(481)	229,962	234,708	(4,746)
Purchased services	40	626	(586)	566,714	471,540	95,174
Supplies and materials	2,260	2,209	51	205,299	203,661	1,638
Payments to other governments	-	-	-	1,265,133	1,242,290	22,843
Capital expenditures	-	-	-	16,170	12,856	3,314
Total expenditures	10,000	10,014	(14)	3,648,475	3,522,690	125,785
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	\$ -	(8)	\$ (8)	\$ -	(47,664)	\$ (47,664)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR						
		-			77,446	
FUND BALANCES (DEFICIT), END OF YEAR						
	\$	(8)		\$	29,782	

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009**

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
ASSETS										
Cash and cash equivalents	\$ 66,692	\$ 39,292	\$ -	\$ 869	\$ 5,109	\$ 4,025	\$ -	\$ 31,981	\$ 2,066	\$ 150,034
Investments	-	-	-	-	-	-	-	69,398	-	69,398
Due from other governmental agencies	-	-	-	546	-	-	-	-	-	546
TOTAL ASSETS	66,692	39,292	-	1,415	5,109	4,025	-	101,379	2,066	219,978
LIABILITIES AND FUND BALANCES										
Accounts payable and accrued expenses	5,427	-	-	-	-	-	-	-	-	5,427
Deferred revenues	-	-	-	-	4,853	-	-	-	2,048	6,901
Total liabilities	5,427	-	-	-	4,853	-	-	-	2,048	12,328
FUND BALANCES										
Unreserved	61,265	39,292	-	1,415	256	4,025	-	101,379	18	207,650
TOTAL LIABILITIES AND FUND BALANCES	\$ 66,692	\$ 39,292	\$ -	\$ 1,415	\$ 5,109	\$ 4,025	\$ -	\$ 101,379	\$ 2,066	\$ 219,978

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32

SCHEDULE 8

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2009

	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	\$ -	\$ -	\$ -	\$ -	\$ 17,087	\$ -	\$ -	\$ -	\$ 8,770	\$ 25,857
State sources	-	1,286	2,000	2,012	-	-	-	-	-	5,298
Local sources										
Licenses and permits	-	-	-	-	-	-	-	12,206	-	12,206
Fees for services	16,803	2,863	-	-	-	-	-	-	-	19,666
Interest	587	560	-	8	36	41	-	2,146	13	3,391
Total revenues	17,390	4,709	2,000	2,020	17,123	41	-	14,352	8,783	66,418
EXPENDITURES										
Salaries	-	600	-	-	-	-	-	-	-	600
Benefits	-	77	-	-	-	-	-	-	-	77
Purchased services	4,349	3,328	2,000	1,349	20,074	18	3,145	8,708	10,788	53,759
Supplies and materials	2,741	532	-	-	-	-	4,989	8,469	-	16,731
Capital expenditure	-	-	-	-	-	-	-	11,765	-	11,765
Total expenditures	7,090	4,537	2,000	1,349	20,074	18	8,134	28,942	10,788	82,932
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES										
	10,300	172	-	671	(2,951)	23	(8,134)	(14,590)	(2,005)	(16,514)
FUND BALANCES, BEGINNING OF YEAR										
	50,965	39,120	-	744	3,207	4,002	8,134	115,969	2,023	224,164
FUND BALANCES, END OF YEAR										
	\$ 61,265	\$ 39,292	\$ -	\$ 1,415	\$ 256	\$ 4,025	\$ -	\$ 101,379	\$ 18	\$ 207,650

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2009

SCHEDULE 9

	<u>Fluoride Fund</u>	<u>Internet Connectivity</u>	<u>Administrator's Academy - Local</u>	<u>Career Awareness and Development Workshop</u>	<u>School Lunch Student Payments</u>	<u>Regional Alternative Attendance Center (RAAC) Activity</u>	<u>Service Provided - Standards</u>
ASSETS							
Cash and cash equivalents (overdrafts)	\$ 1,120	\$ (2,734)	\$ 27,163	\$ 9,138	\$ 3,291	\$ 292	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>1,120</u>	<u>(2,734)</u>	<u>27,163</u>	<u>9,138</u>	<u>3,291</u>	<u>292</u>	<u>-</u>
LIABILITIES							
Accounts payable and accrued expenses	-	-	140	-	-	-	-
NET ASSETS							
Unrestricted	<u>\$ 1,120</u>	<u>\$ (2,734)</u>	<u>\$ 27,023</u>	<u>\$ 9,138</u>	<u>\$ 3,291</u>	<u>\$ 292</u>	<u>\$ -</u>

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2009**

**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 (overdrafts)	\$ 66	\$ -	\$ 2,530	\$ -	\$ -	\$ 771
Accounts receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	66	-	2,530	-	-	771
LIABILITIES						
Accounts payable and accrued expenses	-	-	-	-	-	-
NET ASSETS						
Unrestricted	\$ 66	\$ -	\$ 2,530	\$ -	\$ -	\$ 771

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2009**

**SCHEDULE 9
(CONTINUED)**

	<u>Title I Workshops</u>	<u>Service Provided - Goals 2000</u>	<u>Teen Reach Local Program</u>	<u>Para-Professional Workshop Fees</u>	<u>Reading First Academy Workshops</u>	<u>Local Induction - Mentoring Training Fees</u>
ASSETS						
Cash and cash equivalents (overdrafts)	\$ 2,807	\$ -	\$ 265	\$ 5,616	\$ 27,299	\$ 17,306
Accounts receivable	-	-	-	-	430	3,000
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	<u>2,807</u>	<u>-</u>	<u>265</u>	<u>5,616</u>	<u>27,729</u>	<u>20,306</u>
LIABILITIES						
Accounts payable and accrued expenses	-	-	-	-	-	8
NET ASSETS						
Unrestricted	<u>\$ 2,807</u>	<u>\$ -</u>	<u>\$ 265</u>	<u>\$ 5,616</u>	<u>\$ 27,729</u>	<u>\$ 20,298</u>

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2009**

**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 (overdrafts)	\$ 690	\$ -	\$ -	\$ 118,555	\$ (16,782)	\$ -
Accounts receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	24,378	-
TOTAL ASSETS	690	-	-	118,555	7,596	-
LIABILITIES						
Accounts payable and accrued expenses	-	-	-	23	18	-
NET ASSETS						
Unrestricted	\$ 690	\$ -	\$ -	\$ 118,532	\$ 7,578	\$ -

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2009**

**SCHEDULE 9
(CONTINUED)**

	Service Provided - Mental Health	ER/CM Workshop	Scientific Literacy Workshops	ROE Workshops	SALT Activity	Total
ASSETS						
Cash and cash equivalents (overdrafts)	\$ -	\$ -	\$ -	\$ 50,676	\$ 1,375	\$ 249,444
Accounts receivable	-	-	-	-	-	3,430
Due from other funds	-	-	-	-	-	24,378
TOTAL ASSETS	-	-	-	50,676	1,375	277,252
LIABILITIES						
Accounts payable and accrued expenses	-	-	-	756	-	945
NET ASSETS						
Unrestricted	\$ -	\$ -	\$ -	\$ 49,920	\$ 1,375	\$ 276,307

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32

SCHEDULE 10

NONMAJOR PROPRIETARY FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	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
OPERATING REVENUES							
Local sources	\$ 3,843	\$ -	\$ 30,960	\$ -	\$ 510	\$ 503	\$ -
OPERATING EXPENSES							
Salaries	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-
Purchased services	135	1,607	25,498	-	1,059	301	8
Supplies and materials	3,625	-	1,506	-	-	-	-
Miscellaneous	17	-	-	-	-	-	-
Total operating expenses	3,777	1,607	27,004	-	1,059	301	8
OPERATING INCOME (LOSS)	66	(1,607)	3,956	-	(549)	202	(8)
NONOPERATING REVENUES							
Interest income	14	4	280	91	38	2	130
INCOME (LOSS) BEFORE OPERATING TRANSFERS	80	(1,603)	4,236	91	(511)	204	122
OPERATING TRANSFERS							
Transfers in (out)	-	-	-	-	-	-	(13,015)
CHANGE IN NET ASSETS	80	(1,603)	4,236	91	(511)	204	(12,893)
NET ASSETS, BEGINNING OF YEAR	1,040	(1,131)	22,787	9,047	3,802	88	12,893
NET ASSETS, END OF YEAR	\$ 1,120	\$ (2,734)	\$ 27,023	\$ 9,138	\$ 3,291	\$ 292	\$ -

**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, 2009**

**SCHEDULE 10
(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)
OPERATING REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ 353	\$ -	\$ -
OPERATING EXPENSES						
Salaries	-	-	-	-	-	-
Benefits	-	-	-	-	-	-
Purchased services	-	-	-	106	18,079	-
Supplies and materials	-	-	-	80	122	-
Miscellaneous	-	-	-	-	-	-
Total operating expenses	-	-	-	186	18,201	-
OPERATING INCOME (LOSS)	-	-	-	167	(18,201)	-
NONOPERATING REVENUES						
Interest income	1	122	26	-	-	8
INCOME (LOSS) BEFORE OPERATING TRANSFERS	1	122	26	167	(18,201)	8
OPERATING TRANSFERS						
Transfers in (out)	-	(12,194)	-	-	(3,339)	-
CHANGE IN NET ASSETS	1	(12,072)	26	167	(21,540)	8
NET ASSETS, BEGINNING OF YEAR	65	12,072	2,504	(167)	21,540	763
NET ASSETS, END OF YEAR	\$ 66	\$ -	\$ 2,530	\$ -	\$ -	\$ 771

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, 2009

SCHEDULE 10
(CONTINUED)

	<u>Title I Workshops</u>	<u>Service Provided - Goals 2000</u>	<u>Teen Reach Local Program</u>	<u>Para-Professional Workshop Fees</u>	<u>Reading First Academy Workshops</u>	<u>Local Induction - Mentoring Training Fees</u>
OPERATING REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 25,530	\$ 6,802
OPERATING EXPENSES						
Salaries	-	-	-	171	-	883
Benefits	-	-	-	30	-	21
Purchased services	-	-	-	4	4,200	1,475
Supplies and materials	-	-	-	-	699	21
Miscellaneous	-	-	-	-	-	-
Total operating expenses	-	-	-	205	4,899	2,400
OPERATING INCOME (LOSS)	-	-	-	(205)	20,631	4,402
NONOPERATING REVENUES						
Interest income	29	288	4	55	253	174
INCOME (LOSS) BEFORE OPERATING TRANSFERS	29	288	4	(150)	20,884	4,576
OPERATING TRANSFERS						
Transfers in (out)	-	(28,764)	-	-	-	-
CHANGE IN NET ASSETS	29	(28,476)	4	(150)	20,884	4,576
NET ASSETS, BEGINNING OF YEAR	2,778	28,476	261	5,766	6,845	15,722
NET ASSETS, END OF YEAR	\$ 2,807	\$ -	\$ 265	\$ 5,616	\$ 27,729	\$ 20,298

**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, 2009**

**SCHEDULE 10
(CONTINUED)**

	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	\$ 15,550	\$ 31,704	\$ 2,147	\$ 102,531	\$ 83,966	\$ 1,670
OPERATING EXPENSES						
Salaries	-	-	-	64,123	74,229	-
Benefits	-	-	-	4,906	21,227	-
Purchased services	14,860	-	4	8,460	3,081	190
Supplies and materials	-	-	-	3,391	1,684	-
Miscellaneous	-	-	-	-	-	-
Total operating expenses	14,860	-	4	80,880	100,221	190
OPERATING INCOME (LOSS)	690	31,704	2,143	21,651	(16,255)	1,480
NONOPERATING REVENUES						
Interest income	-	-	56	909	-	88
INCOME (LOSS) BEFORE OPERATING TRANSFERS	690	31,704	2,199	22,560	(16,255)	1,568
OPERATING TRANSFERS						
Transfers in (out)	25,253	853	(6,747)	-	79,585	(8,940)
CHANGE IN NET ASSETS	25,943	32,557	(4,548)	22,560	63,330	(7,372)
NET ASSETS, BEGINNING OF YEAR	(25,253)	(32,557)	4,548	95,972	(55,752)	7,372
NET ASSETS, END OF YEAR	\$ 690	\$ -	\$ -	\$ 118,532	\$ 7,578	\$ -

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, 2009

SCHEDULE 10
(CONTINUED)

88

	<u>Service Provided - Mental Health</u>	<u>ER/CM Workshop</u>	<u>Scientific Literacy Workshops</u>	<u>ROE Workshops</u>	<u>SALT Activity</u>	<u>Total</u>
OPERATING REVENUES						
Local sources	\$ 1,250	\$ -	\$ 1,025	\$ 24,870	\$ 1,235	\$ 334,449
OPERATING EXPENSES						
Salaries	-	-	-	25,360	-	164,766
Benefits	-	-	-	1,812	-	27,996
Purchased services	235	267	-	666	-	80,235
Supplies and materials	-	-	-	-	-	11,128
Miscellaneous	-	-	-	-	-	17
Total operating expenses	235	267	-	27,838	-	284,142
OPERATING INCOME (LOSS)	1,015	(267)	1,025	(2,968)	1,235	50,307
NONOPERATING REVENUES						
Interest income	74	2	-	584	7	3,239
INCOME (LOSS) BEFORE OPERATING TRANSFERS	1,089	(265)	1,025	(2,384)	1,242	53,546
OPERATING TRANSFERS						
Transfers in (out)	(7,407)	-	3,873	(3,915)	-	25,243
CHANGE IN NET ASSETS	(6,318)	(265)	4,898	(6,299)	1,242	78,789
NET ASSETS, BEGINNING OF YEAR	6,318	265	(4,898)	56,219	133	197,518
NET ASSETS, END OF YEAR	\$ -	\$ -	\$ -	\$ 49,920	\$ 1,375	\$ 276,307

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

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
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts for workshops/services	\$ 3,843	\$ -	\$ 30,960	\$ -	\$ 510	\$ 503	\$ -
Payment to suppliers	(3,777)	(1,607)	(26,864)	-	(1,059)	(301)	(8)
Payment to employces	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	66	(1,607)	4,096	-	(549)	202	(8)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:							
Cash transfers from (to) other funds	-	-	-	-	-	-	(13,015)
Net cash provided by (used in) noncapital financing activity	-	-	-	-	-	-	(13,015)
CASH FLOWS FROM INVESTING ACTIVITY:							
Interest	14	4	280	91	38	2	130
Net cash provided by investing activity	14	4	280	91	38	2	130
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (OVERDRAFTS)							
	80	(1,603)	4,376	91	(511)	204	(12,893)
CASH AND CASH EQUIVALENTS (OVERDRAFTS), BEGINNING OF YEAR							
	1,040	(1,131)	22,787	9,047	3,802	88	12,893
CASH AND CASH EQUIVALENTS (OVERDRAFTS), END OF YEAR							
	\$ 1,120	\$ (2,734)	\$ 27,163	\$ 9,138	\$ 3,291	\$ 292	\$ -
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 66	\$ (1,607)	\$ 3,956	\$ -	\$ (549)	\$ 202	\$ (8)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Effects of changes in assets and liabilities:							
Accounts receivable	-	-	-	-	-	-	-
Due from (to) other funds	-	-	-	-	-	-	-
Accounts payable and accrued expenses	-	-	140	-	-	-	-
Net cash provided by (used in) operating activities	\$ 66	\$ (1,607)	\$ 4,096	\$ -	\$ (549)	\$ 202	\$ (8)

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

SCHEDULE 11
(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)
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts for workshops/services	\$ -	\$ -	\$ -	\$ 353	\$ -	\$ -
Payment to suppliers	-	-	-	(186)	(18,201)	-
Payment to employees	-	-	-	-	-	-
Net cash provided by (used in) operating activities	-	-	-	167	(18,201)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:						
Cash transfers from (to) other funds	-	(12,194)	-	-	(3,339)	-
Net cash provided by (used in) noncapital financing activity	-	(12,194)	-	-	(3,339)	-
CASH FLOWS FROM INVESTING ACTIVITY:						
Interest	1	122	26	-	-	8
Net cash provided by investing activity	1	122	26	-	-	8
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (OVERDRAFTS)						
	1	(12,072)	26	167	(21,540)	8
CASH AND CASH EQUIVALENTS (OVERDRAFTS), BEGINNING OF YEAR						
	65	12,072	2,504	(167)	21,540	763
CASH AND CASH EQUIVALENTS (OVERDRAFTS), END OF YEAR						
	\$ 66	\$ -	\$ 2,530	\$ -	\$ -	\$ 771
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ -	\$ -	\$ -	\$ 167	\$ (18,201)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Effects of changes in assets and liabilities:						
Accounts receivable	-	-	-	-	-	-
Due from (to) other funds	-	-	-	-	-	-
Accounts payable and accrued expenses	-	-	-	-	-	-
Net cash provided by (used in) operating activities	\$ -	\$ -	\$ -	\$ 167	\$ (18,201)	\$ -

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

**SCHEDULE 11
(CONTINUED)**

	Title I Workshops	Service Provided - Goals 2000	Teen Reach Local Program	Para-Professional Workshop Fees	Reading First Academy Workshops	Local Induction - Mentoring Training Fees
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts for workshops/services	\$ -	\$ -	\$ -	\$ -	\$ 25,100	\$ 3,802
Payment to suppliers	-	-	-	(4)	(4,899)	(1,504)
Payment to employees	-	-	-	(201)	-	(904)
Net cash provided by (used in) operating activities	-	-	-	(205)	20,201	1,394
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:						
Cash transfers from (to) other funds	-	(28,764)	-	-	-	-
Net cash provided by (used in) noncapital financing activity	-	(28,764)	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITY:						
Interest	29	288	4	55	253	174
Net cash provided by investing activity	29	288	4	55	253	174
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (OVERDRAFTS)	29	(28,476)	4	(150)	20,454	1,568
CASH AND CASH EQUIVALENTS (OVERDRAFTS), BEGINNING OF YEAR	2,778	28,476	261	5,766	6,845	15,738
CASH AND CASH EQUIVALENTS (OVERDRAFTS), END OF YEAR	\$ 2,807	\$ -	\$ 265	\$ 5,616	\$ 27,299	\$ 17,306
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ -	\$ -	\$ -	\$ (205)	\$ 20,631	\$ 4,402
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Effects of changes in assets and liabilities:						
Accounts receivable	-	-	-	-	(430)	(3,000)
Due from (to) other funds	-	-	-	-	-	-
Accounts payable and accrued expenses	-	-	-	-	-	(8)
Net cash provided by (used in) operating activities	\$ -	\$ -	\$ -	\$ (205)	\$ 20,201	\$ 1,394

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

**SCHEDULE 11
(CONTINUED)**

92

	Criminal Background Investigation	Service Provided - Alcohol Reduction	Service Provided - HUD	Supplemental Educational Services	Service Provided - Payroll Operation	Service Provided - ER/CM
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts for workshops/services	\$ 15,550	\$ 931	\$ 2,147	\$ 102,531	\$ 59,588	\$ 1,670
Payment to suppliers	(14,860)	-	(4)	(11,828)	(4,747)	(190)
Payment to employees	-	-	-	(69,029)	(95,456)	-
Net cash provided by (used in) operating activities	690	931	2,143	21,674	(40,615)	1,480
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:						
Cash transfers from (to) other funds	25,253	853	(6,747)	-	79,585	(8,940)
Net cash provided by (used in) noncapital financing activity	25,253	853	(6,747)	-	79,585	(8,940)
CASH FLOWS FROM INVESTING ACTIVITY:						
Interest	-	-	56	909	-	88
Net cash provided by investing activity	-	-	56	909	-	88
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (OVERDRAFTS)						
	25,943	1,784	(4,548)	22,583	38,970	(7,372)
CASH AND CASH EQUIVALENTS (OVERDRAFTS), BEGINNING OF YEAR						
	(25,253)	(1,784)	4,548	95,972	(55,752)	7,372
CASH AND CASH EQUIVALENTS (OVERDRAFTS), END OF YEAR						
	\$ 690	\$ -	\$ -	\$ 118,555	\$ (16,782)	\$ -
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 690	\$ 31,704	\$ 2,143	\$ 21,651	\$ (16,255)	\$ 1,480
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Effects of changes in assets and liabilities:						
Accounts receivable	-	-	-	-	-	-
Due from (to) other funds	-	(30,773)	-	-	(24,378)	-
Accounts payable and accrued expenses	-	-	-	23	18	-
Net cash provided by (used in) operating activities	\$ 690	\$ 931	\$ 2,143	\$ 21,674	\$ (40,615)	\$ 1,480

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

**SCHEDULE 11
(CONTINUED)**

93

	Service Provided - Mental Health	ER/CM Workshop	Scientific Literacy Workshops	ROE Workshops	SALT Activity	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts for workshops/services	\$ 1,250	\$ -	\$ 1,025	\$ 25,457	\$ 1,235	\$ 276,455
Payment to suppliers	(235)	(267)	-	(1,218)	-	(91,759)
Payment to employees	-	-	-	(27,172)	-	(192,762)
Net cash provided by (used in) operating activities	<u>1,015</u>	<u>(267)</u>	<u>1,025</u>	<u>(2,933)</u>	<u>1,235</u>	<u>(8,066)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:						
Cash transfers from (to) other funds	(7,407)	-	3,873	(3,915)	-	25,243
Net cash provided by (used in) noncapital financing activity	<u>(7,407)</u>	<u>-</u>	<u>3,873</u>	<u>(3,915)</u>	<u>-</u>	<u>25,243</u>
CASH FLOWS FROM INVESTING ACTIVITY:						
Interest	74	2	-	584	7	3,239
Net cash provided by investing activity	<u>74</u>	<u>2</u>	<u>-</u>	<u>584</u>	<u>7</u>	<u>3,239</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (OVERDRAFTS)	(6,318)	(265)	4,898	(6,264)	1,242	20,416
CASH AND CASH EQUIVALENTS (OVERDRAFTS), BEGINNING OF YEAR	6,318	265	(4,898)	56,940	133	229,028
CASH AND CASH EQUIVALENTS (OVERDRAFTS), END OF YEAR	\$ -	\$ -	\$ -	\$ 50,676	\$ 1,375	\$ 249,444
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 1,015	\$ (267)	\$ 1,025	\$ (2,968)	\$ 1,235	\$ 50,307
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Effects of changes in assets and liabilities:						
Accounts receivable	-	-	-	587	-	(2,843)
Due from (to) other funds	-	-	-	-	-	(55,151)
Accounts payable and accrued expenses	-	-	-	(552)	-	(379)
Net cash provided by (used in) operating activities	<u>\$ 1,015</u>	<u>\$ (267)</u>	<u>\$ 1,025</u>	<u>\$ (2,933)</u>	<u>\$ 1,235</u>	<u>\$ (8,066)</u>

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
AGENCY FUNDS
COMBINING STATEMENT OF AGENCY NET ASSETS
JUNE 30, 2009

SCHEDULE 12

	<u>Distributive</u>	<u>School District Expansion Fees</u>	<u>Scholarship</u>	<u>Petitions and Detachment</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 975	\$ -	\$ 1,918	\$ 933	\$ 3,826
LIABILITIES					
Due to other governmental agencies	\$ 975	\$ -	\$ 1,918	\$ 933	\$ 3,826

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

SCHEDULE 13

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
DISTRIBUTIVE				
ASSETS				
Cash and cash equivalents	\$ 15,075	\$ 4,674,575	\$ 4,688,675	\$ 975
LIABILITIES				
Due to other governmental agencies	\$ 15,075	\$ 4,674,575	\$ 4,688,675	\$ 975
SCHOOL DISTRICT EXPANSION FEES				
ASSETS				
Cash and cash equivalents	\$ 4,498	\$ 44,669	\$ 49,167	\$ -
LIABILITIES				
Due to other governmental agencies	\$ 4,498	\$ 44,669	\$ 49,167	\$ -
SCHOLARSHIP				
ASSETS				
Cash and cash equivalents	\$ 1,899	\$ 19	\$ -	\$ 1,918
LIABILITIES				
Due to other governmental agencies	\$ 1,899	\$ 19	\$ -	\$ 1,918
PETITIONS AND DETACHMENT				
ASSETS				
Cash and cash equivalents	\$ 40	\$ 1,163	\$ 270	\$ 933
LIABILITIES				
Due to other governmental agencies	\$ 40	\$ 1,163	\$ 270	\$ 933
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 21,512	\$ 4,720,426	\$ 4,738,112	\$ 3,826
LIABILITIES				
Due to other governmental agencies	\$ 21,512	\$ 4,720,426	\$ 4,738,112	\$ 3,826

**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, 2009**

Program	I-KAN ROE #32	Iroquois Area Del #370	Kankakee Career Center	Kankakee Reg. System #120	Totals
General State Aid	\$ 611,615	\$ -	\$ -	\$ -	\$ 611,615
Career & Technical Ed Improvement	-	119,968	-	770,064	890,032
Vocational Education - Agriculture Ed. Incentive	-	20,206	-	19,792	39,998
State Free Lunch and Breakfast	1,629	-	-	-	1,629
Transportation - Regular and Vocational	-	-	25,170	-	25,170
ROE School Bus Driver Training	1,286	-	-	-	1,286
Truants Alternative Optional Education	151,200	-	-	-	151,200
Regional Safe School Program	135,297	-	-	-	135,297
ROE / ISC Operations	60,000	-	-	-	60,000
Supervisory Fund	2,000	-	-	-	2,000
Teacher & Administrators Mentoring Program	100,921	-	-	-	100,921
Other State Programs	133,500	-	-	-	133,500
National School Lunch	21,940	-	-	-	21,940
School Breakfast Program	10,818	-	-	-	10,818
Title I - School Improvement & Accountability	1,062,413	-	-	-	1,062,413
Title I - Reading First Part B SEA Funds	373,995	-	-	-	373,995
Title IV - 21st Century Community Learning Centers	124,100	-	-	-	124,100
V. E. Perkins Title IIC - Secondary Education	-	34,203	-	254,346	288,549
ARRA - General State Aid	180,812	-	-	-	180,812
Learn and Serve America	12,100	-	-	-	12,100
McKinney Ed. For Homeless Children	151,683	-	-	-	151,683
Title II - Teacher Quality	292	-	-	-	292
Title II - Teacher Quality Leadership Grant	303,325	-	-	-	303,325
Other Federal Programs	6,000	-	-	-	6,000
Total	\$ 3,444,926	\$ 174,377	\$ 25,170	\$ 1,044,202	\$ 4,688,675

IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

SCHEDULE 15

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through Number	FY 2009 Expenditures
<u>DEPARTMENT OF EDUCATION</u>			
Safe and Drug-Free Schools and Communities_National Programs			
<i>Title IV - Safe and Drug Free Schools (Reduce Alcohol Abuse)</i>	84.184A	2008-4400-01	\$ 930
<i>Emergency Response Plans for School Safety Initiative</i>	84.184E	2009-4400-02	67,538
			<u>68,468</u>
Fund for the Improvement of Education			
<i>Grants to Improve the Mental Health of Children</i>	84.215M	2009-4400-03	52,909
Title I Grants to Local Educational Agencies			
Passed-Through Illinois State Board of Education			
<i>Title I - School Improvement & Accountability</i>	84.010A	2008-4331-SS	35,026
<i>Title I - School Improvement & Accountability</i>	84.010A	2009-4331-SS	1,023,525
			<u>1,058,551</u>
Passed-Through Clark, Coles, Cumberland, Douglas, Edgar, Moultrie and Shelby Counties Regional Office of Education No. 11			
<i>Standards Aligned Classroom</i>	84.010A	2009-4331-SS	13,500
			<u>1,072,051</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	13,160
<i>McKinney Education for Homeless Children</i>	84.196A	2009-4920-00	148,758
			<u>161,918</u>
Reading First State Grants			
Passed-Through Illinois State Board of Education			
<i>Title I - Reading First Part B SEA Funds</i>	(M) 84.357A	2009-4337-00	382,465
<i>Title I - Reading First Part B SEA Funds</i>	(M) 84.357A	2009-4337-04	35,775
			<u>418,240</u>
Twenty-First Century Community Learning Centers			
Passed-Through Illinois State Board of Education			
<i>Title IV - 21st Century Community Learning Centers</i>	84.287C	2008-4421-05	12,436
<i>Title IV - 21st Century Community Learning Centers</i>	84.287C	2009-4421-05	124,100
			<u>136,536</u>
Improving Teacher Quality State Grants			
Passed-Through Illinois State Board of Education			
<i>Title II - Teacher Quality</i>	(M) 84.367A	2009-4932-00	292
<i>Title II - Teacher Quality - Leadership Grant</i>	(M) 84.367A	2009-4935-00	159,955
<i>Title II - Teacher Quality - Leadership Grant</i>	(M) 84.367A	2009-4935-SS	159,292
			<u>319,539</u>
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund)			
Passed-Through Illinois State Board of Education			
<i>ARRA - General State Aid</i>	(M) 84.394A	2009-4850-92	111,358
<i>ARRA - General State Aid</i>	(M) 84.394A	2009-4850-93	69,453
			<u>180,811</u>
English Language Acquisition Grants			
Passed-Through Illinois State Board of Education			
<i>Other Federal Programs</i>	84.365	2009-4999-PD	6,000
Special Education_Grants to States			
Passed-Through Northern Suburban Special Education District			
<i>Federal Special Education - I.D.E.A. - Discretionary</i>	84.027A	2009-4630-02	99,488
TOTAL DEPARTMENT OF EDUCATION			<u>\$ 2,515,960</u>

**IROQUOIS-KANKAKEE REGIONAL OFFICE OF EDUCATION NO. 32
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

**SCHEDULE 15
(CONTINUED)**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through Number	FY 2009 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>	(M) 93.558	11GK269000	\$ 197,659
Block Grants for Prevention and Treatment of Substance Abuse Passed-Through Illinois Department of Human Services <i>Addiction Prevention Comprehensive</i>	93.959	11GK269000	77,000
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			274,659
<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	2009-4910-00	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	2009-4210-00	17,087
School Breakfast Program Passed-Through Illinois State Board of Education <i>National School Breakfast Program</i>	10.553	2009-4220-00	8,770
TOTAL DEPARTMENT OF AGRICULTURE			25,857
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Supportive Housing Program <i>HUD Supportive Housing Program</i>	14.235	2009-499932	64,017
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			64,017
<u>DEPARTMENT OF JUSTICE</u>			
Title V_Delinquency Prevention Program Passed-Through Illinois Department of Human Services <i>Truancy Review Board</i>	16.548	11GK269000	10,000
TOTAL DEPARTMENT OF JUSTICE			10,000
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 2,901,493

(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, 2009**

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 \$1,117,517 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	\$ 445,904	\$ 53,096	\$ 25,246	\$ -	\$ 524,246
Clark, Coles, Cumberland, Douglas, Edgar, Moultrie and Shelby Counties Regional Office of Education No. 11	142,958	22,216	-	-	165,174
Muon/Piatt Counties Regional Office of Education No. 39	199,414	26,547	22,700	-	248,661
DeWitt, Livingston and McLean Counties Regional Office of Education No. 17	24,804	18,032	-	-	42,836
Vermillion County Regional Office of Education No. 54	-	-	12,729	-	12,729
Kankakee Community Development Corporation	-	-	-	56,498	56,498
Garden of Prayer Youth Center	-	-	-	67,373	67,373
Total	\$ 813,080	\$ 119,891	\$ 60,675	\$ 123,871	\$ 1,117,517

Note 3. Description of Major Federal Programs

Title I Reading First Part B SEA Funds is a grant received from the Illinois State Board of Education to assist eligible Reading First Schools with scientifically based instructional programs, materials and instruction. Services provided throughout the school year include

**IROQUOIS/KANKAKEE
REGIONAL OFFICE OF EDUCATION NO. 32
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

consultant services in best practices reading strategies, region-wide workshops and professional development materials and resources.

Title II - Teacher Quality is a formula grant received from Illinois State Board of Education which is primarily expended for the training of teachers and improvement of instruction in the classroom.

Title II - Teacher Quality - Leadership Grant is a grant received from Illinois State Board of Education which is expended for the training and instructional coaching to teachers and paraprofessionals. Services are provided to school districts with schools in restructuring, corrective action and school improvement.

ARRA - General State Aid was allocated through the State Fiscal Stabilization Funds (SFSF) section of the American Recovery and Reinvestment Act (ARRA). These funds will help stabilize the possible impact of the State's current fiscal deficit upon payment of general State aid to school districts.

Teen Reach is a federal grant under the drug prevention program from 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.

Note 4. Non-Cash Assistance

Not Applicable.

Note 5. Amount of Insurance

Not Applicable.

Note 6. Loans or Loan Guarantees Outstanding

Not Applicable.