

**STATE OF ILLINOIS
REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
FINANCIAL AUDIT
(In Accordance with the Single Audit Act
& OMB Circular A-133)
For the Year Ended June 30, 2011**

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
June 30, 2011**

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**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
June 30, 2011**

OFFICIALS

Regional Superintendent
(Effective January 10, 2012 and Current)

Mr. Gregg Murphy

Regional Superintendent
(During the Audit Period and Retired Effective December 31, 2011)

Dr. Kathleen M. Pangle

Assistant Regional Superintendent
(Effective July 1, 2011 through January 10, 2012)

Mr. Gregg Murphy

Assistant Regional Superintendent
(During the Audit Period through June 30, 2011)

Ms. Vicky Hensley

Assistant to the Regional Superintendent
(During the Audit Period through June 30, 2011)

Mr. Gregg Murphy

Office is located at:

189 E. Court Street, Suite 600
Kankakee, Illinois 60901

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
June 30, 2011**

COMPLIANCE REPORT SUMMARY

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

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	4	4
Repeated audit findings	3	-
Prior recommendations implemented or not repeated	1	-

Matters, which are less than a significant deficiency or material weakness but more than inconsequential, have been reported in a Management Letter of Comment to the Regional Superintendent.

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
11-01	12a	Controls Over Financial Statement Preparation	Material Weakness
11-02	12b	Improper Use of Refunded State Grant Expenditures	Material Weakness and Noncompliance
11-03	12c	Interest Earned on Federal Grant Funds	Material Weakness and Noncompliance
11-04	12d	Improper Support for Amounts Claimed on Expenditure Reports	Material Weakness
FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)			
11-03	12c	Interest Earned on Federal Grant Funds	Material Weakness and Noncompliance
11-04	12d	Improper Support for Amounts Claimed on Expenditure Reports	Material Weakness
PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)			
10-02		Inadequate Internal Control Procedures	Material Weakness
PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)			
		None	

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
June 30, 2011**

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on December 13, 2011. Attending were Dr. Kathleen Pangle, Regional Superintendent; Gregg Murphy, Assistant to the Regional Superintendent; Sherry Johnson, Finance Officer; Kay Williams, Payroll Clerk/Bookkeeper; Clatus Bierman, CPA, Partner, Kemper CPA Group, LLP; and Kimberly Walker, CPA, Partner, Kemper CPA Group, LLP. Responses to the recommendations were provided by Dr. Kathleen Pangle, Regional Superintendent on December 13, 2011.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
For the Year Ended June 30, 2011**

FINANCIAL STATEMENT REPORT SUMMARY

The audit of the accompanying basic financial statements of the Iroquois and Kankakee Counties Regional Office of Education #32 was performed by Kemper CPA Group LLP, Certified Public Accountants and Consultants.

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



INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois and Kankakee Counties Regional Office of Education #32, as of and for the year ended June 30, 2011, which collectively comprise the Iroquois and Kankakee Counties Regional Office of Education #32's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Iroquois and Kankakee Counties Regional Office of Education #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 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 and Kankakee Counties Regional Office of Education #32, as of June 30, 2011, 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.

The Iroquois and Kankakee Counties Regional Office of Education #32 adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended June 30, 2011. The statement changed the classifications of governmental fund balances and clarified the definitions of existing fund types. The adoption of this statement had no effect on any of the Iroquois and Kankakee Counties Regional Office of Education #32's governmental funds' assets or liabilities nor was there any effect to the total amount of any of the Iroquois and Kankakee Counties Regional Office of Education #32's governmental fund balances as of and for the year ended June 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 21, 2012 on our consideration of the Iroquois and Kankakee Counties Regional Office of Education #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 16a-16g and 55 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 and Kankakee Counties Regional Office of Education #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 Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, the Schedule of Disbursements to School District Treasurers and Other Entities, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
March 21, 2012

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois and Kankakee Counties Regional Office of Education #32, as of and for the year ended June 30, 2011, which collectively comprise the Iroquois and Kankakee Counties Regional Office of Education #32's basic financial statements and have issued our report thereon dated March 21, 2012. 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

Management of the Iroquois and Kankakee Counties Regional Office of Education #32 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Iroquois and Kankakee Counties Regional Office of Education #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 and Kankakee Counties Regional Office of Education #32's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Iroquois and Kankakee Counties Regional Office of Education #32's internal control over financial reporting.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in findings 11-01, 11-02, 11-03, and 11-04 in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Iroquois and Kankakee Counties Regional Office of Education #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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 11-02.

We also noted certain matters which we have reported to management of the Iroquois and Kankakee Counties Regional Office of Education #32 in a separate letter dated March 21, 2012.

Iroquois and Kankakee Counties Regional Office of Education #32's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Iroquois and Kankakee Counties Regional Office of Education #32's responses and, accordingly, we express no opinion on them.

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

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
March 21, 2012



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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have audited the Iroquois and Kankakee Counties Regional Office of Education #32's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Iroquois and Kankakee Counties Regional Office of Education #32's major federal programs for the year ended June 30, 2011. The Iroquois and Kankakee Counties Regional Office of Education #32's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Iroquois and Kankakee Counties Regional Office of Education #32's management. Our responsibility is to express an opinion on the Iroquois and Kankakee Counties Regional Office of Education #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 and Kankakee Counties Regional Office of Education #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 and Kankakee Counties Regional Office of Education #32's compliance with those requirements.

In our opinion, the Regional Office of Education #32 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 11-03.

Internal Control Over Compliance

Management of the Iroquois and Kankakee Counties Regional Office of Education #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 and Kankakee Counties Regional Office of Education #32's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Iroquois and Kankakee Counties Regional Office of Education #32's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 11-03 and 11-04 to be material weaknesses.

Iroquois and Kankakee Counties Regional Office of Education #32's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Iroquois and Kankakee Counties Regional Office of Education #32's responses and, accordingly, we express no opinion on them.

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

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
March 21, 2012

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2011**

SECTION 1 - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
● Material weakness(es) identified?	Yes
● Significant Deficiency(ies)?	No
● Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal control over major programs:	
● Material weakness(es) identified?	Yes
● Significant Deficiency(ies)?	No
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)?	Yes

Identification of **major** programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010A	System of Support Title I – School Improvement and Accountability
84.389A	ARRA – Title I – School Improvement and Accountability

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

Auditee qualified as a low-risk auditee?	No
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**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2011**

Finding No.: 11-01 – Controls Over Financial Statement Preparation (Repeat from 10-01)

Criteria/specific requirement:

The Regional Office of Education #32 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

Condition:

The Regional Office of Education #32 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- A. Several adjustments were necessary to properly record prior year proposed audit entries.
- B. In addition, the Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenue. While the Regional Office did maintain records to indicate the balances of some accounts payable, accounts receivable, and deferred revenue, the Regional Office's financial information required several adjusting entries to present the financial statements in accordance with generally accepted accounting principles.

Effect:

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

Cause:

According to Regional Office officials, they do not have adequate funding to hire a certified public accountant or other qualified and trained financial professionals as full-time staff.

Recommendation:

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #32 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

Management's Response:

In an attempt to correct this finding, the Regional Office will send its fiscal staff to various trainings to better understand accrual accounting and reporting under generally accepted accounting principles (GAAP).

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2011**

Finding No.: 11-02 – Improper Use of Refunded State Grant Expenditures

Criteria/specific requirement:

The Regional Office of Education #32 is responsible for establishing and maintaining an internal control system over receipts and disbursements sufficient to prevent errors and fraud in its completion of quarterly expenditure reports required for grants administered by the Illinois State Board of Education.

Condition:

The Regional Office received a refund in the amount of \$5,220 on May 27, 2011 for a purchased service expenditure claimed on the final Teacher & Administrators Mentoring Program (Project: 2010-3982-01) expenditure report through August 31, 2010. The Regional Office had not expected to receive this refund at the time of the final expenditure report submission. Once received, the Regional Office immediately used \$814 of the refund to cover Teacher & Administrators Mentoring Program purchased service expenditures that had previously been paid with local funds. The remaining \$4,406 of the refund had not been spent on allowable Teacher & Administrators Mentoring Program expenditures as of June 30, 2011, nor had it been returned to the grantor.

Effect:

Lack of appropriate internal controls over grant receipts and disbursements could allow misuse of State or Federal grant monies.

Cause:

Oversight by the Regional Office personnel.

Recommendation:

The Regional Office of Education #32 should use refunds, of previously claimed expenditures, to pay for similar allowable grant expenditures or return the monies to the grantor immediately.

Management's Response:

The Regional Superintendent is aware of the finding and has made arrangements to spend the refund on allowable grant expenditures as recommended.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2011**

Finding No.: 11-03 – Interest Earned on Federal Grant Funds (Repeat from 10-03)

Federal Program Name & Year: Title I – School Improvement and Accountability – System of Support
McKinney Education for Homeless Children

Project Number: 10-4331-SS and 11-4331-SS
05-4920-00, 06-4920-00, 07-4920-00, 08-4920-00, 09-4920-00 and 10-4920-00

CFDA Number: 84.010A, 84.196A

Passed Through: Illinois State Board of Education

Federal Agency: U.S. Department of Education

Criteria/specific requirement:

The *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments* (34 Code of Federal Regulations Part 80.21) requires that interest earned on federal fund balances in excess of \$100 be remitted back to the federal granting agency promptly or at least quarterly.

Condition:

The Regional Office had interest income in excess of \$100 related to the following programs which was due back to the grantor agency:

Title I – School Improvement and Accountability – System of Support - \$925
McKinney Education for Homeless Children – \$1,821

Questioned Costs:

\$925 and \$1,821

Context:

A total of \$2,746 in interest income in excess of \$100 per bank account was noted that is due back to the appropriate grantor agencies.

Effect:

Noncompliance with the *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments* (34 Code of Federal Regulations Part 80.21).

Cause:

Oversight by the Regional Office personnel.

Recommendation:

The Regional Office should track interest earnings on federal funds so that any excess funds can be returned promptly. After \$100 is earned on federal funds, any federal interest in excess of \$100 should be returned to the grantor at the end of each following quarter.

Management's Response:

The Regional Office of Education #32 agrees with the finding and has remitted the appropriate amounts of interest to its grantor as well as any future interest amounts earned in excess of the \$100 limit.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2011**

**Finding No.: 11-04 – Improper Support for Amounts Claimed on Expenditure Reports
(Repeat from 10-04)**

Federal Program Name & Year: Title I – School Improvement and Accountability – System of Support

Project Number: 11-4331-SS

CFDA Number: 84.010A

Passed Through: Illinois State Board of Education

Federal Agency: U.S. Department of Education

Criteria/specific requirement:

The Regional Office of Education #32 is responsible for establishing and maintaining an internal control system over receipts and disbursements sufficient to prevent errors and fraud in its completion of quarterly expenditure reports required for grants administered by the Illinois State Board of Education.

Condition:

- A. The Regional Office does not reimburse for alcoholic beverages purchased on restaurant receipts; however, in one instance the 7.5% tax and 18% gratuity totaling \$19.13 on alcoholic beverages was reimbursed.
- B. Reimbursement of \$14,108.73 for program supplies and activities was approved and paid without any supporting documentation. Supporting documentation was later obtained for some of the items, after the payment was made, as result of an audit request. Detail of the items remaining unsupported as of the report date are included in items a – e below.
 - a. A reimbursement of \$11.38 was made to a particular individual for meals and no supporting documentation was ever received.
 - b. Sales tax of \$11.39 was paid on otherwise allowable expenditures.
 - c. Membership dues of \$610 for two individuals were paid to the Illinois Principals Association. Only one invoice of \$305 had been provided as support. The Regional Office later determined that the individual had been paid twice and grant's subrecipient had overcharged the Regional Office by \$305.
 - d. Travel expenses of \$200 were paid to an individual without any supporting documentation.
 - e. Payment was made to a credit card totaling \$740.70 of which \$37.90 was charged at a restaurant and initially had no supporting documentation in order to determine if the restaurant expenditure was allowable under the program. Upon receiving a detailed receipt, the \$37.90 was for the purchase of alcohol and was not an allowable expenditure under the program.
- C. Reimbursement of \$576.02 from restaurant credit card summary receipts did not provide detail of the amounts spent in order to determine if the entire amount paid was allowable under the program. In addition, \$209.17 of this amount was supported with a statement from the District requesting the reimbursement, stating that detailed receipts were not available.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2011**

**Finding No.: 11-04 – Improper Support for Amounts Claimed on Expenditure Reports (Repeat from 10-04)
(Concluded)**

Questioned Costs:

A.	\$19.13
B.	N/A
B – a.	\$11.38
B – b.	\$11.39
B – c.	\$305.00
B – d.	\$200.00
B – e.	\$37.90
C.	\$576.02

Context: N/A

Effect:

Potential noncompliance with grant requirements.

Cause:

Oversight by the Regional Office personnel.

Recommendation:

The Regional Office should obtain proper documentation for all reimbursements including ensuring that purchase orders and invoices agree and that reimbursements are based only on valid vendor invoices and not purchase orders.

Management's Response:

The Regional Superintendent agrees with the finding. Additionally, the I-KAN Regional Office of Education has taken steps to address the procedures related to this finding. Specifically, employees as well as outside entities participating in grant activities have received reminders of proper procedures for reimbursement for business related expenses. As an office, we will continue to work to share proper procedure reminders with employees and other entities.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
For the Year Ended June 30, 2011**

INSTANCES OF NONCOMPLIANCE:

Finding No. 11-03 – Interest Earned on Federal Grant Funds (finding details on page 12c)

MATERIAL WEAKNESSES:

Finding No. 11-03 – Interest Earned on Federal Grant Funds (finding details on page 12c)

Finding No. 11-04 – Improper Support for Amounts Claimed on Expenditure Reports (finding details on page 12d and 12e)

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
For the Year Ended June 30, 2011**

Corrective Action Plan

Finding No.: 11-01 – Controls Over Financial Statement Preparation

Condition:

The Regional Office of Education #32 does not have sufficient internal controls over the financial reporting process. The Regional Office maintains their accounting records on the cash basis of accounting. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- A. Several adjustments were necessary to properly record prior year proposed audit entries.
- B. In addition, the Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenue. While the Regional Office did maintain records to indicate the balances of some accounts payable, accounts receivable, and deferred revenue, the Regional Office's financial information required several adjusting entries to present the financial statements in accordance with generally accepted accounting principles.

Plan:

The Regional Office will send its fiscal staff to various trainings to better understand accrual accounting and reporting under generally accepted accounting principles (GAAP).

Anticipated Date of Completion:

June 30, 2012

Name of Contact Person:

Mr. Gregg Murphy, Regional Superintendent

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
For the Year Ended June 30, 2011**

Corrective Action Plan

Finding No.: 11-02 – Improper Use of Refunded State Grant Expenditures

Condition:

The Regional Office received a refund in the amount of \$5,220 on May 27, 2011 for a purchased service expenditure claimed on the final Teacher & Administrators Mentoring Program (Project: 2010-3982-01) expenditure report through August 31, 2010. The Regional Office had not expected to receive this refund at the time of the final expenditure report submission. Once received, the Regional Office immediately used \$814 of the refund to cover Teacher & Administrators Mentoring Program purchased service expenditures that had previously been paid with local funds. The remaining \$4,406 of the refund had not been spent on allowable Teacher & Administrators Mentoring Program expenditures as of June 30, 2011, nor had it been returned to the grantor.

Plan:

The Regional Office of Education has made arrangements to spend the refund on allowable grant expenditures.

Anticipated Date of Completion:

June 30, 2012

Name of Contact Person:

Mr. Gregg Murphy, Regional Superintendent

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
For the Year Ended June 30, 2011**

Corrective Action Plan

Finding No.: 11-03 – Interest Earned on Federal Grant Funds

Condition:

The Regional Office had interest income in excess of \$100 related to the following programs which was due back to the grantor agency:

Title I – School Improvement and Accountability – System of Support - \$925
McKinney Education for Homeless Children - \$1,821

Plan:

The Regional Office of Education has remitted the appropriate amounts of interest to its grantor as well as any future interest amounts earned in excess of the \$100 limit.

Anticipated Date of Completion:

December 31, 2011

Name of Contact Person:

Mr. Gregg Murphy, Regional Superintendent

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
For the Year Ended June 30, 2011**

Corrective Action Plan

Finding No.: 11-04 – Improper Support for Amounts Claimed on Expenditure Reports

Condition:

- A. The Regional Office does not reimburse for alcoholic beverages purchased on restaurant receipts; however, in one instance the 7.5% tax and 18% gratuity totaling \$19.13 on alcoholic beverages was reimbursed.

- B. Reimbursement of \$14,108.73 for program supplies and activities was approved and paid without any supporting documentation. Supporting documentation was later obtained for some of the items, after the payment was made, as result of an audit request. Detail of the items remaining unsupported as of the report date are included in items a – e below.
 - a. A reimbursement of \$11.38 was made to a particular individual for meals and no supporting documentation was ever received.
 - b. Sales tax of \$11.39 was paid on otherwise allowable expenditures.
 - c. Membership dues of \$610 for two individuals were paid to the Illinois Principals Association. Only one invoice of \$305 had been provided as support. The Regional Office later determined that the individual had been paid twice and grant's subrecipient had overcharged the Regional Office by \$305.
 - d. Travel expenses of \$200 were paid to an individual without any supporting documentation.
 - e. Payment was made to a credit card totaling \$740.70 of which \$37.90 was charged at a restaurant and initially had no supporting documentation in order to determine if the restaurant expenditure was allowable under the program. Upon receiving a detailed receipt, the \$37.90 was for the purchase of alcohol and was not an allowable expenditure under the program.

- C. Reimbursement of \$576.02 from restaurant credit card summary receipts did not provide detail of the amounts spent in order to determine if the entire amount paid was allowable under the program. In addition, \$209.17 of this amount was supported with a statement from the District requesting the reimbursement, stating that detailed receipts were not available.

Plan:

The Regional Office of Education has taken steps to address the procedures related to this finding. Specifically, employees as well as outside entities participating in grant activities have received reminders of proper procedures for reimbursement for business related expenses. As an office, we will continue to work to share proper procedure reminders with employees and other entities.

Anticipated Date of Completion:

June 30, 2012

Name of Contact Person:

Mr. Gregg Murphy, Regional Superintendent

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2011**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
10-01	Controls Over Financial Statement Preparation	Repeated
10-02	Inadequate Internal Control Procedures	Not Repeated
10-03	Interest Earned on Federal Grant Funds	Repeated
10-04	Improper Support for Amounts Claimed on Expenditure Reports	Repeated

MANAGEMENT'S DISCUSSION AND ANALYSIS

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

The Iroquois-Kankakee Regional Office of Education #32 (ROE #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, 2011 with comparative information for the year ended June 30, 2010. Readers are encouraged to consider the information in conjunction with the ROE #32's financial statements that follow.

During fiscal year 2011 ROE #32 implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which required certain programs and funds to be reclassified and the restatement of beginning fund balances as detailed in Note 16 to the financial statements. Because of these reclassifications the fund analysis is not comparable between fiscal year 2010 and fiscal year 2011.

2011 Financial Highlights

- Within the Governmental Funds, the General Fund revenue increased by \$1,199,633 (103%) from \$1,161,037 in FY2010 to \$2,360,670 in FY2011. General Fund expenditures increased by \$606,892 (50%) from \$1,214,126 in FY2010 to \$1,821,018 in FY2011. These increases were due primarily to the increase in General State Aid and State payments made on behalf of the region.
- Within the Governmental Funds, the Education Funds revenue decreased by \$993,795 (26%) from \$3,848,182 in FY2010 to \$2,854,387 in FY2011. The Education Funds expenditures decreased by \$1,002,349 (27%) from \$3,754,140 in FY2010 to \$2,751,791 in FY2011. These decreases were due to the reduction in funding of various programs as well as various programs that the ROE administered in FY2010 but not in FY2011.
- Proprietary Funds revenue decreased by \$89,244 (20%) from \$444,060 in FY2010 to \$354,816 in FY2011. The Proprietary Funds expenditures increased by \$16,333 (5%) from \$330,778 in FY2010 to \$347,111 in FY2011. These changes were due largely to reduction in state and federal grant funds in FY2011 which reduced local district participation in proprietary programs, as well as increasing the expenditures from locally generated funds.
- The ROE #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 #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 #32 as a whole and present an overall view of the Office's finances.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

- *Fund financial statements* report the ROE #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.

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 #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 #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 #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 #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 #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.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

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 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 #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 #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 #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.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

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 #32. The net assets at the end of FY2011 and FY2010 totaled \$3,137,298 and \$2,569,534, respectively. The analysis that follows provides a summary of the ROE No. 32's net assets as of June 30.

CONDENSED STATEMENT OF NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
ASSETS						
Current assets	\$2,440,124	\$1,528,873	\$1,625,448	\$1,606,588	\$4,065,572	\$3,135,461
Noncurrent assets	-	2,054	-	-	-	2,054
TOTAL ASSETS	2,440,124	1,530,927	1,625,448	1,606,588	4,065,572	3,137,515
LIABILITIES						
Current liabilities	907,586	602,380	7	7	907,593	602,387
Non-Current Liabilities	20,681	-	-	-	20,681	-
TOTAL LIABILITIES	928,267	602,380	7	7	928,274	602,387
NET ASSETS						
Invested in capital assets, net of related debt	-	2,054	-	-	-	2,054
Restricted for educational purposes	172,697	41,017	-	-	172,697	41,017
Unrestricted	1,339,160	885,476	1,625,441	1,606,581	2,964,601	2,492,057
TOTAL NET ASSETS	\$1,511,857	\$928,547	\$1,625,441	\$1,606,581	\$3,137,298	\$2,535,128

The ROE #32's net assets increased by \$602,170 (24%) from FY2010 to FY2011. The increase occurred in the governmental activities (cash and cash equivalents). In addition, while the Business-Type Activities' assets did increase slightly the liabilities remained the same as FY2010. Also, certain net assets related to the Education Fund and Nonmajor Special Revenue Funds are considered restricted for educational purposes and saw a sizable increase.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

CHANGES IN NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 48,436	\$ 49,966	\$ 354,816	\$ 444,060	\$ 403,252	\$ 494,026
Operating grants and contributions	2,749,958	3,217,031	–	–	2,749,958	3,217,031
General revenues:						
State and local sources	1,774,099	1,343,862	–	–	1,774,099	1,343,862
Interest income	7,670	8,021	6,747	10,262	14,417	18,283
On-behalf payments	586,571	607,046	–	–	586,571	607,046
Total revenues	<u>5,166,734</u>	<u>5,225,926</u>	<u>361,563</u>	<u>454,322</u>	<u>5,528,297</u>	<u>5,680,248</u>
Expenses:						
Salaries	1,998,225	2,061,152	126,590	180,719	2,124,815	2,241,871
Benefits	351,945	379,995	25,897	24,304	377,842	404,299
Purchased services	536,565	489,596	148,117	99,694	684,682	589,290
Supplies and materials	146,871	132,396	44,270	23,556	191,141	155,952
Capital expenditures	5,527	4,783	1,085	2,337	6,612	7,120
Payments to other						
Governments	978,277	1,409,473	–	–	978,277	1,409,473
Miscellaneous	7,387	9,433	1,152	168	8,539	9,601
Depreciation	2,054	4,107	–	–	2,054	4,107
On-behalf payments	586,571	607,046	–	–	586,571	607,046
Total expenses	<u>4,613,422</u>	<u>5,097,981</u>	<u>347,111</u>	<u>330,778</u>	<u>4,960,533</u>	<u>5,428,759</u>
Income (loss) before operating transfers	553,312	127,945	14,452	123,544	567,764	251,489
Operating transfers	3,259	2,756	(3,259)	(2,756)	–	–
Change in net assets	556,571	130,701	11,193	120,788	567,764	251,489
Net assets, beginning	955,286	797,846	1,614,248	1,485,793	2,569,534	2,283,639
Net assets, ending	<u>\$ 1,511,857</u>	<u>\$ 928,547</u>	<u>\$ 1,625,441</u>	<u>\$ 1,606,581</u>	<u>\$ 3,137,298</u>	<u>\$ 2,535,128</u>

Governmental Fund Activities

Revenues for FY2011 governmental fund activities were \$5,166,734 and expenses were \$4,613,422. Governmental revenues decreased by \$59,192 (1%) and expenses decreased by \$484,559 (9.5%) The decrease in revenues appears minimal primarily due to the fact that while there was a sizeable decrease in grant funding due to state and federal cuts, general revenues increased almost proportionately. The decrease in expenditures also helped to minimize the effect of the reduced grant funding.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

Business-Type Activities

Revenues for FY2011 business-type activities were \$361,563 and expenditures were \$347,111. The decrease in revenues (\$92,759 or 20%) is attributed to the decrease in local revenue received from school districts for services and trainings conducted in FY2011. The increase in expenditures (\$16,333 or 5%) was due largely to the reduction in grant funds making the reliance on local funding sources necessary.

Financial Analysis of the ROE No. 32 Funds

As previously noted, the ROE #32 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The ROE #32's governmental funds reported combined fund balances of \$1,478,247.

Governmental Fund Highlights

- State funding of Regional Offices of Education has been reduced 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 #32 decreased from last year's funding level.
- There was a decrease in program revenues as several of the operating grants, such as the Department of Human Services Truancy Review Board, Redeploy Illinois, RESPRO – Title II Teacher Quality, Title I Reading First, No Child Left Behind Title II English Language Learners, and the American Recovery and Reinvestment Act General State Aid funds ended during FY2011.

Proprietary Fund Highlights

Total proprietary fund net assets increased by \$18,860 (1%) primarily due to excess of revenues over expenditures for the proprietary funds.

Fiduciary Fund Highlights

There was a decrease of \$238,411 (28%) in total fiduciary fund assets for FY2011. Transactions represent mainly transfers in and out of funds under the Distributive Fund.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

Budgetary Highlights

The ROE #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 #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.

Capital Assets

ROE #32's capital assets include office equipment, computers, audio-visual equipment, and office furniture. The ROE #32 maintains an inventory of capital assets which have been accumulated over time. There were no additions and no retirements for FY2011. Depreciation expense for FY2011 was \$2,054. As of June 30, 2011, the ROE #32's capital assets remain in use with \$0 remaining to be depreciated in future fiscal years.

Economic Factors and the FY12 Budget

At the time these financial statements were prepared and audited, the ROE #32 was aware of several existing circumstances that could affect its financial condition in the future:

- State funding of Regional Offices of Education School Services has been reduced for FY12.
- General State Aid has been reduced for both Students All Learning Together and Regional Alternative Attendance Center programs for FY12.
- The ROE experienced multiple retirements at the close of FY11 which will effect personnel expenses for FY12.
- Two TRS eligible employees retired from the office generating retirement expenses that the ROE has not experienced in previous years.
- The DHS Comprehensive Grant is released for competitive bid during FY12. The office will be pursuing the grant opportunity.
- The Beginning Teacher Mentoring Program was eliminated for FY12.
- The County Support has increased for FY12.

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 #32, 189 E. Court Street, Suite 600, Kankakee, IL 60901.

BASIC FINANCIAL STATEMENTS

REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
STATEMENT OF NET ASSETS
June 30, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 1,788,066	\$ 1,057,244	\$ 2,845,310
Due from other funds	-	550,704	550,704
Due from other governments	652,058	17,500	669,558
Total Current Assets	<u>2,440,124</u>	<u>1,625,448</u>	<u>4,065,572</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>2,440,124</u>	<u>1,625,448</u>	<u>4,065,572</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	292,569	7	292,576
Due to other funds	550,704	-	550,704
Due to other governments	7,821	-	7,821
Deferred revenue	56,492	-	56,492
Total Current Liabilities	<u>907,586</u>	<u>7</u>	<u>907,593</u>
Noncurrent Liabilities:			
Other post-employment benefit obligation	20,681	-	20,681
Total Noncurrent Liabilities	<u>20,681</u>	<u>-</u>	<u>20,681</u>
TOTAL LIABILITIES	<u>928,267</u>	<u>7</u>	<u>928,274</u>
NET ASSETS			
Invested in capital assets, net of related debt	-	-	-
Restricted for educational purposes	172,697	-	172,697
Unrestricted	1,339,160	1,625,441	2,964,601
TOTAL NET ASSETS	<u>\$ 1,511,857</u>	<u>\$ 1,625,441</u>	<u>\$ 3,137,298</u>

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
Instructional Services						
Salaries	\$ 1,998,225	\$ 8,991	\$ 1,113,963	\$ (875,271)	\$ -	\$ (875,271)
Employee benefits	351,945	3,170	163,988	(184,787)	-	(184,787)
Purchased services	536,565	6,495	368,205	(161,865)	-	(161,865)
Supplies and materials	146,871	3,484	119,998	(23,389)	-	(23,389)
Other	7,387	1,183	-	(6,204)	-	(6,204)
Payments to other governments	978,277	25,113	978,277	25,113	-	25,113
Depreciation	2,054	-	-	(2,054)	-	(2,054)
Capital outlay	5,527	-	5,527	-	-	-
Administrative						
On-behalf payments - State	586,571	-	-	(586,571)	-	(586,571)
Total governmental activities	<u>4,613,422</u>	<u>48,436</u>	<u>2,749,958</u>	<u>(1,815,028)</u>	<u>-</u>	<u>(1,815,028)</u>
Business-type activities:						
Professional development	347,111	354,816	-	-	7,705	7,705
Total business-type activities	<u>347,111</u>	<u>354,816</u>	<u>-</u>	<u>-</u>	<u>7,705</u>	<u>7,705</u>
Total Primary Government	<u>\$ 4,960,533</u>	<u>\$ 403,252</u>	<u>\$ 2,749,958</u>	<u>(1,815,028)</u>	<u>7,705</u>	<u>(1,807,323)</u>
General revenues						
Local sources				486,979	-	486,979
State sources				1,287,120	-	1,287,120
On-behalf payments - State				586,571	-	586,571
Interest				7,670	6,747	14,417
Transfers				3,259	(3,259)	-
Total general revenues and transfers				<u>2,371,599</u>	<u>3,488</u>	<u>2,375,087</u>
CHANGE IN NET ASSETS				556,571	11,193	567,764
NET ASSETS - BEGINNING (RESTATED)				<u>955,286</u>	<u>1,614,248</u>	<u>2,569,534</u>
NET ASSETS - ENDING				<u>\$ 1,511,857</u>	<u>\$ 1,625,441</u>	<u>\$ 3,137,298</u>

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011**

	General Fund	Education Fund	Other Non-Major Funds	Eliminations	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,368,663	\$ 276,316	\$ 143,087	\$ -	\$ 1,788,066
Due from other funds	285	-	-	(285)	-
Due from other governments	100,260	551,798	-	-	652,058
TOTAL ASSETS	<u>\$ 1,469,208</u>	<u>\$ 828,114</u>	<u>\$ 143,087</u>	<u>\$ (285)</u>	<u>\$ 2,440,124</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 94,562	\$ 198,007	\$ -	\$ -	\$ 292,569
Due to other funds	-	550,989	-	(285)	550,704
Due to other governments	-	7,821	-	-	7,821
Deferred revenue	-	110,783	-	-	110,783
Total Liabilities	<u>94,562</u>	<u>867,600</u>	<u>-</u>	<u>(285)</u>	<u>961,877</u>
Fund Balances					
Restricted	-	14,805	143,087	-	157,892
Unassigned	1,374,646	(54,291)	-	-	1,320,355
Total Fund Balances	<u>1,374,646</u>	<u>(39,486)</u>	<u>143,087</u>	<u>-</u>	<u>1,478,247</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,469,208</u>	<u>\$ 828,114</u>	<u>\$ 143,087</u>	<u>\$ (285)</u>	<u>\$ 2,440,124</u>

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

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 June 30, 2011**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 1,478,247
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>	
<p>Some revenues will not be collected for several months after the Regional Office's fiscal year ends. They are not considered "available" revenues and are deferred in the governmental funds.</p>	54,291
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds, net of accumulated depreciation of \$27,031</p>	-
<p>Long-term liabilities are not due and payable in the current period and; therefore, are not reported in the funds.</p>	<u>(20,681)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,511,857</u></u>

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

REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	General Fund	Education Fund	Other Non-Major Funds	Eliminations	Total Governmental Funds
REVENUES					
Local sources	\$ 486,979	\$ -	\$ 47,150	\$ -	\$ 534,129
State sources	1,287,120	905,943	1,286	-	2,194,349
State sources - payments made on behalf of region	586,571	-	-	-	586,571
Federal sources	-	1,948,444	-	-	1,948,444
Total Revenues	<u>2,360,670</u>	<u>2,854,387</u>	<u>48,436</u>	<u>-</u>	<u>5,263,493</u>
EXPENDITURES					
Instructional Services:					
Salaries	868,242	1,115,119	14,864	-	1,998,225
Employee benefits	182,546	164,158	5,241	-	351,945
Purchased services	157,240	368,587	10,738	-	536,565
Supplies and materials	20,988	120,123	5,760	-	146,871
Other	5,431	-	1,956	-	7,387
Payments to other governments	-	978,277	-	-	978,277
Payments made on behalf of region	586,571	-	-	-	586,571
Capital outlay	-	5,527	-	-	5,527
Total Expenditures	<u>1,821,018</u>	<u>2,751,791</u>	<u>38,559</u>	<u>-</u>	<u>4,611,368</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>539,652</u>	<u>102,596</u>	<u>9,877</u>	<u>-</u>	<u>652,125</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	2,161	3,483	-	(2,385)	3,259
Transfers out	(2,161)	(224)	-	2,385	-
Interest	5,949	543	1,178	-	7,670
Total Other Financing Sources (Uses)	<u>5,949</u>	<u>3,802</u>	<u>1,178</u>	<u>-</u>	<u>10,929</u>
NET CHANGE IN FUND BALANCES	545,601	106,398	11,055	-	663,054
FUND BALANCES - BEGINNING (RESTATED)	<u>829,045</u>	<u>(145,884)</u>	<u>132,032</u>	<u>-</u>	<u>815,193</u>
FUND BALANCES - ENDING	<u>\$ 1,374,646</u>	<u>\$ (39,486)</u>	<u>\$ 143,087</u>	<u>\$ -</u>	<u>\$ 1,478,247</u>

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

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2011**

NET CHANGE IN FUND BALANCES \$ 663,054

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

Governmental funds report capital outlays as expenditures and proceeds from disposals as revenue. However, in the Statement of Activities the cost of those assets, which meet capitalization requirements, is allocated over their estimated useful lives and reported as depreciation expense and gains and losses are reported on disposals.

Depreciation Expense (2,054)

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

FY2010 deferred revenue recognized in FY2011 - State sources	(145,296)	
FY2010 deferred revenue recognized in FY2011 - Federal sources	(13,424)	
FY2011 revenue deferred - State sources	30,956	
FY2011 revenue deferred - Federal sources	23,335	(104,429)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 556,571

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2011**

	Business-Type Activities - Enterprise Funds					
	Life Education Local	Safe Schools Local	Truant Local	Nonmajor Proprietary Funds	Eliminations	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 153,805	\$ 665,325	\$ 93,862	\$ 144,252	\$ -	\$ 1,057,244
Due from other funds	64,820	229,496	146,399	109,989	-	550,704
Due from other governments	-	10,000	-	7,500	-	17,500
Total current assets	<u>218,625</u>	<u>904,821</u>	<u>240,261</u>	<u>261,741</u>	<u>-</u>	<u>1,625,448</u>
LIABILITIES						
Current liabilities:						
Accounts payable	-	-	-	7	-	7
Due to other funds	-	-	-	-	-	-
Total current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>7</u>
NET ASSETS						
Unrestricted	<u>218,625</u>	<u>904,821</u>	<u>240,261</u>	<u>261,734</u>	<u>-</u>	<u>1,625,441</u>
TOTAL NET ASSETS	<u><u>\$ 218,625</u></u>	<u><u>\$ 904,821</u></u>	<u><u>\$ 240,261</u></u>	<u><u>\$ 261,734</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,625,441</u></u>

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended June 30, 2011**

	Business-Type Activities - Enterprise Funds					Total
	Life Education Local	Safe Schools Local	Truant Local	Nonmajor Proprietary Funds	Eliminations	
OPERATING REVENUES						
Local sources	\$ 56,027	\$ 151,741	\$ 70,976	\$ 76,072	\$ -	\$ 354,816
Total operating revenues	<u>56,027</u>	<u>151,741</u>	<u>70,976</u>	<u>76,072</u>	<u>-</u>	<u>354,816</u>
OPERATING EXPENSES						
Salaries	31,058	41,671	43,069	10,792	-	126,590
Employee benefits	2,362	13,259	8,199	2,077	-	25,897
Purchased Services	23,834	44,402	10,113	69,768	-	148,117
Supplies and materials	9,345	3,242	15,728	15,955	-	44,270
Capital outlay	-	1,085	-	-	-	1,085
Other	-	-	-	1,152	-	1,152
Total operating expenses	<u>66,599</u>	<u>103,659</u>	<u>77,109</u>	<u>99,744</u>	<u>-</u>	<u>347,111</u>
OPERATING INCOME (LOSS)	<u>(10,572)</u>	<u>48,082</u>	<u>(6,133)</u>	<u>(23,672)</u>	<u>-</u>	<u>7,705</u>
NONOPERATING REVENUES (EXPENSES)						
Transfers in	-	-	-	30,641	(30,641)	-
Transfers out	-	(3)	(720)	(33,177)	30,641	(3,259)
Interest	864	3,803	986	1,094	-	6,747
Total nonoperating revenues (expenses)	<u>864</u>	<u>3,800</u>	<u>266</u>	<u>(1,442)</u>	<u>-</u>	<u>3,488</u>
CHANGE IN NET ASSETS	(9,708)	51,882	(5,867)	(25,114)	-	11,193
TOTAL NET ASSETS - BEGINNING (RESTATED)	<u>228,333</u>	<u>852,939</u>	<u>246,128</u>	<u>286,848</u>	<u>-</u>	<u>1,614,248</u>
TOTAL NET ASSETS - ENDING	<u>\$ 218,625</u>	<u>\$ 904,821</u>	<u>\$ 240,261</u>	<u>\$ 261,734</u>	<u>\$ -</u>	<u>\$ 1,625,441</u>

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2011**

	Business-Type Activities - Enterprise Funds				Total
	Life Education	Safe Schools	Truant	Nonmajor Proprietary	
	Local	Local	Local	Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 56,027	\$ 147,960	\$ 70,976	\$ 68,572	\$ 343,535
Payments to suppliers and providers of goods and services	(33,179)	(48,729)	(25,841)	(86,875)	(194,624)
Payments to employees	(33,420)	(54,930)	(51,268)	(12,869)	(152,487)
Net cash provided by (used for) operating activities	<u>(10,572)</u>	<u>44,301</u>	<u>(6,133)</u>	<u>(31,172)</u>	<u>(3,576)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash transfers from other funds	-	-	-	30,641	30,641
Cash transfers to other funds	-	(3)	(720)	(33,177)	(33,900)
Increase (decrease) in interfund borrowing, net	(64,820)	(229,496)	(146,399)	(109,989)	(550,704)
Net cash provided by (used for) noncapital financing activities	<u>(64,820)</u>	<u>(229,499)</u>	<u>(147,119)</u>	<u>(112,525)</u>	<u>(553,963)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest	864	3,803	986	1,094	6,747
Net cash provided by (used for) investing activities	<u>864</u>	<u>3,803</u>	<u>986</u>	<u>1,094</u>	<u>6,747</u>
Net increase (decrease) in cash	(74,528)	(181,395)	(152,266)	(142,603)	(550,792)
CASH AND CASH EQUIVALENTS - BEGINNING (RESTATE)	<u>228,333</u>	<u>846,720</u>	<u>246,128</u>	<u>286,855</u>	<u>1,608,036</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 153,805</u>	<u>\$ 665,325</u>	<u>\$ 93,862</u>	<u>\$ 144,252</u>	<u>\$ 1,057,244</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating income (loss)	\$ (10,572)	\$ 48,082	\$ (6,133)	\$ (23,672)	\$ 7,705
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Change in assets and liabilities:					
(Increase) decrease in due from other governments	-	(3,781)	-	(7,500)	(11,281)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ (10,572)</u>	<u>\$ 44,301</u>	<u>\$ (6,133)</u>	<u>\$ (31,172)</u>	<u>\$ (3,576)</u>

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

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 June 30, 2011**

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 1,958
Due from other governments	<u>623,373</u>
TOTAL ASSETS	<u><u>\$ 625,331</u></u>
LIABILITIES	
Due to other governments	<u><u>\$ 625,331</u></u>

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education #32 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2011, the Regional Office of Education #32 implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, GASB Statement No. 59, *Financial Instruments Omnibus*, and GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Regional Office of Education #32 implemented these standards during the current year; however, GASB Statements No. 59 and 62 had no impact on the financial statements. The implementation of GASB Statement No. 54 changed fund balance reporting for governmental funds by adding some additional fund balance classifications, clarifying governmental fund type definitions, and providing additional disclosures on how fund balance constraints are imposed and may be modified or eliminated.

A. Date of Management's Review

Management has evaluated subsequent events through March 21, 2012, the date when the financial statements were available to be issued.

B. Financial Reporting Entity

The Regional Superintendent is responsible for supervision and control of school districts within the Regional Office of Education #32. This includes all aspects of supervision, reports and financial accounting of districts which are considered by State law to be in the Service Region. In addition, the Regional Superintendent is charged with responsibility for registration of the names of applicants for scholarships to State controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers institutes as well as to aid and encourage the formation of other teachers' meetings and assist in their management; evaluate the schools in the region; examine evidence of indebtedness; file and keep the returns of elections required to be returned to the Regional Superintendent's office; and file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #32's districts; providing township treasurers with a list of district treasurers; to inspect and approve building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Financial Reporting Entity (Concluded)

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

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the Regional Office of Education #32, or see that no payments are made unless the treasurer has filed or renewed appropriate bonds and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2011, the Regional Office of Education #32 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #32. Such activities are reported as a single major special revenue fund (Education Fund).

C. Scope of Reporting Entity

The Regional Office of Education #32's reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #32 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Iroquois and Kankakee Counties, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education #32 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education #32 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #32 is not aware of any entity, which would exercise such oversight as to result in the Regional Office of Education #32 being considered a component unit of the entity.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Government-Wide and Fund Financial Statements

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #32's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues.

The Regional Office of Education #32's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of governmental and business-type activities for the Regional Office of Education #32 accompanied by a total column. These statements are presented on an "economic resources" measurement focus as prescribed by GASB Statement No. 34. All of the Regional Office of Education #32's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges for services, and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

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

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

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

E. Proprietary Fund Financial Statements

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Proprietary Fund Financial Statements (Concluded)

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

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

F. Governmental Fund Financial Statements

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

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

G. Measurement Focus and Basis of Accounting

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Measurement Focus and Basis of Accounting (Concluded)

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

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education #32; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Under the terms of grant agreements, Regional Office of Education #32 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is Regional Office of Education #32's policy to first apply restricted funds, then unrestricted. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned if any.

H. Fund Accounting

The Regional Office of Education #32 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education #32 uses governmental, proprietary, and fiduciary funds.

Governmental funds are those through which most governmental functions of the Regional Office of Education #32 are typically reported. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as a fund balance.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and 2) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education #32 has presented all major funds that met the above qualifications.

The Regional Office of Education #32 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education #32. It is used to account for all financial resources, which benefit all school districts in the region except those required to be accounted for and reported in another fund. General funds include the following:

General Operations – This fund accounts for monies received for, and payment of expenditures in connection with general administration activities.

General State Aid - This fund accounts for grant monies received for and payment of expenditures for the regional learning supplements.

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

Education - This fund is used to account for various grant and educational enhancement programs including the following:

Addiction Prevention Comprehensive - This fund accounts 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.

American Recovery and Reinvestment Act (ARRA) –Education Jobs Fund – This fund provides assistance in saving or creating education jobs during the 2010-2011 school year.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Continued)

ARRA McKinney Education for Homeless Children - This fund provides educational services and strives to heighten community awareness of the need to serve the homeless population and is funded by the American Reinvestment and Recovery Act.

ARRA – Title I – School Improvement and Accountability - The purpose of this grant is provide school improvement support and assistance to schools through analyzing student achievement, refining school improvement plans and strategies, and providing meaningful professional development aligned to the schools' goals and strategies.

Child Protection Data Courts (CPDC) Project – These funds, received from the Administrative Office of the Illinois Courts (AOIC), are used to perform data collection, on-site visits, local CPDC meetings, CPDC project networking meetings, data-related activity, and technical assistance.

Gifted Education – This fund accounts for grant money received for and the expenditures incurred to train and assist school districts in designing programs and coursework for gifted learners.

HUD Supportive Housing Program – This fund accounts for grant money received from the U.S. Department of Housing and Urban Development for the Supportive Housing grant. 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.

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

McKinney Education for Homeless Children - The fund accounts for grant monies associated with a federal program designed to provide counseling and education support to homeless children and their families. This program is funded by the Stewart B. McKinney Education for Homeless Children and Youth grant.

National Board of Professional Teaching Standards Mentoring Program – This fund accounts for grant monies received for and the payment of expenditures related to professional trainings and certifications provided to teachers to achieve national board certification.

National School Breakfast – This fund accounts for the proceeds received and expended in the operations of the free breakfast program.

National School Lunch – This fund accounts for grant monies received and expended in the operations of the National School Lunch program.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Continued)

Preschool for All – This fund accounts for grant monies received to offer high quality, voluntary, 2.5-hour preschool programs to all three- and four-year-old children. The goal of the program is to ensure all children are well prepared to succeed in school and in life.

Regional Safe Schools - This fund provides instruction services and materials for the alternative school program for at-risk youth, creating alternative placement for those students into a safe school program.

Regional Office of Education/ Intermediate Service Centers (ROE/ISC) Operations – This fund accounts for monies received and payment of expenditures in assisting schools in all areas of school improvement.

School Breakfast Incentive – This fund accounts for monies received and payment of expenditures in assisting schools in starting up a school breakfast program.

State Free Lunch and Breakfast – This fund accounts for the proceeds received and expended in the operations of the free lunch and breakfast program.

Teachers & Administrators Mentoring Program – This fund accounts for grant money received for and expenditures incurred to support the state-wide 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.

Teen Reach - This fund accounts for grant monies received for and expenditures incurred 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.

Title I – Reading First Part B SEA Funds - This fund provides comprehensive reading program training to Reading First coaches in order to facilitate student achievement in reading.

Title I School Improvement and Accountability System of Support – This fund supports the improvement of basic programs operated by the Regional Office of Education #32 by providing professional development for data analysis, school improvement plan/development, standards-aligned curriculum/instruction, and classroom assessment to System of Support status schools on the Academic Early Warning and Watch.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Concluded)

Title II Teacher Quality – This fund accounts for federal grant money received and expenditures incurred for improvement of instruction in the classroom.

Title II Teacher Quality – Leadership Grant – This fund accounts for grant money received for and expenditures incurred in providing training and professional development for the improvement of teacher preparation programs.

Title II Teacher Quality Leadership Grant System of Support – This fund provides professional development to assist teachers in becoming better instructional leaders.

Truants' Alternative Program – This fund provides alternative educational program services to truant students referred from local schools to the Regional Office of Education #32.

Truancy Review Board – This fund accounts for grant money received and 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.

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

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

General Education Development - This fund accounts for proceeds earned from students who participate in the high school equivalence program. These proceeds are used to pay the administrative expenses incurred to administer the GED program.

Institute - This fund accounts for teacher certificate registration, issuance and evaluation fees for processing certificates, and expenses of meetings of a professional nature. 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.

Project Care Healthy Decision – This fund accounts for revenue received and expenditures incurred in providing a suicide hotline for students.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Proprietary Funds

Proprietary funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education #32 on a cost reimbursement basis are reported.

Major Proprietary Funds – The Regional Office of Education #32 reports the following proprietary funds as major funds:

Life Education – Local – This fund accounts for local revenues received and related disbursements for the Life Education program.

Safe Schools – Local – This fund accounts for local revenues and disbursements related to the Safe School program.

Truant – Local – This fund accounts for local revenues and disbursements related to the Truant programs.

Nonmajor Proprietary Funds – The Regional Office of Education #32 reports the following nonmajor proprietary funds:

Administrator’s Academy – Local – This fund accounts for local revenues and disbursements related to the Administrators Academy Program.

Career Awareness and Development Workshop – This fund accounts for local revenues and disbursements related to the Career Awareness and Development workshop.

Children and Adolescent Local Area Network System – This fund accounts for money received by the Regional Office of Education #32 upon the closure of the local organization, C &A LANS. This fund is used to service at-risk youth.

Criminal Background Investigation – This fund accounts 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.

Family Violence Coordinating Councils - This fund accounts for funds received to provide community awareness, coordination and training to impede family violence.

Fluoride Fund – This fund accounts for revenues and expenses of the Fluoride Program. The objective of this program is to prevent tooth decay among students.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Proprietary Funds (Continued)

Gifted Education Workshop – This fund accounts for revenues and expenses of the Gifted Education teacher development workshops.

Internet Connectivity – This fund accounts for local revenues and disbursements for the Internet Connectivity Program.

Local Induction Mentoring Training Fees – This fund accounts for local revenues and disbursements for Induction/ Mentoring Training programs.

Para-Professional Workshop Fees – This fund accounts for local revenues and disbursements related to the Para-professional Test Preparatory Course program.

RAAC Renaissance Program – This fund accounts for local revenues and disbursements related to the Regional Alternative Attendance Center Renaissance program.

Reading First Academy Workshops – This fund accounts for local revenues and disbursements related to the Illinois Reading First Academy.

Regional Alternative Attendance Center (RAAC) – This fund accounts for local revenues and disbursements related to the RAAC Activity Fund.

ROE Workshops – This fund accounts for local revenues and disbursements related to various workshops conducted by the Regional Office of Education #32 which are not accounted for in a separate fund.

SALT Activity – This fund accounts for local revenues and disbursements related to activities under the Students All Learning Together program.

School Crisis Assistance Team (SCAT) Donations – This fund accounts for donations and related disbursements for the School Crisis Assistance Team.

School Lunch Student Payments – This fund accounts for local revenues and disbursements for the Students School Lunch program.

Services Provided HUD – This fund accounts for local revenues and disbursements in providing supplemental education for students from low-income families.

Supplemental Educational Services – This fund accounts for local revenues and disbursements in providing supplemental education for students from low-income families.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Concluded)

Proprietary Funds (Concluded)

Teen Reach Local Program – This fund accounts for local revenues and disbursements related to the Teen Reach program.

Title I Workshops – This fund accounts for local revenues and disbursements for workshops related to the Title I School Improvement & Accountability program.

Fiduciary Funds

Agency Funds - Agency Funds are used to account for assets held by the Regional Office of Education #32 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds include the following:

Distributive Fund - This fund distributes federal and State funds to school districts and other entities under the oversight of the Regional Superintendent. Interest revenue earned on the custodial funds collected is part of the overall revenue of the General Fund. This treatment is in accordance with an agreement between the Regional Office of Education #32 and all the school boards within the Iroquois and Kankakee Counties Regional Office of Education #32.

Petitions and Detachment – This fund accounts for the receipts and disbursements related to petitions filed for annexation or detachment of school district boundaries.

Scholarship – This fund accounts for receipts and disbursement of scholarship awards to selected individuals.

School Expansion Fees – This fund accounts for revenues and expenses incurred for fees levied by the County for school district applications for new developments within the area/city limits.

I. Governmental Fund Balances

Fund balance is the difference between assets and liabilities in a governmental fund. The following types of fund balances may be presented in the Governmental Funds Balance Sheet and Governmental Funds Combining Schedule of Accounts:

Nonspendable Fund Balance – The portion of a governmental fund's net assets that are not available to be spent, either short term or long term, in either form or through legal restrictions. The Regional Office of Education #32 has no nonspendable fund balances.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Governmental Fund Balances (Concluded)

Restricted Fund Balance – The portion of a governmental fund’s net assets that are subject to external enforceable legal restrictions. The following Nonmajor Special Revenue Funds are restricted by Illinois Statute: Bus Driver Training, General Education Development, and Institute. The Project Care Healthy Decision funds are restricted by its grantor. The following Education Fund accounts are restricted by the grantor: National School Breakfast, National School Lunch, and State Free Lunch and Breakfast.

Committed Fund Balance – The portion of a governmental fund’s net assets with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Regional Office of Education #32 has no committed fund balances.

Assigned Fund Balance – The portion of a governmental fund’s net assets for which an intended use of resources has been denoted. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. There are no accounts that have an assigned fund balance.

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following General Fund accounts have unassigned fund balances: General Operations and General State Aid. The following Education Fund accounts have unassigned fund balances: Regional Safe Schools, Teen Reach, and Truants’ Alternative Program.

J. Net Assets

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

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

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

Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets."

K. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit. The Regional Office of Education #32 considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more and estimated useful lives of greater than 1 year are reported at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

M. Interfund Receivables and Payables

The recordings of due from and due to other funds are a result of various borrowings between funds during the year.

N. Estimates

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

O. Budget Information

The Regional Office of Education #32 acts as the administrative agent for certain grant programs that are accounted for within the General Fund and the Education Fund. These programs have separate budgets and are required to be reported to the Illinois State Board of Education and other granting agencies; however, none of the annual budgets have been legally adopted, nor are they required to do so. Certain programs within the General Fund and the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results for the following programs are presented as supplementary information: Addiction Prevention Comprehensive, ARRA McKinney Education for Homeless Children, ARRA Title I School Improvement and Accountability, CPDC Project, Gifted Education, IVPA Family Violence Coordinating Council, McKinney Education for Homeless Children, National Board of Professional Teaching Standards Mentoring Program, Preschool for All, Regional Safe Schools, ROE/ISC Operations, Teachers and Administrators Mentoring Program, Teen Reach, Title I Reading First Part B SEA Funds, Title I School Improvement & Accountability System of Support, Title II Teacher Quality, Title II Teacher Quality Leadership Grant, Title II Teacher Leadership Grant System of Support, and Truants' Alternative Program.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

P. Long-Term Obligations

Long-term liabilities are reported only on the Statement of Net Assets and consist of other postemployment benefits as discussed further in Note 5.

Q. Compensated Absences

The Regional Office of Education #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 these 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, 2011.

NOTE 2: CASH AND CASH EQUIVALENTS

The Regional Office of Education #32 does not have a formal investment policy. The Regional Office of Education #32 is allowed to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7.

A. Cash Deposits

At June 30, 2011, the carrying amount of the Regional Office of Education #32's government-wide and fiduciary fund deposits were \$2,845,310 and \$1,958 respectively, and the bank balances were \$3,061,085 and \$1,958, respectively.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Regional Office of Education's deposits may not be returned to it. The Regional Office of Education #32's deposit and investment policy states that in order to protect its deposits, depository institutions are to maintain collateral pledges on the Regional Office of Education #32's deposits during the term of the deposit. Collateral is required as security whenever deposits exceed the insured limits of the FDIC.

At June 30, 2011, \$344,562 of the Regional Office of Education #32's cash deposits was insured by the Federal Deposit Insurance Corporation. Another \$2,710,183 was collateralized by securities pledged by the Regional Office of Education #32's financial institution in the name of the Regional Office.

B. Investments

The Regional Office of Education #32's established investment policy follows the State of Illinois Public

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
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For the Year Ended June 30, 2011**

NOTE 2: CASH AND CASH EQUIVALENTS (CONCLUDED)

B. Investments (Concluded)

Funds Investment Act which authorizes the Regional Office of Education #32 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 \$50,000,000 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 Regional Office of Education #32 has pooled its investments. As of June 30, 2011, the Regional Office of Education #32 had investments with carrying and fair values of \$8,298 invested in the Illinois Funds Money Market Fund.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2011, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

Interest Rate Risk

The Illinois Funds Money Market Fund, created by the Illinois General Assembly, enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. The investment policy of the Illinois Funds Money Market Fund states that, unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years maturity.

Concentration of Credit Risk

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

NOTE 3: DEFINED BENEFIT PENSION PLAN

Plan Description. The Regional Office of Education #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 Regional Office of Education #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. That report may be obtained on line at www.imrf.org.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 3: DEFINED BENEFIT PENSION PLAN (CONCLUDED)

Funding Policy. As set by statute, the Regional Office of Education #32's Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2010 was 8.49% of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 10.68%. The Regional Office of Education #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 calendar year ending December 31, 2010, the Regional Office of Education #32's actual contributions for pension cost for the Regular plan were \$61,369. Its required contribution for calendar year 2010 was \$77,199.

THREE YEAR TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/10	\$ 77,199	79%	\$ 0
12/31/09	54,258	100%	0
12/31/08	80,270	100%	0

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included a) 7.5% investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00% a year, attributable to inflation, c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3% annually. The actuarial value of the Regional Office of Education #32's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education #32's Regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 10 year basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 87.86% funded. The actuarial accrued liability for benefits was \$1,763,990 and the actuarial value of assets was \$1,549,887, resulting in an unfunded actuarial accrued liability (UAAL) of \$214,103. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$722,838 and the ratio of the UAAL to the covered payroll was 30%.

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.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The Regional Office of Education #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 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, 2011, was 9.4% of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4% for the years ended June 30, 2010 and 2009.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #32's TRS-covered employees.

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #32. For the year ended June 30, 2011, the State of Illinois contributions were based on 23.10% of creditable earnings not paid from federal funds, and the Regional Office of Education #32 recognized revenue and expenditures of \$339,829 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2010 and June 30, 2009, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.38% (\$364,709) and 17.08% (\$279,633), respectively.

The Regional Office of Education #32 makes other types of employer contributions directly to TRS.

- **2.2 formula contributions.** Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ending June 30, 2011 were \$7,422. Contributions for the years ending June 30, 2010, and June 30, 2009, were \$7,938 and \$9,496, respectively.
- **Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #32, there is a statutory requirement for the Regional Office of Education #32 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. For the year ended June 30, 2011, the employer pension

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (CONTINUED)

contribution was 23.10% of salaries paid from federal and special trust funds. For the years ended June 30, 2010 and 2009, the employer contribution was 23.38% and 17.08% of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2011, salaries totaling \$189,689 were paid from federal and special trust funds that required employer contributions of \$43,818. For the years ended June 30, 2010 and June 30, 2009, required Regional Office of Education #32 contributions were \$67,859 and \$112,552, respectively.

- **Early retirement option.** The Regional Office of Education #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.

The maximum ERO employer contribution is 117.5% and applies when the member is age 55 at retirement.

For the year ended June 30, 2011, the Regional Office of Education #32 paid \$0 in employer contributions to TRS under the ERO programs. For the years ended June 30, 2010 and June 30, 2009, the Regional Office of Education #32 paid \$1,399 and \$0 in employer ERO contributions, respectively.

- **Salary increases over 6 percent and excess sick leave.** If the Regional Office of Education #32 grants salary increases over 6% and those salaries are used to calculate a retiree's final average salary, the Regional Office of Education #32 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%. For the year ended June 30, 2011, the Regional Office of Education #32 paid \$0 in contributions to TRS for employer contributions due on salary increases in excess of 6%. For the year ended June 30, 2010 and June 30, 2009, the Regional Office of Education #32 paid \$0 for employer contributions due on salary increases in excess of 6%.

If Regional Office of Education #32 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, Regional Office of Education #32 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 (18.03% of salary during the year ended June 30, 2011, as recertified pursuant to Public Act 96-1511).

For the year ended June 30, 2011, the Regional Office of Education #32 paid no employer contributions to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2010 and June 30, 2009, the Regional Office of Education #32 paid \$0 in employer contributions granted for sick leave days.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (CONCLUDED)

Further information on TRS. 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, 2010. The report for the year ended June 30, 2011, is expected to be available in late 2011. The reports may be obtained by writing to the Teacher's Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov.

NOTE 5: OTHER POST-EMPLOYMENT COMMITMENTS

A. Teacher Health Insurance Security Fund

The Regional Office of Education #32 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

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

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

On-behalf contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #32. State contributions are intended to match contributions to the THIS Fund from active members which were 0.88% of pay during the year ended June 30, 2011. State of Illinois contributions were \$11,261 and the Regional Office of Education #32 recognized revenue and expenditures of this amount during the year. State contributions intended to match active member contributions during the year ended June 30, 2010 were 0.84% of pay. State contributions on behalf of the Regional Office of Education #32's employees were \$11,495.

Had the Regional Office of Education #32 recognized revenue and expenditures for State contributions intended to match active member contributions during the year ended June 30, 2009, under the current standards, the contribution match would have been 0.84% of pay or \$13,753.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 5: OTHER POST-EMPLOYMENT COMMITMENTS (CONCLUDED)

A. Teacher Health Insurance Security Fund (Concluded)

Employer contributions to THIS Fund. The Regional Office of Education #32 also makes contributions to THIS Fund. The Regional Office of Education #32's contribution was 0.66% during the year ended June 30, 2011, and 0.63% during the years ended June 30, 2010, and June 30, 2009. For the year ended June 30, 2011, the Regional Office of Education #32 paid \$8,446 to the THIS Fund. For the years ended June 30, 2010 and 2009, the Regional Office of Education #32 paid \$8,621 and \$10,315 to the THIS Fund, respectively which was 100% of the required contribution.

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

B. Other Postemployment Benefits

The Regional Office of Education #32 participates in the Kankakee County Retiree postretirement medical plans (OPEB). The OPEB Plan recognizes the implicit rate subsidy as required by GASB Statement No. 45.

The actuarial valuation of liabilities under the OPEB Plan is calculated using the entry age actuarial cost method as of the November 30, 2009 actuarial valuation and is for the 12 months period from December 1, 2009 through November 30, 2010. This method requires the calculation of an unfunded actuarial accrued liability, which was approximately \$1,527,209 for Kankakee County as of November 30, 2009. The Regional Office of Education #32's portion of the unfunded actuarial accrued liability was determined to be \$20,681.

Details of the OPEB Plan are available in Kankakee County's audit report for the year ended November 30, 2010. The report may be obtained by writing to the Kankakee County Government, 192 N. East Avenue, Kankakee, IL 60901.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 6: INTERFUND RECEIVABLES AND PAYABLES

Interfund due to / from other fund balances at June 30, 2011 consist of the following individual due to / from other funds in the governmental fund Balance Sheet and the proprietary fund Statement of Net Assets. The interfund loan balances between governmental funds were eliminated in the government-wide Statement of Net Assets; however, the interfund loans between the governmental funds and the business-type funds were not eliminated.

Fund	Due From Other Funds	Due to Other Funds
General Fund		
General Operations	\$ 285	\$ -
Education Fund		
Addiction Prevention Comprehensive	-	64,820
ARRA Education Jobs Fund	-	6,934
ARRA McKinney Education for Homeless Children	-	28,418
ARRA Title I School Improvement & Accountability	-	61,140
CPDC Project	-	2,668
HUD Supportive Housing Program	-	3,261
Preschool for All	-	29,444
Regional Safe Schools	-	65,000
ROE/ISC Operations	-	34,310
Teacher & Administrators Mentoring Program	-	73,613
Teen Reach	-	70,135
Truants' Alternative Program	-	111,246
Proprietary Funds		
Life Education Local	64,820	-
Safe Schools Local	229,496	-
Truant Local	146,399	-
ROE Workshops	33,925	-
Supplemental Educational Services	76,064	-
	<u>\$ 550,989</u>	<u>\$ 550,989</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 7: DUE TO/DUE FROM OTHER GOVERNMENTAL UNITS

The Regional Office of Education #32's General Fund, Education Fund, Proprietary Fund, Agency Fund, and various grant programs have funds due to and due from various other governmental units which consist of the following:

Due from Other Governmental Units:

General Fund		
Local Governments	\$	100,260
Special Revenue Fund – Education Fund		
Illinois State Board of Education		410,914
Illinois Department of Health and Human Services		134,955
Local Governments		2,668
U.S. Department of Housing and Urban Development		3,261
Proprietary Fund – Safe Schools Local		
Local Governments		10,000
Nonmajor Proprietary Fund – Administrator's Academy		
Local Governments		7,500
Fiduciary Fund		
Illinois State Board of Education		623,373
Total	<u>\$</u>	<u>1,292,931</u>

Due to Other Governmental Units:

Special Revenue Fund – Education Fund		
Local Governments	\$	2,755
Illinois State Board of Education		5,066
Fiduciary Fund		
Local School Districts		625,331
Total	<u>\$</u>	<u>633,152</u>

NOTE 8: CAPITAL ASSETS

Governmental Activities

Capital asset activity for fiscal year 2011 was as follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Governmental Funds				
Total Capital Assets	\$ 27,031	\$ -	\$ -	\$ 27,031
Less: Accumulated Depreciation	<u>(24,977)</u>	<u>(2,054)</u>	<u>-</u>	<u>(27,031)</u>
Governmental Funds				
Investment in Capital Assets, Net	<u>\$ 2,054</u>	<u>\$ (2,054)</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 8: CAPITAL ASSETS (CONCLUDED)

Business-Type Activities

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Business-type Activities				
Total Capital Assets	\$ 10,816	\$ -	\$ -	\$ 10,816
Less: Accumulated Depreciation	(10,816)	-	-	(10,816)
 Business-type Activities				
Investment in Capital Assets, Net	\$ -	\$ -	\$ -	\$ -

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense of \$2,054 and \$0 was charged to the governmental activities and business-type activities, respectively, on the government-wide Statement of Activities for the year ended June 30, 2011. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

NOTE 9: DISTRIBUTIVE FUND INTEREST

Illinois State Board of Education (ISBE) funds received by the Regional Office of Education #32 for the Distributive Fund accrue interest for the period of time between the receipt of 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.

NOTE 10: RELATED PARTY TRANSACTIONS

Certain fixed assets used by the Regional Office of Education #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 11: RISK MANAGEMENT

The Regional Office of Education #32 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Regional Office of Education #32 has purchased commercial insurance to cover these risks. During the year ended June 30, 2011, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 12: ON-BEHALF PAYMENTS

The State of Illinois pays the following salaries and benefits on behalf of Regional Office of Education #32:

Regional Superintendent Salary	\$	100,762
Regional Superintendent Fringe Benefits (Includes State paid insurance)		22,314
Assistant Regional Superintendent Salary		90,686
Assistant Regional Superintendent Fringe Benefits (Includes State paid insurance)		21,719
TRS Pension Contributions		339,829
THIS Fund Contributions		<u>11,261</u>
 Total	 \$	 <u>586,571</u>

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

These amounts have been recorded in the accompanying governmental fund financial statements as state revenue and expenditures.

NOTE 13: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure of certain information concerning individual funds which are presented only in combination on the financial statements. Funds having deficit fund balances/net assets and funds which over expend appropriations during the year are required to be disclosed.

The following funds/fund accounts had deficit fund balances at June 30, 2011:

Education Fund	
Regional Safe Schools	\$ 11,000
Teen Reach	23,335
Truants' Alternative Program	19,956

The Regional Office of Education #32 will monitor expenses within these programs during the course of the subsequent fiscal year.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 14: TRANSFERS

Interfund transfers in/out to other funds at June 30, 2011 consist of the following individual transfers in/out to other funds in the fund statements. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities; however, the transfers between the governmental funds and the business-type funds were not eliminated.

Fund	Transfers In	Transfers Out
General Fund		
General Operations	\$ 2,161	\$ 2,161
Education Fund		
ARRA Title I School Improvement & Accountability	98	-
CPDC Project	-	224
Gifted Education	3	-
HUD Supportive Housing Program	144	-
ROE/ISC Operations	482	-
Teen Reach	34	-
Title I Reading First Part B SEA Funds	893	-
Title II Teacher Quality	3	-
Title II Teacher Quality Leadership Grant	1,819	-
Truancy Review Board	7	-
Proprietary Funds		
Safe Schools Local	\$ -	\$ 3
Truant Local	-	720
Gifted Education Workshop	-	3
Internet Connectivity	1,361	-
Reading First Academy Workshops	1,708	893
ROE Workshops	26,851	31,423
Services Provided HUD	435	-
Supplemental Educational Services	286	760
Title I Workshops	-	98
	<u>\$ 36,285</u>	<u>\$ 36,285</u>

NOTE 15: OPERATING LEASES

Lease 1: On July 1, 2010 the Regional Office of Education #32 entered into a three year lease agreement with the Kankakee Area Special Education Cooperative for rental of 1 Stuart Dr., Kankakee, Illinois beginning July 1, 2010 and terminating June 30, 2013. The lease is payable in annual installments of \$25,000. Lease expense for the office building for fiscal year 2011 was \$25,000.

Lease 2: On August 14, 2007, the Regional Office of Education #32 entered into a lease agreement with Martin Whalen Office Solutions, Inc. for rental of a copier for 5 years beginning with August 14, 2007 and terminating August 13, 2012. The lease is payable in monthly installments of \$213. Lease expense for the copier for fiscal year 2011 was \$2,556.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 15: OPERATING LEASES (CONCLUDED)

Lease 3: On October 1, 2007, the Regional Office of Education #32 entered into a lease agreement with Martin Whalen Office Solutions, Inc. for rental of a copier for 5 years beginning with October 1, 2007 and terminating September 30, 2012. The lease is payable in monthly installments of \$420. Lease expense for the copier for fiscal year 2011 was \$5,040.

Lease 4: On October 1, 2007, the Regional Office of Education #32 entered into a lease agreement with Martin Whalen Office Solutions, Inc. for rental of a copier for 5 years beginning with October 1, 2007 and terminating September 30, 2012. The lease is payable in monthly installments of \$173. Lease expense for the copier for fiscal year 2011 was \$2,076.

The Regional Office of Education #32's future minimum lease payments based on the leases detailed above are as follows:

Fiscal Year		
2012	\$	34,672
2013		27,205
	\$	61,877

NOTE 16: RESTATEMENT OF NET ASSETS

As a result of implementing GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, at June 30, 2011, General State Aid (GSA) funding has been reclassified from the Education Fund to the General Fund and the ROE/ISC Operations grant has been reclassified from the General Fund to the Education Fund.

The Regional Office of Education #32 receives GSA from the Illinois State Board of Education based on attendance in the Regional Safe School. This funding supports the general operations of the Regional Safe School program, and the Regional Office has historically reported this funding in the Education fund with the Regional Safe School grant funding. However, GSA does not meet the committed or restricted criteria set forth in GASB 54 for special revenue funds. The ROE/ISC Operations grant, which supports the general operations of the Regional Office, has historically been reported in the General Fund. However, because this funding is governed by a grant agreement with the grantor, the funding is restricted and is required to be reported as a special revenue fund.

Other adjustments were also made to net assets of the General Fund and Nonmajor Proprietary Funds due to various errors made in prior years which were corrected in the current year.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

NOTE 16: RESTATEMENT OF NET ASSETS (CONCLUDED)

Following is the effect of these reclassifications on the beginning fund balances for the General Fund, the Education Fund, and the Nonmajor Proprietary Funds:

General Fund	
Fund Balance, July 1, 2010	\$ 120,055
Effect of reclassifying General State Aid	644,312
Effect of reclassifying ROE/ISC Operations grant	17,258
Effect of error correction	47,420
Fund Balance, July 1, 2010, Restated	<u>\$ 829,045</u>
Education Fund	
Fund Balance, July 1, 2010	\$ 515,686
Effect of reclassifying General State Aid	(644,312)
Effect of reclassifying ROE/ISC Operations grant	(17,258)
Fund Balance, July 1, 2010, Restated	<u>\$ (145,884)</u>
Nonmajor Proprietary Funds	
Fund Balance, July 1, 2010	\$ 279,181
Effect of error correction	7,667
Fund Balance, July 1, 2010, Restated	<u>\$ 286,848</u>

The affect of the above adjustments to the government-wide financial statements are as follows:

Governmental Activities	
Total Net Assets, July 1, 2010	\$ 928,547
General Fund Adjustment	26,739
Total Net Assets, July 1, 2010 - Restated	<u>\$ 955,286</u>
Business-Type Activities	
Total Net Assets, July 1, 2010	\$ 1,606,581
Nonmajor Proprietary Funds Adjustment	7,667
Total Net Assets, July 1, 2010 - Restated	<u>\$ 1,614,248</u>

NOTE 17: SUBSEQUENT EVENT

For fiscal year 2012, the Governor of Illinois vetoed the appropriation line for the Regional Superintendent's and Assistant Regional Superintendent's salaries and benefits, as well as the appropriation line for the Regional Office's general operations grant. The Regional Superintendents' and Assistant Regional Superintendents' salaries were reinstated in November 2011 for one year only, to be paid from State personal property replacement tax funds, but the general operations grant was not reinstated. The Regional Superintendents will make every effort to secure other local funding to support the programs and services the Regional Office provides. The effect of these funding cuts on the Regional Office's long-term ability to continue to provide services at their current level is unknown.

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)
SCHEDULE OF FUNDING PROGRESS
June 30, 2011**

UNAUDITED

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)
12/31/10	\$1,549,887	\$1,763,990	\$214,103	87.86%	\$722,838	29.62%
12/31/09	1,681,763	1,858,492	176,729	90.49%	786,351	22.47%
12/31/08	1,560,871	1,698,885	138,014	91.88%	785,418	17.57%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$1,638,153. On a market basis, the funded ratio would be 92.87%.

OTHER SUPPLEMENTAL INFORMATION

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 June 30, 2011**

	<u>General Operations</u>	<u>General State Aid</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 172,152	\$ 1,196,511	\$ 1,368,663
Due from other funds	285	-	285
Due from other governments	100,260	-	100,260
Total Assets	<u>\$ 272,697</u>	<u>\$ 1,196,511</u>	<u>\$ 1,469,208</u>
Liabilities			
Accounts payable	<u>\$ 94,562</u>	<u>\$ -</u>	<u>\$ 94,562</u>
Total Liabilities	<u>94,562</u>	<u>-</u>	<u>94,562</u>
Fund Balances			
Unassigned	<u>178,135</u>	<u>1,196,511</u>	<u>1,374,646</u>
Total Fund Balances	<u>178,135</u>	<u>1,196,511</u>	<u>1,374,646</u>
Total Liabilities and Fund Balances	<u>\$ 272,697</u>	<u>\$ 1,196,511</u>	<u>\$ 1,469,208</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2011**

	General Operations	General State Aid	Total
Revenues:			
Local sources	\$ 486,979	\$ -	\$ 486,979
State sources	-	1,287,120	1,287,120
State sources - payments made on behalf of region	586,571	-	586,571
Total Revenues	<u>1,073,550</u>	<u>1,287,120</u>	<u>2,360,670</u>
Expenditures:			
Salaries	314,944	553,298	868,242
Employee benefits	93,748	88,798	182,546
Purchased services	75,515	81,725	157,240
Supplies and materials	6,456	14,532	20,988
Other	5,431	-	5,431
Payments made on behalf of region	586,571	-	586,571
Total Expenditures	<u>1,082,665</u>	<u>738,353</u>	<u>1,821,018</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,115)</u>	<u>548,767</u>	<u>539,652</u>
Other Financing Sources (Uses):			
Transfer in	2,161	-	2,161
Transfer out	(2,161)	-	(2,161)
Interest	2,517	3,432	5,949
Total Other Financing Sources (Uses)	<u>2,517</u>	<u>3,432</u>	<u>5,949</u>
Net Change in Fund Balances	(6,598)	552,199	545,601
Fund Balances - Beginning (Restated)	<u>184,733</u>	<u>644,312</u>	<u>829,045</u>
Fund Balances - Ending	<u>\$ 178,135</u>	<u>\$ 1,196,511</u>	<u>\$ 1,374,646</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2011**

	Addiction Prevention Comprehensive	ARRA Education Jobs Fund	ARRA McKinney Education for Homeless Children	ARRA Title I School Improvement & Accountability
Assets				
Cash and cash equivalents	\$ 162	\$ -	\$ -	\$ -
Due from other governments	<u>64,820</u>	<u>6,934</u>	<u>28,567</u>	<u>61,140</u>
Total Assets	<u><u>\$ 64,982</u></u>	<u><u>\$ 6,934</u></u>	<u><u>\$ 28,567</u></u>	<u><u>\$ 61,140</u></u>
Liabilities				
Accounts payable	\$ 162	\$ -	\$ -	\$ -
Due to other funds	64,820	6,934	28,418	61,140
Due to other governments	-	-	9	-
Deferred revenue	<u>-</u>	<u>-</u>	<u>140</u>	<u>-</u>
Total Liabilities	<u><u>64,982</u></u>	<u><u>6,934</u></u>	<u><u>28,567</u></u>	<u><u>61,140</u></u>
Fund Balances				
Restricted	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 64,982</u></u>	<u><u>\$ 6,934</u></u>	<u><u>\$ 28,567</u></u>	<u><u>\$ 61,140</u></u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2011**

	CPDC Project	Gifted Education	HUD Supportive Housing Program	IVPA Family Violence Coordinating Council
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 6,145
Due from other governments	2,668	-	3,261	-
Total Assets	\$ 2,668	\$ -	\$ 3,261	\$ 6,145
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	2,668	-	3,261	-
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	6,145
Total Liabilities	2,668	-	3,261	6,145
Fund Balances				
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	-	-	-
Total Liabilities and Fund Balances	\$ 2,668	\$ -	\$ 3,261	\$ 6,145

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2011**

	McKinney Education for Homeless Children	National Board of Professional Teaching Standards Mentoring Program	National School Breakfast	National School Lunch
Assets				
Cash and cash equivalents	\$ 1,821	\$ -	\$ 5,124	\$ 8,626
Due from other governments	-	-	-	-
Total Assets	\$ 1,821	\$ -	\$ 5,124	\$ 8,626
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other governments	1,821	-	-	-
Deferred revenue	-	-	-	-
Total Liabilities	1,821	-	-	-
Fund Balances				
Restricted	-	-	5,124	8,626
Unassigned	-	-	-	-
Total Fund Balances	-	-	5,124	8,626
Total Liabilities and Fund Balances	\$ 1,821	\$ -	\$ 5,124	\$ 8,626

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2011**

	Preschool For All	Regional Safe Schools	ROE/ISC Operations	School Breakfast Incentive	State Free Lunch and Breakfast
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 1,055
Due from other governments	29,444	65,000	34,310	-	-
Total Assets	\$ 29,444	\$ 65,000	\$ 34,310	\$ -	\$ 1,055
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	29,444	65,000	34,310	-	-
Due to other governments	-	-	-	-	-
Deferred revenue	-	11,000	-	-	-
Total Liabilities	29,444	76,000	34,310	-	-
Fund Balances					
Restricted	-	-	-	-	1,055
Unassigned	-	(11,000)	-	-	-
Total Fund Balances	-	(11,000)	-	-	1,055
Total Liabilities and Fund Balances	\$ 29,444	\$ 65,000	\$ 34,310	\$ -	\$ 1,055

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 June 30, 2011**

	Teachers and Administrators Mentoring Program	Teen Reach	Title I Reading First Part B SEA Funds	Title I School Improvement & Accountability System of Support	Title II Teacher Quality
Assets					
Cash and cash equivalents	\$ 5,066	\$ -	\$ -	\$ 213,393	\$ -
Due from other governments	<u>74,273</u>	<u>70,135</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 79,339</u></u>	<u><u>\$ 70,135</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 213,393</u></u>	<u><u>\$ -</u></u>
Liabilities					
Accounts payable	\$ 660	\$ -	\$ -	\$ 197,185	\$ -
Due to other funds	73,613	70,135	-	-	-
Due to other governments	5,066	-	-	925	-
Deferred revenue	<u>-</u>	<u>23,335</u>	<u>-</u>	<u>15,283</u>	<u>-</u>
Total Liabilities	<u><u>79,339</u></u>	<u><u>93,470</u></u>	<u><u>-</u></u>	<u><u>213,393</u></u>	<u><u>-</u></u>
Fund Balances					
Restricted	-	-	-	-	-
Unassigned	<u>-</u>	<u>(23,335)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u><u>-</u></u>	<u><u>(23,335)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 79,339</u></u>	<u><u>\$ 70,135</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 213,393</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2011**

	Title II Teacher Quality Leadership Grant	Title II Teacher Quality Leadership Grant System of Support	Truants' Alternative Program	Truancy Review Board	Total
Assets					
Cash and cash equivalents	\$ 34,883	\$ 41	\$ -	\$ -	\$ 276,316
Due from other governments	-	-	111,246	-	551,798
Total Assets	\$ 34,883	\$ 41	\$ 111,246	\$ -	\$ 828,114
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 198,007
Due to other funds	-	-	111,246	-	550,989
Due to other governments	-	-	-	-	7,821
Deferred revenue	34,883	41	19,956	-	110,783
Total Liabilities	34,883	41	131,202	-	867,600
Fund Balances					
Restricted	-	-	-	-	14,805
Unassigned	-	-	(19,956)	-	(54,291)
Total Fund Balances	-	-	(19,956)	-	(39,486)
Total Liabilities and Fund Balances	\$ 34,883	\$ 41	\$ 111,246	\$ -	\$ 828,114

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2011**

	<u>Addiction Prevention Comprehensive</u>	<u>ARRA Education Jobs Fund</u>	<u>ARRA McKinney Education for Homeless Children</u>	<u>ARRA Title I School Improvement & Accountability</u>
Revenues:				
State sources	\$ 103,002	\$ -	\$ -	\$ -
Federal sources	149,439	117,192	28,627	120,000
Total Revenues	<u>252,441</u>	<u>117,192</u>	<u>28,627</u>	<u>120,000</u>
Expenditures:				
Salaries	219,762	99,200	1,877	76,037
Employee benefits	20,487	15,574	319	2,583
Purchased services	7,496	2,418	-	17,291
Supplies and materials	4,696	0	6,468	7,228
Capital outlay	-	-	-	-
Payments to other governments	-	-	19,963	16,960
Total Expenditures	<u>252,441</u>	<u>117,192</u>	<u>28,627</u>	<u>120,099</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(99)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	98
Transfers out	-	-	-	-
Interest	-	-	-	1
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>99</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance - Beginning (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2011**

	<u>CPDC Project</u>	<u>Gifted Education</u>	<u>HUD Supportive Housing Program</u>	<u>IVPA Family Violence Coordinating Council</u>
Revenues:				
State sources	\$ -	\$ 26,300	\$ -	\$ 20,396
Federal sources	11,558	-	51,172	-
Total Revenues	<u>11,558</u>	<u>26,300</u>	<u>51,172</u>	<u>20,396</u>
Expenditures:				
Salaries	-	927	33,149	12,808
Employee benefits	-	188	14,849	3,395
Purchased services	10,997	15,127	3,318	3,900
Supplies and materials	342	10,070	-	322
Capital outlay	-	-	-	-
Payments to other governments	-	-	-	-
Total Expenditures	<u>11,339</u>	<u>26,312</u>	<u>51,316</u>	<u>20,425</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>219</u>	<u>(12)</u>	<u>(144)</u>	<u>(29)</u>
Other Financing Sources (Uses):				
Transfers in	-	3	144	-
Transfers out	(224)	-	-	-
Interest	5	9	-	29
Total Other Financing Sources (Uses)	<u>(219)</u>	<u>12</u>	<u>144</u>	<u>29</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance - Beginning (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2011**

	McKinney Education for Homeless Children	National Board of Professional Teaching Standards Mentoring Program	National School Breakfast	National School Lunch
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	173,356	55,856	13,903	21,513
Total Revenues	<u>173,356</u>	<u>55,856</u>	<u>13,903</u>	<u>21,513</u>
Expenditures:				
Salaries	46,892	14,925	-	-
Employee benefits	15,122	3,677	-	-
Purchased services	11,913	34,689	-	-
Supplies and materials	7,491	2,645	-	-
Capital outlay	-	-	-	-
Payments to other governments	91,995	-	11,880	19,078
Total Expenditures	<u>173,413</u>	<u>55,936</u>	<u>11,880</u>	<u>19,078</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(57)</u>	<u>(80)</u>	<u>2,023</u>	<u>2,435</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Interest	57	80	16	30
Total Other Financing Sources (Uses)	<u>57</u>	<u>80</u>	<u>16</u>	<u>30</u>
Net Change in Fund Balances	-	-	2,039	2,465
Fund Balance - Beginning (Restated)	<u>-</u>	<u>-</u>	<u>3,085</u>	<u>6,161</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,124</u>	<u>\$ 8,626</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2011**

	Preschool for All	Regional Safe Schools	ROE/ISC Operations	School Breakfast Incentive	State Free Lunch and Breakfast
Revenues:					
State sources	\$ 29,444	\$ 182,291	\$ 84,568	\$ 84	\$ 1,545
Federal sources	-	-	-	-	-
Total Revenues	<u>29,444</u>	<u>182,291</u>	<u>84,568</u>	<u>84</u>	<u>1,545</u>
Expenditures:					
Salaries	-	106,920	51,580	-	-
Employee benefits	-	11,536	10,029	-	-
Purchased services	29,425	2,233	4,425	-	-
Supplies and materials	19	-	1,758	-	-
Capital outlay	-	-	-	-	-
Payments to other governments	-	-	-	84	4,102
Total Expenditures	<u>29,444</u>	<u>120,689</u>	<u>67,792</u>	<u>84</u>	<u>4,102</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>61,602</u>	<u>16,776</u>	<u>-</u>	<u>(2,557)</u>
Other Financing Sources (Uses):					
Transfers in	-	-	482	-	-
Transfers out	-	-	-	-	-
Interest	-	-	-	-	15
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>482</u>	<u>-</u>	<u>15</u>
Net Change in Fund Balances	-	61,602	17,258	-	(2,542)
Fund Balance - Beginning (Restated)	<u>-</u>	<u>(72,602)</u>	<u>(17,258)</u>	<u>-</u>	<u>3,597</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ (11,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,055</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2011**

	Teachers and Administrators Mentoring Program	Teen Reach	Title I Reading First Part B SEA Funds	Title I School Improvement & Accountability System of Support	Title II Teacher Quality
Revenues:					
State sources	\$ 228,795	\$ 39,281	\$ -	\$ -	\$ -
Federal sources	-	130,424	28,531	872,226	297
Total Revenues	<u>228,795</u>	<u>169,705</u>	<u>28,531</u>	<u>872,226</u>	<u>297</u>
Expenditures:					
Salaries	63,048	39,076	239	155,215	-
Employee benefits	913	9,338	38	28,186	-
Purchased services	78,532	2,033	15,174	44,834	300
Supplies and materials	5,861	1,236	13,976	8,986	-
Capital outlay	-	-	-	-	-
Payments to other governments	64,290	88,686	-	635,217	-
Total Expenditures	<u>212,644</u>	<u>140,369</u>	<u>29,427</u>	<u>872,438</u>	<u>300</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>16,151</u>	<u>29,336</u>	<u>(896)</u>	<u>(212)</u>	<u>(3)</u>
Other Financing Sources (Uses):					
Transfers in	-	34	893	-	3
Transfers out	-	-	-	-	-
Interest	4	-	3	212	-
Total Other Financing Sources (Uses)	<u>4</u>	<u>34</u>	<u>896</u>	<u>212</u>	<u>3</u>
Net Change in Fund Balances	16,155	29,370	-	-	-
Fund Balance - Beginning (Restated)	<u>(16,155)</u>	<u>(52,705)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ (23,335)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EDUCATION FUND ACCOUNTS
For the Year Ended June 30, 2011**

	Title II Teacher Quality Leadership Grant	Title II Teacher Quality Leadership Grant System of Support	Truants' Alternative Program	Truancy Review Board	Total
Revenues:					
State sources	\$ -	\$ -	\$ 190,237	\$ -	\$ 905,943
Federal sources	162,600	11,750	-	-	1,948,444
Total Revenues	<u>162,600</u>	<u>11,750</u>	<u>190,237</u>	<u>-</u>	<u>2,854,387</u>
Expenditures:					
Salaries	57,441	-	136,023	-	1,115,119
Employee benefits	12,991	-	14,933	-	164,158
Purchased services	55,043	-	29,439	-	368,587
Supplies and materials	19,227	-	29,798	-	120,123
Capital outlay	5,527	-	-	-	5,527
Payments to other governments	14,264	11,758	-	-	978,277
Total Expenditures	<u>164,493</u>	<u>11,758</u>	<u>210,193</u>	<u>-</u>	<u>2,751,791</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,893)</u>	<u>(8)</u>	<u>(19,956)</u>	<u>-</u>	<u>102,596</u>
Other Financing Sources (Uses):					
Transfers in	1,819	-	-	7	3,483
Transfers out	-	-	-	-	(224)
Interest	74	8	-	-	543
Total Other Financing Sources (Uses)	<u>1,893</u>	<u>8</u>	<u>-</u>	<u>7</u>	<u>3,802</u>
Net Change in Fund Balances	-	-	(19,956)	7	106,398
Fund Balance - Beginning (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7)</u>	<u>(145,884)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,956)</u>	<u>\$ -</u>	<u>\$ (39,486)</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNTS
 ADDICTION PREVENTION COMPREHENSIVE
 For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 108,500	\$ 108,500	\$ 103,002
Federal sources	149,439	149,439	149,439
Total Revenues	<u>257,939</u>	<u>257,939</u>	<u>252,441</u>
Expenditures:			
Salaries	201,032	201,032	219,762
Employee benefits	49,601	49,601	20,487
Purchased services	2,500	2,500	7,496
Supplies and materials	4,806	4,806	4,696
Total Expenditures	<u>257,939</u>	<u>257,939</u>	<u>252,441</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of August 31, 2009 to September 30, 2011)
 EDUCATION FUND ACCOUNTS
 ARRA MCKINNEY EDUCATION FOR HOMELESS CHILDREN
 For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 126,209	\$ 126,209	\$ 28,627
Total Revenues	<u>126,209</u>	<u>126,209</u>	<u>28,627</u>
Expenditures:			
Salaries	9,701	10,651	1,877
Employee benefits	1,551	1,713	319
Purchased services	221	256	-
Supplies and materials	-	10,362	6,468
Payments to other governments	114,736	103,227	19,963
Total Expenditures	<u>126,209</u>	<u>126,209</u>	<u>28,627</u>
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 26, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNTS
 ARRA TITLE I SCHOOL IMPROVEMENT AND ACCOUNTABILITY
 For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 120,000	\$ 120,000	\$ 120,000
Total Revenues	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
Expenditures:			
Salaries	61,519	73,019	76,037
Employee benefits	8,694	1,761	2,583
Purchased services	27,050	18,763	17,291
Supplies and materials	2,737	6,457	7,228
Payments to other governments	20,000	20,000	16,960
Total Expenditures	<u>120,000</u>	<u>120,000</u>	<u>120,099</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(99)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	98
Interest	-	-	1
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>99</u>
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the period January 1, 2010 through September 30, 2010)
 EDUCATION FUND ACCOUNTS
 CPDC PROJECT
 For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 18,750	\$ 18,750	\$ 8,624
Total Revenues	<u>18,750</u>	<u>18,750</u>	<u>8,624</u>
Expenditures:			
Purchased services	18,095	18,095	8,254
Supplies and materials	655	655	147
Total Expenditures	<u>18,750</u>	<u>18,750</u>	<u>8,401</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>223</u>
Other Financing Sources (Uses):			
Transfers out	-	-	(224)
Interest	-	-	1
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(223)</u>
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the period October 1, 2010 through September 30, 2011)
 EDUCATION FUND ACCOUNTS
 CPDC PROJECT
 For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 37,500	\$ 37,500	\$ 2,934
Total Revenues	<u>37,500</u>	<u>37,500</u>	<u>2,934</u>
Expenditures:			
Purchased services	34,447	34,447	2,743
Supplies and materials	3,053	3,053	195
Total Expenditures	<u>37,500</u>	<u>37,500</u>	<u>2,938</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(4)</u>
Other Financing Sources (Uses):			
Interest	<u>-</u>	<u>-</u>	<u>4</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4</u>
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of May 20, 2009 to August 31, 2010)
 EDUCATION FUND ACCOUNTS
 GIFTED EDUCATION
 For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 89,352	\$ 89,352	\$ 26,300
Total Revenues	<u>89,352</u>	<u>89,352</u>	<u>26,300</u>
Expenditures:			
Salaries	42,929	28,844	927
Employee benefits	4,091	2,575	188
Purchased services	33,703	40,139	15,127
Supplies and materials	8,629	17,794	10,070
Total Expenditures	<u>89,352</u>	<u>89,352</u>	<u>26,312</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(12)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	3
Interest	-	-	9
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>12</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of December 31, 2009 to December 31, 2010)
 EDUCATION FUND ACCOUNTS
 IVPA FAMILY VIOLENCE COORDINATING COUNCIL
 For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 19,500	\$ 19,500	\$ 11,557
Total Revenues	<u>19,500</u>	<u>19,500</u>	<u>11,557</u>
Expenditures:			
Salaries	13,625	13,625	6,579
Employee benefits	2,329	2,329	1,809
Purchased services	3,126	3,126	2,866
Supplies and materials	420	420	303
Total Expenditures	<u>19,500</u>	<u>19,500</u>	<u>11,557</u>
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of December 31, 2010 to December 31, 2011)
 EDUCATION FUND ACCOUNTS
 IVPA FAMILY VIOLENCE COORDINATING COUNCIL
 For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 19,500	\$ 19,500	\$ 8,839
Total Revenues	<u>19,500</u>	<u>19,500</u>	<u>8,839</u>
Expenditures:			
Salaries	13,625	13,625	6,229
Employee benefits	2,330	2,330	1,586
Purchased services	3,115	3,115	1,034
Supplies and materials	430	430	19
Total Expenditures	<u>19,500</u>	<u>19,500</u>	<u>8,868</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(29)</u>
Other Financing Sources (Uses):			
Interest	<u>-</u>	<u>-</u>	<u>29</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>29</u>
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 2, 2009 to September 30, 2010)
 EDUCATION FUND ACCOUNTS
 MCKINNEY EDUCATION FOR HOMELESS CHILDREN
 For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 161,286	\$ 161,286	\$ 14,995
Total Revenues	<u>161,286</u>	<u>161,286</u>	<u>14,995</u>
Expenditures:			
Salaries	58,616	58,316	10,312
Employee benefits	15,577	15,177	3,592
Purchased services	13,344	12,644	335
Supplies and materials	965	2,365	756
Payments to other governments	72,784	72,784	-
Total Expenditures	<u>161,286</u>	<u>161,286</u>	<u>14,995</u>
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNTS
 MCKINNEY EDUCATION FOR HOMELESS CHILDREN
 For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 154,834	\$ 158,361	\$ 158,361
Total Revenues	<u>154,834</u>	<u>158,361</u>	<u>158,361</u>
Expenditures:			
Salaries	41,194	39,395	36,580
Employee benefits	13,478	12,434	11,530
Purchased services	11,455	10,320	11,578
Supplies and materials	706	4,217	6,735
Payments to other governments	88,001	91,995	91,995
Total Expenditures	<u>154,834</u>	<u>158,361</u>	<u>158,418</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(57)</u>
Other Financing Sources (Uses):			
Interest	-	-	57
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>57</u>
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2009 to August 31, 2010)**

EDUCATION FUND ACCOUNTS

**NATIONAL BOARD OF PROFESSIONAL TEACHING STANDARDS MENTORING PROGRAM
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Local sources	\$ -	\$ -	\$ -
Federal sources	120,000	120,000	55,856
Total Revenues	<u>120,000</u>	<u>120,000</u>	<u>55,856</u>
Expenditures:			
Salaries	46,350	46,350	14,925
Employee benefits	12,180	12,180	3,677
Purchased services	57,470	57,470	34,689
Supplies and materials	4,000	4,000	2,645
Total Expenditures	<u>120,000</u>	<u>120,000</u>	<u>55,936</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(80)</u>
Other Financing Sources (Uses):			
Interest	-	-	80
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>80</u>
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNTS
 PRESCHOOL FOR ALL
 For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 33,580	\$ 33,580	\$ 29,444
Total Revenues	<u>33,580</u>	<u>33,580</u>	<u>29,444</u>
Expenditures:			
Purchased services	32,780	32,780	29,425
Supplies and materials	800	800	19
Total Expenditures	<u>33,580</u>	<u>33,580</u>	<u>29,444</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNTS
 REGIONAL SAFE SCHOOLS
 For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 120,689	\$ 120,689	\$ 182,291
Total Revenues	<u>120,689</u>	<u>120,689</u>	<u>182,291</u>
Expenditures:			
Salaries	102,190	102,190	106,920
Employee benefits	15,349	15,349	11,536
Purchased services	315	315	2,233
Total Expenditures	<u>117,854</u>	<u>117,854</u>	<u>120,689</u>
Net Change in Fund Balances	2,835	2,835	61,602
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>(72,602)</u>
Fund Balances - Ending	<u>\$ 2,835</u>	<u>\$ 2,835</u>	<u>\$ (11,000)</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNTS
 ROE/ISC OPERATIONS
 For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 37,259	\$ 67,310	\$ 84,568
Total Revenues	<u>37,259</u>	<u>67,310</u>	<u>84,568</u>
Expenditures:			
Salaries	31,110	50,915	51,580
Employee benefits	5,286	10,902	10,029
Purchased services	863	4,260	4,425
Supplies and materials	-	1,233	1,758
Total Expenditures	<u>37,259</u>	<u>67,310</u>	<u>67,792</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>16,776</u>
Other Financing Sources (Uses):			
Transfers in	-	-	482
Transfers out	-	-	-
Interest	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>482</u>
Net Change in Fund Balances	-	-	17,258
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>(17,258)</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of October 1, 2009 to August 31, 2010)
EDUCATION FUND ACCOUNTS
TEACHERS AND ADMINISTRATORS MENTORING PROGRAM
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 181,988	\$ 181,988	\$ 96,706
Total Revenues	<u>181,988</u>	<u>181,988</u>	<u>96,706</u>
Expenditures:			
Salaries	51,800	59,420	13,053
Employee benefits	751	751	188
Purchased services	30,237	21,157	3,727
Supplies and materials	6,200	10,740	4,583
Payments to other governments	93,000	89,920	59,000
Total Expenditures	<u>181,988</u>	<u>181,988</u>	<u>80,551</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>16,155</u>
Net Change in Fund Balances	-	-	16,155
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>(16,155)</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of August 23, 2010 to August 31, 2011)
 EDUCATION FUND ACCOUNTS
 TEACHERS AND ADMINISTRATORS MENTORING PROGRAM
 For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 145,000	\$ 153,000	\$ 132,089
Total Revenues	<u>145,000</u>	<u>153,000</u>	<u>132,089</u>
Expenditures:			
Salaries	45,180	51,549	49,995
Employee benefits	655	747	725
Purchased services	12,100	82,839	74,805
Supplies and materials	5,960	11,400	1,278
Payments to other governments	81,105	6,465	5,290
Total Expenditures	<u>145,000</u>	<u>153,000</u>	<u>132,093</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(4)</u>
Other Financing Sources (Uses):			
Interest	-	-	4
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNTS
 TEEN REACH
 For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ -	\$ -	39,281
Federal sources	140,335	140,335	130,424
Total Revenues	<u>140,335</u>	<u>140,335</u>	<u>169,705</u>
Expenditures:			
Salaries	38,749	38,749	39,076
Employee benefits	11,800	11,800	9,338
Purchased services	400	400	2,033
Supplies and materials	700	700	1,236
Payments to other governments	88,686	88,686	88,686
Total Expenditures	<u>140,335</u>	<u>140,335</u>	<u>140,369</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>29,336</u>
Other Financing Sources (Uses):			
Transfers in	-	-	34
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>34</u>
Net Change in Fund Balances	-	-	29,370
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>(52,705)</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (23,335)</u></u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of March 19, 2010 to August 31, 2010)
 EDUCATION FUND ACCOUNTS
 TITLE I READING FIRST PART B SEA FUNDS
 For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 84,969	\$ 84,969	\$ 28,531
Total Revenues	<u>84,969</u>	<u>84,969</u>	<u>28,531</u>
Expenditures:			
Salaries	3,407	1,068	239
Employee benefits	713	172	38
Purchased services	79,799	70,779	15,174
Supplies and materials	1,050	12,950	13,976
Total Expenditures	<u>84,969</u>	<u>84,969</u>	<u>29,427</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(896)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	893
Interest	-	-	3
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>896</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of September 1, 2009 to June 30, 2010)
EDUCATION FUND ACCOUNTS
TITLE I SCHOOL IMPROVEMENT & ACCOUNTABILITY SYSTEM OF SUPPORT
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 1,062,413	\$ 1,062,413	\$ 10,563
Total Revenues	<u>1,062,413</u>	<u>1,062,413</u>	<u>10,563</u>
Expenditures:			
Salaries	179,137	168,537	-
Employee benefits	48,719	48,719	-
Purchased services	9,186	17,786	10,590
Supplies and materials	2,000	4,000	177
Payments to other governments	823,371	823,371	-
Total Expenditures	<u>1,062,413</u>	<u>1,062,413</u>	<u>10,767</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(204)</u>
Other Financing Sources (Uses):			
Interest	-	-	204
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>204</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2010 to June 30, 2011)**

**EDUCATION FUND ACCOUNTS
TITLE I SCHOOL IMPROVEMENT & ACCOUNTABILITY SYSTEM OF SUPPORT
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 855,596	\$ 876,558	\$ 861,663
Total Revenues	<u>855,596</u>	<u>876,558</u>	<u>861,663</u>
Expenditures:			
Salaries	221,514	156,884	155,215
Employee benefits	52,255	29,230	28,186
Purchased services	32,831	24,292	34,244
Supplies and materials	5,000	9,943	8,809
Indirect costs	-	20,627	-
Payments to other governments	543,996	635,582	635,217
Total Expenditures	<u>855,596</u>	<u>876,558</u>	<u>861,671</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(8)</u>
Other Financing Sources (Uses):			
Interest	-	-	8
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>8</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNTS
 TITLE II TEACHER QUALITY
 For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 297	\$ 297	\$ 297
Total Revenues	<u>297</u>	<u>297</u>	<u>297</u>
Expenditures:			
Purchased services	297	297	300
Total Expenditures	<u>297</u>	<u>297</u>	<u>300</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(3)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	3
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of August 4, 2009 to September 30, 2010)
EDUCATION FUND ACCOUNTS
TITLE II TEACHER QUALITY LEADERSHIP GRANT
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Local sources	\$ -	\$ -	\$ -
Federal sources	145,783	145,783	68,483
Total Revenues	<u>145,783</u>	<u>145,783</u>	<u>68,483</u>
Expenditures:			
Salaries	17,800	41,200	16,592
Employee benefits	2,622	4,464	1,850
Purchased services	97,681	58,919	16,683
Supplies and materials	26,600	24,840	15,914
Capital outlay	-	5,000	4,999
Payments to other governments	1,080	11,360	14,264
Total Expenditures	<u>145,783</u>	<u>145,783</u>	<u>70,302</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(1,819)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	1,819
Interest	-	-	0
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,819</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of October 14, 2010 to August 31, 2011)
 EDUCATION FUND ACCOUNTS
 TITLE II TEACHER QUALITY LEADERSHIP GRANT
 For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Local sources	\$ -	\$ -	\$ -
Federal sources	104,000	149,824	94,117
Total Revenues	<u>104,000</u>	<u>149,824</u>	<u>94,117</u>
Expenditures:			
Salaries	33,728	55,628	40,849
Employee benefits	11,179	13,296	11,141
Purchased services	49,993	70,482	38,360
Supplies and materials	3,100	8,576	3,313
Capital outlay	-	642	528
Payments to other governments	6,000	1,200	0
Total Expenditures	<u>104,000</u>	<u>149,824</u>	<u>94,191</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(74)</u>
Other Financing Sources (Uses):			
Interest	-	-	74
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>74</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of September 1, 2009 to June 30, 2010)
 EDUCATION FUND ACCOUNTS
 TITLE II TEACHER QUALITY LEADERSHIP GRANT SYSTEM OF SUPPORT
 For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 159,292	\$ 159,292	\$ 11,750
Total Revenues	<u>159,292</u>	<u>159,292</u>	<u>11,750</u>
Expenditures:			
Salaries	26,414	26,414	-
Employee benefits	5,834	5,834	-
Purchased services	463	463	-
Supplies and materials	475	475	-
Payments to other governments	126,106	126,106	11,758
Total Expenditures	<u>159,292</u>	<u>159,292</u>	<u>11,758</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(8)</u>
Other Financing Sources (Uses):			
Interest	-	-	8
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>8</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2010 to June 30, 2011)
 EDUCATION FUND ACCOUNTS
 TRUANTS' ALTERNATIVE PROGRAM
 For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	208,459	208,459	190,237
Total Revenues	<u>208,459</u>	<u>208,459</u>	<u>190,237</u>
Expenditures:			
Salaries	134,803	134,803	136,023
Employee benefits	21,369	21,369	14,933
Purchased services	27,343	27,343	29,439
Supplies and materials	24,944	24,944	29,798
Total Expenditures	<u>208,459</u>	<u>208,459</u>	<u>210,193</u>
Net Change in Fund Balances	-	-	(19,956)
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (19,956)</u></u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2011**

	Bus Driver Training	General Education Development	Institute	Project Care Healthy Decision	Total
Assets					
Cash and cash equivalents	\$ 15,478	\$ 68,674	\$ 54,892	\$ 4,043	\$ 143,087
Total Assets	\$ 15,478	\$ 68,674	\$ 54,892	\$ 4,043	\$ 143,087
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances:					
Restricted	15,478	68,674	54,892	4,043	143,087
Total Liabilities and Fund Balances	\$ 15,478	\$ 68,674	\$ 54,892	\$ 4,043	\$ 143,087

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2011**

	Bus Driver Training	General Education Development	Institute	Project Care Healthy Decision	Total
Revenue:					
Local sources	\$ 4,704	\$ 15,577	\$ 26,869	\$ -	\$ 47,150
State sources	1,286	-	-	-	1,286
Total Revenues	<u>5,990</u>	<u>15,577</u>	<u>26,869</u>	<u>-</u>	<u>48,436</u>
Expenditures:					
Salaries	38	6,854	7,972	-	14,864
Employee benefits	6	3,750	1,485	-	5,241
Purchased services	4,512	4,585	1,616	25	10,738
Supplies and materials	173	4,825	762	-	5,760
Other	-	-	1,956	-	1,956
Total Expenditures	<u>4,729</u>	<u>20,014</u>	<u>13,791</u>	<u>25</u>	<u>38,559</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,261</u>	<u>(4,437)</u>	<u>13,078</u>	<u>(25)</u>	<u>9,877</u>
Other Financing Sources (Uses):					
Interest	60	304	797	17	1,178
Total Other Financing Sources (Uses)	<u>60</u>	<u>304</u>	<u>797</u>	<u>17</u>	<u>1,178</u>
Net Change in Fund Balances	1,321	(4,133)	13,875	(8)	11,055
Fund Balance - Beginning	<u>14,157</u>	<u>72,807</u>	<u>41,017</u>	<u>4,051</u>	<u>132,032</u>
Fund Balance - Ending	<u>\$ 15,478</u>	<u>\$ 68,674</u>	<u>\$ 54,892</u>	<u>\$ 4,043</u>	<u>\$ 143,087</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
June 30, 2011**

	Administrator's Academy Local	Career Awareness and Development Workshop	Children and Adolescent Local Area Network System	Criminal Background Investigation	Family Violence Coordinating Councils	Fluoride Fund
Assets						
Cash and cash equivalents	\$ 22,709	\$ -	\$ 748	\$ 7,299	\$ 745	\$ 3,378
Due from other funds	-	-	-	-	-	-
Due from other governments	7,500	-	-	-	-	-
Total Assets	\$ 30,209	\$ -	\$ 748	\$ 7,299	\$ 745	\$ 3,378
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Assets						
Unrestricted	30,209	-	748	7,299	745	3,378
Total Net Assets	\$ 30,209	\$ -	\$ 748	\$ 7,299	\$ 745	\$ 3,378

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
June 30, 2011**

	Gifted Education Workshop	Internet Connectivity	Local Induction Mentoring Training Fees	Para- Professional Workshop Fees	RAAC Renaissance Program	Reading First Academy Workshops
Assets						
Cash and cash equivalents	\$ 4,463	\$ -	\$ 17,361	\$ -	\$ 66	\$ 33,620
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Total Assets	\$ 4,463	\$ -	\$ 17,361	\$ -	\$ 66	\$ 33,620
Liabilities						
Accounts payable	\$ -	\$ -	\$ 7	\$ -	\$ -	\$ -
Net Assets						
Unrestricted	4,463	-	17,354	-	66	33,620
Total Net Assets	\$ 4,463	\$ -	\$ 17,354	\$ -	\$ 66	\$ 33,620

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
June 30, 2011**

	Regional Alternative Attendance Center (RAAC)	ROE Workshops	SALT Activity	School Crisis Assistance Team (SCAT) Donations	School Lunch Student Payments
Assets					
Cash and cash equivalents	\$ 1,520	\$ 7,256	\$ 2,634	\$ 2,557	\$ 3,202
Due from other funds	-	33,925	-	-	-
Due from other governments	-	-	-	-	-
Total Assets	\$ 1,520	\$ 41,181	\$ 2,634	\$ 2,557	\$ 3,202
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Net Assets					
Unrestricted	1,520	41,181	2,634	2,557	3,202
Total Net Assets	\$ 1,520	\$ 41,181	\$ 2,634	\$ 2,557	\$ 3,202

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
June 30, 2011**

	Services Provided HUD	Supplemental Educational Services	Teen Reach Local Program	Title I Workshops	Total
Assets					
Cash and cash equivalents	\$ -	\$ 29,961	\$ -	\$ 6,733	\$ 144,252
Due from other funds	-	76,064	-	-	109,989
Due from other governments	-	-	-	-	7,500
Total Assets	\$ -	\$ 106,025	\$ -	\$ 6,733	\$ 261,741
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 7
Net Assets					
Unrestricted	-	106,025	-	6,733	261,734
Total Net Assets	\$ -	\$ 106,025	\$ -	\$ 6,733	\$ 261,734

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
For the year ended June 30, 2011**

	Administrator's Academy Local	Career Awareness and Development Workshop	Children and Adolescent Local Area Network System	Criminal Background Investigation	Family Violence Coordinating Councils	Fluoride Fund
Operating Revenues						
Local sources	\$ 16,000	\$ -	\$ -	\$ 20,689	\$ 743	\$ 3,354
Total Operating Revenues	<u>16,000</u>	<u>-</u>	<u>-</u>	<u>20,689</u>	<u>743</u>	<u>3,354</u>
Operating Expenses						
Salaries	1,296	-	-	-	-	-
Employee benefits	220	-	-	-	-	-
Purchased services	15,391	1	31	14,500	-	-
Supplies and materials	1,129	-	-	-	-	2,330
Other	-	-	-	-	-	-
Total Operating Expenses	<u>18,036</u>	<u>1</u>	<u>31</u>	<u>14,500</u>	<u>-</u>	<u>2,330</u>
Operating Income (Loss)	<u>(2,036)</u>	<u>(1)</u>	<u>(31)</u>	<u>6,189</u>	<u>743</u>	<u>1,024</u>
Nonoperating Revenues (Expenses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Interest	110	-	3	15	2	8
Total Nonoperating Revenues (Expenses)	<u>110</u>	<u>-</u>	<u>3</u>	<u>15</u>	<u>2</u>	<u>8</u>
Change in Net Assets	(1,926)	(1)	(28)	6,204	745	1,032
Net Assets - Beginning (Restated)	<u>32,135</u>	<u>1</u>	<u>776</u>	<u>1,095</u>	<u>-</u>	<u>2,346</u>
Net Assets - Ending	<u>\$ 30,209</u>	<u>\$ -</u>	<u>748</u>	<u>\$ 7,299</u>	<u>\$ 745</u>	<u>3,378</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
For the year ended June 30, 2011**

	Gifted Education Workshop	Internet Connectivity	Local Induction Mentoring Training Fees	Para- Professional Workshop Fees	RAAC Renaissance Program	Reading First Academy Workshops
Operating Revenues						
Local sources	\$ -	\$ -	\$ 3,432	\$ -	\$ -	\$ 9,390
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>3,432</u>	<u>-</u>	<u>-</u>	<u>9,390</u>
Operating Expenses						
Salaries	-	-	4,060	-	-	-
Employee benefits	-	-	789	-	-	-
Purchased services	1,015	1,361	4,020	400	-	474
Supplies and materials	-	-	5,836	-	-	3,015
Other	50	-	26	-	-	-
Total Operating Expenses	<u>1,065</u>	<u>1,361</u>	<u>14,731</u>	<u>400</u>	<u>-</u>	<u>3,489</u>
Operating Income (Loss)	<u>(1,065)</u>	<u>(1,361)</u>	<u>(11,299)</u>	<u>(400)</u>	<u>-</u>	<u>5,901</u>
Nonoperating Revenues (Expenses)						
Transfers in	-	1,361	-	-	-	1,708
Transfers out	(3)	-	-	-	-	(893)
Interest	21	-	67	-	-	111
Total Nonoperating Revenues (Expenses)	<u>18</u>	<u>1,361</u>	<u>67</u>	<u>-</u>	<u>-</u>	<u>926</u>
Change in Net Assets	(1,047)	-	(11,232)	(400)	-	6,827
Net Assets - Beginning (Restated)	<u>5,510</u>	<u>-</u>	<u>28,586</u>	<u>400</u>	<u>66</u>	<u>26,793</u>
Net Assets - Ending	<u>\$ 4,463</u>	<u>\$ -</u>	<u>\$ 17,354</u>	<u>\$ -</u>	<u>\$ 66</u>	<u>\$ 33,620</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NONMAJOR PROPRIETARY FUNDS
 For the year ended June 30, 2011**

	Regional Alternative Attendance Center (RAAC)	ROE Workshops	SALT Activity	School Crisis Assistance Team (SCAT) Donations	School Lunch Student Payments
Operating Revenues					
Local sources	\$ 608	\$ 17,032	\$ 801	\$ -	\$ 2,135
Total Operating Revenues	<u>608</u>	<u>17,032</u>	<u>801</u>	<u>-</u>	<u>2,135</u>
Operating Expenses					
Salaries	-	5,436	-	-	-
Employee benefits	-	1,068	-	-	-
Purchased services	103	20,231	50	-	2,592
Supplies and materials	-	2,995	279	-	-
Other	-	1,076	-	-	-
Total Operating Expenses	<u>103</u>	<u>30,806</u>	<u>329</u>	<u>-</u>	<u>2,592</u>
Operating Income (Loss)	<u>505</u>	<u>(13,774)</u>	<u>472</u>	<u>-</u>	<u>(457)</u>
Nonoperating Revenues (Expenses)					
Transfers in	-	26,851	-	-	-
Transfers out	-	(31,423)	-	-	-
Interest	5	224	11	11	15
Total Nonoperating Revenues (Expenses)	<u>5</u>	<u>(4,348)</u>	<u>11</u>	<u>11</u>	<u>15</u>
Change in Net Assets	510	(18,122)	483	11	(442)
Net Assets - Beginning (Restated)	<u>1,010</u>	<u>59,303</u>	<u>2,151</u>	<u>2,546</u>	<u>3,644</u>
Net Assets - Ending	<u>\$ 1,520</u>	<u>\$ 41,181</u>	<u>\$ 2,634</u>	<u>\$ 2,557</u>	<u>\$ 3,202</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
For the year ended June 30, 2011**

	Services Provided HUD	Supplemental Educational Services	Teen Reach Local Program	Title I Workshops	Total
Operating Revenues					
Local sources	\$ 1,813	\$ -	\$ -	\$ 75	\$ 76,072
Total Operating Revenues	<u>1,813</u>	<u>-</u>	<u>-</u>	<u>75</u>	<u>76,072</u>
Operating Expenses					
Salaries	-	-	-	-	10,792
Employee benefits	-	-	-	-	2,077
Purchased services	2,250	5,981	-	1,368	69,768
Supplies and materials	-	-	266	105	15,955
Other	-	-	-	-	1,152
Total Operating Expenses	<u>2,250</u>	<u>5,981</u>	<u>266</u>	<u>1,473</u>	<u>99,744</u>
Operating Income (Loss)	<u>(437)</u>	<u>(5,981)</u>	<u>(266)</u>	<u>(1,398)</u>	<u>(23,672)</u>
Nonoperating Revenues (Expenses)					
Transfers in	435	286	-	-	30,641
Transfers out	-	(760)	-	(98)	(33,177)
Interest	2	457	-	32	1,094
Total Nonoperating Revenues (Expenses)	<u>437</u>	<u>(17)</u>	<u>-</u>	<u>(66)</u>	<u>(1,442)</u>
Change in Net Assets	-	(5,998)	(266)	(1,464)	(25,114)
Net Assets - Beginning (Restated)	<u>-</u>	<u>112,023</u>	<u>266</u>	<u>8,197</u>	<u>286,848</u>
Net Assets - Ending	<u>\$ -</u>	<u>\$ 106,025</u>	<u>\$ -</u>	<u>\$ 6,733</u>	<u>\$ 261,734</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2011**

	Administrator's Academy Local	Career Awareness and Development Workshop	Children and Adolescent Local Area Network System	Criminal Background Investigation	Family Violence Coordinating Councils	Fluoride Fund
Cash Flows from Operating Activities						
Receipts from customers	\$ 8,500	\$ -	\$ -	\$ 20,689	\$ 743	\$ 3,354
Payments to suppliers and providers of goods and services	(16,740)	(1)	(31)	(14,500)	-	(2,330)
Payments to employees	(1,296)	-	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>(9,536)</u>	<u>(1)</u>	<u>(31)</u>	<u>6,189</u>	<u>743</u>	<u>1,024</u>
Cash Flows from Noncapital Financing Activities						
Cash transfers from other funds	-	-	-	-	-	-
Cash transfers to other funds	-	-	-	-	-	-
Increase (decrease) in interfund borrowing, net	-	-	-	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities						
Interest	110	-	3	15	2	8
Net Cash Provided by (Used for) Investing Activities	<u>110</u>	<u>-</u>	<u>3</u>	<u>15</u>	<u>2</u>	<u>8</u>
Net Increase (Decrease) in Cash	(9,426)	(1)	(28)	6,204	745	1,032
Cash and Cash Equivalents - Beginning	32,135	1	776	1,095	-	2,346
Cash and Cash Equivalents - Ending	<u>\$ 22,709</u>	<u>\$ -</u>	<u>\$ 748</u>	<u>\$ 7,299</u>	<u>\$ 745</u>	<u>\$ 3,378</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities						
Operating income (loss)	\$ (2,036)	\$ (1)	\$ (31)	\$ 6,189	\$ 743	\$ 1,024
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Change in assets and liabilities:						
(Increase) decrease in due from other governments	(7,500)	-	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ (9,536)</u>	<u>\$ (1)</u>	<u>\$ (31)</u>	<u>\$ 6,189</u>	<u>\$ 743</u>	<u>\$ 1,024</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2011**

	Gifted Education Workshop	Internet Connectivity	Local Induction Mentoring Training Fees	Para- Professional Workshop Fees	RAAC Renaissance Program	Reading First Academy Workshops
Cash Flows from Operating Activities						
Receipts from customers	\$ -	\$ -	\$ 3,432	\$ -	\$ -	\$ 9,390
Payments to suppliers and providers of goods and services	(1,065)	(1,361)	(10,671)	(400)	-	(3,489)
Payments to employees	-	-	(4,060)	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>(1,065)</u>	<u>(1,361)</u>	<u>(11,299)</u>	<u>(400)</u>	<u>-</u>	<u>5,901</u>
Cash Flows from Noncapital Financing Activities						
Cash transfers from other funds	-	1,361	-	-	-	1,708
Cash transfers to other funds	(3)	-	-	-	-	(893)
Increase (decrease) in interfund borrowing, net	-	-	-	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(3)</u>	<u>1,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>815</u>
Cash Flows from Investing Activities						
Interest	21	-	67	-	-	111
Net Cash Provided by (Used for) Investing Activities	<u>21</u>	<u>-</u>	<u>67</u>	<u>-</u>	<u>-</u>	<u>111</u>
Net Increase (Decrease) in Cash	(1,047)	-	(11,232)	(400)	-	6,827
Cash and Cash Equivalents - Beginning	5,510	-	28,593	400	66	26,793
Cash and Cash Equivalents - Ending	<u>\$ 4,463</u>	<u>\$ -</u>	<u>\$ 17,361</u>	<u>\$ -</u>	<u>\$ 66</u>	<u>\$ 33,620</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities						
Operating income (loss)	\$ (1,065)	\$ (1,361)	\$ (11,299)	\$ (400)	\$ -	\$ 5,901
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Change in assets and liabilities:						
(Increase) decrease in due from other governments	-	-	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ (1,065)</u>	<u>\$ (1,361)</u>	<u>\$ (11,299)</u>	<u>\$ (400)</u>	<u>\$ -</u>	<u>\$ 5,901</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2011**

	Regional Alternative Attendance Center (RAAC)	ROE Workshops	SALT Activity	School Crisis Assistance Team (SCAT) Donations	School Lunch Student Payments
Cash Flows from Operating Activities					
Receipts from customers	\$ 608	\$ 17,032	\$ 801	\$ -	\$ 2,135
Payments to suppliers and providers of goods and services	(103)	(25,370)	(329)	-	(2,592)
Payments to employees	-	(5,436)	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>505</u>	<u>(13,774)</u>	<u>472</u>	<u>-</u>	<u>(457)</u>
Cash Flows from Noncapital Financing Activities					
Cash transfers from other funds	-	26,851	-	-	-
Cash transfers to other funds	-	(31,423)	-	-	-
Increase (decrease) in interfund borrowing, net	-	(33,925)	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>-</u>	<u>(38,497)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities					
Interest	5	224	11	11	15
Net Cash Provided by (Used for) Investing Activities	<u>5</u>	<u>224</u>	<u>11</u>	<u>11</u>	<u>15</u>
Net Increase (Decrease) in Cash	510	(52,047)	483	11	(442)
Cash and Cash Equivalents - Beginning	<u>1,010</u>	<u>59,303</u>	<u>2,151</u>	<u>2,546</u>	<u>3,644</u>
Cash and Cash Equivalents - Ending	<u>\$ 1,520</u>	<u>\$ 7,256</u>	<u>\$ 2,634</u>	<u>\$ 2,557</u>	<u>\$ 3,202</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating income (loss)	\$ 505	\$ (13,774)	\$ 472	\$ -	\$ (457)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Change in assets and liabilities:					
(Increase) decrease in due from other governments	-	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ 505</u>	<u>\$ (13,774)</u>	<u>\$ 472</u>	<u>\$ -</u>	<u>\$ (457)</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2011**

	Services Provided HUD	Supplemental Educational Services	Teen Reach Local Program	Title I Workshops	Total
Cash Flows from Operating Activities					
Receipts from customers	\$ 1,813	\$ -	\$ -	\$ 75	\$ 68,572
Payments to suppliers and providers of goods and services	(2,250)	(5,981)	(266)	(1,473)	(88,952)
Payments to employees	-	-	-	-	(10,792)
Net Cash Provided by (Used for) Operating Activities	<u>(437)</u>	<u>(5,981)</u>	<u>(266)</u>	<u>(1,398)</u>	<u>(31,172)</u>
Cash Flows from Noncapital Financing Activities					
Cash transfers from other funds	435	286	-	-	30,641
Cash transfers to other funds	-	(760)	-	(98)	(33,177)
Increase (decrease) in interfund borrowing, net	-	(76,064)	-	-	(109,989)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>435</u>	<u>(76,538)</u>	<u>-</u>	<u>(98)</u>	<u>(112,525)</u>
Cash Flows from Investing Activities					
Interest	2	457	-	32	1,094
Net Cash Provided by (Used for) Investing Activities	<u>2</u>	<u>457</u>	<u>-</u>	<u>32</u>	<u>1,094</u>
Net Increase (Decrease) in Cash	-	(82,062)	(266)	(1,464)	(142,603)
Cash and Cash Equivalents - Beginning	-	112,023	266	8,197	286,855
Cash and Cash Equivalents - Ending	<u>\$ -</u>	<u>\$ 29,961</u>	<u>\$ -</u>	<u>\$ 6,733</u>	<u>\$ 144,252</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating income (loss)	\$ (437)	\$ (5,981)	\$ (266)	\$ (1,398)	\$ (23,672)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Change in assets and liabilities:					
(Increase) decrease in due from other governments	-	-	-	-	(7,500)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (437)</u>	<u>\$ (5,981)</u>	<u>\$ (266)</u>	<u>\$ (1,398)</u>	<u>\$ (31,172)</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2011**

	<u>Distributive</u>	<u>Petitions and Detachment</u>	<u>Scholarship</u>	<u>School Expansion Fees</u>	<u>Total</u>
Assets					
Cash and cash equivalents	\$ 20	\$ -	\$ 1,938	\$ -	\$ 1,958
Due from other governments	<u>623,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>623,373</u>
Total Assets	<u>\$ 623,393</u>	<u>\$ -</u>	<u>\$ 1,938</u>	<u>\$ -</u>	<u>\$ 625,331</u>
Liabilities					
Due to other governments	<u>\$ 623,393</u>	<u>\$ -</u>	<u>\$ 1,938</u>	<u>\$ -</u>	<u>\$ 625,331</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2011**

	<u>Balance July 01, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
<u>Distributive Fund</u>				
Assets				
Cash and cash equivalents	\$ 8,513	\$ 4,679,376	\$ 4,687,869	\$ 20
Due from other governments	853,254	4,449,495	4,679,376	623,373
Total Assets	<u>\$ 861,767</u>	<u>\$ 9,128,871</u>	<u>\$ 9,367,245</u>	<u>\$ 623,393</u>
Liabilities				
Due to other governments	<u>\$ 861,767</u>	<u>\$ 9,128,871</u>	<u>\$ 9,367,245</u>	<u>\$ 623,393</u>
<u>Petitions and Detachment Fund</u>				
Assets				
Cash and cash equivalents	<u>\$ 45</u>	<u>\$ 666</u>	<u>\$ 711</u>	<u>\$ -</u>
Liabilities				
Due to other governments	<u>\$ 45</u>	<u>\$ 666</u>	<u>\$ 711</u>	<u>\$ -</u>
<u>Scholarship Fund</u>				
Assets				
Cash and cash equivalents	<u>\$ 1,930</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ 1,938</u>
Liabilities				
Due to other governments	<u>\$ 1,930</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ 1,938</u>
<u>School Expansion Fees</u>				
Assets				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 282</u>	<u>\$ 282</u>	<u>\$ -</u>
Liabilities				
Due to other governments	<u>\$ -</u>	<u>\$ 282</u>	<u>\$ 282</u>	<u>\$ -</u>
<u>Total</u>				
Assets				
Cash and cash equivalents	\$ 10,488	\$ 4,680,332	\$ 4,688,862	\$ 1,958
Due from other governments	853,254	4,449,495	4,679,376	623,373
Total Assets	<u>\$ 863,742</u>	<u>\$ 9,129,827</u>	<u>\$ 9,368,238</u>	<u>\$ 625,331</u>
Liabilities				
Due to other governments	<u>\$ 863,742</u>	<u>\$ 9,129,827</u>	<u>\$ 9,368,238</u>	<u>\$ 625,331</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES
DISTRIBUTIVE FUND
For the Year Ended June 30, 2011**

DISTRIBUTIONS	Acct. No.	Total	I-KAN ROE #32	Iroquois Area Del #370	Kankakee Career Center	Kankakee Regional System #120
State Funds						
General State Aid - Sec. 18-8	3001	1,287,120	1,287,120			
Voc. Ed. - Career and Technical Ed Improvement	3220	961,297		131,000		830,297
Voc. Ed. - Agricultural Education	3235	18,413		8,863		9,550
State Free Lunch & Breakfast	3360	1,545	1,545			
School Breakfast Incentive	3365	84	84			
Transportation - Regular	3500	32,799			32,799	
ROE School Bus Driver Training	3520	1,286	1,286			
Truants Alternative/Operational Ed.	3695	224,798	224,798			
Regional Safe Schools Program	3696	166,091	166,091			
ROE/ISC Operations	3730	61,764	61,764			
Teachers and Administrators Mentoring	3982	239,988	239,988			
Total State Funds		2,995,185	1,982,676	139,863	32,799	839,847
Federal Funds						
National School Lunch Program	4210	21,513	21,513			
School Breakfast Program	4220	13,903	13,903			
IASA - Title I - School Improvement and Accountability	4331	876,558	876,558			
Title I - Reading First Part B SEA Funds	4337	20,469	20,469			
V.E. - Perkins - Title IIC - Secondary	4745	295,160		39,196		255,964
ARRA - Title I - School Improvement and Accountability	4854	58,860	58,860			
ARRA - Education Jobs Fund Program	4880	110,258	110,258			
McKinney Education for Homeless Children	4920	158,173	158,173			
Title II - Teacher Quality	4932	297	297			
IASA - Title II - Teacher Quality - Leadership	4935	129,000	129,000			
Total Federal Funds		1,684,191	1,389,031	39,196	-	255,964
TOTAL DISTRIBUTIONS		\$ 4,679,376	\$ 3,371,707	\$ 179,059	\$ 32,799	\$ 1,095,811

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2011**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	ISBE Project # (1st 8 digits) or Contract #	Federal Expenditures 7/1/10 - 6/30/11
U. S. Department of Education			
passed through Illinois State Board of Education			
Title I Cluster			
Title I Grants to Local Educational Agencies			
System of Support Title I - School Improvement & Accountability	84.010A	11-4331-SS	861,663
System of Support Title I - School Improvement & Accountability	84.010A	10-4331-SS	10,563
			<u>872,226</u>
Title I Grants to Local Educational Agencies, Recovery Act			
ARRA - Title I - School Improvement and Accountability	84.389A	11-4854-00	120,000
Title I Cluster			
			<u>992,226</u>
Education for Homeless Children and Youth Cluster			
Education for Homeless Children and Youth, Recovery Act			
ARRA McKinney Education for Homeless Children	84.387A	10-4862-00	28,627
Education for Homeless Children and Youth			
McKinney Education for Homeless Children	84.196A	11-4920-00	158,361
McKinney Education for Homeless Children	84.196A	10-4920-00	14,995
			<u>173,356</u>
Education for Homeless Children and Youth Cluster			
			<u>201,983</u>
Education Jobs Fund			
ARRA - Education Jobs Fund Program	84.410A	11-4880-93	91,042
ARRA - Education Jobs Fund Program	84.410A	10-4880-93	26,150
			<u>117,192</u>
Reading First State Grants			
Title I - Reading First Part B SEA Funds	84.357A	10-4337-00	28,531
Improving Teacher Quality State Grants			
Title II - Teacher Quality	84.367A	11-4932-00	297
Title II - Teacher Quality - Leadership Grant	84.367A	11-4935-01	94,117
Title II - Teacher Quality - Leadership Grant	84.367A	10-4935-00	68,483
National Board of Professional Teaching Standards Mentoring Program	84.367A	MY08722	55,856
System of Support Title II - Teacher Quality - Leadership Grant	84.367A	10-4935-SS	11,750
			<u>230,503</u>
Total U. S. Department of Education passed through Illinois State Board of Education			<u>1,570,435</u>
U. S. Department of Education			
passed through the Illinois Department of Health and Human Services			
Safe and Drug-Free Schools and Communities State Grants			
Drug Free Schools	84.186	11GM269000	8,693
Total U. S. Department of Education			<u>1,579,128</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONCLUDED)
For the Year Ended June 30, 2011**

Federal Grantor/ Pass-Through Grantor/ <u>Program or Cluster Title</u>	<u>CFDA Number</u>	ISBE Project # (1st 8 digits) <u>or Contract #</u>	Federal Expenditures <u>7/1/10 - 6/30/11</u>
U.S. Department of Health and Human Services			
passed through the Illinois Department of Health and Human Services			
Temporary Assistance for Needy Families			
Teen Reach	93.558	11GM269000	<u>140,335</u>
Block Grants for Prevention and Treatment of Substance Abuse			
Addiction Prevention Comprehensive	93.959	11GM269000	<u>140,746</u>
State Court Improvement Program			
Child Protection Data Courts Project	93.586	CIP Data-G-0902	2,934
Child Protection Data Courts Project	93.586	CIP Data-G-0802	<u>8,624</u>
			<u>11,558</u>
Total U.S. Department of Health and Human Services			<u>292,639</u>
U. S. Department of Agriculture			
passed through Illinois State Board of Education			
School Nutrition Cluster			
School Breakfast Program			
School Breakfast Program	10.553	11-4220-00	11,880
School Breakfast Program	10.553	10-4220-00	<u>-</u>
			<u>11,880</u>
National School Lunch Program			
National School Lunch Program	10.555	11-4210-00	19,078
National School Lunch Program	10.555	10-4210-00	<u>-</u>
			<u>19,078</u>
School Nutrition Cluster			<u>30,958</u>
Total U. S. Department of Agriculture			<u>30,958</u>
U. S. Department of Housing and Urban Development			
Supportive Housing Program			
HUD Supportive Housing Program	14.235	IL0282B5T120802	42,175
	14.235	IL0282B5T120801	<u>8,997</u>
			<u>51,172</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,953,897</u>

The accompanying notes are an integral part of this schedule.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2011**

NOTE 1: REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Regional Office of Education #32 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented on this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2: SUBRECIPIENTS

Of the federal expenditures presented in the schedule, Regional Office of Education #32 provided federal awards to subrecipients as follows:

Program Title: System of Support Title I – School Improvement & Accountability
Federal CFDA #: 84.010A
Amount provided to subrecipients: \$635,217

Program Title: ARRA – Title I – School Improvement and Accountability
Federal CFDA #: 84.389A
Amount provided to subrecipients: \$16,960

Program Title: ARRA McKinney Education for Homeless Children
Federal CFDA #: 84.387A
Amount provided to subrecipients: \$19,963

Program Title: McKinney Education for Homeless Children
Federal CFDA #: 84.196A
Amount provided to subrecipients: \$91,995

Program Title: Improving Teacher Quality State Grants
Federal CFDA #: 84.367A
Amount provided to subrecipients: \$26,022

Program Title: Teen Reach
Federal CFDA #: 93.558
Amount provided to subrecipients: \$88,686

Program Title: School Breakfast Program
Federal CFDA #: 10.553
Amount provided to subrecipients: \$11,880

Program Title: National School Lunch Program
Federal CFDA #: 10.555
Amount provided to subrecipients: \$19,078

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2011**

NOTE 3: DESCRIPTION OF MAJOR FEDERAL PROGRAM

System of Support Title I – School Improvement and Accountability

This program supports the improvement of basic programs operated by the Regional Office of Education #32 by providing professional development for data analysis, school improvement plan and development, Standards-Aligned curriculum and instruction, and classroom assessment to System of Support Status schools on the Academic Early Warning and Watch lists.

ARRA – Title I – School Improvement and Accountability

This program provides school improvement support and assistance to schools analyzing student achievement, refining school improvement plans and strategies, and providing meaningful professional development aligned to the schools' goals and strategies.

NOTE 4: NON-CASH ASSISTANCE

None

NOTE 5: AMOUNT OF INSURANCE

None

NOTE 6: LOANS OR LOAN GUARANTEES OUTSTANDING

None