

**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, 2013**

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

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 June 30, 2013**

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**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
OFFICIALS**

Regional Superintendent
(Current and during the audit period)

Dr. Gregg Murphy

Assistant Regional Superintendent
(Current and during the audit period)

Mr. Frank Petkunas

Office is located at:

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
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	1	2
Repeated audit findings	1	2
Prior recommendations implemented or not repeated	1	2

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

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

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)
None

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)			
12-02	16	Improper Support for Amounts Claimed on Expenditure Reports	Material Weakness

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)			
12-02	16	Improper Support for Amounts Claimed on Expenditure Reports	Material Weakness

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMPLIANCE REPORT SUMMARY – (CONCLUDED)**

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on August 29, 2013. Attending were Dr. Gregg Murphy, Regional Superintendent; Frank Petkunas, Assistant Regional Superintendent; Sherry Johnson, Finance Officer; Kay Williams, Payroll Clerk/Bookkeeper; Clatus Bierman, CPA, Partner, Kemper CPA Group, LLP; Kimberly Walker, CPA, Partner, Kemper CPA Group, LLP; and Kara Bevis, CPA, Manager, Kemper CPA Group, LLP. Responses to the recommendations were provided by Dr. Gregg Murphy, Regional Superintendent on October 21, 2013.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
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 unmodified opinion on the Iroquois and Kankakee Counties Regional Office of Education #32's basic financial statements.



INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois and Kankakee Counties Regional Office of Education #32, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Iroquois and Kankakee Counties Regional Office of Education #32's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois and Kankakee Counties Regional Office of Education #32, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Illinois Municipal Retirement Fund and Post Employment Benefits Other Than Pensions Schedules of Funding Progress on pages 17a-17g, 54, and 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Iroquois and Kankakee Counties Regional Office of Education #32's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities, and Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities, and Schedule of Expenditures of Federal Awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards

generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, the Schedule of Disbursements to School District Treasurers and Other Entities, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2014 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* in considering Iroquois and Kankakee Counties Regional Office of Education #32's internal control over financial reporting and compliance.

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
March 17, 2014

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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois and Kankakee Counties Regional Office of Education #32, as of and for the year ended June 30, 2013, and the related notes to the financial statements, 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 17, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Iroquois and Kankakee Counties Regional Office of Education #32's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Iroquois and Kankakee Counties Regional Office of Education #32's internal control. Accordingly, we do not express an opinion on the effectiveness of Regional Office of Education #32's internal control.

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

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 deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Regional Office of Education #32's Response to Finding

Iroquois and Kankakee Counties Regional Office of Education #32's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Iroquois and Kankakee Counties Regional Office of Education #32's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Iroquois and Kankakee Counties Regional Office of Education #32's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Iroquois and Kankakee Counties Regional Office of Education #32's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



KEMPER CPA GROUP LLP

Certified Public Accountants and Consultants

Marion, Illinois

March 17, 2014



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

Honorable William G. Holland
Auditor General
State of Illinois

Report on Compliance for Each Major Federal Program

We have audited the Iroquois and Kankakee Counties Regional Office of Education #32's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Iroquois and Kankakee Counties Regional Office of Education #32's major federal programs for the year ended June 30, 2013. The Iroquois and Kankakee Counties Regional Office of Education #32's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Iroquois and Kankakee Counties Regional Office of Education #32's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Iroquois and Kankakee Counties Regional Office of Education #32's compliance.

Opinion on Each Major Federal Program

In our opinion, the Iroquois and Kankakee Counties Regional Office of Education #32 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Iroquois and Kankakee Counties Regional Office of Education #32 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Iroquois and Kankakee Counties Regional Office of Education #32's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Iroquois and Kankakee Counties Regional Office of Education #32's internal control over compliance.

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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
March 17, 2014

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, 2013**

SECTION 1 - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: *unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified? None reported
- Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

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

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

Identification of **major** programs:

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

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

Auditee qualified as a low-risk auditee? No

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDING
For the Year Ended June 30, 2013**

FINDING NO. 2013-001 – Controls Over Financial Statement Preparation (Repeat from 10-01, 11-01, and 12-01)

Criteria/specific requirement:

The Iroquois and Kankakee Counties 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 of Education #32's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

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

Condition:

The Regional Office of Education #32 does not have sufficient internal controls over the financial reporting process. The Regional Office of Education #32 maintains its accounting records on cash basis accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Regional Office of Education #32 maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements and the Schedule of Expenditures of Federal Awards for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the Regional Office of Education #32's financial information prepared by the Regional Office of Education #32, the following were noted:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or unearned revenue. While the Regional Office did maintain records to indicate the balances of some accounts payable, accounts receivable, and unearned revenue, not all entries were provided to reconcile the Regional Office of Education #32's grant activity, such as posting grant receivables and unearned revenue.
- Several adjustments were necessary to properly balance interfund receivables and payables and interfund transfers.
- An entry was necessary to reclassify salary reimbursements against the related expenditures.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDING
For the Year Ended June 30, 2013**

Effect:

The Regional Office of Education #32 management or its employees, in the normal course of performing their assigned functions, may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

Cause:

According to Regional Office of Education #32 management, they do not have adequate funding to hire a certified public accountant or other qualified and trained financial professionals as full-time staff.

Auditors' Recommendation:

As part of internal control over the preparation of financial statements, the Regional Office of Education #32 should implement comprehensive preparation procedures to ensure that the financial statements are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of the applicable GAAP, GASB pronouncements, and knowledge of the Regional Office of Education #32'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 III – FEDERAL AWARD FINDING
For the Year Ended June 30, 2013**

INSTANCES OF NONCOMPLIANCE:

None

SIGNIFICANT DEFICIENCIES:

None

MATERIAL WEAKNESSES:

None

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDING
For the Year Ended June 30, 2013**

Corrective Action Plan

FINDING NO. 2013-001 – 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 of Education #32 maintains its accounting records on cash basis accounting during the fiscal year and posts year-end accrual entries for financial statement purposes. While the Regional Office of Education #32 maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements and the Schedule of Expenditures of Federal Awards for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

During review of the Regional Office of Education #32's financial information prepared by the Regional Office of Education #32, the following were noted:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or unearned revenue. While the Regional Office did maintain records to indicate the balances of some accounts payable, accounts receivable, and unearned revenue, not all entries were provided to reconcile the Regional Office of Education #32's grant activity, such as posting grant receivables and unearned revenue.
- Several adjustments were necessary to properly balance interfund receivables and payables and interfund transfers.
- An entry was necessary to reclassify salary reimbursements against the related expenditures.

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, 2014

Contact Person:

Dr. 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, 2013**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
12-01	Controls Over Financial Statement Preparation	Repeated
12-02	Improper Support for Amounts Claimed on Expenditure Reports	Not Repeated

MANAGEMENT'S DISCUSSION AND ANALYSIS

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

The Iroquois and Kankakee Counties Regional Office of Education #32 (Regional Office) 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, 2013 with comparative information for the year ended June 30, 2012. We encourage readers to consider this information in conjunction with the Regional Office's financial statements, which follow.

2013 Financial Highlights

Within the Governmental Funds, the General Fund revenue decreased by \$20,650 (1%), from \$2,033,112 in FY2012 to \$2,012,462 in FY2013. General Fund expenditures increased by \$200,641 (12%), from \$1,694,731 in FY2012 to \$1,895,372 in FY2013. The decrease in revenue was due primarily to a decrease in General State Aid. Funding decreases in the Education Fund and Other Non-Major Funds caused certain expenditures, previously paid with Education or Other Non-Major Fund revenue, to be paid from the General Fund in FY2013, thus causing an increase in General Fund expenditures.

Within the Governmental Funds, the Education Fund revenue decreased by \$295,514 (14%) from \$2,133,337 in FY2012 to \$1,837,823 in FY2013. The Education Fund expenditures decreased by \$257,070 (12%), from \$2,082,688 in FY2012 to \$1,825,618 in FY2013. These decreases were due to reduced federal and State funding for various educational programs in FY2013, as well as the changing of administrative agents in FY2013 for various grant programs that used to be administered by the Regional Office. As discussed above, a portion of the expenditures previously paid from the Education Fund were paid from the General Fund in FY2013.

Proprietary Funds revenue increased by \$40,580 (13%), from \$323,344 in FY2012 to \$363,924 in FY2013. The Proprietary Funds expenditures increased by \$99,170 (39%), from \$251,415 in FY2012 to \$350,585 in FY2013. These changes were due largely to reduction in State and federal funding for grant programs in FY2013, which increased local district participation in proprietary programs.

Using This Annual Report

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office's financial activities.
- The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the Regional Office as a whole and present an overall view of the Office's finances.
- The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund Financial Statements report the Regional Office's operations in more detail than the government-wide statements by providing information about the most significant funds.
- The Notes to the Financial Statements provide additional information that is essential 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.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

Reporting the Regional Office of Education #32 as a Whole

It is important to note that many grants (SSoS, McKinney Vento Education for Homeless Children, etc.) are cooperative efforts of the Regional Office of Education #32 and other Regional Offices in Area IV. Therefore, these figures may reflect grants that are intended to serve Iroquois and Kankakee Counties only and also grants that serve Regional Offices of Education #9, #11, #17, #39 and #54.

The Statement of Net Position and the Statement of Activities

The government-wide statements report information about the Regional Office as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Regional Office's 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.

The two government-wide statements report the Regional Office's net position and how it has changed. Net position – the difference between the assets and liabilities – is one way to measure the Regional Office's financial health or position.

- Over time, increases or decreases in the net position can be an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the Regional Office's overall health, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the State level need to be considered.

We divide the Regional Office's activities into three broad types:

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

Service Activities - Supported primarily through funds appropriated by the Illinois General Assembly and distributed to the Regional 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.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

Fund Financial Statements

The fund financial statements provide detailed information about the Regional Office's funds, focusing on its most significant or "major" funds. Funds are accounting devices which allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by State law. The Regional Office 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 Regional Office's services. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at 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 Regional Office's programs. The Regional Office's governmental funds include: the General Fund and the Special Revenue Funds. 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 Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and Statement of Cash Flows.
- (3) Fiduciary Funds account for assets held by the Regional Office in a trust capacity or as a fiscal 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 Position.

A summary reconciliation between the Government-wide Financial Statements and the Fund Financial Statements are included after each Fund Financial Statement.

Government-Wide Financial Analysis

As noted earlier, net position may serve, when examined over time, as one indicator of the financial position of the Regional Office. The net position at the end of FY2013 and FY2012 totaled \$3,733,122 and \$3,588,179, respectively. The analysis that follows provides a summary of the Regional Office's net position as of June 30, 2013 and 2012.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

**CONDENSED STATEMENT OF NET POSITION
June 30, 2013 and 2012**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
ASSETS						
Current assets	\$2,155,400	\$2,133,538	\$1,723,008	\$1,700,295	\$3,878,408	\$3,833,833
Capital assets, net of depreciation	-	-	-	-	-	-
TOTAL ASSETS	2,155,400	2,133,538	1,723,008	1,700,295	3,878,408	3,833,833
LIABILITIES						
Current liabilities	66,849	224,966	5,400	7	72,249	224,973
Noncurrent liabilities	73,037	20,681	-	-	73,037	20,681
TOTAL LIABILITIES	139,886	245,647	5,400	7	145,286	245,654
NET POSITION						
Invested in capital assets, net of related debt	-	-	-	-	-	-
Restricted for educational purposes	212,277	190,498	-	-	212,277	190,498
Unrestricted	1,803,237	1,697,393	1,717,608	1,700,288	3,520,845	3,397,681
TOTAL NET POSITION	\$2,015,514	\$1,887,891	\$1,717,608	\$1,700,288	\$3,733,122	\$3,588,179

The Regional Office's net position increased by \$144,943 (4%) from FY2012 to FY2013. The increase is primarily due to the decrease in current liabilities which occurred in the governmental activities. In addition, while the Business-Type Activities' assets increased so did the liabilities over FY2012. Also, part of the Regional Office's net position is considered restricted for educational purposes.

The following analysis shows the changes in net position for the years ended June 30, 2013 and 2012.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

**CHANGES IN NET POSITION
For the Years Ended June 30, 2013 and 2012**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program revenues:						
Charges for services	\$ 55,810	\$ 82,005	\$ 363,924	\$ 323,344	\$ 419,734	\$ 405,349
Operating grants and contributions	1,838,739	2,081,009	-	-	1,838,739	2,081,009
General revenues:						
State and local sources	1,553,638	1,629,747	-	-	1,553,638	1,629,747
Interest income	5,050	5,857	4,135	4,792	9,185	10,649
On-behalf payments	495,927	403,365	-	-	495,927	403,365
Total revenues	<u>3,949,164</u>	<u>4,201,983</u>	<u>368,059</u>	<u>328,136</u>	<u>4,317,223</u>	<u>4,530,119</u>
Expenses:						
Salaries	1,759,983	1,826,954	148,493	80,480	1,908,476	1,907,434
Employee benefits	415,766	374,731	21,337	9,545	437,103	384,276
Purchased services	426,581	387,426	155,807	123,886	582,388	511,312
Supplies and materials	70,914	113,530	23,926	36,294	94,840	149,824
Capital outlay	4,669	7,666	-	-	4,669	7,666
Payments to other governmental units	605,143	706,711	-	-	605,143	706,711
Other	7,099	7,440	1,022	1,210	8,121	8,650
On-behalf payments	495,927	403,365	-	-	495,927	403,365
Total expenses	<u>3,786,082</u>	<u>3,827,823</u>	<u>350,585</u>	<u>251,415</u>	<u>4,136,667</u>	<u>4,079,238</u>
Income (loss) before operating transfers	163,082	374,160	17,474	76,721	180,556	450,881
Operating transfers	154	1,874	(154)	(1,874)	-	-
Change in net position	163,236	376,034	17,320	74,847	180,556	450,881
Net position, beginning (restated, see Note 16)	<u>1,852,278</u>	<u>1,511,857</u>	<u>1,700,288</u>	<u>1,625,441</u>	<u>3,552,566</u>	<u>3,137,298</u>
Net position, ending	<u>2,015,514</u>	<u>\$ 1,887,891</u>	<u>\$ 1,717,608</u>	<u>\$ 1,700,288</u>	<u>\$ 3,733,122</u>	<u>\$ 3,588,179</u>

Governmental Activities

Revenues from governmental fund activities were \$3,949,164 in FY2013 and expenses were \$3,786,082. Governmental revenues decreased by \$252,819 (6%) and expenses decreased by \$41,741 (1%) The decrease in revenues is the result of a decrease in General State Aid, grant funds, and contracts with the State of Illinois. The decrease in expenditures was a reaction to offset the effects of these decreases in revenue.

Business-Type Activities

Revenues from business-type activities were \$368,059 and expenditures were \$350,585 in FY2013. The increase in revenues of \$39,923 (12%) is attributed to the increase in local revenue received from school districts for services and trainings conducted in FY2013. The increase in expenditures of \$99,170 (39%) was largely a result of declining grant funds, causing more salaries and benefits to be taken from locally generated funds.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

Financial Analysis of the Regional Office of Education #32 Funds

As previously noted, the Regional Office uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Regional Office's governmental funds reported combined fund balances of \$2,048,569 at June 30, 2013.

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 lower interest rates.
- There was a decrease in program revenues as several of the operating grants were greatly reduced and others ended during FY2013.

Proprietary Fund Highlights

Proprietary Funds were managed in a way that kept expenses less than revenue and increased net position by \$17,320.

Fiduciary Fund Highlights

There was a decrease of \$123,661 (51%) in total fiduciary fund assets for FY2013. Transactions represent mainly transfers in and out of the Distributive Fund for disbursements to school district treasurers and other entities.

Budgetary Highlights

The Regional Office 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 two County Boards 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 Regional Office 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. The budgets may be amended during the year utilizing procedures prescribed by the granting agency.

Capital Assets

The Regional Office's capital assets include office equipment, computers, audio-visual equipment, and office furniture. The Regional Office maintains an inventory of capital assets which have been accumulated over time. There were no additions and no retirements in FY2013. There was no depreciation expense in FY2013. As of June 30, 2013, the Regional Office's capital assets remain in use and are fully depreciated.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

Economic Factors and Next Year's Budget

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

- State funding of the Regional Offices of Education School Services program is expected to remain level with FY13 and FY12.
- General State Aid has been reduced for both Students All Learning Together and Regional Alternative Attendance Center programs for FY14 (5%).
- Regional Safe School Program (RSSP) grant has been reduced another 3% in FY14 on top of the 27% reduction in FY13.
- Truants Alternative/Optional Education Program (TAOEP) grant has been reduced by an additional 3% in FY14 over the 14% in FY13.
- Core services for the Statewide System of Support (SSoS) have been put under the direction of the Illinois Center for School Improvement with coaching services and foundational services provided by the Regional Office. The current grant anticipates an overall reduction in revenue of \$200,000 in FY14 with significant changes in services.
- The DHS Substance Abuse Prevention Program (SAPP) and Teen Reach Program are expected to reach level funding for FY14. SAPP employee job descriptions were evaluated and reclassified as IMRF eligible positions for FY14.
- Title II Teacher Quality Grant was made available at the conclusion of FY13 and will continue in FY14.
- The request for County Support has increased by 2.7% for FY14.
- The Regional Office was awarded a Rural Education Achievement Program (REAP) grant for FY14.

Contacting the Regional Office's Financial Management

This financial report is designed to provide the Regional Office's citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent 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 POSITION
June 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 2,026,077	\$ 1,393,585	\$ 3,419,662
Due (to) from other funds	(308,744)	308,744	-
Due from other governments	438,067	20,679	458,746
Total Current Assets	<u>2,155,400</u>	<u>1,723,008</u>	<u>3,878,408</u>
NONCURRENT ASSETS			
Capital assets, being depreciated, net	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>2,155,400</u>	<u>1,723,008</u>	<u>3,878,408</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	-	5,400	5,400
Accrued employee benefits	-	-	-
Due to other governments	63,415	-	63,415
Unearned revenue	3,434	-	3,434
Total Current Liabilities	<u>66,849</u>	<u>5,400</u>	<u>72,249</u>
NONCURRENT LIABILITIES			
Other post-employment benefit obligation	22,222	-	22,222
IMRF net pension obligation	50,815	-	50,815
Total Noncurrent Liabilities	<u>73,037</u>	<u>-</u>	<u>73,037</u>
TOTAL LIABILITIES	<u>139,886</u>	<u>5,400</u>	<u>145,286</u>
NET POSITION			
Invested in capital assets, net of related debt	-	-	-
Unrestricted	1,803,237	1,717,608	3,520,845
Restricted for educational purposes	212,277	-	212,277
TOTAL NET POSITION	<u>\$ 2,015,514</u>	<u>\$ 1,717,608</u>	<u>\$ 3,733,122</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, 2013**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants	Governmental Activities	Business-Type Activities	
PRIMARY GOVERNMENT						
Governmental Activities:						
Instructional Services:						
Salaries	\$ 1,759,983	\$ 8,292	\$ 825,858	\$ (925,833)	\$ -	\$ (925,833)
Employee benefits	415,766	4,828	199,133	(211,805)	-	(211,805)
Purchased services	426,581	9,691	166,857	(250,033)	-	(250,033)
Supplies and materials	70,914	4,506	40,294	(26,114)	-	(26,114)
Capital outlay	4,669	-	1,454	(3,215)	-	(3,215)
Other	7,099	3,380	-	(3,719)	-	(3,719)
Payments to other governmental units	605,143	25,113	605,143	25,113	-	25,113
Administrative:						
On-behalf payments - State	495,927	-	-	(495,927)	-	(495,927)
Total Governmental Activities	<u>3,786,082</u>	<u>55,810</u>	<u>1,838,739</u>	<u>(1,891,533)</u>	<u>-</u>	<u>(1,891,533)</u>
Business-type Activities:						
Professional development	350,585	363,924	-	-	13,339	13,339
Total Business-type Activities	<u>350,585</u>	<u>363,924</u>	<u>-</u>	<u>-</u>	<u>13,339</u>	<u>13,339</u>
Total Primary Government	<u>\$ 4,136,667</u>	<u>\$ 419,734</u>	<u>\$ 1,838,739</u>	<u>(1,891,533)</u>	<u>13,339</u>	<u>(1,878,194)</u>
General Revenues and Transfers:						
Local sources				528,943	-	528,943
State sources				1,024,695	-	1,024,695
On-behalf payments - State				495,927	-	495,927
Interest				5,050	4,135	9,185
Transfers				154	(154)	-
Total General Revenues and Transfers				<u>2,054,769</u>	<u>3,981</u>	<u>2,058,750</u>
Change in net position				163,236	17,320	180,556
Net Position - beginning (restated, see Note 16)				<u>1,852,278</u>	<u>1,700,288</u>	<u>3,552,566</u>
Net Position - ending				<u>\$ 2,015,514</u>	<u>\$ 1,717,608</u>	<u>\$ 3,733,122</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, 2013**

	General Fund	Education Fund	Other Non-Major Funds	Eliminations	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,810,367	\$ 32,761	\$ 182,949	\$ -	\$ 2,026,077
Due from other governments	147,926	290,141	-	-	438,067
TOTAL ASSETS	<u>\$ 1,958,293</u>	<u>\$ 322,902</u>	<u>\$ 182,949</u>	<u>\$ -</u>	<u>\$ 2,464,144</u>
LIABILITIES					
Due to other funds	\$ 82,004	\$ 226,740	\$ -	\$ -	\$ 308,744
Due to other governments	15	63,400	-	-	63,415
Unearned revenue	36,982	6,434	-	-	43,416
Total liabilities	<u>119,001</u>	<u>296,574</u>	<u>-</u>	<u>-</u>	<u>415,575</u>
FUND BALANCES (DEFICITS)					
Restricted	-	29,328	182,949	-	212,277
Unassigned	1,839,292	(3,000)	-	-	1,836,292
Total Fund Balances (Deficits)	<u>1,839,292</u>	<u>26,328</u>	<u>182,949</u>	<u>-</u>	<u>2,048,569</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,958,293</u>	<u>\$ 322,902</u>	<u>\$ 182,949</u>	<u>\$ -</u>	<u>\$ 2,464,144</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 POSITION
 GOVERNMENTAL FUNDS
 June 30, 2013**

Total fund balances - governmental funds	\$ 2,048,569
<p>Amounts reported for governmental activities in the Statement of Net Position 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>	39,982
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>	
Other post-employment benefit obligation	(22,222)
IMRF net pension obligation	(50,815)
	(73,037)
Net position of governmental activities	\$ 2,015,514

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, 2013**

	General Fund	Education Fund	Nonmajor Special-Revenue Funds	Eliminations	Total Governmental Funds
REVENUES					
Local sources	\$ 491,840	\$ 121	\$ 54,524	\$ -	\$ 546,485
State sources	1,024,695	356,995	1,286	-	1,382,976
State sources - on-behalf payments	495,927	-	-	-	495,927
Federal sources	-	1,480,707	-	-	1,480,707
Total revenues	<u>2,012,462</u>	<u>1,837,823</u>	<u>55,810</u>	<u>-</u>	<u>3,906,095</u>
EXPENDITURES					
Instructional services:					
Salaries	928,826	818,097	13,060	-	1,759,983
Employee benefits	195,698	195,720	7,605	-	399,023
Purchased services	246,029	165,289	15,263	-	426,581
Supplies and materials	23,902	39,915	7,097	-	70,914
Other	1,775	-	5,324	-	7,099
Payments to other governmental units	-	605,143	-	-	605,143
On-behalf payments	495,927	-	-	-	495,927
Capital outlay	3,215	1,454	-	-	4,669
Total expenditures	<u>1,895,372</u>	<u>1,825,618</u>	<u>48,349</u>	<u>-</u>	<u>3,769,339</u>
Excess/(Deficiency) of revenues over expenditures	<u>117,090</u>	<u>12,205</u>	<u>7,461</u>	<u>-</u>	<u>136,756</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	2,097	154	-	(2,097)	154
Transfers out	(2,097)	-	-	2,097	-
Interest	4,128	533	389	-	5,050
Total other financing sources (uses)	<u>4,128</u>	<u>687</u>	<u>389</u>	<u>-</u>	<u>5,204</u>
Net change in fund balances	121,218	12,892	7,850	-	141,960
FUND BALANCES (DEFICITS) - BEGINNING	<u>1,718,074</u>	<u>13,436</u>	<u>175,099</u>	<u>-</u>	<u>1,906,609</u>
FUND BALANCES - ENDING	<u>\$ 1,839,292</u>	<u>\$ 26,328</u>	<u>\$ 182,949</u>	<u>\$ -</u>	<u>\$ 2,048,569</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, 2013**

Net change in fund balances \$ 141,960

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

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.

Current year deferred revenue - local sources	36,982	
Current year deferred revenue - Federal sources	3,000	
Prior year deferred revenue - Federal sources	<u>(1,963)</u>	38,019

Certain expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Other post-employment benefit expense	(1,541)	
IMRF net pension expense	<u>(15,202)</u>	

Change in net position of governmental activities \$ 163,236

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 POSITION
PROPRIETARY FUNDS
June 30, 2013**

	Business-Type Activities - Enterprise Funds				Total
	Safe Schools Local	Truant Local	Nonmajor Enterprise Funds	Eliminations	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 841,305	\$ 257,436	\$ 294,844	\$ -	\$ 1,393,585
Due from other funds	200,783	55,556	52,405	-	308,744
Due from other governments	2,566	-	18,113	-	20,679
Total current assets	<u>1,044,654</u>	<u>312,992</u>	<u>365,362</u>	<u>-</u>	<u>1,723,008</u>
LIABILITIES					
Current liabilities:					
Accounts payable	-	-	5,400	-	5,400
Total current liabilities	<u>-</u>	<u>-</u>	<u>5,400</u>	<u>-</u>	<u>5,400</u>
NET POSITION					
Unrestricted	<u>1,044,654</u>	<u>312,992</u>	<u>359,962</u>	<u>-</u>	<u>1,717,608</u>
Total net position	<u><u>\$ 1,044,654</u></u>	<u><u>\$ 312,992</u></u>	<u><u>\$ 359,962</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,717,608</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 POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2013**

	Business-Type Activities - Enterprise Funds				Total
	Safe Schools Local	Truant Local	Nonmajor Enterprise Funds	Eliminations	
OPERATING REVENUES					
Charges for services	\$ 143,300	\$ 69,485	\$ 151,139	\$ -	\$ 363,924
Total operating revenues	<u>143,300</u>	<u>69,485</u>	<u>151,139</u>	<u>-</u>	<u>363,924</u>
OPERATING EXPENSES					
Salaries	45,414	15,191	87,888	-	148,493
Employee benefits	7,041	4,850	9,446	-	21,337
Purchased services	48,239	2,766	104,802	-	155,807
Supplies and materials	59	9,393	14,474	-	23,926
Other	-	-	1,022	-	1,022
Total operating expenses	<u>100,753</u>	<u>32,200</u>	<u>217,632</u>	<u>-</u>	<u>350,585</u>
Operating Income (Loss)	<u>42,547</u>	<u>37,285</u>	<u>(66,493)</u>	<u>-</u>	<u>13,339</u>
NONOPERATING REVENUES (EXPENSES)					
Transfers in	-	-	4,943	(4,943)	-
Transfers out	(230)	(264)	(4,603)	4,943	(154)
Interest	2,541	686	908	-	4,135
Total nonoperating revenues (expenses)	<u>2,311</u>	<u>422</u>	<u>1,248</u>	<u>-</u>	<u>3,981</u>
Change in net position	44,858	37,707	(65,245)	-	17,320
TOTAL NET POSITION - BEGINNING	<u>999,796</u>	<u>275,285</u>	<u>425,207</u>	<u>-</u>	<u>1,700,288</u>
TOTAL NET POSITION - ENDING	<u>\$ 1,044,654</u>	<u>\$ 312,992</u>	<u>\$ 359,962</u>	<u>\$ -</u>	<u>\$ 1,717,608</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, 2013**

	Business-Type Activities - Enterprise Funds			Total
	Safe Schools Local	Truant Local	Nonmajor Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 145,579	\$ 69,485	\$ 133,026	\$ 348,090
Payments to suppliers and providers of goods and services	(48,298)	(12,159)	(114,905)	(175,362)
Payments to employees	(52,455)	(20,041)	(97,334)	(169,830)
Net cash provided by (used for) operating activities	<u>44,826</u>	<u>37,285</u>	<u>(79,213)</u>	<u>2,898</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash transfers from other funds	-	-	4,943	4,943
Cash transfers to other funds	(230)	(264)	(4,603)	(5,097)
Interfund loans (made) repaid, net	(167,019)	31,465	108,256	(27,298)
Net cash provided by (used for) noncapital financing activities	<u>(167,249)</u>	<u>31,201</u>	<u>108,596</u>	<u>(27,452)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	2,541	686	908	4,135
Net cash provided by (used for) investing activities	<u>2,541</u>	<u>686</u>	<u>908</u>	<u>4,135</u>
Net increase (decrease) in cash	(119,882)	69,172	30,291	(20,419)
CASH AND CASH EQUIVALENTS - BEGINNING	<u>961,187</u>	<u>188,264</u>	<u>264,553</u>	<u>1,414,004</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 841,305</u>	<u>\$ 257,436</u>	<u>\$ 294,844</u>	<u>\$ 1,393,585</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income (loss)	\$ 42,547	\$ 37,285	\$ (66,493)	\$ 13,339
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	2,279	-	(18,113)	(15,834)
Increase (decrease) in accounts payable	-	-	5,393	5,393
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 44,826</u>	<u>\$ 37,285</u>	<u>\$ (79,213)</u>	<u>\$ 2,898</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 POSITION
 FIDUCIARY FUND
 June 30, 2013**

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 20,768
Due from other governments	<u>100,281</u>
TOTAL ASSETS	<u><u>\$ 121,049</u></u>
LIABILITIES	
Due to other governments	<u>\$ 121,049</u>
TOTAL LIABILITIES	<u><u>\$ 121,049</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
June 30, 2013**

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 2013, the Regional Office of Education #32 implemented Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*; and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The Regional Office of Education #32 implemented these standards during the current year; however, GASB Statement No. 60 and GASB Statement No. 61 had no impact on the financial statements. The implementation of GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

A. Date of Management's Review

Management has evaluated subsequent events through March 17, 2014, the date when the financial statements were available to be issued.

B. Financial Reporting Entity

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

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Financial Reporting Entity (Concluded)

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

For the period ended June 30, 2013, 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 region, 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.

D. Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the 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 also has business-type activities that rely on fees and charges for support.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Government-Wide and Fund Financial Statements (Concluded)

The Regional Office of Education #32's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present a summary of governmental and business-type activities for the 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 Position. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges for services, and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds 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 Position 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 Position. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities. In the Statement of Activities those transactions between governmental and business-type activities have not been eliminated.

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

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Proprietary Fund Financial Statements (Concluded)

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 nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements.

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.

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. The reported fund balance (net current position) 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 position. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Measurement Focus and Basis of Accounting (Concluded)

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 funding 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

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

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Continued)

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 and is used to account for all financial resources 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 General State Aid grant monies received from the Illinois State Board of Education and the related payment of expenditures for the regional learning academy supplements.

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

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

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 Illinois 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.

Arrest Grant – This fund accounts for federal grant monies passed through the Illinois Violence Prevention Authority (IVPA) under the Grants to Encourage Arrest Policies and Enforcement program. The purpose of this grant is to encourage the treatment of sexual assault, domestic violence, dating violence and stalking as serious violations of criminal law requiring the coordinated involvement of the entire criminal justice system. It challenges the entire community to listen, communicate, identify problems, and share ideas that will result in new responses to ensure victim safety and offender accountability.

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Continued)

HUD Supportive Housing Program – This fund accounts for grant monies 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.

IVPA Family Violence Coordinating Council – This fund accounts for funds received from the 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 and passed through the Illinois State Board of Education.

National School Breakfast – This fund accounts for federal grant monies passed through the Illinois State Board of Education under the School Breakfast Program to provide breakfast to students enrolled in the Regional Office of Education #32's Regional Alternative Attendance Center (RAAC), which services the Regional Safe Schools Program, and Alternative Education Program, which services the Truant's Alternative/ Optional Education program.

National School Lunch – This fund accounts for federal grant monies passed through the Illinois State Board of Education under the National School Lunch Program to provide lunch to students enrolled in the Regional Office of Education #32's RAAC and Alternative Education Program.

Personal Responsibility Education Program (PREP) – This grant is passed through the Illinois Department of Human Services under the Teen Pregnancy Prevention program. The purpose of the PREP program is to educate adolescents on both abstinence and contraception to prevent pregnancy and sexually transmitted infections, including HIV/AIDS, among 11-20 year olds.

Regional Safe Schools - This program works with students in grades 6-12 who have been suspended multiple times or expelled from school, allowing them to continue their education. It 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 the funding of the Regional Office of Education #32 pursuant to the Illinois Administrative Code which mandates the Regional Office to provide professional development activities in the fundamental learning areas, gifted education, administrators' academy, school improvement, technology and other activities based upon the needs of local school districts and State and federal mandates.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Continued)

State Free Lunch and Breakfast – This fund accounts for monies used to provide breakfast and lunch to students who qualify for free lunch and breakfast and are enrolled in the Regional Office of Education #32's RAAC and Alternative Education Program.

Teen Reach - This fund accounts for grant monies received and expenditures incurred for the Teen Reach (Responsibility, Education, Achievement, Caring and Hope) program implemented by 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 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.

Title II Teacher Quality – This program accounts for the proceeds of a grant passed through the Illinois State Board of Education to improve teacher effectiveness in the classroom.

Title II Teacher Quality – Leadership Grant – This program accounts for the proceeds of a grant passed through the Illinois State Board of Education to provide training and professional development for the improvement of teacher preparation programs.

Title II Teacher Quality – Leadership Grant – Evaluation Training – This program accounts for the proceeds of a grant passed through the Illinois State Board of Education to establish teacher and principal evaluation systems to ensure teachers and leaders receive targeted support and opportunities to improve and to improve student learning.

Truants' Alternative Program – This fund provides alternative educational program services to truant students referred from local schools to the Regional Office of Education #32. It offers prevention and intervention services, which include case management, home visits, school visits, student advocacy, wraparound, referrals to community agencies, and technical assistance to individual school districts and the community.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Concluded)

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. 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.

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:

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 program.

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 Administrator's Academy Program.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Proprietary Funds (Continued)

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.

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

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

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

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

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

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.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Concluded)

Proprietary Funds (Concluded)

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.

Teen Reach Local Program - This fund accounts for local revenues received and related disbursements for 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 the 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.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 position that is 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.

Restricted Fund Balance – The portion of a governmental fund’s net position that is subject to external enforceable legal restrictions. The following accounts’ fund balances are restricted by Illinois Statute: Bus Driver Training, General Education Development, and Institute. The following accounts are restricted by grant agreements or contracts: National School Breakfast, National School Lunch, State Free Lunch and Breakfast, and Project Care Healthy Decision.

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

Assigned Fund Balance – The portion of a governmental fund’s net position 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: Addition Prevention Comprehensive and CPDC Project.

J. Net Position

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

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

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

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Cash and Cash Equivalents

Cash and cash equivalents consists of cash on deposit and investments with a maturity of three months or less.

L. Inventory

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

M. 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

N. 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.

O. Compensated Absences

All employees who work 12 calendar months earn vacation time. 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, 2013.

P. 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.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Q. Budget Information

The Regional Office of Education #32 acts as the administrative agent for certain grant programs that are accounted for within the General and Education Funds. Certain 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 be. 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, Arrest Grant, CPDC Project, IVPA Family Violence Coordinating Council, McKinney Education for Homeless Children, PREP, Regional Safe Schools, ROE/ISC Operations, Teen Reach, Title I School Improvement & Accountability System of Support, Title II Teacher Quality, Title II Teacher Quality Leadership Grant, Title II Teacher Quality Leadership – Evaluation Training, and Truants’ Alternative Program.

R. Long-Term Obligations

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

NOTE 2: CASH AND CASH EQUIVALENTS

The Regional Office of Education #32 does not have a formal investment policy; however, *Illinois Compiled Statutes* 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7 authorize the Regional Office of Education #32 to make deposits and invest in U.S. Government, State of Illinois, and municipal securities, certificates of deposits or time savings deposits insured by the FDIC, mortgage notes, bonds, or debentures issued by the Federal Housing Administration, bonds and other obligations of the Federal National Mortgage Association, commercial paper rated within the three highest classifications by at least two standard rating services, credit union shares, and the Illinois Public Treasurer’s Investment Pool.

A. Cash Deposits

At June 30, 2013, the carrying amount of the Regional Office of Education #32’s government-wide and fiduciary fund deposits were \$3,419,662 and \$20,768, respectively, and the bank balances were \$3,557,374 and \$20,768, respectively. At June 30, 2013, \$250,000 of the Regional Office of Education #32’s cash deposits were insured by the Federal Deposit Insurance Corporation. Another \$3,302,060 was collateralized by securities pledged by the Regional Office of Education #32’s financial institution in the name of the Regional Office and \$26,082 was invested in the Illinois Funds Money Market Fund.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

NOTE 2: CASH AND CASH EQUIVALENTS (CONCLUDED)

A. Cash Deposits (Concluded)

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. To guard against custodial credit risk for deposits with financial institutions, the Regional Office of Education #32 requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of the Regional Office of Education #32.

B. Investments

The Regional Office of Education #32's investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2013, the Regional Office of Education #32 had investments with carrying and fair values of \$26,082 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, 2013, the Illinois Funds Money Market Fund had a Standard and Poor's AAA 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 Funds states that, unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years maturity.

Concentration of Credit Risk

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

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.

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 2012 used by the Regional Office of Education #32 was 10.27% of annual covered payroll. The employer annual required contribution rate for calendar year 2012 was 12.25%. 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, 2012, the Regional Office of Education #32's actual contributions for pension cost for the Regular plan were \$90,853. Its required contribution for calendar year 2012 was \$108,369.

THREE YEAR TREND INFORMATION

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/12	\$ 108,369	84%	\$ 15,202
12/31/11	81,949	84%	14,515
12/31/10	77,199	79%	12,583

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included a) 7.5% 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, 2010 is being amortized as a level percentage of projected payroll on an open 10 year basis.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

NOTE 3: DEFINED BENEFIT PENSION PLAN (CONCLUDED)

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 85.04% funded. The actuarial accrued liability for benefits was \$2,146,731 and the actuarial value of assets was \$1,825,646, resulting in an underfunded actuarial accrued liability (UAAL) of \$321,085. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$884,646 and the ratio of the UAAL to the covered payroll was 36%.

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

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

The 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 of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2013, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after 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 percent for the years ended June 30, 2012 and 2011.

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, 2013, the State of Illinois contributions were based on 28.05% of creditable earnings not paid from federal funds, and the Regional Office of Education #32 recognized revenue and expenditures of \$211,279 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2012 and June 30, 2011, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 24.91% (\$183,289) and 23.10% (\$339,829), respectively.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

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

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, 2013 were \$4,971. Contributions for the years ending June 30, 2012, and June 30, 2011, were \$4,825 and \$7,422, 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 for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the State contribution rate to TRS.

For the year ended June 30, 2013, the employer pension contribution was 28.05% of salaries paid from federal and special trust funds. For the years ended June 30, 2012 and 2011, the employer contribution was 24.91% and 23.10% of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2013, salaries totaling \$308,303 were paid from federal and special trust funds that required employer contributions of \$86,479. For the years ended June 30, 2012 and June 30, 2011, required Regional Office of Education #32 contributions were \$70,450 and \$43,818, 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, 2013, the Regional Office of Education #32 paid no employer contributions to TRS under the ERO programs. For the years ended June 30, 2012 and June 30, 2011, the Regional Office of Education #32 paid \$11,729 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, 2013, the Regional Office of Education #32 paid \$23 to TRS for employer contributions due on salary increases in excess of 6%. For the years ended June 30, 2012 and June 30, 2011, the Regional Office of Education #32 paid \$0 to TRS for employer contributions due on salary increases in excess of 6%.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

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

- 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 rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.63% of salary during the year ended June 30, 2013).

For the year ended June 30, 2013, the Regional Office of Education #32 paid no employer contributions to TRS for sick leave days granted in excess of the normal annual allotment. For the years ended June 30, 2012, and June 30, 2011, the Regional Office of Education #32 paid \$10,307 and \$0 in employer contributions granted for sick leave days, respectively.

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, 2012. The report for the year ended June 30, 2013, is expected to be available in late 2013. The reports may be obtained by writing to the Teacher's Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at <http://trs.illinois.gov>.

NOTE 5: 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 retired 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. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to THIS Fund.

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

NOTE 5: OTHER POST-EMPLOYMENT COMMITMENTS (CONCLUDED)

A. Teacher Health Insurance Security Fund (Concluded)

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 THIS Fund from active members which were 0.92% of pay during the year ended June 30, 2013. State of Illinois contributions were \$7,884 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, 2012 and June 30, 2011 were 0.88% of pay, both years. State contributions on behalf of the Regional Office of Education #32's employees were \$7,321 and \$11,261, respectively.

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 0.69% during the year ended June 30, 2013 and 0.66% during the years ended June 30, 2012 and June 30, 2011. For the year ended June 30, 2013, the Regional Office of Education #32 paid \$5,913 to the THIS Fund. For the years ended June 30, 2012 and 2011, the Regional Office of Education #32 paid \$5,490 and \$8,446, respectively, which was 100% of the required contribution.

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

B. Other Post-Employment Benefits (OPEB)

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, 2011 actuarial valuation and is for the 12 month period from December 1, 2011 through November 30, 2012. This method requires the calculation of an unfunded actuarial accrued liability, which was approximately \$4,546,525 for Kankakee County as of November 30, 2011. The Regional Office of Education #32's portion of the unfunded actuarial accrued liability was determined to be \$22,222.

Details of the OPEB Plan are available in Kankakee County's audit report for the year ended November 30, 2012. 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
June 30, 2013**

NOTE 6: INTERFUND RECEIVABLES AND PAYABLES

Interfund due to / from other fund balances at June 30, 2013 consist of the following individual due to / from other funds in the governmental fund Balance Sheet and the proprietary fund Statement of Net Position. The interfund loan balances between governmental funds were eliminated in the government-wide Statement of Net Position; 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	\$ -	\$ 82,004
Education Fund		
Addiction Prevention Comprehensive	-	19,200
Arrest Grant	-	2,521
CPDC Project	-	3,245
McKinney Education for Homeless Children	-	38,358
Regional Safe Schools	-	13,735
ROE/ISC Operations	-	2,795
Teen Reach	-	18,659
Title I School Improvement & Accountability System of Support	-	101,892
Title II Teacher Quality Leadership – Evaluation Training	-	9,135
Truants’ Alternative Program	-	17,200
Proprietary Funds		
Internet Connectivity	147	-
Life Education Local	19,200	-
Local Induction Mentoring Training Fees	9,135	-
Safe Schools Local	200,783	-
Truant Local	55,556	-
ROE Workshops	2,742	-
Supplemental Educational Services	21,181	-
	<u>\$ 308,744</u>	<u>\$ 308,744</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

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	\$	147,926
Special Revenue Fund – Education Fund		
Administrative Office of the Illinois Courts		3,245
Illinois Department of Health and Human Services		37,860
Illinois State Board of Education		246,515
Illinois Violence Prevention Authority		2,521
Proprietary Fund – Safe Schools Local		
Local Governments		2,566
Proprietary Fund – Nonmajor Enterprise Funds		
Local Governments		18,113
Fiduciary Fund		
Illinois State Board of Education		100,281
Total	\$	<u>559,027</u>

Due to Other Governmental Units:

General Fund		
Local Governments	\$	15
Special Revenue Fund – Education Fund		
Local Governments		63,400
Fiduciary Fund		
Local Governments		121,049
Total	\$	<u>184,464</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

NOTE 8: CAPITAL ASSETS

Governmental Activities

Capital asset activity for fiscal year 2013 was as follows:

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
Governmental Funds				
Total Capital Assets	\$ 27,031	\$ -	\$ -	\$ 27,031
Less: Accumulated Depreciation	<u>(27,031)</u>	<u>-</u>	<u>-</u>	<u>(27,031)</u>
Governmental Funds				
Investment in Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Business-Type Activities

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
Business-type Activities				
Total Capital Assets	\$ 10,816	\$ -	\$ -	\$ 10,816
Less: Accumulated Depreciation	<u>(10,816)</u>	<u>-</u>	<u>-</u>	<u>(10,816)</u>
Business-type Activities				
Investment in Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. No depreciation expense was charged to either governmental activities or business-type activities on the government-wide Statement of Activities for the year ended June 30, 2013 as all capital assets were fully depreciated as of that date. 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.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

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. The Regional Office of Education #32 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

NOTE 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	\$	107,640
Regional Superintendent Fringe Benefits (Includes State paid insurance)		34,011
Assistant Regional Superintendent Salary		96,888
Assistant Regional Superintendent Fringe Benefits (Includes State paid insurance)		38,225
TRS Pension Contributions		211,279
THIS Fund Contributions		<u>7,884</u>
Total	\$	<u>495,927</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 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 position and funds which over expend appropriations during the year are required to be disclosed.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013**

NOTE 13: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONCLUDED)

The following fund/fund account had deficit fund balances at June 30, 2013:

Education Fund		
Addiction Prevention Comprehensive	\$	1,001
CPDC Project		1,999

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

NOTE 14: TRANSFERS

Interfund transfers in / out to other funds at June 30, 2013 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	\$ 2,097	\$ 2,097
Education Fund		
HUD Supportive Housing Program	1	-
IVPA Family Violence Coordinating Council	65	-
McKinney Education for Homeless Children	43	-
ROE/ISC Operations	1	-
Teen Reach	28	-
Title I School Improvement & Accountability System of Support	16	-
Proprietary Funds		
Family Violence Coordinating Councils	-	65
Fluoride Fund	-	2,389
Internet Connectivity	2,062	-
Life Education Local	2,389	-
ROE Workshops	-	2,062
Safe Schools Local	-	230
School Lunch Student Payments	492	-
Supplemental Educational Services	-	71
Title I Workshops	-	16
Truant Local	-	264
	<u>\$ 7,194</u>	<u>\$ 7,194</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
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June 30, 2013**

NOTE 15: OPERATING LEASES

Lease 1: On July 1, 2010 the Regional Office of Education #32 entered into a three year lease agreement 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. This lease was renewed on July 1, 2013 for an additional three years, to terminate on June 30, 2016, payable in annual installments of \$10,000. Lease expense for the office building for fiscal year 2013 was \$25,000.

Lease 2: On March 1, 2012, the Regional Office of Education #32 entered into a new lease agreement for rental of a copier for 5 years beginning with March 1, 2012 and terminating on February 28, 2017. The lease is payable in monthly installments of \$446. Lease expense for the copier for fiscal year 2013 was \$5,351.

Lease 3: On March 1, 2012, the Regional Office of Education #32 entered into a new lease for rental of 2 copiers for 5 years beginning with March 1, 2012 and terminating on February 28, 2017. The lease is payable in monthly installments of \$1,141. Lease expense for the copier for fiscal year 2013 was \$13,690.

Lease 4: On March 1, 2012, the Regional Office of Education #32 extended this lease for rental of a copier for 3 years beginning with March 1, 2012 and terminating on February 28, 2015. The lease is payable in monthly installments of \$27. Lease expense for the copier for fiscal year 2013 was \$322.

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

2014	\$	29,368
2015		29,260
2016		29,044
2017		12,694
	<u>\$</u>	<u>100,366</u>

NOTE 16: RESTATEMENT OF BEGINNING NET POSITION

The beginning net position on the Statement of Activities was reduced by \$35,613 as a result of the Regional Office of Education #32 recording the IMRF net pension obligation of \$50,815 at June 30, 2013, of which \$15,202 is related to the current period pension expense and \$35,613 is related to pension expenses for the years ended June 30, 2012 (\$14,515), 2011 (\$12,583), and 2010 (\$8,515).

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
June 30, 2013**

**ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)
SCHEDULE OF FUNDING PROGRESS**

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)
12/31/12	\$1,825,646	\$2,146,731	\$321,085	85.04%	\$884,646	36.30%
12/31/11	1,601,400	1,923,380	321,980	83.26%	739,610	43.53%
12/31/10	1,549,887	1,763,990	214,103	87.86%	722,838	29.62%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$1,876,907. On a market basis, the funded ratio would be 87.43%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Regional Office of Education #32. They do not include amounts for retirees. The actual accrued liability for retirees is 100% funded.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
June 30, 2013**

**POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS
SCHEDULE OF FUNDING PROGRESS**

UNAUDITED

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)
<u>11/30/2011</u>	<u>\$ 0</u>	<u>\$ 22,222</u>	<u>\$ 22,222</u>	<u>0%</u>

The actuarial valuation of the Plan was performed as of November 30, 2011. This valuation was completed based upon the use of the entry age actuarial cost method with a 30-year amortization of the unfunded actuarial accrued liability. The results were also based on a discount rate of 5.0% and a health care cost trend rate beginning at 8.0% and scaling down to an ultimate rate of 6.0%. Active utilization rate of 20% is assumed for all active employees.

OTHER SUPPLEMENTAL INFORMATION

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2013**

	<u>General Operations</u>	<u>General State Aid</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 94,603	\$ 1,715,764	\$ 1,810,367
Due from other funds	-	-	-
Due from other governments	147,926	-	147,926
Total Assets	<u>\$ 242,529</u>	<u>\$ 1,715,764</u>	<u>\$ 1,958,293</u>
Liabilities			
Due to other funds	\$ 82,004	\$ -	\$ 82,004
Due to other governments	-	15	15
Unearned revenue	36,982	-	36,982
Total Liabilities	<u>118,986</u>	<u>15</u>	<u>119,001</u>
Fund Balances			
Unassigned	123,543	1,715,749	1,839,292
Total Fund Balances	<u>123,543</u>	<u>1,715,749</u>	<u>1,839,292</u>
 Total Liabilities and Fund Balances	 <u>\$ 242,529</u>	 <u>\$ 1,715,764</u>	 <u>\$ 1,958,293</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, 2013**

	General Operations	General State Aid	Total
Revenues:			
Local sources	\$ 491,840	\$ -	\$ 491,840
State sources	-	1,024,695	1,024,695
State sources - on-behalf payments	495,927	-	495,927
Total Revenues	987,767	1,024,695	2,012,462
Expenditures:			
Salaries	333,198	595,628	928,826
Employee benefits	101,214	94,484	195,698
Purchased services	92,779	153,250	246,029
Supplies and materials	6,360	17,542	23,902
Capital outlay	3,215	-	3,215
Other	1,775	-	1,775
On-behalf payments	495,927	-	495,927
Total Expenditures	1,034,468	860,904	1,895,372
Excess (Deficiency) of Revenues Over Expenditures	(46,701)	163,791	117,090
Other Financing Sources (Uses):			
Transfer in	2,097	-	2,097
Transfer out	(2,097)	-	(2,097)
Interest	276	3,852	4,128
Total Other Financing Sources (Uses)	276	3,852	4,128
Net Change in Fund Balances	(46,425)	167,643	121,218
Fund Balances - Beginning	169,968	1,548,106	1,718,074
Fund Balances - Ending	\$ 123,543	\$ 1,715,749	\$ 1,839,292

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2013**

	Addiction Prevention Comprehensive	Arrest Grant	CPDC Project	HUD Supportive Housing Program	IVPA Family Violence Coordinating Council	McKinney Education for Homeless Children
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 3,433	\$ -
Due from other governments	19,201	2,521	3,245	-	-	49,645
Total Assets	\$ 19,201	\$ 2,521	\$ 3,245	\$ -	\$ 3,433	\$ 49,645
Liabilities						
Due to other funds	\$ 19,200	\$ 2,521	\$ 3,245	\$ -	\$ -	\$ 38,358
Due to other governments	-	-	-	-	-	11,287
Unearned revenue	1,002	-	1,999	-	3,433	-
Total Liabilities	20,202	2,521	5,244	-	3,433	49,645
Fund Balances (Deficits)						
Restricted	-	-	-	-	-	-
Unassigned	(1,001)	-	(1,999)	-	-	-
Total Fund Balances (Deficits)	(1,001)	-	(1,999)	-	-	-
Total Liabilities and Fund Balances	\$ 19,201	\$ 2,521	\$ 3,245	\$ -	\$ 3,433	\$ 49,645

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2013**

	National School Breakfast	National School Lunch	PREP	Regional Safe Schools	ROE/ISC Operations	State Free Lunch and Breakfast
Assets						
Cash and cash equivalents	\$ 11,248	\$ 15,390	\$ -	\$ -	\$ -	\$ 2,690
Due from other governments	-	-	-	13,735	2,795	-
Total Assets	\$ 11,248	\$ 15,390	\$ -	\$ 13,735	\$ 2,795	\$ 2,690
Liabilities						
Due to other funds	\$ -	\$ -	\$ -	\$ 13,735	\$ 2,795	\$ -
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total Liabilities	-	-	-	13,735	2,795	-
Fund Balances (Deficits)						
Restricted	11,248	15,390	-	-	-	2,690
Unassigned	-	-	-	-	-	-
Total Fund Balances (Deficits)	11,248	15,390	-	-	-	2,690
Total Liabilities and Fund Balances	\$ 11,248	\$ 15,390	\$ -	\$ 13,735	\$ 2,795	\$ 2,690

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2013**

	Teen Reach	Title I School Improvement & Accountability System of Support	Title II Teacher Quality	Title II Teacher Quality Leadership Grant	Title II Teacher Quality Leadership - Evaluation Training	Truants' Alternative Program	Total
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,761
Due from other governments	18,659	154,005	-	-	9,135	17,200	290,141
Total Assets	\$ 18,659	\$ 154,005	\$ -	\$ -	\$ 9,135	\$ 17,200	\$ 322,902
Liabilities							
Due to other funds	\$ 18,659	\$ 101,892	\$ -	\$ -	\$ 9,135	\$ 17,200	\$ 226,740
Due to other governments	-	52,113	-	-	-	-	63,400
Unearned revenue	-	-	-	-	-	-	6,434
Total Liabilities	18,659	154,005	-	-	9,135	17,200	296,574
Fund Balances (Deficits)							
Restricted	-	-	-	-	-	-	29,328
Unassigned	-	-	-	-	-	-	(3,000)
Total Fund Balances (Deficits)	-	-	-	-	-	-	26,328
Total Liabilities and Fund Balances	\$ 18,659	\$ 154,005	\$ -	\$ -	\$ 9,135	\$ 17,200	\$ 322,902

**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, 2013**

	Addiction Prevention Comprehensive	Arrest Grant	CPDC Project	HUD Supportive Housing Program	IVPA Family Violence Coordinating Council	McKinney Education for Homeless Children
Revenues:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	16,341	-	-	-	17,315	-
Federal sources	192,658	6,528	8,467	55,261	-	174,987
Total Revenues	<u>208,999</u>	<u>6,528</u>	<u>8,467</u>	<u>55,261</u>	<u>17,315</u>	<u>174,987</u>
Expenditures:						
Salaries	157,767	4,366	-	35,341	12,591	45,526
Employee benefits	41,321	798	-	15,625	2,291	8,016
Purchased services	8,511	765	8,503	3,326	2,127	11,552
Supplies and materials	2,401	599	-	970	377	13,866
Capital outlay	-	-	-	-	-	-
Other	-	-	-	-	-	-
Payments to other governments	-	-	-	-	-	96,070
Total Expenditures	<u>210,000</u>	<u>6,528</u>	<u>8,503</u>	<u>55,262</u>	<u>17,386</u>	<u>175,030</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,001)</u>	<u>-</u>	<u>(36)</u>	<u>(1)</u>	<u>(71)</u>	<u>(43)</u>
Other Financing Sources (Uses):						
Transfers in	-	-	-	1	65	43
Transfers out	-	-	-	-	-	-
Interest	-	-	-	-	6	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>71</u>	<u>43</u>
Net Change in Fund Balances	(1,001)	-	(36)	-	-	-
Fund Balance (Deficit) - Beginning	<u>-</u>	<u>-</u>	<u>(1,963)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u>\$ (1,001)</u>	<u>\$ -</u>	<u>\$ (1,999)</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, 2013**

	National School Breakfast	National School Lunch	PREP	Regional Safe Schools	ROE/ISC Operations	State Free Lunch and Breakfast
Revenues:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	88,127	33,762	1,092
Federal sources	15,798	26,994	25,000	-	-	-
Total Revenues	<u>15,798</u>	<u>26,994</u>	<u>25,000</u>	<u>88,127</u>	<u>33,762</u>	<u>1,092</u>
Expenditures:						
Salaries	-	-	9,757	70,394	27,647	-
Employee benefits	-	-	1,380	10,143	5,110	-
Purchased services	-	-	584	7,596	829	-
Supplies and materials	-	-	7,334	-	177	-
Capital outlay	-	-	-	-	-	-
Other	-	-	-	-	-	-
Payments to other governments	10,791	18,046	5,947	-	-	1,175
Total Expenditures	<u>10,791</u>	<u>18,046</u>	<u>25,002</u>	<u>88,133</u>	<u>33,763</u>	<u>1,175</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,007</u>	<u>8,948</u>	<u>(2)</u>	<u>(6)</u>	<u>(1)</u>	<u>(83)</u>
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	1	-
Transfers out	-	-	-	-	-	-
Interest	23	26	2	6	-	8
Total Other Financing Sources (Uses)	<u>23</u>	<u>26</u>	<u>2</u>	<u>6</u>	<u>1</u>	<u>8</u>
Net Change in Fund Balances	5,030	8,974	-	-	-	(75)
Fund Balance (Deficit) - Beginning	<u>6,218</u>	<u>6,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,765</u>
Fund Balance (Deficit) - Ending	<u>\$ 11,248</u>	<u>\$ 15,390</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,690</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, 2013**

	Teen Reach	Title I School Improvement & Accountability System of Support	Title II Teacher Quality	Title II Teacher Quality Leadership Grant	Title II Teacher Quality Leadership - Evaluation Training	Truants' Alternative Program	Total
Revenues:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121	\$ 121
State sources	-	-	-	-	-	200,358	356,995
Federal sources	117,293	777,867	501	70,218	9,135	-	1,480,707
Total Revenues	<u>117,293</u>	<u>777,867</u>	<u>501</u>	<u>70,218</u>	<u>9,135</u>	<u>200,479</u>	<u>1,837,823</u>
Expenditures:							
Salaries	36,856	243,495	-	32,973	-	141,384	818,097
Employee benefits	6,781	72,037	-	2,550	-	29,668	195,720
Purchased services	2,320	55,152	501	33,584	9,135	20,804	165,289
Supplies and materials	530	3,927	-	1,111	-	8,623	39,915
Capital outlay	-	1,454	-	-	-	-	1,454
Other	-	-	-	-	-	-	-
Payments to other governments	70,834	402,280	-	-	-	-	605,143
Total Expenditures	<u>117,321</u>	<u>778,345</u>	<u>501</u>	<u>70,218</u>	<u>9,135</u>	<u>200,479</u>	<u>1,825,618</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(28)</u>	<u>(478)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,205</u>
Other Financing Sources (Uses):							
Transfers in	28	16	-	-	-	-	154
Transfers out	-	-	-	-	-	-	-
Interest	-	462	-	-	-	-	533
Total Other Financing Sources (Uses)	<u>28</u>	<u>478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>687</u>
Net Change in Fund Balances	-	-	-	-	-	-	12,892
Fund Balance (Deficit) - Beginning	-	-	-	-	-	-	13,436
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,328</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2012 to June 30, 2013)
EDUCATION FUND ACCOUNTS
ADDICTION PREVENTION COMPREHENSIVE
For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 17,342	\$ 17,342	\$ 16,341
Federal sources	192,658	192,658	192,658
Total Revenues	<u>210,000</u>	<u>210,000</u>	<u>208,999</u>
Expenditures:			
Salaries	160,851	160,851	157,767
Employee benefits	41,865	41,865	41,321
Purchased services	5,391	5,391	8,511
Supplies and materials	1,893	1,893	2,401
Total Expenditures	<u>210,000</u>	<u>210,000</u>	<u>210,000</u>
Net Change in Fund Balances	-	-	(1,001)
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,001)</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of April 1, 2012 to March 31, 2014)
 EDUCATION FUND ACCOUNTS
 ARREST GRANT
 For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 20,909	\$ 20,909	\$ 6,528
Total Revenues	<u>20,909</u>	<u>20,909</u>	<u>6,528</u>
Expenditures:			
Salaries	10,400	9,555	4,366
Employee benefits	-	845	798
Purchased services	10,509	10,509	765
Supplies and materials	-	-	599
Total Expenditures	<u>20,909</u>	<u>20,909</u>	<u>6,528</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 October 1, 2011 through September 30, 2012)
 EDUCATION FUND ACCOUNTS
 CPDC PROJECT
 For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 9,790	\$ 9,790	\$ 6,955
Total Revenues	<u>9,790</u>	<u>9,790</u>	<u>6,955</u>
Expenditures:			
Purchased services	8,815	8,815	4,992
Supplies and materials	600	600	-
Other	375	375	-
Total Expenditures	<u>9,790</u>	<u>9,790</u>	<u>4,992</u>
Net Change in Fund Balances	-	-	1,963
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>(1,963)</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 October 1, 2012 through September 30, 2013)
 EDUCATION FUND ACCOUNTS
 CPDC PROJECT
 For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 6,615	\$ 6,615	\$ 1,512
Total Revenues	<u>6,615</u>	<u>6,615</u>	<u>1,512</u>
Expenditures:			
Purchased services	6,315	6,315	3,511
Supplies and materials	300	300	-
Total Expenditures	<u>6,615</u>	<u>6,615</u>	<u>3,511</u>
Net Change in Fund Balances	-	-	(1,999)
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,999)</u></u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of December 15, 2011 to December 31, 2012)
 EDUCATION FUND ACCOUNTS
 IVPA FAMILY VIOLENCE COORDINATING COUNCIL
 For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 19,500	\$ 19,500	\$ 10,239
Total Revenues	<u>19,500</u>	<u>19,500</u>	<u>10,239</u>
Expenditures:			
Salaries	13,625	12,587	7,167
Employee benefits	2,330	2,515	1,273
Purchased services	3,115	3,844	1,859
Supplies and materials	430	554	11
Total Expenditures	<u>19,500</u>	<u>19,500</u>	<u>10,310</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(71)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	65
Transfers out	-	-	-
Interest	-	-	6
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>71</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 January 1, 2013 to December 31, 2013)
 EDUCATION FUND ACCOUNTS
 IVPA FAMILY VIOLENCE COORDINATING COUNCIL
 For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 16,700	\$ 16,700	\$ 7,076
Total Revenues	<u>16,700</u>	<u>16,700</u>	<u>7,076</u>
Expenditures:			
Salaries	11,400	11,400	5,424
Employee benefits	1,835	1,835	1,018
Purchased services	3,065	3,065	268
Supplies and materials	400	400	366
Total Expenditures	<u>16,700</u>	<u>16,700</u>	<u>7,076</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, 2011 to September 30, 2012)
 EDUCATION FUND ACCOUNTS
 MCKINNEY EDUCATION FOR HOMELESS CHILDREN
 For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 158,361	\$ 170,361	\$ 13,223
Total Revenues	<u>158,361</u>	<u>170,361</u>	<u>13,223</u>
Expenditures:			
Salaries	48,863	47,678	-
Employee benefits	8,960	8,128	-
Purchased services	7,917	9,914	15
Supplies and materials	1,055	4,325	5,157
Payments to other governments	91,566	100,316	8,094
Total Expenditures	<u>158,361</u>	<u>170,361</u>	<u>13,266</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(43)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	43
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>43</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, 2012 to June 30, 2013)
 EDUCATION FUND ACCOUNTS
 MCKINNEY EDUCATION FOR HOMELESS CHILDREN
 For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 158,361	\$ 168,361	\$ 161,764
Total Revenues	<u>158,361</u>	<u>168,361</u>	<u>161,764</u>
Expenditures:			
Salaries	50,871	48,007	45,526
Employee benefits	9,964	9,428	8,016
Purchased services	6,930	9,930	11,537
Supplies and materials	2,720	6,620	8,709
Payments to other governments	87,876	94,376	87,976
Total Expenditures	<u>158,361</u>	<u>168,361</u>	<u>161,764</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 September 30, 2012 to December 31, 2012)
 EDUCATION FUND ACCOUNTS
 PREP
 For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 25,000	\$ 25,000	\$ 25,000
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Expenditures:			
Salaries	9,731	9,731	9,757
Employee benefits	2,150	2,150	1,380
Purchased services	637	320	584
Supplies and materials	4,082	7,399	7,334
Payments to other governments	8,400	5,400	5,947
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>25,002</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(2)</u>
Other Financing Sources (Uses):			
Interest	<u>-</u>	<u>-</u>	<u>2</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2</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 2, 2012 to June 30, 2013)
 EDUCATION FUND ACCOUNTS
 REGIONAL SAFE SCHOOLS
 For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 88,132	\$ 88,132	\$ 88,127
Total Revenues	<u>88,132</u>	<u>88,132</u>	<u>88,127</u>
Expenditures:			
Salaries	70,394	70,394	70,394
Employee benefits	10,294	10,294	10,143
Purchased services	7,444	7,444	7,596
Total Expenditures	<u>88,132</u>	<u>88,132</u>	<u>88,133</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(6)</u>
Other Financing Sources (Uses):			
Interest	<u>-</u>	<u>-</u>	<u>6</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>6</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 6, 2012 to June 30, 2013)
EDUCATION FUND ACCOUNTS
ROE/ISC OPERATIONS
For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 33,762	\$ 33,762	\$ 33,762
Total Revenues	<u>33,762</u>	<u>33,762</u>	<u>33,762</u>
Expenditures:			
Salaries	27,646	27,646	27,647
Employee benefits	5,239	5,239	5,110
Purchased services	721	721	829
Supplies and materials	156	156	177
Total Expenditures	<u>33,762</u>	<u>33,762</u>	<u>33,763</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(1)</u>
Other Financing Sources (Uses):			
Transfers in	<u>-</u>	<u>-</u>	<u>1</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1</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, 2012 to June 30, 2013)
 EDUCATION FUND ACCOUNTS
 TEEN REACH
 For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 93,834	\$ 117,293	\$ 117,293
Total Revenues	<u>93,834</u>	<u>117,293</u>	<u>117,293</u>
Expenditures:			
Salaries	31,322	36,257	36,856
Employee benefits	4,190	7,521	6,781
Purchased services	400	1,000	2,320
Supplies and materials	1,600	1,714	530
Payments to other governments	56,322	70,802	70,834
Total Expenditures	<u>93,834</u>	<u>117,293</u>	<u>117,321</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(28)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	28
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>28</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, 2011 to August 31, 2012)
EDUCATION FUND ACCOUNTS
TITLE I SCHOOL IMPROVEMENT & ACCOUNTABILITY SYSTEM OF SUPPORT
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 876,557	\$ 876,557	\$ 76,752
Total Revenues	<u>876,557</u>	<u>876,557</u>	<u>76,752</u>
Expenditures:			
Salaries	300,481	246,992	5,808
Employee benefits	56,123	46,282	1,879
Purchased services	45,955	34,581	2,980
Supplies and materials	6,000	6,000	574
Payments to other governments	467,998	542,702	65,527
Total Expenditures	<u>876,557</u>	<u>876,557</u>	<u>76,768</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(16)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	16
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>16</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, 2012 to June 30, 2013)**

**EDUCATION FUND ACCOUNTS
TITLE I SCHOOL IMPROVEMENT & ACCOUNTABILITY SYSTEM OF SUPPORT
For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 704,446	\$ 704,446	\$ 701,115
Total Revenues	<u>704,446</u>	<u>704,446</u>	<u>701,115</u>
Expenditures:			
Salaries	319,543	236,942	237,687
Employee benefits	89,746	70,111	70,158
Purchased services	25,399	60,373	52,172
Supplies and materials	1,000	6,227	3,353
Capital outlay	2,400	1,200	1,454
Payments to other governments	266,358	329,593	336,753
Total Expenditures	<u>704,446</u>	<u>704,446</u>	<u>701,577</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(462)</u>
Other Financing Sources (Uses):			
Interest	-	-	462
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>462</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 9, 2012 to June 30, 2013)
 EDUCATION FUND ACCOUNTS
 TITLE II TEACHER QUALITY
 For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 501	\$ 501	\$ 501
Total Revenues	<u>501</u>	<u>501</u>	<u>501</u>
Expenditures:			
Purchased services	501	501	501
Total Expenditures	<u>501</u>	<u>501</u>	<u>501</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 6, 2011 to August 31, 2012)
 EDUCATION FUND ACCOUNTS
 TITLE II TEACHER QUALITY LEADERSHIP GRANT
 For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 215,549	\$ 215,549	\$ 70,218
Total Revenues	<u>215,549</u>	<u>215,549</u>	<u>70,218</u>
Expenditures:			
Salaries	116,579	113,380	32,973
Employee benefits	18,125	15,701	2,550
Purchased services	74,220	79,843	33,584
Supplies and materials	6,625	6,625	1,111
Total Expenditures	<u>215,549</u>	<u>215,549</u>	<u>70,218</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 June 5, 2013 to September 30, 2013)
 EDUCATION FUND ACCOUNTS
 TITLE II TEACHER QUALITY LEADERSHIP - EVALUATION TRAINING
 For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 9,135	\$ 9,135	\$ 9,135
Total Revenues	<u>9,135</u>	<u>9,135</u>	<u>9,135</u>
Expenditures:			
Purchased services	9,135	9,135	9,135
Total Expenditures	<u>9,135</u>	<u>9,135</u>	<u>9,135</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, 2012 to June 30, 2013)
 EDUCATION FUND ACCOUNTS
 TRUANTS' ALTERNATIVE PROGRAM
 For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Local sources	\$ -	\$ -	\$ 121
State sources	200,358	200,358	200,358
Total Revenues	<u>200,358</u>	<u>200,358</u>	<u>200,479</u>
Expenditures:			
Salaries	130,806	130,806	141,384
Employee benefits	36,357	36,357	29,668
Purchased services	23,275	23,275	20,804
Supplies and materials	9,920	9,920	8,623
Total Expenditures	<u>200,358</u>	<u>200,358</u>	<u>200,479</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
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2013**

	Bus Driver Training	General Education Development	Institute	Project Care Healthy Decision	Total
Assets					
Cash and cash equivalents	\$ 19,307	\$ 42,316	\$ 117,262	\$ 4,064	\$ 182,949
Total Assets	\$ 19,307	\$ 42,316	\$ 117,262	\$ 4,064	\$ 182,949
Liabilities:	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances:					
Restricted	19,307	42,316	117,262	4,064	182,949
Total Liabilities and Fund Balances	\$ 19,307	\$ 42,316	\$ 117,262	\$ 4,064	\$ 182,949

**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, 2013**

	Bus Driver Training	General Education Development	Institute	Project Care Healthy Decision	Total
Revenue:					
Local sources	\$ 5,883	\$ 14,231	\$ 34,410	\$ -	\$ 54,524
State sources	1,286	-	-	-	1,286
Total Revenues	<u>7,169</u>	<u>14,231</u>	<u>34,410</u>	<u>-</u>	<u>55,810</u>
Expenditures:					
Salaries	-	12,160	900	-	13,060
Employee benefits	-	7,581	24	-	7,605
Purchased services	5,554	3,771	5,938	-	15,263
Supplies and materials	198	3,680	3,219	-	7,097
Other	-	-	5,324	-	5,324
Total Expenditures	<u>5,752</u>	<u>27,192</u>	<u>15,405</u>	<u>-</u>	<u>48,349</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,417</u>	<u>(12,961)</u>	<u>19,005</u>	<u>-</u>	<u>7,461</u>
Other Financing Sources (Uses):					
Interest	45	120	215	9	389
Total Other Financing Sources (Uses)	<u>45</u>	<u>120</u>	<u>215</u>	<u>9</u>	<u>389</u>
Net Change in Fund Balances	1,462	(12,841)	19,220	9	7,850
Fund Balance - Beginning	<u>17,845</u>	<u>55,157</u>	<u>98,042</u>	<u>4,055</u>	<u>175,099</u>
Fund Balance - Ending	<u>\$ 19,307</u>	<u>\$ 42,316</u>	<u>\$ 117,262</u>	<u>\$ 4,064</u>	<u>\$ 182,949</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
June 30, 2013**

	Administrator's Academy Local	Children and Adolescent Local Area Network System	Criminal Background Investigation	Family Violence Coordinating Councils	Fluoride Fund
Assets					
Cash and cash equivalents	\$ 27,066	\$ 753	\$ 11,732	\$ 296	\$ -
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total Assets	27,066	753	11,732	296	-
Liabilities					
Accounts payable	-	-	-	-	-
Total Liabilities	-	-	-	-	-
Net Position					
Unrestricted	27,066	753	11,732	296	-
Total Net Position	\$ 27,066	\$ 753	\$ 11,732	\$ 296	\$ -

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
June 30, 2013**

	<u>Internet Connectivity</u>	<u>Life Education Local</u>	<u>Local Induction Mentoring Training Fees</u>	<u>RAAC Renaissance Program</u>	<u>Regional Alternative Attendance Center (RAAC)</u>
Assets					
Cash and cash equivalents	\$ -	\$ 89,066	\$ 14,061	\$ -	\$ 1,949
Due from other funds	147	19,200	9,135	-	-
Due from other governments	-	18,113	-	-	-
Total Assets	<u>147</u>	<u>126,379</u>	<u>23,196</u>	<u>-</u>	<u>1,949</u>
Liabilities					
Accounts payable	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position					
Unrestricted	<u>147</u>	<u>126,379</u>	<u>23,196</u>	<u>-</u>	<u>1,949</u>
Total Net Position	<u>\$ 147</u>	<u>\$ 126,379</u>	<u>\$ 23,196</u>	<u>\$ -</u>	<u>\$ 1,949</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
June 30, 2013**

	ROE Workshops	SALT Activity	School Crisis Assistance Team (SCAT) Donations	School Lunch Student Payments	Services Provided HUD
Assets					
Cash and cash equivalents	\$ 60,461	\$ 2,042	\$ 2,570	\$ -	\$ 2
Due from other funds	2,742	-	-	-	-
Due from other governments	-	-	-	-	-
Total Assets	63,203	2,042	2,570	-	2
Liabilities					
Accounts payable	5,400	-	-	-	-
Total Liabilities	5,400	-	-	-	-
Net Position					
Unrestricted	57,803	2,042	2,570	-	2
Total Net Position	\$ 57,803	\$ 2,042	\$ 2,570	\$ -	\$ 2

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 June 30, 2013**

	Supplemental Educational Services	Teen Reach Local Program	Title I Workshops	Total
Assets				
Cash and cash equivalents	\$ 83,707	\$ 6	\$ 1,133	\$ 294,844
Due from other funds	21,181	-	-	52,405
Due from other governments	-	-	-	18,113
	<u>104,888</u>	<u>6</u>	<u>1,133</u>	<u>365,362</u>
Liabilities				
Accounts payable	-	-	-	5,400
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,400</u>
Net Position				
Unrestricted	<u>104,888</u>	<u>6</u>	<u>1,133</u>	<u>359,962</u>
Total Net Position	<u>\$ 104,888</u>	<u>\$ 6</u>	<u>\$ 1,133</u>	<u>\$ 359,962</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2013**

	Administrator's Academy Local	Children and Adolescent Local Area Network System	Criminal Background Investigation	Family Violence Coordinating Councils	Fluoride Fund
Operating Revenues					
Charges for services	\$ 10,491	\$ -	\$ 11,105	\$ 1,945	\$ -
Total Operating Revenues	<u>10,491</u>	<u>-</u>	<u>11,105</u>	<u>1,945</u>	<u>-</u>
Operating Expenses					
Salaries	2,167	-	-	-	-
Employee benefits	400	-	-	-	-
Purchased services	10,296	-	9,000	2,338	1,000
Supplies and materials	50	-	-	-	-
Other	-	-	-	-	-
Total Operating Expenses	<u>12,913</u>	<u>-</u>	<u>9,000</u>	<u>2,338</u>	<u>1,000</u>
Operating Income (Loss)	<u>(2,422)</u>	<u>-</u>	<u>2,105</u>	<u>(393)</u>	<u>(1,000)</u>
Nonoperating Revenues (Expenses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(65)	(2,389)
Interest	65	2	24	1	1
Total Nonoperating Revenues (Expenses)	<u>65</u>	<u>2</u>	<u>24</u>	<u>(64)</u>	<u>(2,388)</u>
Change in Net Position	(2,357)	2	2,129	(457)	(3,388)
Net Position - Beginning, Restated	<u>29,423</u>	<u>751</u>	<u>9,603</u>	<u>753</u>	<u>3,388</u>
Net Position - Ending	<u>\$ 27,066</u>	<u>753</u>	<u>\$ 11,732</u>	<u>\$ 296</u>	<u>-</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2013**

	Internet Connectivity	Life Education Local	Local Induction Mentoring Training Fees	RAAC Renaissance Program	Regional Alternative Attendance Center (RAAC)
Operating Revenues					
Charges for services	\$ -	\$ 89,190	\$ 11,900	\$ -	\$ 928
Total Operating Revenues	<u>-</u>	<u>89,190</u>	<u>11,900</u>	<u>-</u>	<u>928</u>
Operating Expenses					
Salaries	-	85,721	-	-	-
Employee benefits	-	9,023	-	-	-
Purchased services	1,915	27,639	8,378	-	623
Supplies and materials	-	10,752	176	3	351
Other	-	-	-	-	-
Total Operating Expenses	<u>1,915</u>	<u>133,135</u>	<u>8,554</u>	<u>3</u>	<u>974</u>
Operating Income (Loss)	<u>(1,915)</u>	<u>(43,945)</u>	<u>3,346</u>	<u>(3)</u>	<u>(46)</u>
Nonoperating Revenues (Expenses)					
Transfers in	2,062	2,389	-	-	-
Transfers out	-	-	-	-	-
Interest	-	316	52	-	6
Total Nonoperating Revenues (Expenses)	<u>2,062</u>	<u>2,705</u>	<u>52</u>	<u>-</u>	<u>6</u>
Change in Net Position	147	(41,240)	3,398	(3)	(40)
Net Position - Beginning, Restated	<u>-</u>	<u>167,619</u>	<u>19,798</u>	<u>3</u>	<u>1,989</u>
Net Position - Ending	<u>\$ 147</u>	<u>\$ 126,379</u>	<u>\$ 23,196</u>	<u>\$ -</u>	<u>\$ 1,949</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2013**

	ROE Workshops	SALT Activity	School Crisis Assistance Team (SCAT) Donations	School Lunch Student Payments	Services Provided HUD
Operating Revenues					
Charges for services	\$ 21,377	\$ 1,396	\$ -	\$ 491	\$ 2,257
Total Operating Revenues	<u>21,377</u>	<u>1,396</u>	<u>-</u>	<u>491</u>	<u>2,257</u>
Operating Expenses					
Salaries	-	-	-	-	-
Employee benefits	-	-	-	-	-
Purchased services	30,955	339	-	4,842	2,257
Supplies and materials	1,431	1,239	-	-	-
Other	1,022	-	-	-	-
Total Operating Expenses	<u>33,408</u>	<u>1,578</u>	<u>-</u>	<u>4,842</u>	<u>2,257</u>
Operating Income (Loss)	<u>(12,031)</u>	<u>(182)</u>	<u>-</u>	<u>(4,351)</u>	<u>-</u>
Nonoperating Revenues (Expenses)					
Transfers in	-	-	-	492	-
Transfers out	(2,062)	-	-	-	-
Interest	163	5	6	4	2
Total Nonoperating Revenues (Expenses)	<u>(1,899)</u>	<u>5</u>	<u>6</u>	<u>496</u>	<u>2</u>
Change in Net Position	(13,930)	(177)	6	(3,855)	2
Net Position - Beginning, Restated	<u>71,733</u>	<u>2,219</u>	<u>2,564</u>	<u>3,855</u>	<u>-</u>
Net Position - Ending	<u>\$ 57,803</u>	<u>\$ 2,042</u>	<u>\$ 2,570</u>	<u>\$ -</u>	<u>\$ 2</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2013**

	Supplemental Educational Services	Teen Reach Local Program	Title I Workshops	Total
Operating Revenues				
Charges for services	\$ -	\$ 59	\$ -	\$ 151,139
Total Operating Revenues	<u>-</u>	<u>59</u>	<u>-</u>	<u>151,139</u>
Operating Expenses				
Salaries	-	-	-	87,888
Employee benefits	23	-	-	9,446
Purchased services	1,195	53	3,972	104,802
Supplies and materials	85	-	387	14,474
Other	-	-	-	1,022
Total Operating Expenses	<u>1,303</u>	<u>53</u>	<u>4,359</u>	<u>217,632</u>
Operating Income (Loss)	<u>(1,303)</u>	<u>6</u>	<u>(4,359)</u>	<u>(66,493)</u>
Nonoperating Revenues (Expenses)				
Transfers in	-	-	-	4,943
Transfers out	(71)	-	(16)	(4,603)
Interest	250	-	11	908
Total Nonoperating Revenues (Expenses)	<u>179</u>	<u>-</u>	<u>(5)</u>	<u>1,248</u>
Change in Net Position	(1,124)	6	(4,364)	(65,245)
Net Position - Beginning, Restated	<u>106,012</u>	<u>-</u>	<u>5,497</u>	<u>425,207</u>
Net Position - Ending	<u>\$ 104,888</u>	<u>\$ 6</u>	<u>\$ 1,133</u>	<u>\$ 359,962</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2013**

	Administrator's Academy Local	Children and Adolescent Local Area Network System	Criminal Background Investigation	Family Violence Coordinating Councils	Fluoride Fund
Cash Flows from Operating Activities					
Receipts from customers	\$ 10,491	\$ -	\$ 11,105	\$ 1,945	\$ -
Payments to suppliers and providers of goods and services	(10,346)	-	(9,000)	(2,338)	(1,000)
Payments to employees	(2,567)	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>(2,422)</u>	<u>-</u>	<u>2,105</u>	<u>(393)</u>	<u>(1,000)</u>
Cash Flows from Noncapital Financing Activities					
Cash transfers from other funds	-	-	-	-	-
Cash transfers to other funds	-	-	-	(65)	(2,389)
Interfund loans (made) repaid, net	-	-	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(65)</u>	<u>(2,389)</u>
Cash Flows from Investing Activities					
Interest	65	2	24	1	1
Net Cash Provided by (Used for) Investing Activities	<u>65</u>	<u>2</u>	<u>24</u>	<u>1</u>	<u>1</u>
Net Increase (Decrease) in Cash	(2,357)	2	2,129	(457)	(3,388)
Cash and Cash Equivalents - Beginning	<u>29,423</u>	<u>751</u>	<u>9,603</u>	<u>753</u>	<u>3,388</u>
Cash and Cash Equivalents - Ending	<u>\$ 27,066</u>	<u>\$ 753</u>	<u>\$ 11,732</u>	<u>\$ 296</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating income (loss)	\$ (2,422)	\$ -	\$ 2,105	\$ (393)	\$ (1,000)
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	-	-	-	-	-
Increase (decrease) in accounts payable	-	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ (2,422)</u>	<u>\$ -</u>	<u>\$ 2,105</u>	<u>\$ (393)</u>	<u>\$ (1,000)</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2013**

	Internet Connectivity	Life Education Local	Local Induction Mentoring Training Fees	RAAC Renaissance Program	Regional Alternative Attendance Center (RAAC)
Cash Flows from Operating Activities					
Receipts from customers	\$ -	\$ 71,077	\$ 11,900	\$ -	\$ 928
Payments to suppliers and providers of goods and services	(1,915)	(38,391)	(8,561)	(3)	(974)
Payments to employees	-	(94,744)	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>(1,915)</u>	<u>(62,058)</u>	<u>3,339</u>	<u>(3)</u>	<u>(46)</u>
Cash Flows from Noncapital Financing Activities					
Cash transfers from other funds	2,062	2,389	-	-	-
Cash transfers to other funds	-	-	-	-	-
Interfund loans (made) repaid, net	(147)	17,729	10,670	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>1,915</u>	<u>20,118</u>	<u>10,670</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities					
Interest	-	316	52	-	6
Net Cash Provided by (Used for) Investing Activities	<u>-</u>	<u>316</u>	<u>52</u>	<u>-</u>	<u>6</u>
Net Increase (Decrease) in Cash	-	(41,624)	14,061	(3)	(40)
Cash and Cash Equivalents - Beginning	-	130,690	-	3	1,989
Cash and Cash Equivalents - Ending	<u>\$ -</u>	<u>\$ 89,066</u>	<u>\$ 14,061</u>	<u>\$ -</u>	<u>\$ 1,949</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating income (loss)	\$ (1,915)	\$ (43,945)	\$ 3,346	\$ (3)	\$ (46)
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	-	(18,113)	-	-	-
Increase (decrease) in accounts payable	-	-	(7)	-	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ (1,915)</u>	<u>\$ (62,058)</u>	<u>\$ 3,339</u>	<u>\$ (3)</u>	<u>\$ (46)</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2013**

	ROE Workshops	SALT Activity	School Crisis Assistance Team (SCAT) Donations	School Lunch Student Payments	Services Provided HUD
Cash Flows from Operating Activities					
Receipts from customers	\$ 21,377	\$ 1,396	\$ -	\$ 491	\$ 2,257
Payments to suppliers and providers of goods and services	(28,008)	(1,578)	-	(4,842)	(2,257)
Payments to employees	-	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>(6,631)</u>	<u>(182)</u>	<u>-</u>	<u>(4,351)</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities					
Cash transfers from other funds	-	-	-	492	-
Cash transfers to other funds	(2,062)	-	-	-	-
Interfund loans (made) repaid, net	(2,884)	-	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(4,946)</u>	<u>-</u>	<u>-</u>	<u>492</u>	<u>-</u>
Cash Flows from Investing Activities					
Interest	163	5	6	4	2
Net Cash Provided by (Used for) Investing Activities	<u>163</u>	<u>5</u>	<u>6</u>	<u>4</u>	<u>2</u>
Net Increase (Decrease) in Cash	(11,414)	(177)	6	(3,855)	2
Cash and Cash Equivalents - Beginning	<u>71,875</u>	<u>2,219</u>	<u>2,564</u>	<u>3,855</u>	<u>-</u>
Cash and Cash Equivalents - Ending	<u>\$ 60,461</u>	<u>\$ 2,042</u>	<u>\$ 2,570</u>	<u>\$ -</u>	<u>\$ 2</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating income (loss)	\$ (12,031)	\$ (182)	\$ -	\$ (4,351)	\$ -
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	-	-	-	-	-
Increase (decrease) in accounts payable	5,400	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ (6,631)</u>	<u>\$ (182)</u>	<u>\$ -</u>	<u>\$ (4,351)</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2013**

	Supplemental Educational Services	Teen Reach Local Program	Title I Workshops	Total
Cash Flows from Operating Activities				
Receipts from customers	\$ -	\$ 59	\$ -	\$ 133,026
Payments to suppliers and providers of goods and services	(1,280)	(53)	(4,359)	(114,905)
Payments to employees	(23)	-	-	(97,334)
Net Cash Provided by (Used for) Operating Activities	<u>(1,303)</u>	<u>6</u>	<u>(4,359)</u>	<u>(79,213)</u>
Cash Flows from Noncapital Financing Activities				
Cash transfers from other funds	-	-	-	4,943
Cash transfers to other funds	(71)	-	(16)	(4,603)
Interfund loans (made) repaid, net	82,888	-	-	108,256
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>82,817</u>	<u>-</u>	<u>(16)</u>	<u>108,596</u>
Cash Flows from Investing Activities				
Interest	250	-	11	908
Net Cash Provided by (Used for) Investing Activities	<u>250</u>	<u>-</u>	<u>11</u>	<u>908</u>
Net Increase (Decrease) in Cash	81,764	6	(4,364)	30,291
Cash and Cash Equivalents - Beginning	<u>1,943</u>	<u>-</u>	<u>5,497</u>	<u>264,553</u>
Cash and Cash Equivalents - Ending	<u>\$ 83,707</u>	<u>\$ 6</u>	<u>\$ 1,133</u>	<u>\$ 294,844</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating income (loss)	\$ (1,303)	\$ 6	\$ (4,359)	\$ (66,493)
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	-	-	-	(18,113)
Increase (decrease) in accounts payable	-	-	-	5,393
Net Cash Provided by (Used for) Operating Activities	<u>\$ (1,303)</u>	<u>\$ 6</u>	<u>\$ (4,359)</u>	<u>\$ (79,213)</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 June 30, 2013**

	Distributive	Petitions and Detachment	Scholarship	Total
Assets				
Cash and cash equivalents	\$ 19,071	\$ 754	\$ 943	\$ 20,768
Due from other governments	100,281	-	-	100,281
Total Assets	\$ 119,352	\$ 754	\$ 943	\$ 121,049
Liabilities				
Due to other governments	\$ 119,352	\$ 754	\$ 943	\$ 121,049

**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, 2013**

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
<u>Distributive Fund</u>				
Assets				
Cash and cash equivalents	\$ 132	\$ 3,857,629	\$ 3,838,690	\$ 19,071
Due from other governments	243,637	3,695,334	3,838,690	100,281
Total Assets	<u>\$ 243,769</u>	<u>\$ 7,552,963</u>	<u>\$ 7,677,380</u>	<u>\$ 119,352</u>
Liabilities				
Due to other governments	<u>\$ 243,769</u>	<u>\$ 7,552,963</u>	<u>\$ 7,677,380</u>	<u>\$ 119,352</u>
<u>Petitions and Detachment Fund</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 1,001	\$ 247	\$ 754
Liabilities				
Due to other governments	<u>\$ -</u>	<u>\$ 1,001</u>	<u>\$ 247</u>	<u>\$ 754</u>
<u>Scholarship Fund</u>				
Assets				
Cash and cash equivalents	\$ 941	\$ 2	\$ -	\$ 943
Liabilities				
Due to other governments	<u>\$ 941</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 943</u>
<u>Total</u>				
Assets				
Cash and cash equivalents	\$ 1,073	\$ 3,858,632	\$ 3,838,937	\$ 20,768
Due from other governments	243,637	3,695,334	3,838,690	100,281
Total Assets	<u>\$ 244,710</u>	<u>\$ 7,553,966</u>	<u>\$ 7,677,627</u>	<u>\$ 121,049</u>
Liabilities				
Due to other governments	<u>\$ 244,710</u>	<u>\$ 7,553,966</u>	<u>\$ 7,677,627</u>	<u>\$ 121,049</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, 2013**

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	\$ 1,024,695	\$ 1,024,695	\$	\$	\$
Voc. Ed. - Career and Technical Ed Improvement	3220	1,025,898		142,323		883,575
State Free Lunch & Breakfast	3360	1,093	1,093			
Transportation - Regular	3500	14,343			14,343	
ROE School Bus Driver Training	3520	1,286	1,286			
Truants Alternative/Operational Ed.	3695	238,549	238,549			
Regional Safe Schools Program	3696	103,960	103,960			
ROE/ISC Operations	3730	30,967	30,967			
Total State Funds		2,440,791	1,400,550	142,323	14,343	883,575
Federal Funds						
National School Lunch Program	4210	26,994	26,994			
School Breakfast Program	4220	15,798	15,798			
IASA - Title I - School Improvement and Accountability	4331	828,938	828,938			
V.E. - Perkins - Title IIC - Secondary	4745	251,750		45,206		206,544
McKinney Education for Homeless Children	4920	168,725	168,725			
Title II - Teacher Quality	4932	501	501			
IASA - Title II - Teacher Quality - Leadership	4935	105,193	105,193			
Total Federal Funds		1,397,899	1,146,149	45,206	-	206,544
TOTAL DISTRIBUTIONS		\$ 3,838,690	\$ 2,546,699	\$ 187,529	\$ 14,343	\$ 1,090,119

FEDERAL COMPLIANCE SECTION

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2013**

Federal Grantor/ Pass-Through Grantor/ <u>Program or Cluster Title</u>	CFDA Number	ISBE Project # (1st 8 digits) or Contract #	Federal Expenditures <u>7/1/12 - 6/30/13</u>
U. S. Department of Education			
Passed through Illinois State Board of Education			
Title I Grants to Local Educational Agencies			
<i>System of Support Title I - School Improvement & Accountability</i>	M 84.010A	13-4331-SS	\$ 701,115
<i>System of Support Title I - School Improvement & Accountability</i>	M 84.010A	12-4331-SS	<u>76,752</u>
			<u>777,867</u>
Education for Homeless Children and Youth			
<i>McKinney Education for Homeless Children</i>	84.196A	13-4920-00	161,764
<i>McKinney Education for Homeless Children</i>	84.196A	12-4920-00	<u>13,223</u>
			<u>174,987</u>
Improving Teacher Quality State Grants			
<i>Title II - Teacher Quality</i>	84.367A	13-4932-00	501
<i>Title II - Teacher Quality - Leadership Grant</i>	84.367A	13-4935-02	9,135
<i>Title II - Teacher Quality - Leadership Grant</i>	84.367A	12-4935-01	<u>70,218</u>
			<u>79,854</u>
Total U. S. Department of Education			<u>1,032,708</u>
U.S. Department of Health and Human Services			
Passed through the State of Illinois Department of Human Services			
Temporary Assistance for Needy Families			
<i>Teen Reach</i>	93.558	3FCSRE00983	<u>117,293</u>
Block Grants for Prevention and Treatment of Substance Abuse			
<i>Addiction Prevention Comprehensive</i>	93.959	3FCSRE01419	<u>192,658</u>
Teen Pregnancy Prevention			
<i>Personal Responsibility Education Program</i>	93.092	3FCSRE02038	<u>25,000</u>
Total passed through the State of Illinois Department of Human Services			<u>334,951</u>
Passed through the Administrative Office of the Illinois Courts			
State Court Improvement Program			
<i>Child Protection Data Courts Project</i>	93.586	CIP Data-G-1203	3,511
<i>Child Protection Data Courts Project</i>	93.586	CIP Data-G-1103	<u>4,992</u>
			<u>8,503</u>
Total U.S. Department of Health and Human Services			<u>343,454</u>
U. S. Department of Justice			
Passed through Illinois Violence Prevention Authority			
Grants to Encourage Arrest Policies and Enforcement of Protection Orders			
<i>Arrest Grant</i>	16.590	12-FVC21F-97	<u>6,528</u>
U. S. Department of Housing and Urban Development			
Supportive Housing Program			
<i>HUD Supportive Housing Program</i>	14.235	IL0282B5T121104	44,811
<i>HUD Supportive Housing Program</i>	14.235	IL0282B5T121003	<u>10,450</u>
Total U.S. Department of Housing and Urban Development			<u>55,261</u>

The accompanying notes are an integral part of this schedule.

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONCLUDED)
 For the Year Ended June 30, 2013**

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>ISBE Project # (1st 8 digits) or Contract #</u>	<u>Federal Expenditures 7/1/12 - 6/30/13</u>
U. S. Department of Agriculture			
Passed through Illinois State Board of Education			
School Nutrition Cluster			
School Breakfast Program			
<i>School Breakfast Program</i>	10.553	13-4220-00	7,603
<i>School Breakfast Program</i>	10.553	12-4220-00	3,188
			<u>10,791</u>
National School Lunch Program			
<i>National School Lunch Program</i>	10.555	13-4210-00	12,639
<i>National School Lunch Program</i>	10.555	12-4210-00	5,407
			<u>18,046</u>
School Nutrition Cluster			<u>28,837</u>
Total U. S. Department of Agriculture			<u>28,837</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,466,788</u>

(M) Major Program

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, 2013**

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: Teen Reach
Federal CFDA #: 93.558
Amount provided to subrecipients: \$70,834

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.

NOTE 4: NON-CASH ASSISTANCE

None

NOTE 5: AMOUNT OF INSURANCE

None

NOTE 6: LOANS OR LOAN GUARANTEES OUTSTANDING

None