

**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, 2012**

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
June 30, 2012**

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IROQUOIS AND KANKAKEE COUNTIES  
June 30, 2012**

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**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
June 30, 2012**

**OFFICIALS**

Regional Superintendent  
(Effective January 10, 2012 and Current)

Mr. Gregg Murphy

Regional Superintendent  
(July 1, 2011 through December 31, 2011)

Dr. Kathleen M. Pangle

Assistant Regional Superintendent  
(Effective July 1, 2012 and Current)

Mr. Frank Petkunas

Assistant Regional Superintendent  
(Effective January 12, 2012 through May 31, 2012)

Mr. Len Sokoloff

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

Mr. Gregg Murphy

Office is located at:

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
June 30, 2012**

**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	2	4
Repeated audit findings	2	3
Prior recommendations implemented or not repeated	2	1

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

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
12-01	12a	Controls Over Financial Statement Preparation	Material Weakness
12-02	12b	Improper Support for Amounts Claimed on Expenditure Reports	Material Weakness
FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)			
12-02	12b	Improper Support for Amounts Claimed on Expenditure Reports	Material Weakness
PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)			
11-02	15	Improper Use of Refunded State Grant Expenditures	Material Weakness and Noncompliance
11-03	15	Interest Earned on Federal Grant Funds	Material Weakness and Noncompliance
PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)			
11-03	15	Interest Earned on Federal Grant Funds	Material Weakness and Noncompliance

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
June 30, 2012**

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on October 26, 2012. Attending were 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; and Kimberly Walker, CPA, Partner, Kemper CPA Group, LLP. Responses to the recommendations were provided by Gregg Murphy, Regional Superintendent on December 19, 2012.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
For the Year Ended June 30, 2012**

**FINANCIAL STATEMENT REPORT SUMMARY**

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

Based on their audit, the auditors expressed an unqualified opinion on the Iroquois and Kankakee Counties Regional Office of Education #32's basic financial statements.

**INDEPENDENT AUDITOR'S REPORT**

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois and Kankakee Counties Regional Office of Education #32, as of and for the year ended June 30, 2012, which collectively comprise the Iroquois and Kankakee Counties Regional Office of Education #32's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Iroquois and Kankakee Counties Regional Office of Education #32's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois and Kankakee Counties Regional Office of Education #32, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 01, 2013 on our consideration of the Iroquois and Kankakee Counties Regional Office of Education #32's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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-Retirement Medical Plan Schedules of Funding Progress on pages 16a-16g and 54 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 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.

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 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements taken as a whole.

*Kemper CPA Group LLP*

KEMPER CPA GROUP LLP

*Certified Public Accountants and Consultants*

Marion, Illinois

March 01, 2013

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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited 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, 2012, 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 01, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of the Iroquois and Kankakee Counties Regional Office of Education #32 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Iroquois and Kankakee Counties Regional Office of Education #32's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Iroquois and Kankakee Counties Regional Office of Education #32's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Iroquois and Kankakee Counties Regional Office of Education #32's internal control over financial reporting.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in findings 12-01 and 12-02 in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Iroquois and Kankakee Counties Regional Office of Education #32's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain matters which we have reported to management of the Iroquois and Kankakee Counties Regional Office of Education #32 in a separate letter dated March 01, 2013.

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

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



KEMPER CPA GROUP LLP  
*Certified Public Accountants and Consultants*

Marion, Illinois  
March 01, 2013

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

Honorable William G. Holland  
Auditor General  
State of Illinois

Compliance

We have audited the Iroquois and Kankakee Counties Regional Office of Education #32's compliance with the types of compliance requirements described in the 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, 2012. The Iroquois and Kankakee Counties Regional Office of Education #32's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Iroquois and Kankakee Counties Regional Office of Education #32's management. Our responsibility is to express an opinion on the Iroquois and Kankakee Counties Regional Office of Education #32's compliance based on our audit.

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

In our opinion, the Regional Office of Education #32 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

## Internal Control Over Compliance

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

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 12-02 to be a material weakness.

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

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

*Kemper CPA Group LLP*

KEMPER CPA GROUP LLP

*Certified Public Accountants and Consultants*

Marion, Illinois  
March 01, 2013

**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, 2012**

**SECTION 1 - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

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

**Federal Awards**

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

Identification of **major** programs:

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

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

Auditee qualified as a low-risk auditee?	No
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**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II – FINANCIAL STATEMENT FINDINGS  
For the Year Ended June 30, 2012**

**Finding No.: 12-01 – Controls Over Financial Statement Preparation (Repeat from 10-01 and 11-01)**

**Criteria/specific requirement:**

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

**Condition:**

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

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

**Effect:**

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

**Cause:**

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

**Recommendation:**

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

**Management's Response:**

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION III – FEDERAL AWARD FINDINGS  
For the Year Ended June 30, 2012**

**Finding No.: 12-02 – Improper Support for Amounts Claimed on Expenditure Reports  
(Repeat from 10-04 and 11-04)**

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

**Project Number:** 11-4331-SS

**CFDA Number:** 84.010A

**Passed Through:** Illinois State Board of Education

**Federal Agency:** U.S. Department of Education

**Criteria/specific requirement:**

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

**Condition:**

The Regional Office of Education #32's internal controls over compliance are weak in relation to subrecipient monitoring. Specifically, we noted 1 subrecipient reimbursement payment out of 40 (2.5%) for which insufficient supporting documentation had been obtained for reimbursement requests totaling \$72,489. As a result of our audit procedures, Regional Office of Education #32 personnel contacted the subrecipient and were able to subsequently obtain appropriate supporting documentation for the reimbursement payment.

**Questioned Costs:**

None

**Context:** N/A

**Effect:**

Potential noncompliance with grant requirements.

**Cause:**

Oversight by the Regional Office personnel.

**Recommendation:**

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

**Management's Response:**

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
SECTION III – FEDERAL AWARD FINDINGS  
For the Year Ended June 30, 2012**

**INSTANCES OF NONCOMPLIANCE:**

None

**MATERIAL WEAKNESSES:**

**Finding No. 12-02 – Improper Support for Amounts Claimed on Expenditure Reports** (finding details on page 12b)

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2012**

**Corrective Action Plan**

**Finding No.: 12-01 – Controls Over Financial Statement Preparation**

**Condition:**

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

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

**Plan:**

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

**Anticipated Date of Completion:**

June 30, 2013

**Contact Person:**

Mr. Gregg Murphy, Regional Superintendent

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2012**

**Corrective Action Plan**

**Finding No.: 12-02 – Improper Support for Amounts Claimed on Expenditure Reports**

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

**Project Number:** 11-4331-SS

**CFDA Number:** 84.010A

**Passed Through:** Illinois State Board of Education

**Federal Agency:** U.S. Department of Education

**Condition:**

The Regional Office of Education #32's internal controls over compliance are weak in relation to subrecipient monitoring. Specifically, we noted 1 subrecipient reimbursement payment out of 40 (2.5%) for which insufficient supporting documentation had been obtained for reimbursement requests totaling \$72,489. As a result of our audit procedures, Regional Office of Education #32 personnel contacted the subrecipient and were able to subsequently obtain appropriate supporting documentation for the reimbursement payment.

**Plan:**

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

**Anticipated Date of Completion:**

June 30, 2013

**Contact Person:**

Mr. Gregg Murphy, Regional Superintendent

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended June 30, 2012**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
11-01	Controls Over Financial Statement Preparation	Repeated
11-02	Improper Use of Refunded State Grant Expenditures	Not Repeated
11-03	Interest Earned on Federal Grant Funds	Not Repeated
11-04	Improper Support for Amounts Claimed on Expenditure Reports	Repeated

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2012**

The Iroquois-Kankakee Regional Office of Education #32 (ROE #32) provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the year ended June 30, 2012 with comparative information for the year ended June 30, 2011. Readers are encouraged to consider the information in conjunction with the ROE #32's financial statements that follow.

**2012 Financial Highlights**

- Within the Governmental Funds, the General Fund revenue decreased by \$327,558 (14%) from \$2,360,670 in FY2011 to \$2,033,112 in FY2012. General Fund expenditures decreased by \$126,287 (7%) from \$1,821,018 in FY2011 to \$1,694,731 in FY2012. These decreases were due primarily to the decrease in General State Aid and State payments made on behalf of the region.
- Within the Governmental Funds, the Education Fund revenue decreased by \$721,050 (25%) from \$2,854,387 in FY2011 to \$2,133,337 in FY2012. The Education Funds expenditures decreased by \$669,103 (24%) from \$2,751,791 in FY2011 to \$2,082,688 in FY2012. These decreases were due to the reduction in funding of various programs as well as various programs that the ROE administered in FY2011 but not in FY2012.
- Proprietary Funds revenue decreased by \$31,472 (9%) from \$354,816 in FY2011 to \$323,344 in FY2012. The Proprietary Funds expenditures decreased by \$95,696 (28%) from \$347,111 in FY2011 to \$251,415 in FY2012. These changes were due largely to reduction in State and federal grant funds in FY2012 which reduced local district participation in proprietary programs.
- The ROE #32 has no long term debt.

**Using This Report**

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

- Management's Discussion and Analysis introduces financial statements and provides an analytical overview of the ROE #32's financial activities.
- The *government-wide financial statements* consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the ROE #32 as a whole and present an overall view of the Office's finances.
- *Fund financial statements* report the ROE #32's operations in more detail than the government-wide statements by providing information about the most significant funds.
- *Notes to the financial statements* provide additional information that is needed for a full understanding of the data provided in the basic financial statements.
- *Required supplementary information* further explains and supports the financial statements and *other supplementary information* provides detailed information about the major and non-major funds.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2012**

**Reporting the Iroquois-Kankakee Regional Office as a Whole**

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

**The Statement of Net Assets and the Statement of Activities**

The government-wide financial statements report information about the ROE #32 as a whole. The Statement of Net Assets includes all of the assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid using Generally Accepted Accounting Principles and GASB 34.

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

- Over time, increases or decreases in the net assets can be an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the ROE #32's overall financial condition, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the State level need to be considered.

We divide the ROE #32's activities into three broad types:

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

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

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2012**

**Fund Financial Statements**

The fund financial statements provide detailed information about the Regional Office's funds. Funds are accounting devices that allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by State law. The ROE #32 established other funds to control and manage money for particular purposes.

The Office has three kinds of funds:

- (1) Governmental Funds account for all of the ROE #32's services. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at the year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the Office's programs. The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance.
- (2) Proprietary Funds account for resources from fees charged directly to those entities or individuals that use its services. Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by government-wide financial statements but with more detail for major and non-major enterprise funds. The proprietary funds' required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses and Changes in Fund Net Assets and Statement of Cash Flows.
- (3) Fiduciary Funds are used to account for assets held by the ROE #32 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The fiduciary funds required financial statements include a Statement of Fiduciary Net Assets.

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve, when examined over time, as one indicator of the financial position of the ROE #32. The net assets at the end of FY2012 and FY2011 totaled \$3,588,179 and \$3,137,298, respectively. The analysis that follows provides a summary of the ROE No. 32's net assets as of June 30, 2012.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2012**

CONDENSED STATEMENT OF NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>ASSETS</b>						
Current assets	\$2,133,538	\$2,440,124	\$1,700,295	\$1,625,448	\$3,833,833	\$4,065,572
Noncurrent assets	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>2,133,538</b>	<b>2,440,124</b>	<b>1,700,295</b>	<b>1,625,448</b>	<b>3,833,833</b>	<b>4,065,572</b>
<b>LIABILITIES</b>						
Current liabilities	224,966	907,586	7	7	224,973	907,593
Non-Current Liabilities	20,681	20,681	-	-	20,681	20,681
<b>TOTAL LIABILITIES</b>	<b>245,647</b>	<b>928,267</b>	<b>7</b>	<b>7</b>	<b>245,654</b>	<b>928,274</b>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	-	-	-	-	-	-
Restricted for educational purposes	190,498	172,697	-	-	190,498	172,697
Unrestricted	1,697,393	1,339,160	1,700,288	1,625,441	3,397,681	2,964,601
<b>TOTAL NET ASSETS</b>	<b>\$1,887,891</b>	<b>\$1,511,857</b>	<b>\$1,700,288</b>	<b>\$1,625,441</b>	<b>\$3,588,179</b>	<b>\$3,137,298</b>

The ROE #32's net assets increased by \$450,881 (14%) from FY2011 to FY2012. 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 did increase slightly the liabilities remained the same as FY2011. Also, certain net assets related to the Education Fund and Nonmajor Special Revenue Funds considered restricted for educational purposes saw a moderate increase as well.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2012**

CHANGES IN NET ASSETS

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues:						
Program revenues:						
Charges for services	\$ 82,005	\$ 48,436	\$ 323,344	\$ 354,816	\$ 405,349	\$ 403,252
Operating grants and contributions	2,081,009	2,749,958	–	–	2,081,009	2,749,958
General revenues:						
State and local sources	1,629,747	1,774,099	–	–	1,629,747	1,774,099
Interest income	5,857	7,670	4,792	6,747	10,649	14,417
On-behalf payments	403,365	586,571	–	–	403,365	586,571
Total revenues	<u>4,201,983</u>	<u>5,166,734</u>	<u>328,136</u>	<u>361,563</u>	<u>4,530,119</u>	<u>5,528,297</u>
Expenses:						
Salaries	1,826,954	1,998,225	80,480	126,590	1,907,434	2,124,815
Benefits	374,731	351,945	9,545	25,897	384,276	377,842
Purchased services	387,426	536,565	123,886	148,117	511,312	684,682
Supplies and materials	113,530	146,871	36,294	44,270	149,824	191,141
Capital expenditures	7,666	5,527	–	1,085	7,666	6,612
Payments to other						
Governments	706,711	978,277	–	–	706,711	978,277
Other	7,440	7,387	1,210	1,152	8,650	8,539
Depreciation	–	2,054	–	–	–	2,054
On-behalf payments	403,365	586,571	–	–	403,365	586,571
Total expenses	<u>3,827,823</u>	<u>4,613,422</u>	<u>251,415</u>	<u>347,111</u>	<u>4,079,238</u>	<u>4,960,533</u>
Income (loss) before operating transfers	374,160	553,312	76,721	14,452	450,881	567,764
Operating transfers	1,874	3,259	(1,874)	(3,259)	–	–
Change in net assets	376,034	556,571	74,847	11,193	450,881	567,764
Net assets, beginning	1,511,857	955,286	1,625,441	1,614,248	3,137,298	2,569,534
Net assets, ending	<u>\$ 1,887,891</u>	<u>\$ 1,511,857</u>	<u>\$ 1,700,288</u>	<u>\$ 1,625,441</u>	<u>\$ 3,588,179</u>	<u>\$ 3,137,298</u>

**Governmental Fund Activities**

Revenues for FY2012 governmental fund activities were \$4,201,983 and expenses were \$3,827,823. Governmental revenues decreased by \$964,751 (19%) and expenses decreased by \$785,599 (17%). The decrease in revenues is the result of a significant 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 for FY2012 business-type activities were \$328,136 and expenditures were \$251,415. The decrease in revenues of \$33,427 (9%) is attributed to the decrease in local revenue received from school districts for services and trainings conducted in FY2012. The decrease in expenditures of \$95,696 (28%) was due largely to staff working to conserve local resources.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2012**

**Financial Analysis of the ROE No. 32 Funds**

As previously noted, the ROE #32 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The ROE #32's governmental funds reported combined fund balances of \$1,890,131 at June 30, 2012.

**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, such as Pre-School for All, Beginning Teacher Mentoring and ARRA Title I – SSOS, ended during FY2012.

**Proprietary Fund Highlights**

Total proprietary fund net assets increased by \$74,847 (5%) primarily due to decrease in expenditures in the Safe Schools Local and Truant Local proprietary funds.

**Fiduciary Fund Highlights**

There was a decrease of \$380,621 (61%) in total fiduciary fund assets for FY2012. Transactions represent mainly transfers in and out of funds under the Distributive Fund.

**Budgetary Highlights**

The ROE #32 annually adopts budgets for several funds. Budgets for the General Fund and Special Revenue Fund Accounts are prepared by the Regional Superintendent and serve as a guideline for activities and expenditures. The typical fiscal year for the State budget is July 1 to June 30. The Regional Superintendent annually prepares a County Support Budget and submits it to the County Board for their approval. The County Support Budget covers a fiscal year which runs from December 1 to November 30. All grant budgets are prepared by the ROE #32 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. These fiscal years vary by design of the grants.

**Capital Assets**

ROE #32's capital assets include office equipment, computers, audio-visual equipment, and office furniture. The ROE #32 maintains an inventory of capital assets which have been accumulated over time. There were no additions and no retirements for FY2012. There was no Depreciation expense for FY2012. As of June 30, 2012, the ROE #32's capital assets remain in use and are fully depreciated.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2012**

**Economic Factors and the FY13 Budget**

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

- State funding of Regional Offices of Education School Services continues to be funded at 50% of FY12 levels.
- General State Aid has been reduced for both Students All Learning Together and Regional Alternative Attendance Center programs for FY13.
- Regional Safe School Program (RSSP) grant has been reduced by 27% for FY13.
- Truants Alternative/Optional Education Program (TAOEP) grant has been reduced by 14% for FY13.
- IVPA Family Violence Coordinating Council grant has been reduced by 15% for FY13.
- Statewide System of Support (SSoS) has been put under the direction of "The Center" and while the ROE #32 still has the grant for FY13, the amount has been greatly reduced. The grant will probably not be available past FY13.
- The DHS Comprehensive Grant ended at the close of FY12. The DHS Substance Abuse Prevention Program (SAPP) was awarded at a reduced level.
- Title II Teacher Quality Induction Grant ended in September 2012 and was not available for reapplication.
- The County Support has increased for FY13.

**Contacting the Regional Office's Financial Management**

The financial report is designed to provide a general overview of the office's finances and accountability for the money it receives. If you have questions about the report or desire additional information, please contact the Regional Superintendent or the Chief Bookkeeper of the Iroquois-Kankakee Regional Office of Education #32, 189 E. Court Street, Suite 600, Kankakee, IL 60901.

## **BASIC FINANCIAL STATEMENTS**

**REGIONAL OFFICE OF EDUCATION #32**  
**IROQUOIS AND KANKAKEE COUNTIES**  
**STATEMENT OF NET ASSETS**  
**June 30, 2012**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 1,956,752	\$ 1,414,004	\$ 3,370,756
Due (to) from other funds	(281,446)	281,446	-
Due from other governments	458,232	4,845	463,077
Total Current Assets	<u>2,133,538</u>	<u>1,700,295</u>	<u>3,833,833</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>2,133,538</u>	<u>1,700,295</u>	<u>3,833,833</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	85,462	7	85,469
Due to other governments	134,744	-	134,744
Deferred revenue	4,760	-	4,760
Total Current Liabilities	<u>224,966</u>	<u>7</u>	<u>224,973</u>
Noncurrent Liabilities:			
Other post-employment benefit obligation	20,681	-	20,681
Total Noncurrent Liabilities	<u>20,681</u>	<u>-</u>	<u>20,681</u>
<b>TOTAL LIABILITIES</b>	<u>245,647</u>	<u>7</u>	<u>245,654</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	-	-	-
Restricted for educational purposes	190,498	-	190,498
Unrestricted	1,697,393	1,700,288	3,397,681
<b>TOTAL NET ASSETS</b>	<u>\$ 1,887,891</u>	<u>\$ 1,700,288</u>	<u>\$ 3,588,179</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, 2012**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
Instructional Services						
Salaries	\$ 1,826,954	\$ 13,417	\$ 955,291	\$ (858,246)	\$ -	\$ (858,246)
Employee benefits	374,731	8,132	184,813	(181,786)	-	(181,786)
Purchased services	387,426	23,376	174,516	(189,534)	-	(189,534)
Supplies and materials	113,530	6,297	57,777	(49,456)	-	(49,456)
Other	7,440	5,670	-	(1,770)	-	(1,770)
Payments to other governments	706,711	25,113	706,711	25,113	-	25,113
Capital outlay	7,666	-	1,901	(5,765)	-	(5,765)
Administrative						
On-behalf payments - State	403,365	-	-	(403,365)	-	(403,365)
Total governmental activities	<u>3,827,823</u>	<u>82,005</u>	<u>2,081,009</u>	<u>(1,664,809)</u>	<u>-</u>	<u>(1,664,809)</u>
Business-type activities:						
Professional development	251,415	323,344	-	-	71,929	71,929
Total business-type activities	<u>251,415</u>	<u>323,344</u>	<u>-</u>	<u>-</u>	<u>71,929</u>	<u>71,929</u>
Total Primary Government	<u>\$ 4,079,238</u>	<u>\$ 405,349</u>	<u>\$ 2,081,009</u>	<u>(1,664,809)</u>	<u>71,929</u>	<u>(1,592,880)</u>
General revenues						
Local sources				493,199	-	493,199
State sources				1,136,548	-	1,136,548
On-behalf payments - State				403,365	-	403,365
Interest				5,857	4,792	10,649
Transfers				1,874	(1,874)	-
Total general revenues and transfers				<u>2,040,843</u>	<u>2,918</u>	<u>2,043,761</u>
CHANGE IN NET ASSETS				376,034	74,847	450,881
NET ASSETS - BEGINNING				<u>1,511,857</u>	<u>1,625,441</u>	<u>3,137,298</u>
NET ASSETS - ENDING				<u>\$ 1,887,891</u>	<u>\$ 1,700,288</u>	<u>\$ 3,588,179</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, 2012**

	General Fund	Education Fund	Other Non-Major Funds	Eliminations	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,755,844	\$ 25,809	\$ 175,099	\$ -	\$ 1,956,752
Due from other funds	371	-	-	(371)	-
Due from other governments	34,991	423,241	-	-	458,232
<b>TOTAL ASSETS</b>	<b><u>\$ 1,791,206</u></b>	<b><u>\$ 449,050</u></b>	<b><u>\$ 175,099</u></b>	<b><u>\$ (371)</u></b>	<b><u>\$ 2,414,984</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 73,132	\$ 12,330	\$ -	\$ -	\$ 85,462
Due to other funds	-	281,817	-	(371)	281,446
Due to other governments	-	134,744	-	-	134,744
Deferred revenue	-	6,723	-	-	6,723
<b>Total Liabilities</b>	<b><u>73,132</u></b>	<b><u>435,614</u></b>	<b><u>-</u></b>	<b><u>(371)</u></b>	<b><u>508,375</u></b>
<b>Fund Balances (Deficits)</b>					
Restricted	-	15,399	175,099	-	190,498
Unassigned	1,718,074	(1,963)	-	-	1,716,111
<b>Total Fund Balances (Deficits)</b>	<b><u>1,718,074</u></b>	<b><u>13,436</u></b>	<b><u>175,099</u></b>	<b><u>-</u></b>	<b><u>1,906,609</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 1,791,206</u></b>	<b><u>\$ 449,050</u></b>	<b><u>\$ 175,099</u></b>	<b><u>\$ (371)</u></b>	<b><u>\$ 2,414,984</u></b>

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

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS  
 June 30, 2012**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 1,906,609
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>	
<p>Some revenues will not be collected for several months after the Regional Office's fiscal year ends. They are not considered "available" revenues and are deferred in the governmental funds.</p>	1,963
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds, net of accumulated depreciation of \$27,031</p>	-
<p>Long-term liabilities are not due and payable in the current period and; therefore, are not reported in the funds.</p>	<u>(20,681)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,887,891</u></u>

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2012**

	General Fund	Education Fund	Other Non-Major Funds	Eliminations	Total Governmental Funds
<b>REVENUES</b>					
Local sources	\$ 493,199	\$ -	\$ 80,719	\$ -	\$ 573,918
State sources	1,136,548	572,651	1,286	-	1,710,485
State sources - payments made on behalf of region	403,365	-	-	-	403,365
Federal sources	-	1,560,686	-	-	1,560,686
<b>Total Revenues</b>	<u>2,033,112</u>	<u>2,133,337</u>	<u>82,005</u>	<u>-</u>	<u>4,248,454</u>
<b>EXPENDITURES</b>					
Instructional Services:					
Salaries	858,608	956,459	11,887	-	1,826,954
Employee benefits	182,487	185,039	7,205	-	374,731
Purchased services	191,986	174,730	20,710	-	387,426
Supplies and materials	50,103	57,848	5,579	-	113,530
Other	2,417	-	5,023	-	7,440
Payments to other governments	-	706,711	-	-	706,711
Payments made on behalf of region	403,365	-	-	-	403,365
Capital outlay	5,765	1,901	-	-	7,666
<b>Total Expenditures</b>	<u>1,694,731</u>	<u>2,082,688</u>	<u>50,404</u>	<u>-</u>	<u>3,827,823</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>338,381</u>	<u>50,649</u>	<u>31,601</u>	<u>-</u>	<u>420,631</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,960	2,039	-	(2,125)	1,874
Transfers out	(1,961)	(164)	-	2,125	-
Interest	5,048	398	411	-	5,857
<b>Total Other Financing Sources (Uses)</b>	<u>5,047</u>	<u>2,273</u>	<u>411</u>	<u>-</u>	<u>7,731</u>
<b>NET CHANGE IN FUND BALANCES</b>	343,428	52,922	32,012	-	428,362
<b>FUND BALANCES (DEFICITS) - BEGINNING</b>	<u>1,374,646</u>	<u>(39,486)</u>	<u>143,087</u>	<u>-</u>	<u>1,478,247</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,718,074</u>	<u>\$ 13,436</u>	<u>\$ 175,099</u>	<u>\$ -</u>	<u>\$ 1,906,609</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, 2012**

NET CHANGE IN FUND BALANCES \$ 428,362

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.

FY2011 deferred revenue recognized in FY2012 - State sources	(30,956)	
FY2011 deferred revenue recognized in FY2012 - Federal sources	(23,335)	
FY2012 revenue deferred - Federal sources	1,963	(52,328)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		\$ 376,034

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2012**

	Business-Type Activities - Enterprise Funds				
	Safe		Nonmajor		
	Schools Local	Truant Local	Proprietary Funds	Eliminations	Total
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 961,187	\$ 188,264	\$ 264,553	\$ -	\$ 1,414,004
Due from other funds	33,764	87,021	181,190	(20,529)	281,446
Due from other governments	4,845	-	-	-	4,845
Total current assets	<u>999,796</u>	<u>275,285</u>	<u>445,743</u>	<u>(20,529)</u>	<u>1,700,295</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	-	-	7	-	7
Due to other funds	-	-	20,529	(20,529)	-
Total current liabilities	<u>-</u>	<u>-</u>	<u>20,536</u>	<u>(20,529)</u>	<u>7</u>
<b>NET ASSETS</b>					
Unrestricted	<u>999,796</u>	<u>275,285</u>	<u>425,207</u>	<u>-</u>	<u>1,700,288</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ 999,796</u></u>	<u><u>\$ 275,285</u></u>	<u><u>\$ 425,207</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,700,288</u></u>

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2012**

	Business-Type Activities - Enterprise Funds				
	Safe Schools	Truant	Nonmajor Proprietary	Eliminations	Total
	Local	Local	Funds		
<b>OPERATING REVENUES</b>					
Local sources	\$ 131,202	\$ 70,290	\$ 121,852	\$ -	\$ 323,344
Total operating revenues	<u>131,202</u>	<u>70,290</u>	<u>121,852</u>	<u>-</u>	<u>323,344</u>
<b>OPERATING EXPENSES</b>					
Salaries	-	14,158	66,322	-	80,480
Employee benefits	-	4,273	5,272	-	9,545
Purchased Services	37,652	3,237	82,997	-	123,886
Supplies and materials	1,579	13,502	21,213	-	36,294
Other	-	-	1,210	-	1,210
Total operating expenses	<u>39,231</u>	<u>35,170</u>	<u>177,014</u>	<u>-</u>	<u>251,415</u>
<b>OPERATING INCOME (LOSS)</b>	<u>91,971</u>	<u>35,120</u>	<u>(55,162)</u>	<u>-</u>	<u>71,929</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Transfers in	-	78	37,218	(37,296)	-
Transfers out	(15)	(929)	(38,226)	37,296	(1,874)
Interest	3,019	755	1,018	-	4,792
Total nonoperating revenues (expenses)	<u>3,004</u>	<u>(96)</u>	<u>10</u>	<u>-</u>	<u>2,918</u>
<b>CHANGE IN NET ASSETS</b>	94,975	35,024	(55,152)	-	74,847
<b>TOTAL NET ASSETS - BEGINNING, RESTATED</b>	<u>904,821</u>	<u>240,261</u>	<u>480,359</u>	<u>-</u>	<u>1,625,441</u>
<b>TOTAL NET ASSETS - ENDING</b>	<u>\$ 999,796</u>	<u>\$ 275,285</u>	<u>\$ 425,207</u>	<u>\$ -</u>	<u>\$ 1,700,288</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, 2012**

	Business-Type Activities - Enterprise Funds			
	Safe Schools	Truant Local	Nonmajor Proprietary Funds	Total
	Local	Local	Funds	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 136,357	\$ 70,290	\$ 129,352	\$ 335,999
Payments to suppliers and providers of goods and services	(39,231)	(16,739)	(105,420)	(161,390)
Payments to employees	-	(18,431)	(71,594)	(90,025)
Net cash provided by (used for) operating activities	<u>97,126</u>	<u>35,120</u>	<u>(47,662)</u>	<u>84,584</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Cash transfers from other funds	-	78	37,218	37,296
Cash transfers to other funds	(15)	(929)	(38,226)	(39,170)
Increase (decrease) in interfund borrowing, net	195,732	59,378	14,148	269,258
Net cash provided by (used for) noncapital financing activities	<u>195,717</u>	<u>58,527</u>	<u>13,140</u>	<u>267,384</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest	3,019	755	1,018	4,792
Net cash provided by (used for) investing activities	<u>3,019</u>	<u>755</u>	<u>1,018</u>	<u>4,792</u>
Net increase (decrease) in cash	295,862	94,402	(33,504)	356,760
CASH AND CASH EQUIVALENTS - BEGINNING (RESTATED)	<u>665,325</u>	<u>93,862</u>	<u>298,057</u>	<u>1,057,244</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 961,187</u>	<u>\$ 188,264</u>	<u>\$ 264,553</u>	<u>\$ 1,414,004</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 91,971	\$ 35,120	\$ (55,162)	\$ 71,929
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	5,155	-	7,500	12,655
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<u>\$ 97,126</u>	<u>\$ 35,120</u>	<u>\$ (47,662)</u>	<u>\$ 84,584</u>

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

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUND  
 June 30, 2012**

	Agency Funds
<b>ASSETS</b>	
Cash	\$ 1,073
Due from other governments	243,637
<b>TOTAL ASSETS</b>	\$ 244,710
<b>LIABILITIES</b>	
Due to other governments	\$ 244,710

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2012**

**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 2012, the Regional Office of Education #32 implemented Governmental Accounting Standards Board (GASB) Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, and GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53*. The Regional Office of Education #32 implemented these standards during the current year; however, GASB Statement No. 64 had no impact on the financial statements. The implementation of GASB Statement No. 57 amends GASB Statement No. 45, permitting an agent employer with an OPEB with fewer than 100 plan members to use the alternative measurement method to produce actuarially based information for purposes of financial reporting.

A. Date of Management's Review

Management has evaluated subsequent events through March 01, 2013, the date when the financial statements were available to be issued.

B. Financial Reporting Entity

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

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Financial Reporting Entity (Concluded)**

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

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

For the period ended June 30, 2012, the Regional Office of Education #32 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #32. Such activities are reported as a single major special revenue fund (Education Fund).

**C. Scope of Reporting Entity**

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

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

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. Government-Wide and Fund Financial Statements

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

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

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

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

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

E. Proprietary Fund Financial Statements

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

E. Proprietary Fund Financial Statements (Concluded)

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

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

F. Governmental Fund Financial Statements

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

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

G. Measurement Focus and Basis of Accounting

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

G. Measurement Focus and Basis of Accounting (Concluded)

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

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

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

H. Fund Accounting

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

*Governmental Funds*

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

H. Fund Accounting (Continued)

*Governmental Funds (Continued)*

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

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

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

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

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

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

Education - This fund is used to account for 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 State Board of Education and the Illinois Department of Human Services. The school-based program focuses on prevention and coordination of school policies, curriculum, family support, and community activities to provide comprehensive addiction prevention efforts.

American Recovery and Reinvestment Act (ARRA) –Education Jobs Fund – This fund provides assistance in saving or creating education jobs during the 2011-2012 school year.

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

H. Fund Accounting (Continued)

*Governmental Funds (Continued)*

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

Children's Mental Health Partnership – The purpose of this grant is to provide easier access to more effective programs and services that will better meet the mental health needs of all Illinois children and their families.

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

Grants to Encourage Arrest Policies and Enforcement – 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.

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

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

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

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

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

H. Fund Accounting (Continued)

*Governmental Funds (Continued)*

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

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

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

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

State Building Capacity – The purpose of this grant is to support local educational agencies in their efforts to create and sustain a safe and drug-free school environment.

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

Teachers & Administrators Mentoring Program – This fund accounts for grant money received for and expenditures incurred to support the state-wide new teacher mentoring program that includes assigning a mentor teacher to each new teacher for a period of at least two years and providing professional development designed to ensure the growth of the new teachers' knowledge and skills.

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

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

H. Fund Accounting (Continued)

*Governmental Funds (Concluded)*

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

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

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

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

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

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

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

Institute - This fund accounts for teacher certificate registration, issuance and evaluation fees for processing certificates, and expenses of meetings of a professional nature. The Regional Superintendent uses these proceeds to pay administration expenses incurred on behalf of the teachers' institute certificates, workshops, and general meetings. All funds generated remain restricted until expended only on the aforementioned activities.

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

H. Fund Accounting (Continued)

*Proprietary Funds*

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

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

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

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

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

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

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.

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

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

H. Fund Accounting (Continued)

*Proprietary Funds (Concluded)*

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/ Mentoring Training programs.

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

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

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

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

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

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

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

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

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

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

H. Fund Accounting (Concluded)

*Fiduciary Funds*

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

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

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

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

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

I. Governmental Fund Balances

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

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

Restricted Fund Balance - The portion of a governmental fund's net assets that are subject to external enforceable legal restrictions. The following accounts 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 assets with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Regional Office of Education #32 has no committed fund balances.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

I. Governmental Fund Balances (Concluded)

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

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following General Fund accounts have unassigned fund balances: General Operations and General State Aid. The following Education Fund account has an unassigned fund balance: CPDC Project.

J. Net Assets

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

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

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

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

K. Cash and Cash Equivalents

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

L. Capital Assets

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

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)**

M. Interfund Receivables and Payables

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

N. Estimates

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

O. Budget Information

The Regional Office of Education #32 acts as the administrative agent for certain grant programs that are accounted for within the General Fund and the Education Fund. These programs have separate budgets and are required to be reported to the Illinois State Board of Education and other granting agencies; however, none of the annual budgets have been legally adopted, nor are they required to do so. Certain programs within the General Fund and the Special Revenue Fund do not have separate budgets.

Comparisons of budgeted and actual results for the following programs are presented as supplementary information: Addiction Prevention Comprehensive, ARRA McKinney Education for Homeless Children, Children's Mental Health Partnership, CPDC Project, Grants to Encourage Arrest Policies and Enforcement, IVPA Family Violence Coordinating Council, McKinney Education for Homeless Children, Regional Safe Schools, ROE/ISC Operations, Teachers and Administrators Mentoring Program, Teen Reach, Title I School Improvement & Accountability System of Support, Title II Teacher Quality, Title II Teacher Quality Leadership Grant, and Truants' Alternative Program.

P. Long-Term Obligations

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

Q. Compensated Absences

The Regional Office of Education #32 provides paid vacation time for its full-time employees who work all twelve months of the year. Unused vacation time does not accumulate and carryover to future calendar years. Sick pay may accumulate for full-time employees of the In-Touch Program up to a maximum of 180 days. Unused sick pay for these employees may be certified in writing to the next employer at the request of the employee at the time of re-employment elsewhere. Unused sick pay for those employees may be used as service credits toward the employee's retirement fund when the employee retires. Employees of all other programs may not accumulate and carryover unused sick pay to future years. There are no material accumulations of sick pay or vacation pay at June 30, 2012.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
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For the Year Ended June 30, 2012**

**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, 2012, the carrying amount of the Regional Office of Education #32's government-wide and fiduciary fund deposits were \$3,370,756 and \$1,073, respectively, and the bank balances were \$3,477,149 and \$963, respectively.

*Custodial Credit Risk*

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

At June 30, 2012, \$321,734 of the Regional Office of Education #32's cash deposits was insured by the Federal Deposit Insurance Corporation. Another \$3,122,416 was collateralized by securities pledged by the Regional Office of Education #32's financial institution in the name of the Regional Office.

B. Investments

The Regional Office of Education #32's established investment policy follows the State of Illinois Public Funds Investment Act which authorizes the Regional Office of Education #32 to purchase certain obligations of the U.S. Treasury, federal agencies and instrumentalities; certificates of deposit and time deposits covered by Federal depository insurance; commercial paper of U.S. corporations with assets exceeding \$50,000,000 if such paper is rated at the highest classification established by at least two standard rating services; money market funds; and the Illinois Funds.

The Regional Office of Education #32 has pooled its investments. As of June 30, 2012, the Regional Office of Education #32 had investments with carrying and fair values of \$33,962 invested in the Illinois Funds Money Market Fund.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2012**

**NOTE 2: CASH AND CASH EQUIVALENTS (CONCLUDED)**

B. Investments (Concluded)

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2012, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

*Interest Rate Risk*

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

*Concentration of Credit Risk*

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

**NOTE 3: DEFINED BENEFIT PENSION PLAN**

**Plan Description.** The Regional Office of Education #32's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #32's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on line at [www.imrf.org](http://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 2011 used by the Regional Office of Education #32 was 9.34% of annual covered payroll. The employer annual required contribution rate for calendar year

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
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For the Year Ended June 30, 2012**

**NOTE 3: DEFINED BENEFIT PENSION PLAN (CONCLUDED)**

2011 was 11.08%. 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, 2011, the Regional Office of Education #32's actual contributions for pension cost for the Regular plan were \$69,080. Its required contribution for calendar year 2011 was \$81,949.

**THREE YEAR TREND INFORMATION**

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/11	\$ 81,949	84%	\$ 0
12/31/10	77,199	79%	0
12/31/09	54,258	100%	0

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, 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, 2009 is being amortized as a level percentage of projected payroll on an open 10 year basis.

**Funded Status and Funding Progress.** As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 83.26% funded. The actuarial accrued liability for benefits was \$1,923,380 and the actuarial value of assets was \$1,601,400, resulting in an unfunded actuarial accrued liability (UAAL) of \$321,980. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$739,610 and the ratio of the UAAL to the covered payroll was 44%.

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

**REGIONAL OFFICE OF EDUCATION #32  
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**NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

The Regional Office of Education #32 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois, maintains primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2012, was 9.4% of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4% for the years ended June 30, 2011 and 2010.

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, 2012, the State of Illinois contributions were based on 24.91% of creditable earnings not paid from federal funds, and the Regional Office of Education #32 recognized revenue and expenditures of \$183,289 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2011 and June 30, 2010, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.10% (\$339,829) and 23.38% (\$364,709), respectively.

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

- **2.2 formula contributions.** Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ending June 30, 2012 were \$4,825. Contributions for the years ending June 30, 2011, and June 30, 2010, were \$7,422 and \$7,938, respectively.
- **Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #32, there is a statutory requirement for the Regional Office of Education #32 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2012**

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

- For the year ended June 30, 2012, the employer pension contribution was 24.91% of salaries paid from federal and special trust funds. For the years ended June 30, 2011 and 2010, the employer contribution was 23.10% and 23.38% of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2012, salaries totaling \$282,817 were paid from federal and special trust funds that required employer contributions of \$70,450. For the years ended June 30, 2011 and June 30, 2010, required Regional Office of Education #32 contributions were \$43,818 and \$67,859, 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, 2012, the Regional Office of Education #32 paid \$11,729 in employer contributions to TRS under the ERO programs. For the years ended June 30, 2011 and June 30, 2010, the Regional Office of Education #32 paid \$0 and \$1,399 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, 2012, the Regional Office of Education #32 paid \$0 to TRS for employer contributions due on salary increases in excess of 6%. For the years ended June 30, 2011 and June 30, 2010, the Regional Office of Education #32 paid \$0 to TRS for employer contributions due on salary increases in excess of 6%.

If Regional Office of Education #32 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, Regional Office of Education #32 makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.83% of salary during the year ended June 30, 2012).

For the year ended June 30, 2012, the District paid \$10,307 in employer contributions to TRS for sick leave days granted in excess of the normal annual allotment. For the years ended June 30, 2011, and 2010, the Regional Office of Education #32 paid no employer contributions to TRS for sick leave days granted in the excess of the normal annual allotment.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4: TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (CONCLUDED)**

**Further information on TRS.** TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and State funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2011. The report for the year ended June 30, 2012, is expected to be available in late 2012. The reports may be obtained by writing to the Teacher's Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at <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. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by CMS with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state make a contribution to THIS Fund.

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

**On-behalf contributions to THIS Fund.** The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #32. State contributions are intended to match contributions to THIS Fund from active members which were 0.88% of pay during the year ended June 30, 2012. State of Illinois contributions were \$7,321 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, 2011 and June 30, 2010 were 0.88% and 0.84% of pay. State contributions on behalf of the Regional Office of Education #32's employees were \$11,261 and \$11,495, respectively.

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**NOTE 5: OTHER POST-EMPLOYMENT COMMITMENTS (CONCLUDED)**

A. Teacher Health Insurance Security Fund (Concluded)

**Employer contributions to THIS Fund.** The Regional Office of Education #32 also makes contributions to THIS Fund. The Regional Office of Education #32's contribution was 0.66% during the years ended June 30, 2012 and June 30, 2011, and 0.63% during the year ended June 30, 2010. For the year ended June 30, 2012, the Regional Office of Education #32 paid \$5,490 to the THIS Fund. For the years ended June 30, 2011 and 2010, the Regional Office of Education #32 paid \$8,446 and \$8,621, respectively, which was 100% of the required contribution.

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

B. Other Postemployment Benefits

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

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

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

**REGIONAL OFFICE OF EDUCATION #32  
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**NOTE 6: INTERFUND RECEIVABLES AND PAYABLES**

Interfund due to / from other fund balances at June 30, 2012 consist of the following individual due to / from other funds in the governmental fund Balance Sheet and the proprietary fund Statement of Net Assets. The interfund loan balances between governmental funds were eliminated in the government-wide Statement of Net Assets; however, the interfund loans between the governmental funds and the business-type funds were not eliminated.

Fund	Due From Other Funds	Due to Other Funds
General Fund		
General Operations	\$ 371	\$ -
Education Fund		
Addiction Prevention Comprehensive	-	16,462
CPDC Project	-	4,200
Grants to Encourage Arrest Policies and Enforcement	-	2,600
HUD Supportive Housing Program	-	107
McKinney Education for Homeless Children	-	31,924
Regional Safe Schools	-	29,568
State Building Capacity	-	837
Teen Reach	-	30,806
Title I School Improvement & Accountability System of Support	-	69,870
Title II Teacher Quality Leadership Grant	-	40,052
Truants' Alternative Program	-	55,391
Proprietary Funds		
Life Education Local	36,929	-
Local Induction Mentoring Training Fees	40,192	20,387
Safe Schools Local	33,764	-
Truant Local	87,021	-
ROE Workshops	-	142
Supplemental Educational Services	104,069	-
	<u>\$ 302,346</u>	<u>\$ 302,346</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
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**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	\$	34,991
Special Revenue Fund – Education Fund		
Illinois State Board of Education		368,393
Illinois Department of Health and Human Services		47,104
Illinois Violence Prevention Authority		2,600
Local Governments		5,037
U.S. Department of Housing and Urban Development		107
Proprietary Fund – Safe Schools Local		
Local Governments		4,845
Fiduciary Fund		
Illinois State Board of Education		243,637
Total	<u>\$</u>	<u>706,714</u>

Due to Other Governmental Units:

Special Revenue Fund – Education Fund		
Local Governments	\$	134,744
Fiduciary Fund		
Local School Districts		244,710
Total	<u>\$</u>	<u>379,454</u>

**NOTE 8: CAPITAL ASSETS**

Governmental Activities

Capital asset activity for fiscal year 2012 was as follows:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</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>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2012**

**NOTE 8: CAPITAL ASSETS (CONCLUDED)**

Business-Type Activities

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Business-type Activities				
Total Capital Assets	\$ 10,816	\$ -	\$ -	\$ 10,816
Less: Accumulated Depreciation	(10,816)	-	-	(10,816)
 Business-type Activities				
Investment in Capital Assets, Net	\$ -	\$ -	\$ -	\$ -

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. 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, 2012 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.

**NOTE 10: RELATED PARTY TRANSACTIONS**

Certain fixed assets used by the Regional Office of Education #32 are purchased by the Kankakee County. Ownership of these fixed assets remains with the Kankakee County and, accordingly, the cost of these assets is not included in any fund or in the Capital Assets in the financial statements.

**NOTE 11: RISK MANAGEMENT**

The Regional Office of Education #32 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Regional Office of Education #32 has purchased commercial insurance to cover these risks. During the year ended June 30, 2012, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2012**

**NOTE 12: ON-BEHALF PAYMENTS**

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

Regional Superintendent Salary	\$	100,431
Regional Superintendent Fringe Benefits (Includes State paid insurance)		18,810
Assistant Regional Superintendent Salary		86,306
Assistant Regional Superintendent Fringe Benefits (Includes State paid insurance)		7,208
TRS Pension Contributions		183,289
THIS Fund Contributions		<u>7,321</u>
 Total	 \$	 <u>403,365</u>

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

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

**NOTE 13: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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

The following fund/fund account had a deficit fund balance at June 30, 2012:

Education Fund		
CPDC Project	\$	1,963

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2012**

**NOTE 14: TRANSFERS**

Interfund transfers in/out to other funds at June 30, 2012 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	\$ 1,960	\$ 1,961
Education Fund		
Addiction Prevention Comprehensive	230	-
ARRA Education Jobs Fund	22	10
ARRA McKinney Education for Homeless Children	-	78
ARRA Title I School Improvement & Accountability	-	14
IVPA Family Violence Coordinating Council	432	-
McKinney Education for Homeless Children	401	-
National Board of Professional Teaching Standards Mentoring Program	-	21
Regional Safe Schools	15	-
ROE/ISC Operations	10	-
Teachers and Administrators Mentoring Program	491	-
Teen Reach	64	-
Title II Teacher Quality Leadership Grant	140	-
Title II Teacher Quality Leadership Grant System of Support	-	41
Truants' Alternative Program	234	-
Proprietary Funds		
Safe Schools Local	-	15
Truant Local	78	929
Family Violence Coordinating Councils	-	432
Gifted Education Workshop	-	2,401
Internet Connectivity	1,289	-
Local Induction Mentoring Training Fees	21	641
Reading First Academy Workshops	-	33,445
ROE Workshops	35,846	1,289
SALT Activity	-	11
Services Provided HUD	7	-
Supplemental Educational Services	-	7
Title I Workshops	55	-
	\$ 41,295	\$ 41,295

**NOTE 15: RESTATEMENTS**

Beginning net assets of the nonmajor proprietary funds has been restated by \$218,625. This is due to the inclusion of the Life Education Local fund which had been considered a major proprietary fund in the prior year. Beginning cash has also been restated by \$153,805 on the Statement of Cash Flows.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2012**

**NOTE 16: OPERATING LEASES**

Lease 1: On July 1, 2010 the Regional Office of Education #32 entered into a three year lease agreement with the Kankakee Area Special Education Cooperative for rental of 1 Stuart Dr., Kankakee, Illinois beginning July 1, 2010 and terminating June 30, 2013. The lease is payable in annual installments of \$25,000. Lease expense for the office building for fiscal year 2012 was \$25,000.

Lease 2: On August 14, 2007, the Regional Office of Education #32 entered into a lease agreement with Martin Whalen Office Solutions, Inc. for rental of a copier for 5 years beginning with August 14, 2007 and an original termination date of August 13, 2012. The lease is payable in monthly installments of \$213. Lease expense for the copier for fiscal year 2012 was \$1,704.

On March 1, 2012, the Regional Office of Education #32 entered into a new lease agreement with Martin Whalen Office Solutions, Inc. for rental of a copier for 5 years beginning with March 1, 2012 and terminating on February 28, 2017 to replace the lease described above. The new lease is payable in monthly installments of \$446. Lease expense for the copier for fiscal year 2012 was \$1,784.

Lease 3: On October 1, 2007, the Regional Office of Education #32 entered into a lease agreement with Martin Whalen Office Solutions, Inc. for rental of a copier for 5 years beginning with October 1, 2007 and an original termination date of September 30, 2012. The lease is payable in monthly installments of \$420. Lease expense for the copier for fiscal year 2012 was \$3,360.

On March 1, 2012, the Regional Office of Education #32 entered into a new lease agreement with Martin Whalen Office Solutions, Inc. for rental of 2 copiers for 5 years beginning with March 1, 2012 and terminating on February 28, 2017 to replace the lease described above. The new lease is payable in monthly installments of \$1,141. Lease expense for the copiers for fiscal year 2012 was \$4,563.

Lease 4: On October 1, 2007, the Regional Office of Education #32 entered into a lease agreement with Martin Whalen Office Solutions, Inc. for rental of a copier for 5 years beginning with October 1, 2007 and an original termination date of September 30, 2012. The lease is payable in monthly installments of \$173. Lease expense for the copier for fiscal year 2012 was \$1,384.

On March 1, 2012, the Regional Office of Education #32 extended this lease with Martin Whalen Office Solutions, Inc. for rental of the same copier for 3 years beginning with March 1, 2012 and terminating on February 28, 2015. The new extended lease is payable in monthly installments of \$27. Lease expense for the copier for fiscal year 2012 was \$107.

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

2013	\$	44,363
2014		19,362
2015		19,255
2016		19,040
2017		12,694
		\$ 114,714
		114,714

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
June 30, 2012**

**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)
12/31/11	\$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%
12/31/09	1,681,763	1,858,492	176,729	90.49%	786,351	22.47%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$1,535,377. On a market basis, the funded ratio would be 79.83%.

**POST-RETIREMENT MEDICAL PLAN  
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)
11/30/09	\$0	\$20,681	\$20,681	0%

The actuarial valuation of the Plan was performed as of November 30, 2009. 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%. Twenty percent participation 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, 2012**

	General Operations	General State Aid	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 208,608	\$ 1,547,236	\$ 1,755,844
Due from other funds	371	-	371
Due from other governments	34,121	870	34,991
Total Assets	\$ 243,100	\$ 1,548,106	\$ 1,791,206
<b>Liabilities</b>			
Accounts payable	\$ 73,132	\$ -	\$ 73,132
Total Liabilities	73,132	-	73,132
<b>Fund Balances</b>			
Unassigned	169,968	1,548,106	1,718,074
Total Fund Balances	169,968	1,548,106	1,718,074
Total Liabilities and Fund Balances	\$ 243,100	\$ 1,548,106	\$ 1,791,206

**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, 2012**

	General Operations	General State Aid	Total
<b>Revenues:</b>			
Local sources	\$ 493,199	\$ -	\$ 493,199
State sources	-	1,136,548	1,136,548
State sources - payments made on behalf of region	403,365	-	403,365
<b>Total Revenues</b>	<b>896,564</b>	<b>1,136,548</b>	<b>2,033,112</b>
<b>Expenditures:</b>			
Salaries	309,693	548,915	858,608
Employee benefits	87,028	95,459	182,487
Purchased services	86,923	105,063	191,986
Supplies and materials	11,284	38,819	50,103
Capital outlay	5,031	734	5,765
Other	2,417	-	2,417
Payments made on behalf of region	403,365	-	403,365
<b>Total Expenditures</b>	<b>905,741</b>	<b>788,990</b>	<b>1,694,731</b>
<b>Excess (Deficiency) of Revenues     Over Expenditures</b>	<b>(9,177)</b>	<b>347,558</b>	<b>338,381</b>
<b>Other Financing Sources (Uses):</b>			
Transfer in	1,960	-	1,960
Transfer out	(1,961)	-	(1,961)
Interest	1,011	4,037	5,048
<b>Total Other Financing Sources (Uses)</b>	<b>1,010</b>	<b>4,037</b>	<b>5,047</b>
<b>Net Change in Fund Balances</b>	<b>(8,167)</b>	<b>351,595</b>	<b>343,428</b>
Fund Balances - Beginning	178,135	1,196,511	1,374,646
Fund Balances - Ending	\$ 169,968	\$ 1,548,106	\$ 1,718,074

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2012**

	Addiction Prevention Comprehensive	ARRA Education Jobs Fund	ARRA McKinney Education for Homeless Children	ARRA Title I School Improvement & Accountability
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other governments	16,624	-	-	-
<b>Total Assets</b>	<b>\$ 16,624</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities</b>				
Accounts payable	\$ 162	\$ -	\$ -	\$ -
Due to other funds	16,462	-	-	-
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	-
<b>Total Liabilities</b>	<b>16,624</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits)</b>				
Restricted	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 16,624</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2012**

	Children's Mental Health Partnership	CPDC Project	Grants to Encourage Arrest Policies and Enforcement	HUD Supportive Housing Program	IVPA Family Violence Coordinating Council
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 4,298
Due from other governments	-	4,200	2,600	107	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 4,200</b>	<b>\$ 2,600</b>	<b>\$ 107</b>	<b>\$ 4,298</b>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	4,200	2,600	107	-
Due to other governments	-	-	-	-	-
Deferred revenue	-	1,963	-	-	4,298
<b>Total Liabilities</b>	<b>-</b>	<b>6,163</b>	<b>2,600</b>	<b>107</b>	<b>4,298</b>
<b>Fund Balances (Deficits)</b>					
Restricted	-	-	-	-	-
Unassigned	-	(1,963)	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>-</b>	<b>(1,963)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 4,200</b>	<b>\$ 2,600</b>	<b>\$ 107</b>	<b>\$ 4,298</b>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2012**

	<u>McKinney Education for Homeless Children</u>	<u>National Board of Professional Teaching Standards Mentoring Program</u>	<u>National School Breakfast</u>	<u>National School Lunch</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 709	\$ -	\$ 6,218	\$ 6,416
Due from other governments	<u>43,383</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<u><u>\$ 44,092</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,218</u></u>	<u><u>\$ 6,416</u></u>
<b>Liabilities</b>				
Accounts payable	\$ 12,168	\$ -	\$ -	\$ -
Due to other funds	31,924	-	-	-
Due to other governments	-	-	-	-
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u><u>44,092</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Fund Balances (Deficits)</b>				
Restricted	-	-	6,218	6,416
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Fund Balances (Deficits)</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>6,218</u></u>	<u><u>6,416</u></u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 44,092</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,218</u></u>	<u><u>\$ 6,416</u></u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 June 30, 2012**

	Preschool For All	Regional Safe Schools	ROE/ISC Operations	State Building Capacity	State Free Lunch and Breakfast
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 2,765
Due from other governments	-	29,568	-	837	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 29,568</b>	<b>\$ -</b>	<b>\$ 837</b>	<b>\$ 2,765</b>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	29,568	-	837	-
Due to other governments	-	-	-	-	-
Deferred revenue	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>29,568</b>	<b>-</b>	<b>837</b>	<b>-</b>
<b>Fund Balances (Deficits)</b>					
Restricted	-	-	-	-	2,765
Unassigned	-	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,765</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 29,568</b>	<b>\$ -</b>	<b>\$ 837</b>	<b>\$ 2,765</b>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2012**

	Teachers and Administrators Mentoring Program	Teen Reach	Title I School Improvement & Accountability System of Support	Title II Teacher Quality
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 326	\$ -	\$ -
Due from other governments	-	30,480	205,076	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 30,806</b>	<b>\$ 205,076</b>	<b>\$ -</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	30,806	69,870	-
Due to other governments	-	-	134,744	-
Deferred revenue	-	-	462	-
<b>Total Liabilities</b>	<b>-</b>	<b>30,806</b>	<b>205,076</b>	<b>-</b>
<b>Fund Balances (Deficits)</b>				
Restricted	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 30,806</b>	<b>\$ 205,076</b>	<b>\$ -</b>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2012**

	Title II Teacher Quality Leadership Grant	Title II Teacher Quality Leadership Grant System of Support	Truants' Alternative Program	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 5,077	\$ -	\$ -	\$ 25,809
Due from other governments	34,975	-	55,391	423,241
<b>Total Assets</b>	<b>\$ 40,052</b>	<b>\$ -</b>	<b>\$ 55,391</b>	<b>\$ 449,050</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 12,330
Due to other funds	40,052	-	55,391	281,817
Due to other governments	-	-	-	134,744
Deferred revenue	-	-	-	6,723
<b>Total Liabilities</b>	<b>40,052</b>	<b>-</b>	<b>55,391</b>	<b>435,614</b>
<b>Fund Balances (Deficits)</b>				
Restricted	-	-	-	15,399
Unassigned	-	-	-	(1,963)
<b>Total Fund Balances (Deficits)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,436</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 40,052</b>	<b>\$ -</b>	<b>\$ 55,391</b>	<b>\$ 449,050</b>

**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, 2012**

	<u>Addiction Prevention Comprehensive</u>	<u>ARRA Education Jobs Fund</u>	<u>ARRA McKinney Education for Homeless Children</u>	<u>ARRA Title I School Improvement &amp; Accountability</u>
<b>Revenues:</b>				
State sources	\$ 63,540	\$ -	\$ -	\$ -
Federal sources	161,136	1,762	4,356	-
Total Revenues	<u>224,676</u>	<u>1,762</u>	<u>4,356</u>	<u>-</u>
<b>Expenditures:</b>				
Salaries	176,555	1,618	-	-
Employee benefits	42,164	123	-	-
Purchased services	5,445	33	-	-
Supplies and materials	758	-	4,425	-
Capital outlay	-	-	-	-
Payments to other governments	-	-	-	-
Total Expenditures	<u>224,922</u>	<u>1,774</u>	<u>4,425</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(246)</u>	<u>(12)</u>	<u>(69)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	230	22	-	-
Transfers out	-	(10)	(78)	(14)
Interest	16	-	147	14
Total Other Financing Sources (Uses)	<u>246</u>	<u>12</u>	<u>69</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance (Deficit) - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2012**

	Children's Mental Health Partnership	CPDC Project	Grants to Encourage Arrest Policies and Enforcement	HUD Supportive Housing Program	IVPA Family Violence Coordinating Council
Revenues:					
State sources	\$ 24,689	\$ -	\$ -	\$ -	\$ 20,036
Federal sources	-	9,155	2,600	54,475	-
Total Revenues	<u>24,689</u>	<u>9,155</u>	<u>2,600</u>	<u>54,475</u>	<u>20,036</u>
Expenditures:					
Salaries	15,000	-	1,092	34,052	11,852
Employee benefits	3,068	-	196	15,649	2,374
Purchased services	4,367	11,075	1,312	3,329	5,869
Supplies and materials	161	43	-	1,445	383
Capital outlay	1,259	-	-	-	-
Payments to other governments	834	-	-	-	-
Total Expenditures	<u>24,689</u>	<u>11,118</u>	<u>2,600</u>	<u>54,475</u>	<u>20,478</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(1,963)</u>	<u>-</u>	<u>-</u>	<u>(442)</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	432
Transfers out	-	-	-	-	-
Interest	-	-	-	-	10
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>442</u>
Net Change in Fund Balances	-	(1,963)	-	-	-
Fund Balance (Deficit) - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (1,963)</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, 2012**

	McKinney Education for Homeless Children	National Board of Professional Teaching Standards Mentoring Program	National School Breakfast	National School Lunch
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Federal sources	157,138	-	13,795	21,525
Total Revenues	<u>157,138</u>	<u>-</u>	<u>13,795</u>	<u>21,525</u>
Expenditures:				
Salaries	47,717	-	-	-
Employee benefits	8,328	-	-	-
Purchased services	9,142	-	-	-
Supplies and materials	859	-	-	-
Capital outlay	-	-	-	-
Payments to other governments	91,493	-	12,719	23,761
Total Expenditures	<u>157,539</u>	<u>-</u>	<u>12,719</u>	<u>23,761</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(401)</u>	<u>-</u>	<u>1,076</u>	<u>(2,236)</u>
Other Financing Sources (Uses):				
Transfers in	401	-	-	-
Transfers out	-	(21)	-	-
Interest	-	21	18	26
Total Other Financing Sources (Uses)	<u>401</u>	<u>-</u>	<u>18</u>	<u>26</u>
Net Change in Fund Balances	-	-	1,094	(2,210)
Fund Balance (Deficit) - Beginning	<u>-</u>	<u>-</u>	<u>5,124</u>	<u>8,626</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,218</u>	<u>\$ 6,416</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, 2012**

	Preschool for All	Regional Safe Schools	ROE/ISC Operations	State Building Capacity	State Free Lunch and Breakfast
<b>Revenues:</b>					
State sources	\$ -	\$ 131,081	\$ 33,682	\$ 31,450	\$ 1,704
Federal sources	-	-	-	-	-
Total Revenues	<u>-</u>	<u>131,081</u>	<u>33,682</u>	<u>31,450</u>	<u>1,704</u>
<b>Expenditures:</b>					
Salaries	-	106,397	25,683	4,606	-
Employee benefits	-	10,493	4,481	336	-
Purchased services	7	3,214	2,721	58	-
Supplies and materials	-	-	818	-	-
Capital outlay	-	-	-	-	-
Payments to other governments	-	-	-	26,451	-
Total Expenditures	<u>7</u>	<u>120,104</u>	<u>33,703</u>	<u>31,451</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7)</u>	<u>10,977</u>	<u>(21)</u>	<u>(1)</u>	<u>1,704</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	15	10	-	-
Transfers out	-	-	-	-	-
Interest	7	8	11	1	6
Total Other Financing Sources (Uses)	<u>7</u>	<u>23</u>	<u>21</u>	<u>1</u>	<u>6</u>
Net Change in Fund Balances	-	11,000	-	-	1,710
Fund Balance (Deficit) - Beginning	<u>-</u>	<u>(11,000)</u>	<u>-</u>	<u>-</u>	<u>1,055</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,765</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, 2012**

	Teachers and Administrators Mentoring Program	Teen Reach	Title I School Improvement & Accountability System of Support	Title II Teacher Quality
<b>Revenues:</b>				
State sources	\$ 20,727	\$ -	\$ -	\$ -
Federal sources	-	140,628	812,447	292
Total Revenues	<u>20,727</u>	<u>140,628</u>	<u>812,447</u>	<u>292</u>
<b>Expenditures:</b>				
Salaries	3,672	36,502	247,105	-
Employee benefits	53	7,060	46,227	-
Purchased services	8,440	2,407	35,638	292
Supplies and materials	9,083	1,897	1,624	-
Capital outlay	-	-	-	-
Payments to other governments	-	69,500	481,853	-
Total Expenditures	<u>21,248</u>	<u>117,366</u>	<u>812,447</u>	<u>292</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(521)</u>	<u>23,262</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	491	64	-	-
Transfers out	-	-	-	-
Interest	30	9	-	-
Total Other Financing Sources (Uses)	<u>521</u>	<u>73</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	23,335	-	-
Fund Balance (Deficit) - Beginning	<u>-</u>	<u>(23,335)</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 For the Year Ended June 30, 2012**

	Title II Teacher Quality Leadership Grant	Title II Teacher Quality Leadership Grant System of Support	Truants' Alternative Program	Total
<b>Revenues:</b>				
State sources	\$ -	\$ -	\$ 245,742	\$ 572,651
Federal sources	181,377	-	-	1,560,686
Total Revenues	<u>181,377</u>	<u>-</u>	<u>245,742</u>	<u>2,133,337</u>
<b>Expenditures:</b>				
Salaries	90,540	-	154,068	956,459
Employee benefits	14,448	-	30,039	185,039
Purchased services	62,652	-	18,729	174,730
Supplies and materials	13,152	-	23,200	57,848
Capital outlay	642	-	-	1,901
Payments to other governments	100	-	-	706,711
Total Expenditures	<u>181,534</u>	<u>-</u>	<u>226,036</u>	<u>2,082,688</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(157)</u>	<u>-</u>	<u>19,706</u>	<u>50,649</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	140	-	234	2,039
Transfers out	-	(41)	-	(164)
Interest	17	41	16	398
Total Other Financing Sources (Uses)	<u>157</u>	<u>-</u>	<u>250</u>	<u>2,273</u>
Net Change in Fund Balances	-	-	19,956	52,922
Fund Balance (Deficit) - Beginning	<u>-</u>	<u>-</u>	<u>(19,956)</u>	<u>(39,486)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,436</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2011 to June 30, 2012)  
EDUCATION FUND ACCOUNTS  
ADDICTION PREVENTION COMPREHENSIVE  
For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 63,540	\$ 63,540	\$ 63,540
Federal sources	161,136	161,136	161,136
Total Revenues	<u>224,676</u>	<u>224,676</u>	<u>224,676</u>
Expenditures:			
Salaries	156,156	156,156	176,555
Employee benefits	66,680	66,680	42,164
Purchased services	1,401	1,401	5,445
Supplies and materials	439	439	758
Total Expenditures	<u>224,676</u>	<u>224,676</u>	<u>224,922</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(246)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	230
Interest	-	-	16
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>246</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 August 31, 2009 to September 30, 2011)  
 EDUCATION FUND ACCOUNTS  
 ARRA MCKINNEY EDUCATION FOR HOMELESS CHILDREN  
 For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 126,209	\$ 126,209	\$ 4,356
Total Revenues	<u>126,209</u>	<u>126,209</u>	<u>4,356</u>
Expenditures:			
Salaries	9,701	10,651	-
Employee benefits	1,551	1,713	-
Purchased services	221	256	-
Supplies and materials	-	10,362	4,425
Payments to other governments	114,736	103,227	-
Total Expenditures	<u>126,209</u>	<u>126,209</u>	<u>4,425</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(69)</u>
Other Financing Sources (Uses):			
Transfers out	-	-	(78)
Interest	-	-	147
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>69</u>
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of February 10, 2012 to June 30, 2012)  
 EDUCATION FUND ACCOUNTS  
 CHILDREN'S MENTAL HEALTH PARTNERSHIP  
 For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 24,689	\$ 24,689	\$ 24,689
Total Revenues	<u>24,689</u>	<u>24,689</u>	<u>24,689</u>
Expenditures:			
Salaries	18,333	15,000	15,000
Employee benefits	4,686	2,688	3,068
Purchased services	1,670	3,176	4,367
Supplies and materials	-	1,500	161
Capital outlay	-	1,500	1,259
Payments to other governments	-	825	834
Total Expenditures	<u>24,689</u>	<u>24,689</u>	<u>24,689</u>
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 (For the period October 1, 2010 through September 30, 2011)  
 EDUCATION FUND ACCOUNTS  
 CPDC PROJECT  
 For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 37,500	\$ 37,500	\$ 6,918
Total Revenues	<u>37,500</u>	<u>37,500</u>	<u>6,918</u>
Expenditures:			
Purchased services	34,447	34,447	6,918
Supplies and materials	3,053	3,053	-
Total Expenditures	<u>37,500</u>	<u>37,500</u>	<u>6,918</u>
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 (For the period October 1, 2011 through September 30, 2012)  
 EDUCATION FUND ACCOUNTS  
 CPDC PROJECT  
 For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 9,790	\$ 9,790	\$ 2,237
Total Revenues	<u>9,790</u>	<u>9,790</u>	<u>2,237</u>
Expenditures:			
Purchased services	8,815	8,815	4,157
Supplies and materials	600	600	43
Other	375	375	-
Total Expenditures	<u>9,790</u>	<u>9,790</u>	<u>4,200</u>
Net Change in Fund Balance	-	-	(1,963)
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,963)</u></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  
GRANTS TO ENCOURAGE ARREST POLICIES AND ENFORCEMENT  
For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 20,909	\$ 20,909	\$ 2,600
Total Revenues	<u>20,909</u>	<u>20,909</u>	<u>2,600</u>
Expenditures:			
Salaries	10,400	10,400	1,092
Employee benefits	-	-	196
Purchased services	10,509	10,509	1,312
Total Expenditures	<u>20,909</u>	<u>20,909</u>	<u>2,600</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 December 31, 2010 to December 31, 2011)  
 EDUCATION FUND ACCOUNTS  
 IVPA FAMILY VIOLENCE COORDINATING COUNCIL  
 For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 19,500	\$ 19,500	\$ 10,661
Total Revenues	<u>19,500</u>	<u>19,500</u>	<u>10,661</u>
Expenditures:			
Salaries	13,625	13,625	6,432
Employee benefits	2,330	2,330	1,648
Purchased services	3,115	3,115	2,572
Supplies and materials	430	430	9
Total Expenditures	<u>19,500</u>	<u>19,500</u>	<u>10,661</u>
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 19,500	\$ 19,500	\$ 9,375
Total Revenues	<u>19,500</u>	<u>19,500</u>	<u>9,375</u>
Expenditures:			
Salaries	13,625	13,625	5,420
Employee benefits	2,330	2,330	726
Purchased services	3,115	3,115	3,297
Supplies and materials	430	430	374
Total Expenditures	<u>19,500</u>	<u>19,500</u>	<u>9,817</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(442)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	432
Interest	-	-	10
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>442</u>
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2011 to September 30, 2012)  
 EDUCATION FUND ACCOUNTS  
 MCKINNEY EDUCATION FOR HOMELESS CHILDREN  
 For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 158,361	\$ 170,361	\$ 157,138
Total Revenues	<u>158,361</u>	<u>170,361</u>	<u>157,138</u>
Expenditures:			
Salaries	48,863	47,678	47,717
Employee benefits	8,960	8,128	8,328
Purchased services	7,917	9,914	9,142
Supplies and materials	1,055	4,325	859
Payments to other governments	91,566	100,316	91,493
Total Expenditures	<u>158,361</u>	<u>170,361</u>	<u>157,539</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(401)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	401
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>401</u>
Net Change in Fund Balance	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of July 1, 2011 to June 30, 2012)  
EDUCATION FUND ACCOUNTS  
REGIONAL SAFE SCHOOLS  
For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 120,081	\$ 120,081	\$ 131,081
Total Revenues	<u>120,081</u>	<u>120,081</u>	<u>131,081</u>
Expenditures:			
Salaries	104,233	104,233	106,397
Employee benefits	13,596	13,596	10,493
Purchased services	2,252	2,252	3,214
Total Expenditures	<u>120,081</u>	<u>120,081</u>	<u>120,104</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>10,977</u>
Other Financing Sources (Uses):			
Transfers in	-	-	15
Interest	-	-	8
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>23</u>
Net Change in Fund Balances	-	-	11,000
Fund Balances (Deficits) - Beginning	<u>-</u>	<u>-</u>	<u>(11,000)</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 June 30, 2012)  
 EDUCATION FUND ACCOUNTS  
 ROE/ISC OPERATIONS  
 For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 33,682	\$ 33,682	\$ 33,682
Total Revenues	<u>33,682</u>	<u>33,682</u>	<u>33,682</u>
Expenditures:			
Salaries	27,924	25,924	25,683
Employee benefits	5,004	5,004	4,481
Purchased services	630	2,630	2,721
Supplies and materials	124	124	818
Total Expenditures	<u>33,682</u>	<u>33,682</u>	<u>33,703</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(21)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	10
Interest	-	-	11
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>21</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 23, 2010 to August 31, 2011)  
EDUCATION FUND ACCOUNTS  
TEACHERS AND ADMINISTRATORS MENTORING PROGRAM  
For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 145,000	\$ 153,000	\$ 20,727
Total Revenues	<u>145,000</u>	<u>153,000</u>	<u>20,727</u>
Expenditures:			
Salaries	45,180	51,549	3,672
Employee benefits	655	747	53
Purchased services	12,100	82,839	8,440
Supplies and materials	5,960	11,400	9,083
Payments to other governments	81,105	6,465	-
Total Expenditures	<u>145,000</u>	<u>153,000</u>	<u>21,248</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(521)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	491
Interest	-	-	30
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>521</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2011 to June 30, 2012)  
 EDUCATION FUND ACCOUNTS  
 TEEN REACH  
 For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 117,292	\$ 117,292	\$ 140,628
Total Revenues	<u>117,292</u>	<u>117,292</u>	<u>140,628</u>
Expenditures:			
Salaries	39,892	39,892	36,502
Employee benefits	4,498	4,498	7,060
Purchased services	500	500	2,407
Supplies and materials	2,000	2,000	1,897
Payments to other governments	70,402	70,402	69,500
Total Expenditures	<u>117,292</u>	<u>117,292</u>	<u>117,366</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>23,262</u>
Other Financing Sources (Uses):			
Transfers in	-	-	64
Interest	-	-	9
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>73</u>
Net Change in Fund Balances	-	-	23,335
Fund Balances (Deficits) - Beginning	<u>-</u>	<u>-</u>	<u>(23,335)</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**EDUCATION FUND ACCOUNTS  
TITLE I SCHOOL IMPROVEMENT & ACCOUNTABILITY SYSTEM OF SUPPORT  
For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 855,596	\$ 876,558	\$ 11,481
Total Revenues	<u>855,596</u>	<u>876,558</u>	<u>11,481</u>
Expenditures:			
Salaries	221,514	156,884	-
Employee benefits	52,255	29,230	-
Purchased services	32,831	44,919	934
Supplies and materials	5,000	9,943	-
Payments to other governments	543,996	635,582	10,547
Total Expenditures	<u>855,596</u>	<u>876,558</u>	<u>11,481</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2011 to August 31, 2012)  
 EDUCATION FUND ACCOUNTS  
 TITLE I SCHOOL IMPROVEMENT & ACCOUNTABILITY SYSTEM OF SUPPORT  
 For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 876,557	\$ 876,557	\$ 800,966
Total Revenues	<u>876,557</u>	<u>876,557</u>	<u>800,966</u>
Expenditures:			
Salaries	300,481	246,992	247,105
Employee benefits	56,123	46,282	46,227
Purchased services	65,022	53,648	34,704
Supplies and materials	6,000	6,000	1,624
Payments to other governments	448,931	523,635	471,306
Total Expenditures	<u>876,557</u>	<u>876,557</u>	<u>800,966</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 June 30, 2012)  
 EDUCATION FUND ACCOUNTS  
 TITLE II TEACHER QUALITY  
 For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 292	\$ 292	\$ 292
Total Revenues	<u>292</u>	<u>292</u>	<u>292</u>
Expenditures:			
Purchased services	292	292	292
Total Expenditures	<u>292</u>	<u>292</u>	<u>292</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
BUDGETARY COMPARISON SCHEDULE  
(For the Period of October 14, 2010 to August 31, 2011)  
EDUCATION FUND ACCOUNTS  
**TITLE II TEACHER QUALITY LEADERSHIP GRANT**  
For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 104,000	\$ 149,824	\$ 54,000
Total Revenues	<u>104,000</u>	<u>149,824</u>	<u>54,000</u>
Expenditures:			
Salaries	33,728	55,628	11,846
Employee benefits	11,179	13,296	1,612
Purchased services	49,993	70,482	32,737
Supplies and materials	3,100	8,576	7,203
Capital outlay	-	642	642
Payments to other governments	6,000	1,200	100
Total Expenditures	<u>104,000</u>	<u>149,824</u>	<u>54,140</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(140)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	140
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>140</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 6, 2011 to August 31, 2012)  
 EDUCATION FUND ACCOUNTS  
 TITLE II TEACHER QUALITY LEADERSHIP GRANT  
 For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Federal sources	\$ 215,549	\$ 215,549	\$ 127,377
Total Revenues	<u>215,549</u>	<u>215,549</u>	<u>127,377</u>
Expenditures:			
Salaries	116,579	113,380	78,694
Employee benefits	18,125	15,701	12,836
Purchased services	74,220	79,843	29,915
Supplies and materials	6,625	6,625	5,949
Total Expenditures	<u>215,549</u>	<u>215,549</u>	<u>127,394</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(17)</u>
Other Financing Sources (Uses):			
Interest	<u>-</u>	<u>-</u>	<u>17</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>17</u>
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2010 to June 30, 2011)  
 EDUCATION FUND ACCOUNTS  
 TRUANTS' ALTERNATIVE PROGRAM  
 For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 208,459	\$ 208,459	\$ 22,003
Total Revenues	<u>208,459</u>	<u>208,459</u>	<u>22,003</u>
Expenditures:			
Salaries	134,803	134,803	-
Employee benefits	21,369	21,369	-
Purchased services	27,343	27,343	2,047
Supplies and materials	24,944	24,944	-
Total Expenditures	<u>208,459</u>	<u>208,459</u>	<u>2,047</u>
Net Change in Fund Balances	-	-	19,956
Fund Balances (Deficits) - Beginning	<u>-</u>	<u>-</u>	<u>(19,956)</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 June 30, 2012)  
 EDUCATION FUND ACCOUNTS  
 TRUANTS' ALTERNATIVE PROGRAM  
 For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
State sources	\$ 223,739	\$ 223,739	\$ 223,739
Total Revenues	<u>223,739</u>	<u>223,739</u>	<u>223,739</u>
Expenditures:			
Salaries	149,276	149,276	154,068
Employee benefits	32,550	32,550	30,039
Purchased services	28,495	24,975	16,682
Supplies and materials	13,418	16,938	23,200
Total Expenditures	<u>223,739</u>	<u>223,739</u>	<u>223,989</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(250)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	234
Interest	-	-	16
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>250</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, 2012**

	<u>Bus Driver Training</u>	<u>General Education Development</u>	<u>Institute</u>	<u>Project Care Healthy Decision</u>	<u>Total</u>
Assets					
Cash and cash equivalents	<u>\$ 17,845</u>	<u>\$ 55,157</u>	<u>\$ 98,042</u>	<u>\$ 4,055</u>	<u>\$ 175,099</u>
Total Assets	<u><u>\$ 17,845</u></u>	<u><u>\$ 55,157</u></u>	<u><u>\$ 98,042</u></u>	<u><u>\$ 4,055</u></u>	<u><u>\$ 175,099</u></u>
Liabilities:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:					
Restricted	<u>17,845</u>	<u>55,157</u>	<u>98,042</u>	<u>4,055</u>	<u>175,099</u>
Total Liabilities and Fund Balances	<u><u>\$ 17,845</u></u>	<u><u>\$ 55,157</u></u>	<u><u>\$ 98,042</u></u>	<u><u>\$ 4,055</u></u>	<u><u>\$ 175,099</u></u>

**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, 2012**

	Bus Driver Training	General Education Development	Institute	Project Care Healthy Decision	Total
<b>Revenue:</b>					
Local sources	\$ 5,128	\$ 14,815	\$ 60,776	\$ -	\$ 80,719
State sources	1,286	-	-	-	1,286
Total Revenues	<u>6,414</u>	<u>14,815</u>	<u>60,776</u>	<u>-</u>	<u>82,005</u>
<b>Expenditures:</b>					
Salaries	-	11,887	-	-	11,887
Employee benefits	-	7,205	-	-	7,205
Purchased services	3,907	5,670	11,133	-	20,710
Supplies and materials	169	3,768	1,642	-	5,579
Other	22	-	5,001	-	5,023
Total Expenditures	<u>4,098</u>	<u>28,530</u>	<u>17,776</u>	<u>-</u>	<u>50,404</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,316</u>	<u>(13,715)</u>	<u>43,000</u>	<u>-</u>	<u>31,601</u>
<b>Other Financing Sources (Uses):</b>					
Interest	51	198	150	12	411
Total Other Financing Sources (Uses)	<u>51</u>	<u>198</u>	<u>150</u>	<u>12</u>	<u>411</u>
Net Change in Fund Balances	2,367	(13,517)	43,150	12	32,012
Fund Balance - Beginning	<u>15,478</u>	<u>68,674</u>	<u>54,892</u>	<u>4,043</u>	<u>143,087</u>
Fund Balance - Ending	<u>\$ 17,845</u>	<u>\$ 55,157</u>	<u>\$ 98,042</u>	<u>\$ 4,055</u>	<u>\$ 175,099</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING STATEMENT OF NET ASSETS  
NONMAJOR PROPRIETARY FUNDS  
June 30, 2012**

	Administrator's Academy Local	Children and Adolescent Local Area Network System	Criminal Background Investigation	Family Violence Coordinating Councils	Fluoride Fund
<b>Assets</b>					
Cash and cash equivalents	\$ 29,423	\$ 751	\$ 9,603	\$ 753	\$ 3,388
Due from other funds	-	-	-	-	-
<b>Total Assets</b>	<b>29,423</b>	<b>751</b>	<b>9,603</b>	<b>753</b>	<b>3,388</b>
<b>Liabilities</b>					
Accounts payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>					
Unrestricted	29,423	751	9,603	753	3,388
<b>Total Net Assets</b>	<b>\$ 29,423</b>	<b>\$ 751</b>	<b>\$ 9,603</b>	<b>\$ 753</b>	<b>\$ 3,388</b>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 COMBINING STATEMENT OF NET ASSETS  
 NONMAJOR PROPRIETARY FUNDS  
 June 30, 2012**

	Gifted Education Workshop	Internet Connectivity	Life Education Local	Local Induction Mentoring Training Fees	RAAC Renaissance Program
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 130,690	\$ -	\$ 3
Due from other funds	-	-	36,929	40,192	-
<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>167,619</b>	<b>40,192</b>	<b>3</b>
<b>Liabilities</b>					
Accounts payable	-	-	-	7	-
Due to other funds	-	-	-	20,387	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,394</b>	<b>-</b>
<b>Net Assets</b>					
Unrestricted	-	-	167,619	19,798	3
<b>Total Net Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 167,619</b>	<b>\$ 19,798</b>	<b>\$ 3</b>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 COMBINING STATEMENT OF NET ASSETS  
 NONMAJOR PROPRIETARY FUNDS  
 June 30, 2012**

	Reading First Academy Workshops	Regional Alternative Attendance Center (RAAC)	ROE Workshops	SALT Activity	School Crisis Assistance Team (SCAT) Donations
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ 1,989	\$ 71,875	\$ 2,219	\$ 2,564
Due from other funds	-	-	-	-	-
<b>Total Assets</b>	<u>-</u>	<u>1,989</u>	<u>71,875</u>	<u>2,219</u>	<u>2,564</u>
<b>Liabilities</b>					
Accounts payable	-	-	-	-	-
Due to other funds	-	-	142	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>142</u>	<u>-</u>	<u>-</u>
<b>Net Assets</b>					
Unrestricted	<u>-</u>	<u>1,989</u>	<u>71,733</u>	<u>2,219</u>	<u>2,564</u>
<b>Total Net Assets</b>	<u>\$ -</u>	<u>\$ 1,989</u>	<u>\$ 71,733</u>	<u>\$ 2,219</u>	<u>\$ 2,564</u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 COMBINING STATEMENT OF NET ASSETS  
 NONMAJOR PROPRIETARY FUNDS  
 June 30, 2012**

	School Lunch Student Payments	Services Provided HUD	Supplemental Educational Services	Title I Workshops	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 3,855	\$ -	\$ 1,943	\$ 5,497	\$ 264,553
Due from other funds	-	-	104,069	-	181,190
<b>Total Assets</b>	<b>3,855</b>	<b>-</b>	<b>106,012</b>	<b>5,497</b>	<b>445,743</b>
<b>Liabilities</b>					
Accounts payable	-	-	-	-	7
Due to other funds	-	-	-	-	20,529
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,536</b>
<b>Net Assets</b>					
Unrestricted	3,855	-	106,012	5,497	425,207
<b>Total Net Assets</b>	<b>\$ 3,855</b>	<b>\$ -</b>	<b>\$ 106,012</b>	<b>\$ 5,497</b>	<b>\$ 425,207</b>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 NONMAJOR PROPRIETARY FUNDS  
 For the Year Ended June 30, 2012**

	Administrator's Academy Local	Children and Adolescent Local Area Network System	Criminal Background Investigation	Family Violence Coordinating Councils	Fluoride Fund
Operating Revenues					
Local sources	\$ 15,160	\$ -	\$ 13,440	\$ 1,821	\$ -
Total Operating Revenues	<u>15,160</u>	<u>-</u>	<u>13,440</u>	<u>1,821</u>	<u>-</u>
Operating Expenses					
Salaries	900	-	-	-	-
Employee benefits	13	-	-	-	-
Purchased services	15,013	-	11,160	1,335	-
Supplies and materials	108	-	-	48	-
Other	-	-	-	-	-
Total Operating Expenses	<u>16,034</u>	<u>-</u>	<u>11,160</u>	<u>1,383</u>	<u>-</u>
Operating Income (Loss)	<u>(874)</u>	<u>-</u>	<u>2,280</u>	<u>438</u>	<u>-</u>
Nonoperating Revenues (Expenses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(432)	-
Interest	88	3	24	2	10
Total Nonoperating Revenues (Expenses)	<u>88</u>	<u>3</u>	<u>24</u>	<u>(430)</u>	<u>10</u>
Change in Net Assets	(786)	3	2,304	8	10
Net Assets - Beginning, Restated	<u>30,209</u>	<u>748</u>	<u>7,299</u>	<u>745</u>	<u>3,378</u>
Net Assets - Ending	<u>\$ 29,423</u>	<u>751</u>	<u>\$ 9,603</u>	<u>\$ 753</u>	<u>3,388</u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 NONMAJOR PROPRIETARY FUNDS  
 For the Year Ended June 30, 2012**

	Gifted Education Workshop	Internet Connectivity	Life Education Local	Local Induction Mentoring Training Fees	RAAC Renaissance Program
Operating Revenues					
Local sources	\$ -	\$ -	\$ 53,407	\$ 16,940	\$ -
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>53,407</u>	<u>16,940</u>	<u>-</u>
Operating Expenses					
Salaries	-	-	55,222	10,200	-
Employee benefits	-	-	5,111	148	-
Purchased services	2,074	1,289	26,947	3,400	-
Supplies and materials	-	-	17,693	169	63
Other	-	-	-	-	-
Total Operating Expenses	<u>2,074</u>	<u>1,289</u>	<u>104,973</u>	<u>13,917</u>	<u>63</u>
Operating Income (Loss)	<u>(2,074)</u>	<u>(1,289)</u>	<u>(51,566)</u>	<u>3,023</u>	<u>(63)</u>
Nonoperating Revenues (Expenses)					
Transfers in	-	1,289	-	21	-
Transfers out	(2,401)	-	-	(641)	-
Interest	12	-	560	41	-
Total Nonoperating Revenues (Expenses)	<u>(2,389)</u>	<u>1,289</u>	<u>560</u>	<u>(579)</u>	<u>-</u>
Change in Net Assets	(4,463)	-	(51,006)	2,444	(63)
Net Assets - Beginning, Restated	<u>4,463</u>	<u>-</u>	<u>218,625</u>	<u>17,354</u>	<u>66</u>
Net Assets - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,619</u>	<u>\$ 19,798</u>	<u>\$ 3</u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 NONMAJOR PROPRIETARY FUNDS  
 For the Year Ended June 30, 2012**

	Reading First Academy Workshops	Regional Alternative Attendance Center (RAAC)	ROE Workshops	SALT Activity	School Crisis Assistance Team (SCAT) Donations
Operating Revenues					
Local sources	\$ -	\$ 635	\$ 15,357	\$ 815	\$ -
Total Operating Revenues	<u>-</u>	<u>635</u>	<u>15,357</u>	<u>815</u>	<u>-</u>
Operating Expenses					
Salaries	-	-	-	-	-
Employee benefits	-	-	-	-	-
Purchased services	49	57	16,894	458	-
Supplies and materials	-	114	1,616	770	-
Other	226	-	978	-	-
Total Operating Expenses	<u>275</u>	<u>171</u>	<u>19,488</u>	<u>1,228</u>	<u>-</u>
Operating Income (Loss)	<u>(275)</u>	<u>464</u>	<u>(4,131)</u>	<u>(413)</u>	<u>-</u>
Nonoperating Revenues (Expenses)					
Transfers in	-	-	35,846	-	-
Transfers out	(33,445)	-	(1,289)	(11)	-
Interest	100	5	126	9	7
Total Nonoperating Revenues (Expenses)	<u>(33,345)</u>	<u>5</u>	<u>34,683</u>	<u>(2)</u>	<u>7</u>
Change in Net Assets	(33,620)	469	30,552	(415)	7
Net Assets - Beginning, Restated	<u>33,620</u>	<u>1,520</u>	<u>41,181</u>	<u>2,634</u>	<u>2,557</u>
Net Assets - Ending	<u>\$ -</u>	<u>\$ 1,989</u>	<u>\$ 71,733</u>	<u>\$ 2,219</u>	<u>\$ 2,564</u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 NONMAJOR PROPRIETARY FUNDS  
 For the Year Ended June 30, 2012**

	School Lunch Student Payments	Services Provided HUD	Supplemental Educational Services	Title I Workshops	Total
Operating Revenues					
Local sources	\$ 1,695	\$ 1,877	\$ -	\$ 705	\$ 121,852
Total Operating Revenues	<u>1,695</u>	<u>1,877</u>	<u>-</u>	<u>705</u>	<u>121,852</u>
Operating Expenses					
Salaries	-	-	-	-	66,322
Employee benefits	-	-	-	-	5,272
Purchased services	1,052	1,885	-	1,384	82,997
Supplies and materials	-	-	-	632	21,213
Other	-	-	6	-	1,210
Total Operating Expenses	<u>1,052</u>	<u>1,885</u>	<u>6</u>	<u>2,016</u>	<u>177,014</u>
Operating Income (Loss)	<u>643</u>	<u>(8)</u>	<u>(6)</u>	<u>(1,311)</u>	<u>(55,162)</u>
Nonoperating Revenues (Expenses)					
Transfers in	-	7	-	55	37,218
Transfers out	-	-	(7)	-	(38,226)
Interest	10	1	-	20	1,018
Total Nonoperating Revenues (Expenses)	<u>10</u>	<u>8</u>	<u>(7)</u>	<u>75</u>	<u>10</u>
Change in Net Assets	653	-	(13)	(1,236)	(55,152)
Net Assets - Beginning, Restated	<u>3,202</u>	<u>-</u>	<u>106,025</u>	<u>6,733</u>	<u>480,359</u>
Net Assets - Ending	<u>\$ 3,855</u>	<u>\$ -</u>	<u>\$ 106,012</u>	<u>\$ 5,497</u>	<u>\$ 425,207</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
For the Year Ended June 30, 2012**

	Administrator's Academy Local	Children and Adolescent Local Area Network System	Criminal Background Investigation	Family Violence Coordinating Councils	Fluoride Fund
<b>Cash Flows from Operating Activities</b>					
Receipts from customers	\$ 22,660	\$ -	\$ 13,440	\$ 1,821	\$ -
Payments to suppliers and providers of goods and services	(15,121)	-	(11,160)	(1,383)	-
Payments to employees	(913)	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>6,626</u>	<u>-</u>	<u>2,280</u>	<u>438</u>	<u>-</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Cash transfers from other funds	-	-	-	-	-
Cash transfers to other funds	-	-	-	(432)	-
Increase (decrease) in interfund borrowing, net	-	-	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(432)</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>					
Interest	88	3	24	2	10
Net Cash Provided by (Used for) Investing Activities	<u>88</u>	<u>3</u>	<u>24</u>	<u>2</u>	<u>10</u>
<b>Net Increase (Decrease) in Cash</b>	6,714	3	2,304	8	10
<b>Cash and Cash Equivalents - Beginning, Restated</b>	<u>22,709</u>	<u>748</u>	<u>7,299</u>	<u>745</u>	<u>3,378</u>
<b>Cash and Cash Equivalents - Ending</b>	<u>\$ 29,423</u>	<u>\$ 751</u>	<u>\$ 9,603</u>	<u>\$ 753</u>	<u>\$ 3,388</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>					
Operating income (loss)	\$ (874)	\$ -	\$ 2,280	\$ 438	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Change in assets and liabilities:					
(Increase) decrease in due from other governments	7,500	-	-	-	-
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ 6,626</u>	<u>\$ -</u>	<u>\$ 2,280</u>	<u>\$ 438</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, 2012**

	Gifted Education Workshop	Internet Connectivity	Life Education Local	Local Induction Mentoring Training Fees	RAAC Renaissance Program
Cash Flows from Operating Activities					
Receipts from customers	\$ -	\$ -	\$ 53,407	\$ 16,940	\$ -
Payments to suppliers and providers of goods and services	(2,074)	(1,289)	(44,640)	(3,569)	(63)
Payments to employees	-	-	(60,333)	(10,348)	-
Net Cash Provided by (Used for) Operating Activities	<u>(2,074)</u>	<u>(1,289)</u>	<u>(51,566)</u>	<u>3,023</u>	<u>(63)</u>
Cash Flows from Noncapital Financing Activities					
Cash transfers from other funds	-	1,289	-	21	-
Cash transfers to other funds	(2,401)	-	-	(641)	-
Increase (decrease) in interfund borrowing, net	-	-	27,891	(19,805)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(2,401)</u>	<u>1,289</u>	<u>27,891</u>	<u>(20,425)</u>	<u>-</u>
Cash Flows from Investing Activities					
Interest	12	-	560	41	-
Net Cash Provided by (Used for) Investing Activities	<u>12</u>	<u>-</u>	<u>560</u>	<u>41</u>	<u>-</u>
Net Increase (Decrease) in Cash	(4,463)	-	(23,115)	(17,361)	(63)
Cash and Cash Equivalents - Beginning, Restated	4,463	-	153,805	17,361	66
Cash and Cash Equivalents - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,690</u>	<u>\$ -</u>	<u>\$ 3</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating income (loss)	\$ (2,074)	\$ (1,289)	\$ (51,566)	\$ 3,023	\$ (63)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Change in assets and liabilities:					
(Increase) decrease in due from other governments	-	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ (2,074)</u>	<u>\$ (1,289)</u>	<u>\$ (51,566)</u>	<u>\$ 3,023</u>	<u>\$ (63)</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
For the Year Ended June 30, 2012**

	Reading First Academy Workshops	Regional Alternative Attendance Center (RAAC)	ROE Workshops	SALT Activity	School Crisis Assistance Team (SCAT) Donations
<b>Cash Flows from Operating Activities</b>					
Receipts from customers	\$ -	\$ 635	\$ 15,357	\$ 815	\$ -
Payments to suppliers and providers of goods and services	(275)	(171)	(19,488)	(1,228)	-
Payments to employees	-	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>(275)</u>	<u>464</u>	<u>(4,131)</u>	<u>(413)</u>	<u>-</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Cash transfers from other funds	-	-	35,846	-	-
Cash transfers to other funds	(33,445)	-	(1,289)	(11)	-
Increase (decrease) in interfund borrowing, net	-	-	34,067	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(33,445)</u>	<u>-</u>	<u>68,624</u>	<u>(11)</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>					
Interest	100	5	126	9	7
Net Cash Provided by (Used for) Investing Activities	<u>100</u>	<u>5</u>	<u>126</u>	<u>9</u>	<u>7</u>
<b>Net Increase (Decrease) in Cash</b>	(33,620)	469	64,619	(415)	7
<b>Cash and Cash Equivalents - Beginning, Restated</b>	33,620	1,520	7,256	2,634	2,557
<b>Cash and Cash Equivalents - Ending</b>	<u>\$ -</u>	<u>\$ 1,989</u>	<u>\$ 71,875</u>	<u>\$ 2,219</u>	<u>\$ 2,564</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>					
Operating income (loss)	\$ (275)	\$ 464	\$ (4,131)	\$ (413)	\$ -
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	-	-	-	-	-
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ (275)</u>	<u>\$ 464</u>	<u>\$ (4,131)</u>	<u>\$ (413)</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, 2012**

	School Lunch Student Payments	Services Provided HUD	Supplemental Educational Services	Title I Workshops	Total
<b>Cash Flows from Operating Activities</b>					
Receipts from customers	\$ 1,695	\$ 1,877	\$ -	\$ 705	\$ 129,352
Payments to suppliers and providers of goods and services	(1,052)	(1,885)	(6)	(2,016)	(105,420)
Payments to employees	-	-	-	-	(71,594)
Net Cash Provided by (Used for) Operating Activities	<u>643</u>	<u>(8)</u>	<u>(6)</u>	<u>(1,311)</u>	<u>(47,662)</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Cash transfers from other funds	-	7	-	55	37,218
Cash transfers to other funds	-	-	(7)	-	(38,226)
Increase (decrease) in interfund borrowing, net	-	-	(28,005)	-	14,148
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>-</u>	<u>7</u>	<u>(28,012)</u>	<u>55</u>	<u>13,140</u>
<b>Cash Flows from Investing Activities</b>					
Interest	10	1	-	20	1,018
Net Cash Provided by (Used for) Investing Activities	<u>10</u>	<u>1</u>	<u>-</u>	<u>20</u>	<u>1,018</u>
<b>Net Increase (Decrease) in Cash</b>	653	-	(28,018)	(1,236)	(33,504)
<b>Cash and Cash Equivalents - Beginning, Restated</b>	<u>3,202</u>	<u>-</u>	<u>29,961</u>	<u>6,733</u>	<u>298,057</u>
<b>Cash and Cash Equivalents - Ending</b>	<u>\$ 3,855</u>	<u>\$ -</u>	<u>\$ 1,943</u>	<u>\$ 5,497</u>	<u>\$ 264,553</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>					
Operating income (loss)	\$ 643	\$ (8)	\$ (6)	\$ (1,311)	\$ (55,162)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Change in assets and liabilities:					
(Increase) decrease in due from other governments	-	-	-	-	7,500
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ 643</u>	<u>\$ (8)</u>	<u>\$ (6)</u>	<u>\$ (1,311)</u>	<u>\$ (47,662)</u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 AGENCY FUNDS  
 June 30, 2012**

	<u>Distributive</u>	<u>Petitions and Detachment</u>	<u>Scholarship</u>	<u>School Expansion Fees</u>	<u>Total</u>
<b>Assets</b>					
Cash and cash equivalents	\$ 132	\$ -	\$ 941	\$ -	\$ 1,073
Due from other governments	<u>243,637</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>243,637</u>
Total Assets	<u><u>\$ 243,769</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 941</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 244,710</u></u>
<b>Liabilities</b>					
Due to other governments	<u><u>\$ 243,769</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 941</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 244,710</u></u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
For the Year Ended June 30, 2012**

	<u>Balance</u> <u>July 01, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
<u>Distributive Fund</u>				
Assets				
Cash and cash equivalents	\$ 20	\$ 4,142,343	\$ 4,142,231	\$ 132
Due from other governments	623,373	3,762,495	4,142,231	243,637
Total Assets	<u>\$ 623,393</u>	<u>\$ 7,904,838</u>	<u>\$ 8,284,462</u>	<u>\$ 243,769</u>
Liabilities				
Due to other governments	<u>\$ 623,393</u>	<u>\$ 7,904,838</u>	<u>\$ 8,284,462</u>	<u>\$ 243,769</u>
<u>Petitions and Detachment Fund</u>				
Assets				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 1,182</u>	<u>\$ 1,182</u>	<u>\$ -</u>
Liabilities				
Due to other governments	<u>\$ -</u>	<u>\$ 1,182</u>	<u>\$ 1,182</u>	<u>\$ -</u>
<u>Scholarship Fund</u>				
Assets				
Cash and cash equivalents	<u>\$ 1,938</u>	<u>\$ -</u>	<u>\$ 997</u>	<u>\$ 941</u>
Liabilities				
Due to other governments	<u>\$ 1,938</u>	<u>\$ -</u>	<u>\$ 997</u>	<u>\$ 941</u>
<u>School Expansion Fees</u>				
Assets				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -</u>
Liabilities				
Due to other governments	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -</u>
<u>Total</u>				
Assets				
Cash and cash equivalents	\$ 1,958	\$ 4,143,527	\$ 4,144,412	\$ 1,073
Due from other governments	623,373	3,762,495	4,142,231	243,637
Total Assets	<u>\$ 625,331</u>	<u>\$ 7,906,022</u>	<u>\$ 8,286,643</u>	<u>\$ 244,710</u>
Liabilities				
Due to other governments	<u>\$ 625,331</u>	<u>\$ 7,906,022</u>	<u>\$ 8,286,643</u>	<u>\$ 244,710</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, 2012**

DISTRIBUTIONS	Acct. No.	Total	I-KAN ROE #32	Iroquois Area Del #370	Kankakee Career Center	Kankakee Regional System #120
<b>State Funds</b>						
General State Aid - Sec. 18-8	3001	\$ 1,136,547	\$ 1,136,547	\$	\$	\$
Voc. Ed. - Career and Technical Ed Improvement	3220	1,087,820		152,820		935,000
Voc. Ed. - Agricultural Education	3235	16,752		8,491		8,261
State Free Lunch & Breakfast	3360	1,704	1,704			
Transportation - Regular	3500	9,868			9,868	
ROE School Bus Driver Training	3520	1,286	1,286			
Truants Alternative/Operational Ed.	3695	281,641	281,641			
Regional Safe Schools Program	3696	155,513	155,513			
ROE/ISC Operations	3730	67,992	67,992			
Teachers and Administrators Mentoring	3982	95,000	95,000			
Children's Mental Health Partnership	3990	24,689	24,689			
<b>Total State Funds</b>		<b>2,878,812</b>	<b>1,764,372</b>	<b>161,311</b>	<b>9,868</b>	<b>943,261</b>
<b>Federal Funds</b>						
National School Lunch Program	4210	21,525	21,525			
School Breakfast Program	4220	13,795	13,795			
IASA - Title I - School Improvement and Accountability	4331	592,476	592,476			
V.E. - Perkins - Title IIC - Secondary	4745	305,491		30,074		275,417
ARRA - Title I - School Improvement and Accountability	4854	61,140	61,140			
ARRA - McKinney Education for Homeless Children	4862	33,023	33,023			
ARRA - Education Jobs Fund Program	4880	8,696	8,696			
McKinney Education for Homeless Children	4920	113,755	113,755			
Title II - Teacher Quality	4932	292	292			
IASA - Title II - Teacher Quality - Leadership	4935	113,226	113,226			
<b>Total Federal Funds</b>		<b>1,263,419</b>	<b>957,928</b>	<b>30,074</b>	-	<b>275,417</b>
<b>TOTAL DISTRIBUTIONS</b>		<b>\$ 4,142,231</b>	<b>\$ 2,722,300</b>	<b>\$ 191,385</b>	<b>\$ 9,868</b>	<b>\$ 1,218,678</b>

**FEDERAL COMPLIANCE SECTION**

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2012**

Federal Grantor/ Pass-Through Grantor/ <u>Program or Cluster Title</u>	<u>CFDA Number</u>	ISBE Project # (1st 8 digits) <u>or Contract #</u>	Federal Expenditures <u>7/1/11 - 6/30/12</u>
<b>U. S. Department of Education</b>			
<b>passed through Illinois State Board of Education</b>			
Title I Grants to Local Educational Agencies			
System of Support Title I - School Improvement & Accountability (M)	84.010A	12-4331-SS	\$ 800,966 (M)
System of Support Title I - School Improvement & Accountability (M)	84.010A	11-4331-SS	<u>11,481 (M)</u>
			<u>812,447</u>
Education for Homeless Children and Youth Cluster			
Education for Homeless Children and Youth, Recovery Act			
ARRA McKinney Education for Homeless Children	84.387A	10-4862-00	4,356
Education for Homeless Children and Youth			
McKinney Education for Homeless Children	84.196A	12-4920-00	<u>157,138</u>
Education for Homeless Children and Youth Cluster			
			<u>161,494</u>
Education Jobs Fund			
ARRA - Education Jobs Fund Program	84.410A	12-4880-93	393
ARRA - Education Jobs Fund Program	84.410A	12-4880-92	<u>1,369</u>
			<u>1,762</u>
Improving Teacher Quality State Grants			
Title II - Teacher Quality	84.367A	12-4932-00	292
Title II - Teacher Quality - Leadership Grant	84.367A	12-4935-01	127,377
Title II - Teacher Quality - Leadership Grant	84.367A	11-4935-01	<u>54,000</u>
			<u>181,669</u>
<b>Total U. S. Department of Education passed through Illinois State Board of Education</b>			<u>1,157,372</u>
<b>Total U. S. Department of Education</b>			<u>1,157,372</u>
<b>U. S. Department of Justice</b>			
<b>passed through Illinois Violence Prevention Authority</b>			
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	12-FVC21F-97	<u>2,600</u>
<b>U. S. Department of Agriculture</b>			
<b>passed through Illinois State Board of Education</b>			
School Nutrition Cluster			
School Breakfast Program			
School Breakfast Program	10.553	12-4220-00	10,992
School Breakfast Program	10.553	11-4220-00	<u>2,803</u>
			<u>13,795</u>
National School Lunch Program			
National School Lunch Program	10.555	12-4210-00	17,653
National School Lunch Program	10.555	11-4210-00	<u>3,872</u>
			<u>21,525</u>
School Nutrition Cluster			
			<u>35,320</u>
<b>Total U. S. Department of Agriculture</b>			<u>35,320</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, 2012**

<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 7/1/11 - 6/30/12</u>
<b>U.S. Department of Health and Human Services</b>			
<b>passed through the Illinois Department of Health and Human Services</b>			
Temporary Assistance for Needy Families			
Teen Reach	93.558	2011GQ01892	<u>117,293</u>
Block Grants for Prevention and Treatment of Substance Abuse			
Addiction Prevention Comprehensive	93.959	2011GQ00269	<u>161,136</u>
State Court Improvement Program			
Child Protection Data Courts Project	93.586	CIP Data-G-1002	6,918
Child Protection Data Courts Project	93.586	CIP Data-G-0902	4,200
			<u>11,118</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>289,547</u>
<b>U. S. Department of Housing and Urban Development</b>			
Supportive Housing Program			
HUD Supportive Housing Program	14.235	IL0282B5T121003	43,100
HUD Supportive Housing Program	14.235	IL0282B5T120802	11,375
			<u>54,475</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 1,539,314</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, 2012**

**NOTE 1: REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING**

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

**NOTE 2: SUBRECIPIENTS**

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

Program Title: System of Support Title I – School Improvement & Accountability  
Federal CFDA #: 84.010A  
Amount provided to subrecipients: \$481,853

Program Title: McKinney Education for Homeless Children  
Federal CFDA #: 84.196A  
Amount provided to subrecipients: \$91,493

Program Title: Improving Teacher Quality State Grants  
Federal CFDA #: 84.367A  
Amount provided to subrecipients: \$100

Program Title: Teen Reach  
Federal CFDA #: 93.558  
Amount provided to subrecipients: \$69,500

Program Title: School Breakfast Program  
Federal CFDA #: 10.553  
Amount provided to subrecipients: \$12,719

Program Title: National School Lunch Program  
Federal CFDA #: 10.555  
Amount provided to subrecipients: \$23,761

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2012**

**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