

**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, 2015**

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

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

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

Regional Superintendent
(Current and during the audit period)

Dr. Gregg Murphy

Assistant Regional Superintendent
(Current and during the audit period)

Mr. Frank Petkunas

Office is located at:

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMPLIANCE REPORT SUMMARY**

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	2	1
Repeated audit findings	1	1
Prior recommendations implemented or not repeated	0	0

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

SUMMARY OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
2015-001	14a	Controls Over Financial Statement Preparation	Material Weakness
2015-002	14c	Internal Controls Over Federal Grant Reporting	Significant Deficiency and Noncompliance
FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)			
2015-002	14c	Internal Controls Over Federal Grant Reporting	Significant Deficiency and Noncompliance

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)
None

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)
None

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

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on November 19, 2015. Attending were Dr. Gregg Murphy, Regional Superintendent; Frank Petkunas, Assistant Regional Superintendent (via phone); Kay Williams, Finance Officer; Linda Massey, Finance Office Administrator; Kimberly Walker, CPA, Partner, Kemper CPA Group, LLP; and Kara Bevis, CPA, Kemper CPA Group, LLP. Responses to the recommendations were provided by Dr. Gregg Murphy, Regional Superintendent on May 5, 2016.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
FINANCIAL STATEMENT REPORT SUMMARY**

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

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



INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois and Kankakee Counties Regional Office of Education #32, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Iroquois and Kankakee Counties Regional Office of Education #32's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois and Kankakee Counties Regional Office of Education #32, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As disclosed in Notes 1 and 16 to the financial statements, the Iroquois and Kankakee Counties Regional Office of Education #32 implemented Governmental Accounting Standards Board (GASB) Statements No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB No. 27*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, in the current year and has recognized a net pension liability and deferred inflows and outflows of resources related to pensions.

Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Illinois Municipal Retirement Fund Schedule of Changes in the Net Pension Liability & Related Ratios, Illinois Municipal Retirement Fund Schedule of Employer Contributions, Teachers' Retirement System of the State of Illinois Schedule of the Employer's Proportionate Share of the Net Pension Liability, Teachers' Retirement System of the State of Illinois Schedule of Employer Contributions, and the Post-Employment Benefits Other than Pensions Schedule of Funding Progress on pages 18a-18g and 64 through 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining schedules of accounts, budgetary comparison schedules, combining fund financial statements, Schedule of Disbursements to School District Treasurers and Other Entities, and Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of accounts, budgetary comparison schedules, combining fund financial statements, Schedule of Disbursements to School District Treasurers and Other Entities, and Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 07, 2016 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Iroquois and Kankakee Counties Regional Office of Education #32's internal control over financial reporting and compliance.

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
July 07, 2016

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois and Kankakee Counties Regional Office of Education #32, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Iroquois and Kankakee Counties Regional Office of Education #32's basic financial statements, and have issued our report thereon dated July 07, 2016.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2015-002 to be a significant deficiency.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-002.

Regional Office of Education #32's Responses to Findings

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. Iroquois and Kankakee Counties Regional Office of Education #32's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
July 07, 2016

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on Compliance for Each Major Federal Program

We have audited the Iroquois and Kankakee Counties Regional Office of Education #32's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Iroquois and Kankakee Counties Regional Office of Education #32's major federal programs for the year ended June 30, 2015. The Iroquois and Kankakee Counties Regional Office of Education #32's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Iroquois and Kankakee Counties Regional Office of Education #32's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Iroquois and Kankakee Counties Regional Office of Education #32's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Iroquois and Kankakee Counties Regional Office of Education #32's compliance.

Opinion on Each Major Federal Program

In our opinion, the Iroquois and Kankakee Counties Regional Office of Education #32 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2015-002. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2015-002 that we consider to be a significant deficiency.

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

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



KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
July 07, 2016

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, 2015**

SECTION 1 - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: *unmodified*

Internal control over financial reporting:

Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes

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

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133? Yes

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010A	System of Support Title I – School Improvement and Accountability
93.558	TANF – Teen Reach

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

Auditee qualified as a low-risk auditee? No

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2015**

FINDING NO. 2015-001 – Controls Over Financial Statement Preparation (Repeat from 10-01, 11-01, 12-01, 13-001, and 14-001)

Criteria/specific requirement:

The Iroquois and Kankakee Counties Regional Office of Education #32 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office of Education #32's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

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

GASB Statements No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, require governments to record and present net accrued pension liabilities/assets, deferred outflows of resources, deferred inflows of resources, and pension expenses. These standards further prescribe the methods and assumptions that are to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of service.

Condition:

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

During review of the Regional Office of Education #32's financial information prepared by the Regional Office of Education #32, it was noted that the Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or unearned revenue. While the Regional Office did maintain records to indicate the balances of some accounts payable, accounts receivable, and unearned revenue, not all entries were provided to reconcile the Regional Office of Education #32's grant activity, such as posting grant receivables and unearned revenue. Audit adjustments were proposed in order to ensure the financial statement balances were in accordance with GAAP.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2015**

FINDING NO. 2015-001 – Controls Over Financial Statement Preparation (Concluded)

Condition (Concluded):

Through inquiries and discussions with the ROE's accounting personnel and Regional Superintendent, auditors noted the Regional Office of Education #32 did not have adequate controls to record and report the ROE's net accrued pension liabilities/assets, deferred outflows of resources, deferred inflows of resources, and pension expenses in accordance with GAAP.

Effect:

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

Cause:

According to Regional Office of Education #32 management, fiscal staff did not effectively detect all of the adjustments needed in order to present financial statements in accordance with GAAP.

Additionally, the complex requirements of GASB Statements No. 68 and 71 were new for fiscal year 2015 and will require additional time and training before the ROE can fully implement the requirements on its own.

Auditors' Recommendation:

As part of internal control over the preparation of financial statements, the Regional Office of Education #32 should implement comprehensive preparation procedures to ensure the financial statements are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of the applicable GAAP, GASB pronouncements, and knowledge of the Regional Office of Education #32's activities and operations.

Management's Response:

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2015**

FINDING 2015-002 – Internal Controls over Federal Grant Reporting

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

Project Number: 2015-4331-SS

CFDA Number: 84.010A

Passed Through: Illinois State Board of Education (ISBE)

Federal Agency: U.S. Department of Education

CRITERIA/SPECIFIC REQUIREMENT:

The Office of Management and Budget (OMB) Circular A-102 Common Rule and OMB Circular A-110 require non-federal entities receiving federal awards to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. The objectives of internal control pertaining to the compliance requirements for federal programs are found in OMB Circular A-133. Specifically, transactions should be accurately classified within expenditure reports and these expenditure reports should be submitted to the granting agency in a timely manner. The Illinois State Board of Education requires expenditure reports within 20 days of the applicable quarter end or project end date. If the completion report contains outstanding obligations, a final expenditure report must be submitted within 90 days of the project end date.

CONDITION:

Salary expenses were misclassified as purchased service costs in both the financial records of the Regional Office and the ISBE expenditure reports. In addition, the March 31, 2015 expenditure report was submitted 2 days late per ISBE reporting requirements.

QUESTIONED COSTS:

None

CONTEXT:

Two (2) instances were noted, out of a sample of forty (40) payroll transactions, in which salary expenses were charged to a purchased services account number. The misclassified salary expenses totaled \$2,115.

The March 31, 2015 expenditure report was submitted on April 22, 2015, but was due on April 20, 2015.

EFFECT:

Salary and purchased service costs were not properly classified within the ISBE expenditure reports and financial reports. The March 31, 2015 expenditure report was submitted after the reporting deadline, which could cause a delay in grant funding.

**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, 2015**

FINDING 2015-002 – Internal Controls over Federal Grant Reporting (Concluded)

CAUSE:

The expense misclassification was due to a clerical error. The late expenditure reporting was caused by scheduling issues with a part-time employee. The employee worked on April 15, 2015 to complete the expenditure reports, but ran out of time and did not return to the Regional Office until April 22, 2015.

RECOMMENDATION:

The Regional Office of Education #32 should establish a set of internal controls over federal compliance to ensure that all grant expenditure reports are accurate prior to submission to the granting agency. These internal controls should be designed such that errors or omissions resulting from adjusting journal entries, clerical and posting errors, or other factors are detected and corrected prior to submission of the expenditure report. In addition, if the individual who normally prepares the expenditure reports will not be available to prepare and submit the reports by the reporting deadline, alternate arrangements should be made with other qualified preparers.

MANAGEMENT'S RESPONSE:

The Regional Office of Education #32 has established procedures to ensure timely and accurate submission of grant expenditure reports. Currently, a listing of all grants and their related reporting requirements has been compiled and is used to organize and ensure timely submission of expenditure reports. Additionally, two staff members have been trained should the employee, who has primary responsibility to complete the reports, be unavailable to complete the reports. This procedure will allow for timely submission of reports and mitigate risk of errors when creating journal entries. Additionally, Finance Staff members took part in Internal Professional Development to improve knowledge of account structure and appropriate classification of expenses. This has increased staff ability to detect coding errors using financial reports.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION III – FEDERAL AWARD FINDING
For the Year Ended June 30, 2015**

INSTANCES OF NONCOMPLIANCE:

FINDING 2015-002 – (finding details on pages 14c-14d)

SIGNIFICANT DEFICIENCIES:

FINDING 2015-002 – (finding details on pages 14c-14d)

MATERIAL WEAKNESSES:

None

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2015**

Corrective Action Plan

FINDING NO. 2015-001 – Controls Over Financial Statement Preparation

Condition:

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

During review of the Regional Office of Education #32's financial information prepared by the Regional Office of Education #32, it was noted that the Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or unearned revenue. While the Regional Office did maintain records to indicate the balances of some accounts payable, accounts receivable, and unearned revenue, not all entries were provided to reconcile the Regional Office of Education #32's grant activity, such as posting grant receivables and unearned revenue. Audit adjustments were proposed in order to ensure the financial statement balances were in accordance with GAAP.

Through inquiries and discussions with the ROE's accounting personnel and Regional Superintendent, auditors noted that the Regional Office of Education #32 did not have adequate controls to record and report the ROE's net accrued pension liabilities/assets, deferred outflows of resources, deferred inflows of resources and pension expenses in accordance with GAAP.

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, 2016

Contact Person:

Dr. 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, 2015**

Corrective Action Plan

FINDING NO. 2015-002 – Internal Controls over Federal Grant Reporting

Condition:

Salary expenses were misclassified as purchased service costs in both the financial records of the Regional Office and the ISBE expenditure reports. In addition, the March 31, 2015 expenditure report was submitted 2 days late per ISBE reporting requirements.

Plan:

The Regional Office of Education #32 has established procedures to ensure timely and accurate submission of grant expenditure reports. Currently, a listing of all grants and their related reporting requirements has been compiled and is used to organize and ensure timely submission of expenditure reports. Additionally, two staff members have been trained should the employee, who has primary responsibility to complete the reports, be unavailable to complete the reports. This procedures will allow for timely submission of reports and mitigate the risk of errors when creating journal entries.

Anticipated Date of Completion:

June 30, 2016

Contact Person:

Dr. Gregg Murphy, Regional Superintendent

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2015**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
14-001	Controls Over Financial Statement Preparation	Repeated

MANAGEMENT'S DISCUSSION AND ANALYSIS

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

The Iroquois and Kankakee Counties Regional Office of Education #32 (Regional Office) provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the year ended June 30, 2015 with comparative information for the year ended June 30, 2014. We encourage readers to consider this information in conjunction with the Regional Office's financial statements, which follow.

2015 Financial Highlights

Within the Governmental Funds, the General Fund revenue decreased by \$450,716 (23%), from \$1,945,576 in FY2014 to \$1,494,860 in FY2015. General Fund expenditures decreased by \$432,827 (23%), from \$1,886,198 in FY2014 to \$1,453,371 in FY2015. The decrease in revenue was due primarily to a decrease in General State Aid. The decrease in expenditures are mainly due to reduced salaries and benefits in general programs.

Within the Governmental Funds, the Education Fund revenue increased by \$236,197 (19%) from \$1,256,882 in FY2014 to \$1,493,079 in FY2015. The Education Fund expenditures increased by \$256,374 (20%), from \$1,265,964 in FY2014 to \$1,522,338 in FY2015. These increases were due to increased federal and State funding for various educational programs in FY2015.

Proprietary Funds revenue increased by \$38,010 (10%), from \$364,228 in FY2014 to \$402,238 in FY2015. The Proprietary Funds expenditures decreased by \$37,424 (10%), from \$361,603 in FY2014 to \$324,179 in FY2015. The increase in proprietary revenue was primarily due to a \$12,032 increase in safe schools local revenue and a \$28,990 increase in nonmajor enterprise fund revenue, offset by a \$3,012 decrease in truant local revenue. The decrease in proprietary expenses was due to decreased purchased services in proprietary funds.

Using This Annual Report

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

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

Reporting the Regional Office of Education #32 as a Whole

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

The Statement of Net Position and the Statement of Activities

The government-wide statements report information about the Regional Office as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Regional Office's assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

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

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

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

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

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

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

Fund Financial Statements

The fund financial statements provide detailed information about the Regional Office's funds, focusing on its most significant or "major" funds. Funds are accounting devices which allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by State law. The Regional Office established other funds to control and manage money for particular purposes.

The Office has three kinds of funds:

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve, when examined over time, as one indicator of the financial position of the Regional Office. The net position at the end of FY2015 and FY2014 totaled \$2,366,720 and \$3,920,053, respectively. The analysis that follows provides a summary of the Regional Office's net position as of June 30, 2015 and 2014.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

**CONDENSED STATEMENT OF NET POSITION
June 30, 2015 and 2014**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
ASSETS						
Current assets	\$2,455,260	\$2,316,573	\$1,813,746	\$1,740,310	\$4,269,006	\$4,056,883
Capital assets, net of depreciation	-	-	-	-	-	-
TOTAL ASSETS	2,455,260	2,316,573	1,813,746	1,740,310	4,269,006	4,056,883
DEFERRED OUTFLOWS OF RESOURCES						
	324,107	-	36,447	-	360,554	-
LIABILITIES						
Current liabilities	64,251	41,140	4,672	16,500	68,923	57,640
Noncurrent liabilities	576,273	79,190	51,867	-	628,140	79,190
TOTAL LIABILITIES	640,524	120,330	56,539	16,500	697,063	136,830
DEFERRED INFLOWS OF RESOURCES						
	1,565,777	-	-	-	1,565,777	-
NET POSITION						
Invested in capital assets, net of related debt	-	-	-	-	-	-
Restricted - other	233,030	246,917	-	-	233,030	246,917
Unrestricted	340,036	1,949,326	1,793,654	1,723,810	2,133,690	3,673,136
TOTAL NET POSITION	\$573,066	\$2,196,243	\$1,793,654	\$1,723,810	\$2,366,720	\$3,920,053

The Regional Office's net position decreased by \$1,553,333 (40%) from FY2014 to FY2015. The decrease is primarily due to the Regional Office's implementation of GASB #68 and consequent recognition of deferred outflows of resources, deferred inflows of resources, net pension liability, and a prior period adjustment decreasing beginning net position in FY2015. The FY2014 amounts above have not been restated for the prior period adjustment.

The following analysis shows the changes in net position for the years ended June 30, 2015 and 2014.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

**CHANGES IN NET POSITION
For the Years Ended June 30, 2015 and 2014**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$58,231	\$ 49,544	\$402,238	\$ 364,228	\$460,469	\$ 413,772
Operating grants and contributions	1,528,851	1,276,907	–	–	1,528,851	1,276,907
General revenues:						
State and local sources	1,252,659	1,505,794	–	–	1,252,659	1,505,794
Interest income	4,657	4,545	3,752	3,730	8,409	8,275
On-behalf payments	531,169	528,466	–	–	531,169	528,466
Total revenues	3,375,567	3,365,256	405,990	367,958	3,781,557	3,733,214
Expenses:						
Salaries	1,577,375	1,564,340	120,738	114,837	1,698,113	1,679,177
Employee benefits	201,870	317,093	17,962	19,779	219,832	336,872
Pension expense (income)	(232,278)	–	15,981	–	(216,297)	–
Purchased services	425,013	296,997	144,210	187,830	569,223	484,827
Supplies and materials	223,102	226,518	21,141	36,573	244,243	263,091
Capital outlay	9,665	13,823	–	1,562	9,665	15,385
Payments to other governmental units	191,715	230,414	–	–	191,715	230,414
Other	2,524	7,029	4,147	1,022	6,671	8,051
On-behalf payments	531,169	528,466	–	–	531,169	528,466
Total expenses	2,930,155	3,184,680	324,179	361,603	3,254,334	3,546,283
Income (loss) before operating transfers	445,412	180,576	81,811	6,355	527,223	186,931
Operating transfers	106	153	(106)	(153)	–	–
Change in net position	445,518	180,729	81,705	6,202	527,223	186,931
Net position, beginning (restated, see Note 16)	127,548	2,015,514	1,711,949	1,717,608	1,839,497	3,733,122
Net position, ending	573,066	2,196,243	1,793,654	\$ 1,723,810	2,366,720	\$ 3,920,053

Governmental Activities

Revenues from governmental fund activities were \$3,375,567 in FY2015 and expenses were \$2,930,155. Governmental revenues increased by \$10,311 (0.3%) and expenses decreased by \$254,525 (8%). While revenues remained relatively consistent from FY2014 to FY2015, the decrease in expenditures was primarily caused by the \$232,278 pension income in FY2015.

Business-Type Activities

Revenues from business-type activities were \$405,990 and expenditures were \$324,179 in FY2015. Revenues increased by \$38,032 (10%) and expenses decreased by \$37,424 (10%). The increase in proprietary revenue was primarily due to an increase in safe schools local revenue and nonmajor enterprise fund revenue, offset by a slight decrease in truant local revenue. Expenses decreased primarily due to a decrease in purchased services.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

Financial Analysis of the Regional Office of Education #32 Funds

As previously noted, the Regional Office uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Regional Office's governmental funds reported combined fund balances of \$2,169,881 at June 30, 2015.

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.

Proprietary Fund Highlights

Proprietary Funds were managed in a way that kept expenses less than revenue and increased net position by \$69,844.

Fiduciary Fund Highlights

There was a decrease of \$109,385 (95%) in total fiduciary fund assets from FY2014 to FY2015. Transactions represent mainly transfers in and out of the Distributive Fund for disbursements to school district treasurers and other entities.

Budgetary Highlights

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

Capital Assets

The Regional Office's capital assets include office equipment, computers, audio-visual equipment, and office furniture. The Regional Office maintains an inventory of capital assets which have been accumulated over time. There were no additions in FY2015 and there were \$5,134 of disposals, all fully depreciated. There was no depreciation expense in FY2015. As of June 30, 2015, the Regional Office's capital assets remain in use and are fully depreciated.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

Economic Factors and Next Year's Budget

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

- State funding of the Regional Offices of Education School Services program is expected to remain level for FY16.
- General State Aid has been reduced for Students All Learning Together and increased for Regional Alternative Attendance Center programs for FY16 (13%).
- Regional Safe School Program (RSSP) and Truants Alternative/Optional Education Program (TAOEP) grants are expected to remain at FY15 levels.
- Core services for the Title I School Improvement and Accountability Statewide System of Support (SSoS) remains under the direction of the Illinois Center for School Improvement with coaching services and foundational services provided by the Regional Office. The FY2016 grant budget includes approximately a \$386,000 increase from FY2015 revenue.
- The DHS Substance Abuse Prevention Program (SAPP) is expected to reach level funding for FY16, with the addition of \$75,000 grant funds for the Strategic Prevention Framework Partnerships for Success (SPF PFS). TEEN Reach was not funded for FY16.
- Title II Teacher Quality Grant will continue in FY16.
- The Regional Office was awarded a Math and Science Partnership grant for FY15 for \$250,000 on May 1, 2015 thru September 2015 and again for \$250,000 for FY16.
- County Support has decreased by 25% in the past years and is expected to remain level in FY16.
- The Rural Education Achievement Program (REAP) grant will continue in FY16.

Contacting the Regional Office's Financial Management

This financial report is designed to provide the Regional Office's citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent or the Chief Bookkeeper of the Iroquois-Kankakee Regional Office of Education #32, 189 E. Court Street, Suite 600, Kankakee, IL 60901.

BASIC FINANCIAL STATEMENTS

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
STATEMENT OF NET POSITION
June 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 2,301,131	\$ 1,432,431	\$ 3,733,562
Due (to) from other funds	(353,125)	353,125	-
Due from other governments	<u>507,254</u>	<u>28,190</u>	<u>535,444</u>
Total current assets	<u>2,455,260</u>	<u>1,813,746</u>	<u>4,269,006</u>
NONCURRENT ASSETS			
Capital assets, net of depreciation	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>2,455,260</u>	<u>1,813,746</u>	<u>4,269,006</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>324,107</u>	<u>36,447</u>	<u>360,554</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	19,270	172	19,442
Due to other governments	44,903	-	44,903
Unearned revenue	78	4,500	4,578
Total current liabilities	<u>64,251</u>	<u>4,672</u>	<u>68,923</u>
NONCURRENT LIABILITIES			
Other post-employment benefit obligation	37,923	-	37,923
Net pension liability	<u>538,350</u>	<u>51,867</u>	<u>590,217</u>
Total noncurrent Liabilities	<u>576,273</u>	<u>51,867</u>	<u>628,140</u>
TOTAL LIABILITIES	<u>640,524</u>	<u>56,539</u>	<u>697,063</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>1,565,777</u>	<u>-</u>	<u>1,565,777</u>
NET POSITION			
Net investment in capital assets	-	-	-
Unrestricted	340,036	1,793,654	2,133,690
Restricted - other	<u>233,030</u>	<u>-</u>	<u>233,030</u>
TOTAL NET POSITION	<u>\$ 573,066</u>	<u>\$ 1,793,654</u>	<u>\$ 2,366,720</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, 2015**

FUNCTIONS/PROGRAMS	Net (Expense) Revenue and Changes in Net Position					
	Expenses	Program Revenues		Primary Government		Total
		Charges for Services	Operating Grants	Governmental Activities	Business-Type Activities	
PRIMARY GOVERNMENT						
Governmental Activities:						
Instructional Services:						
Salaries	\$ 1,577,375	\$ 32,691	\$ 711,395	\$ (833,289)	\$ -	\$ (833,289)
Employee benefits	201,870	3,581	74,804	(123,485)	-	(123,485)
Pension expense (income)	(232,278)	3,750	58,213	294,241	-	294,241
Purchased services	425,013	14,719	282,321	(127,973)	-	(127,973)
Supplies and materials	223,102	1,390	201,350	(20,362)	-	(20,362)
Depreciation	-	-	-	-	-	-
Capital outlay	9,665	-	9,053	(612)	-	(612)
Other	2,524	2,100	-	(424)	-	(424)
Payments to other governmental units	191,715	-	191,715	-	-	-
Administrative:						
On-behalf payments - State	531,169	-	-	(531,169)	-	(531,169)
Total Governmental Activities	<u>2,930,155</u>	<u>58,231</u>	<u>1,528,851</u>	<u>(1,343,073)</u>	<u>-</u>	<u>(1,343,073)</u>
Business-type Activities:						
Professional development	324,179	402,238	-	-	78,059	78,059
Total Business-type Activities	<u>324,179</u>	<u>402,238</u>	<u>-</u>	<u>-</u>	<u>78,059</u>	<u>78,059</u>
Total Primary Government	<u>\$ 3,254,334</u>	<u>\$ 460,469</u>	<u>\$ 1,528,851</u>	<u>(1,343,073)</u>	<u>78,059</u>	<u>(1,265,014)</u>
General Revenues and Transfers:						
Local sources				389,459	-	389,459
State sources				863,200	-	863,200
On-behalf payments - State				531,169	-	531,169
Interest				4,657	3,752	8,409
Transfers				106	(106)	-
Total General Revenues and Transfers				<u>1,788,591</u>	<u>3,646</u>	<u>1,792,237</u>
Change in net position				445,518	81,705	527,223
Net Position - beginning - restated (see note 16)				<u>127,548</u>	<u>1,711,949</u>	<u>1,839,497</u>
Net Position - ending				<u>\$ 573,066</u>	<u>\$ 1,793,654</u>	<u>\$ 2,366,720</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, 2015**

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,065,702	\$ 2,399	\$ 233,030	\$ 2,301,131
Due from other funds	11,470	-	-	11,470
Due from other governments	296,726	210,528	-	507,254
Total assets	<u>2,373,898</u>	<u>212,927</u>	<u>233,030</u>	<u>2,819,855</u>
DEFERRED OUTFLOWS OF RESOURCES				
	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,373,898</u>	<u>\$ 212,927</u>	<u>\$ 233,030</u>	<u>\$ 2,819,855</u>
LIABILITIES				
Accounts payable	\$ 173	\$ 19,097	\$ -	\$ 19,270
Due to other funds	215,731	148,864	-	364,595
Due to other governments	15	44,888	-	44,903
Unearned revenue	-	78	-	78
Total liabilities	<u>215,919</u>	<u>212,927</u>	<u>-</u>	<u>428,846</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	162,352	58,776	-	221,128
FUND BALANCE (DEFICIT)				
Restricted	-	-	233,030	233,030
Unassigned	1,995,627	(58,776)	-	1,936,851
Total fund balance	<u>1,995,627</u>	<u>(58,776)</u>	<u>233,030</u>	<u>2,169,881</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 2,373,898</u>	<u>\$ 212,927</u>	<u>\$ 233,030</u>	<u>\$ 2,819,855</u>

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2015**

Total fund balances - governmental funds	\$	2,169,881
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds, net of accumulated depreciation of \$21,897		-
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Some revenues will not be collected for several months after the Regional Office's fiscal year ends; they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.		221,128
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Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore are not reported in the governmental funds as follows:

Deferred outflows of resources	\$ 324,107		
Deferred inflows of resources	<u>(1,565,777)</u>	(1,241,670)	

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

IMRF net pension liability	\$ (454,876)		
TRS net pension liability	(83,474)		
Other post-employment benefit obligation	<u>(37,923)</u>	<u>(576,273)</u>	

Net position of governmental activities	\$	<u><u>573,066</u></u>
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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, 2015**

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
REVENUES				
Local sources	\$ 352,714	\$ -	\$ 56,945	\$ 409,659
State sources	863,200	363,949	1,286	1,228,435
State sources - on-behalf payments	278,866	-	-	278,866
Federal sources	80	1,129,130	-	1,129,210
Total revenues	<u>1,494,860</u>	<u>1,493,079</u>	<u>58,231</u>	<u>3,046,170</u>
EXPENDITURES				
Instructional services:				
Salaries	851,413	707,949	18,013	1,577,375
Employee benefits	109,754	74,442	1,973	186,169
Pension expense	53,368	57,931	2,066	113,365
Purchased services	136,029	280,874	8,110	425,013
Supplies and materials	21,962	200,374	766	223,102
Other	1,367	-	1,157	2,524
Payments to other governmental units	-	191,715	-	191,715
On-behalf payments	278,866	-	-	278,866
Capital outlay	612	9,053	-	9,665
Total expenditures	<u>1,453,371</u>	<u>1,522,338</u>	<u>32,085</u>	<u>3,007,794</u>
Excess/(Deficiency) of revenues over expenditures	<u>41,489</u>	<u>(29,259)</u>	<u>26,146</u>	<u>38,376</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	47,053	106	-	47,159
Transfers out	-	(47,053)	-	(47,053)
Interest	4,176	106	375	4,657
Total other financing sources (uses)	<u>51,229</u>	<u>(46,841)</u>	<u>375</u>	<u>4,763</u>
Net change in fund balances	92,718	(76,100)	26,521	43,139
FUND BALANCES - BEGINNING OF YEAR	<u>1,902,909</u>	<u>17,324</u>	<u>206,509</u>	<u>2,126,742</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,995,627</u>	<u>\$ (58,776)</u>	<u>\$ 233,030</u>	<u>\$ 2,169,881</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, 2015**

Net change in fund balances \$ 43,139

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 considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.

Current year unavailable revenue - local sources	\$ 162,352	
Current year unavailable revenue - Federal sources	58,776	
Prior year unavailable revenue - local sources	(125,607)	
Prior year unavailable revenue - Federal sources	<u>(23,084)</u>	72,437

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension contributions	\$ 113,365	
Cost of benefits earned, net	<u>232,278</u>	345,643

The increase in OPEB obligations resulting from annual required contributions in excess of the actual contributions do not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.

(15,701)

Change in net position of governmental activities \$ 445,518

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015**

	Business-Type Activities - Enterprise Funds				Total
	Safe		Nonmajor	Eliminations	
	Schools	Truant	Enterprise		
	Local	Local	Funds		
ASSETS					
Current assets					
Cash and cash equivalents	\$ 852,178	\$ 275,451	\$ 304,802	\$ -	\$ 1,432,431
Due from other funds	281,504	21,246	50,375	-	353,125
Due from other governments	-	-	28,190	-	28,190
Total current assets	<u>1,133,682</u>	<u>296,697</u>	<u>383,367</u>	<u>-</u>	<u>1,813,746</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	<u>8,459</u>	<u>17,253</u>	<u>10,735</u>	<u>-</u>	<u>36,447</u>
LIABILITIES					
Current liabilities					
Accounts payable	-	-	172	-	172
Unearned revenue	<u>4,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,500</u>
Total current liabilities	<u>4,500</u>	<u>-</u>	<u>172</u>	<u>-</u>	<u>4,672</u>
Noncurrent liabilities					
Net pension liability	<u>12,038</u>	<u>24,551</u>	<u>15,278</u>	<u>-</u>	<u>51,867</u>
Total Liabilities	<u>16,538</u>	<u>24,551</u>	<u>15,450</u>	<u>-</u>	<u>56,539</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION					
Unrestricted	<u>1,125,603</u>	<u>289,399</u>	<u>378,652</u>	<u>-</u>	<u>1,793,654</u>
Total net position	<u>\$ 1,125,603</u>	<u>\$ 289,399</u>	<u>\$ 378,652</u>	<u>\$ -</u>	<u>\$ 1,793,654</u>

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2015**

	Business-Type Activities - Enterprise Funds			Total
	Safe Schools Local	Truant Local	Nonmajor Enterprise Funds	
	<u>Local</u>	<u>Local</u>	<u>Funds</u>	
OPERATING REVENUES				
Charges for services	\$ 155,387	\$ 72,490	\$ 174,361	\$ 402,238
OPERATING EXPENSES				
Salaries	18,561	54,101	48,076	120,738
Employee benefits	3,443	10,138	4,381	17,962
Pension expense	3,709	7,565	4,707	15,981
Purchased services	80,416	6,052	57,742	144,210
Supplies and materials	467	16,884	3,790	21,141
Other	-	-	4,147	4,147
Total operating expenses	<u>106,596</u>	<u>94,740</u>	<u>122,843</u>	<u>324,179</u>
Operating Income (Loss)	<u>48,791</u>	<u>(22,250)</u>	<u>51,518</u>	<u>78,059</u>
NONOPERATING REVENUES (EXPENSES)				
Transfers out	-	-	(106)	(106)
Interest	2,469	634	649	3,752
Total nonoperating revenues (expenses)	<u>2,469</u>	<u>634</u>	<u>543</u>	<u>3,646</u>
Change in net position	51,260	(21,616)	52,061	81,705
TOTAL NET POSITION - BEGINNING OF YEAR - RESTATED	<u>1,074,343</u>	<u>311,015</u>	<u>326,591</u>	<u>1,711,949</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 1,125,603</u>	<u>\$ 289,399</u>	<u>\$ 378,652</u>	<u>\$ 1,793,654</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, 2015**

	Business-Type Activities - Enterprise Funds			Total
	Safe Schools Local	Truant Local	Nonmajor Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 143,387	\$ 72,490	\$ 171,137	\$ 387,014
Payments to suppliers and providers of goods and services	(80,883)	(22,936)	(65,507)	(169,326)
Payments to employees	(24,887)	(70,119)	(56,116)	(151,122)
Net cash provided by (used for) operating activities	<u>37,617</u>	<u>(20,565)</u>	<u>49,514</u>	<u>66,566</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash transfers to other funds	-	-	(106)	(106)
Interfund loans (made) repaid, net	(118,327)	5,930	15,488	(96,909)
Net cash provided by (used for) noncapital financing activities	<u>(118,327)</u>	<u>5,930</u>	<u>15,382</u>	<u>(97,015)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	2,469	634	649	3,752
Net cash provided by (used for) investing activities	<u>2,469</u>	<u>634</u>	<u>649</u>	<u>3,752</u>
Net increase (decrease) in cash	(78,241)	(14,001)	65,545	(26,697)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>930,419</u>	<u>289,452</u>	<u>239,257</u>	<u>1,459,128</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 852,178</u>	<u>\$ 275,451</u>	<u>\$ 304,802</u>	<u>\$ 1,432,431</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income (loss)	\$ 48,791	\$ (22,250)	\$ 51,518	\$ 78,059
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Pension expense reconciliation	826	1,685	1,048	3,559
Change in assets and liabilities:				
(Increase) decrease in due from other governments	-	-	(3,224)	(3,224)
Increase (decrease) in accounts payable	-	-	172	172
Increase (decrease) in unearned revenue	(12,000)	-	-	(12,000)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 37,617</u>	<u>\$ (20,565)</u>	<u>\$ 49,514</u>	<u>\$ 66,566</u>

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

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUND
 June 30, 2015**

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 25
Due from other governments	<u>5,620</u>
TOTAL ASSETS	<u><u>\$ 5,645</u></u>
LIABILITIES	
Due to other governments	<u>\$ 5,645</u>
TOTAL LIABILITIES	<u><u>\$ 5,645</u></u>

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

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 2015, the Regional Office of Education #32 implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB No. 27*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. The Regional Office of Education #32 implemented these standards during the current year. The implementation of GASB Statement No. 68 established new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position was expected to include a significant liability for the government's proportionate share of the employee pension plan. The implementation of GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The implementation of GASB Statement No. 71 resolves an issue related to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

A. Date of Management's Review

Management has evaluated subsequent events through July 07, 2016, the date when the financial statements were available to be issued.

B. Financial Reporting Entity

The Regional Office operates under the School Code (Articles 5/3 and 5/3A of *Illinois Compiled Statutes*, Chapter 105). The Regional Office of Education #32 encompasses Iroquois and Kankakee Counties. The Regional Superintendent of Schools (Regional Superintendent) serves as chief administrative officer of the Regional Office of Education #32 and is elected pursuant to Article 3, *Illinois Compiled Statutes*, Chapter 105.

The Regional Superintendent is charged with responsibility for township fund lands; registration of the names of applicants for scholarships to State controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; conducting teachers' institutes as well as aiding and encouraging the formation of other teachers' meetings and assisting in their management; evaluating the schools in the region; examining evidence of indebtedness; filing and keeping the returns of elections required to be returned to the Regional Superintendent's office; and filing and keeping the reports and statements returned by school treasurers and trustees.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Financial Reporting Entity (Concluded)

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; inspecting and approving building plans which comply with State law; performing and reporting on annual building inspections; investigating bus drivers for valid bus driver permits and taking related action as may be required; maintaining a list of unfilled teaching positions; and carrying out other related duties required or permitted by law.

The Regional Superintendent is responsible for inspection and approval or rejection of school treasurers' bonds. The Regional Superintendent is also required to provide the State Board of Education with an affidavit showing that the treasurers of school districts within the region are properly bonded. The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the region, or seeing that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2015, 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 it exercises oversight responsibility.

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

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the criteria of exercising oversight, scope of public service, and special financing relationships, and they 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
June 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the non-fiduciary activities of the Regional Office of Education #32 with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Regional Office of Education #32 also has business-type activities that rely on fees and charges for support.

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

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

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 other funds on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other financing sources/uses on the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and on the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position. 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. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities. In the Statement of Activities, transactions between governmental and business-type activities have not been eliminated.

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Proprietary Fund Financial Statements

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

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

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

F. Governmental Fund Financial Statements

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

The governmental fund financial statements have been prepared in accordance with generally accepted accounting principles using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual i.e., when 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 inflows of resources 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
June 30, 2015**

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. The reported fund balance (net current position) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

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 considered to be earned to the extent of expenditures made under the provisions of the grant. 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 funds as they are needed. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned if any.

H. Fund Accounting

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

Governmental Funds

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

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 (including deferred outflows of resources), liabilities (including deferred inflows of resources), 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 (including deferred outflows of resources), liabilities (including deferred inflows of resources), 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 used to account for resources traditionally associated with a government which are not required, legally or by sound financial management, to be accounted and reported for in another fund. The General Fund is always considered a major fund. The following accounts are included in the General Fund:

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

General State Aid – This fund accounts for General State Aid grant monies received from the Illinois State Board of Education and the related payment of expenditures for the regional learning academy supplements.

Child Nutrition – This fund accounts for monies received in excess of actual costs of providing breakfast and lunch to students enrolled in the Regional Office of Education #32's Regional Alternative Attendance Center (RAAC) and Alternative Education program.

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

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

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IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Continued)

Addiction Prevention Comprehensive – This fund accounts for the federal, State, and local revenue received and expended under the drug prevention program developed and funded by the Illinois State Board of Education and the Illinois Department of Human Services. The school-based program focuses on prevention and coordination of school policies, curriculum, family support, and community activities to provide comprehensive addiction prevention efforts.

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

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

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

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

Mathematics and Science Partnerships – This fund is a professional development program designed to improve the content knowledge and pedagogical skills of 5th through 12th grade teachers in mathematics and science.

McKinney Education for Homeless Children – This fund accounts for grant monies associated with a federal program designed to provide counseling and education support to homeless children and their families. This program is funded by the Stewart B. McKinney Education for Homeless Children and Youth grant and passed through the Illinois State Board of Education.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Continued)

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

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

Partnerships for Success – This fund accounts for federal grant monies received for the Drug-Free Communities Support Program from the White House Office of National Drug Control Policy in cooperation with the Substance Abuse and Mental Health Services Administration. The goals of the program are to establish and strengthen community collaboration in support of local efforts to prevent youth substance use.

Race to the Top – This fund accounts for federal monies received from the Department of Education. This program is designed to establish or update and expand induction and mentoring programs for beginning teachers and principals, and to establish the statewide infrastructure necessary to build and maintain an effective, high-quality induction and mentoring program beyond the terms of this grant.

Rural Education Achievement Program (REAP) – This fund accounts for federal monies received from the Department of Education associated with the Small, Rural School Achievement Program. This program is designed to help rural districts that may lack the personnel and resources to compete effectively for Federal competitive grants and that often receive grant allocations in amounts that are too small to be effective in meeting their intended purposes.

Regional Safe Schools – This program works with students in grades 6-12 who have been suspended multiple times or expelled from school, allowing them to continue their education. It provides instructional services and materials for the alternative school program for at-risk youth, creating alternative placement for those students into a safe school program.

Regional Office of Education/ Intermediate Service Centers (ROE/ISC) Operations – This fund accounts for the funding of the Regional Office of Education #32 pursuant to the Illinois Administrative Code which mandates the Regional Office to provide professional development activities in the fundamental learning areas, gifted education, administrators’ academy, school improvement, technology and other activities based upon the needs of local school districts and State and federal mandates.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Continued)

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

Teen Reach – This fund accounts for grant monies received and expenditures incurred for the Teen Reach (Responsibility, Education, Achievement, Caring and Hope) program implemented by the Illinois Department of Human Services. The program focuses on improving academic performance, prevent violence and risky behaviors, encourage parental involvement, and create opportunities for recreation and sports activities for the youth ages 6-17.

Title I School Improvement and Accountability System of Support (SSOS) – 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 lists.

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

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

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

Nonmajor Special Revenue Funds – Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (other than fiduciary or major capital projects) that are restricted to expenditures for specified purposes. 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.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Governmental Funds (Concluded)

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

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

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

Proprietary Funds

Proprietary funds account for revenues and expenses related to services provided to organizations inside the region on a cost reimbursement basis. Enterprise funds are proprietary funds that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to external entities or the general public on a continuing basis should be financed or recovered primarily through user charges. The Regional Office of Education #32 reports the following enterprise funds:

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

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

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

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

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

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.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Continued)

Proprietary Funds (Continued)

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.

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

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

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

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

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

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.

Statewide System of Support (SSOS) Foundational Services – This fund accounts for local revenues and disbursements related to the Title I – SSOS Foundational Services program.

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fund Accounting (Concluded)

Proprietary Funds (Concluded)

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

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

Fiduciary Funds

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

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

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

I. Governmental Fund Balances

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

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

Restricted Fund Balance – The portion of a governmental fund's net position that is subject to external enforceable legal restrictions. The following accounts' fund balances are restricted by Illinois Statute: Bus Driver Training, General Education Development, and Institute. The following account is restricted by a grant agreement or contract: Project Care Healthy Decision.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Governmental Fund Balances (Concluded)

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

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

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following General Fund accounts have unassigned fund balances (deficits): General Operations, General State Aid, and Child Nutrition. The following Education Fund accounts have unassigned fund deficits: CPDC Project, Race to the Top, REAP, and Title I School Improvement & Accountability System of Support.

J. Net Position

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

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of bonds, mortgages, notes or other borrowings, if any, that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted net position – The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

K. Cash and Cash Equivalents

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

L. Inventory

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Capital Assets

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

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

N. Interfund Receivables and Payables

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

O. Deferred Inflows and Outflows of Resources

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer’s reporting period.

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources are reported in the governmental fund financial statements as unavailable revenue and represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of grant receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of the unamortized portion of components of the net pension liability that will reduce pension expense in future years.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

P. Compensated Absences

All employees who work 12 calendar months earn vacation time. Unused vacation time does not accumulate and carryover to future calendar years. Sick pay may accumulate for full-time employees of the In-Touch Program up to a maximum of 180 days. Unused sick pay for these employees may be certified in writing to the next employer at the request of the employee at the time of re-employment elsewhere. Unused sick pay for those employees may be used as service credits toward the employee's retirement fund when the employee retires. Employees of all other programs may not accumulate and carryover unused sick pay to future years. There are no material accumulations of sick pay or vacation pay at June 30, 2015.

Q. Estimates

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

R. Budget Information

The Regional Office of Education #32 acts as the administrative agent for certain grant programs that are accounted for within the General and Education Funds. Certain programs have separate budgets and are required to be reported to the Illinois State Board of Education and other granting agencies; however, none of the annual budgets have been legally adopted, nor are they required to be. Certain programs within the General Fund and the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results for the following programs are presented as supplementary information: Addiction Prevention Comprehensive, Arrest Grant, CPDC Project, IVPA Family Violence Coordinating Council, Mathematics and Science Partnerships, McKinney Education for Homeless Children, Partnerships for Success, Regional Safe Schools, ROE/ISC Operations, Teen Reach, Title I School Improvement & Accountability System of Support, Title II Teacher Quality, Title II Teacher Quality Leadership – Evaluation Training, and Truants' Alternative Program.

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.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Cash Deposits

At June 30, 2015, the carrying amount of the Regional Office of Education #32's government-wide and fiduciary fund deposits were \$3,733,562 and \$25, respectively, and the bank balances were \$3,821,037 and \$25, respectively. At June 30, 2015, \$250,000 of the Regional Office of Education #32's cash deposits were insured by the Federal Deposit Insurance Corporation. Another \$3,487,076 was collateralized by securities pledged by the Regional Office of Education #32's financial institution in the name of the Regional Office and \$83,986 was invested in the Illinois Funds Money Market Fund.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Regional Office of Education's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the Regional Office of Education #32 requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of the Regional Office of Education #32.

B. Investments

The Regional Office of Education #32's investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2015, the Regional Office of Education #32 had investments with carrying and fair values of \$83,986 invested in the Illinois Funds Money Market Fund, which is reported as cash and cash equivalents in the financial statements.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2015, the Illinois Funds Money Market Fund had a Standard and Poor's AAA rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

Interest Rate Risk

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 2: CASH AND CASH EQUIVALENTS (CONCLUDED)

B. Investments (Concluded)

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

IMRF 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 managed with the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 3: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits Provided (Concluded)

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2014, the following employees were covered by the benefit terms.

	IMRF
Retirees and Beneficiaries currently receiving benefits	12
Inactive Plan Members entitled to but not yet receiving benefits	16
Active Plan Members	27
Total	55

Contributions

As set by statute, the Regional Office of Education #32's Regular Plan Members are required to contribute 4.5% 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 Regional Office of Education #32's annual contribution rate for calendar year 2014 was 12.10%. For the calendar year ended 2014, the Regional Office of Education #32 contributed \$124,380 to the plan. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The Regional Office of Education #32's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 3: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2014:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 3.5%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.60%
International Equity	17%	7.80%
Fixed Income	27%	3.00%
Real Estate	8%	6.15%
Alternative Investments	9%	5.25-8.50%
Cash Equivalents	1%	2.25%
Total	100%	

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 3: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.56%, and the resulting single discount rate is 7.50%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2013	\$ 3,076,309	\$ 2,896,564	\$ 179,745
Changes for the year:			
Service Cost	123,024	-	123,024
Interest on the Total Pension Liability	232,703	-	232,703
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	171,506	-	171,506
Changes of Assumptions	136,503	-	136,503
Contributions - Employer	-	124,380	(124,380)
Contributions - Employees	-	46,257	(46,257)
Net Investment Income	-	168,323	(168,323)
Benefit Payments, including Refunds of Employee Contributions	(71,842)	(71,842)	-
Other (Net Transfer)	-	(2,222)	2,222
Net Changes	591,894	264,896	326,998
Balances at December 31, 2014	\$ 3,668,203	\$ 3,161,460	\$ 506,743

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 3: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower 6.50%	Current Discount 7.50%	1% Higher 8.50%
Net Pension Liability	\$ 1,041,628	\$ 506,743	\$ 67,292

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ending June 30, 2015, the Regional Office of Education #32 recognized pension expense of \$156,139. At June 30, 2015, the Regional Office of Education #32 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts Related to Pensions</i>		
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 141,206	\$ -
Changes of assumptions	112,387	-
Net difference between projected and actual earnings on pension plan investments	41,646	-
Total Deferred Amounts to be recognized in pension expense in future periods	295,239	-
<i>Pension Contributions made Subsequent to the Measurement Date</i>		
	60,847	-
Total Deferred Amounts Related to Pensions	\$ 356,086	\$ -

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 3: DEFINED BENEFIT PENSION PLAN (CONCLUDED)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Concluded)

\$60,847 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31,	Net Deferred Outflows of Resources
2015	\$ 64,827
2016	209,588
2017	10,411
2018	10,413
2019	-
Thereafter	-
Total	\$ 295,239

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. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. 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 TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

Benefits provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

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

Benefits provided (Concluded)

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

Essentially all Tier I retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Contributions

The State of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2015, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education #32.

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #32. For the year ended June 30, 2015, State of Illinois contributions recognized by the Regional Office of Education #32 were based on the State's proportionate share of the collective net pension liability associated with the Regional Office of Education #32, and the Regional Office of Education #32 recognized revenue and expenditures of \$252,303 in pension contributions from the State of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2015, were \$2,923, and are deferred because they were paid after the June 30, 2014, measurement date.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

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

Contributions (Concluded)

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 has been in effect since 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. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2015, the employer pension contribution was 33.00 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$4,548 were paid from federal and special trust funds that required employer contributions of \$1,501. These contributions are deferred because they were paid after the June 30, 2014, measurement date.

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The Regional Office of Education #32 is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2015, the Regional Office of Education #32 paid no employer ERO contributions.

The Regional Office of Education #32 is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2015, the Regional Office of Education #32 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent and no payments for sick leave days granted in excess of the normal allotment.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the Regional Office of Education #32 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employers proportionate share of the net pension liability	\$ 83,474
State's proportionate share of the net pension liability associated with the employer	<u>3,133,782</u>
Total	<u>\$ 3,217,256</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. The Regional Office of Education #32's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2014, the Regional Office of Education #32's proportion was .0001371620 percent.

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The Regional Office of Education #32's proportion of the net pension liability as of June 30, 2013, was based on the Regional Office of Education #32's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2013, the employer's proportion was .0032347420 percent.

For the year ended June 30, 2015, the Regional Office of Education #32 recognized pension expense of \$252,303 and revenue of \$252,303 for support provided by the State. For the year ended June 30, 2015, the Regional Office of Education #32 recognized pension income of \$372,436. At June 30, 2015, the Regional Office of Education #32 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Concluded)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 44	\$ -
Net difference between projected and actual earning on pension plan investments	-	4,195
Change of assumptions	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,561,582
Employer contributions subsequent to the measurement date	4,424	-
Total	\$ 4,468	\$ 1,565,777

\$4,424 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2016	\$ (380,063)
2017	(380,063)
2018	(380,063)
2019	(380,063)
2020	(45,481)
Total	\$ (1,565,733)

Actuarial assumptions

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary Increase	5.75 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

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

Actuarial assumptions (Concluded)

Mortality rates were based on the RP-2000 White Collar Table with projections using scale AA that vary by member group.

For GASB disclosure purposes, the actuarial assumptions for the years ended June 30, 2014 and 2013, were assumed to be the same. However, for funding purposes, the actuarial valuations for those two years were different. The actuarial assumptions used in the June 30, 2014, valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered. The actuarial assumptions used in the June 30, 2013, valuation were based on the 2012 actuarial experience analysis and first adopted in the June 30, 2012, valuation. The investment return assumption was lowered from 8.5 percent to 8.0 percent and the salary increase and inflation assumptions were also lowered. Mortality assumptions were adjusted to anticipate continued improvement in mortality.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. large cap	18%	8.23%
Global equity excluding U.S.	18%	8.58%
Aggregate bonds	16%	2.27%
U.S. TIPS	2%	3.52%
NCREIF	11%	5.81%
Opportunistic real estate	4%	9.79%
ARS	8%	3.27%
Risk parity	8%	5.57%
Diversified inflation strategy	1%	3.96%
Private equity	14%	13.03%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily required rates.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

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

Discount Rate (Concluded)

Based on those assumptions, TRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Therefore, the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Regional Office of Education #32's proportionate share of the net pension liability to changes in the discount rate

The following presents the Regional Office of Education #32's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Employer's proportionate share of the net pension liability	\$ 103,087	\$ 83,474	\$ 67,233

TRS fiduciary net position

Detailed information about the TRS's fiduciary net position as of June 30, 2014 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

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 post-employment 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 it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 5: OTHER POST-EMPLOYMENT COMMITMENTS (CONTINUED)

A. Teacher Health Insurance Security Fund (Concluded)

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

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

On-behalf contributions to the THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #32. State contributions are intended to match contributions to the THIS Fund from active members which were 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were \$5,140 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 years ended June 30, 2014 and June 30, 2013 were 0.97 and 0.92 percent of pay, respectively. State contributions on behalf of the Regional Office of Education #32's employees were \$4,927 and \$7,884, respectively.

Employer contributions to the THIS Fund. The Regional Office of Education #32 also makes contributions to THIS Fund. The Regional Office of Education #32's contribution was 0.76 percent during the year ended June 30, 2015 and 0.72 percent and 0.69 percent during the years ended June 30, 2014 and June 30, 2013, respectively. For the year ended June 30, 2015, the Regional Office of Education #32 paid \$3,829 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2014 and 2013, the Regional Office of Education #32 paid \$3,657 and \$5,913, respectively.

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

B. Other Post-Employment Benefits (OPEB)

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

The actuarial valuation of liabilities under the OPEB Plan is calculated using the entry age actuarial cost method as of the December 1, 2013 actuarial valuation and is for the 12 month period from December 1, 2013 through November 30, 2014. This method requires the calculation of an unfunded actuarial accrued liability, which was approximately \$5,375,339 for Kankakee County as of December 1, 2013. The Regional Office of Education #32's portion of the unfunded actuarial accrued liability was determined to be \$37,923.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 5: OTHER POST-EMPLOYMENT COMMITMENTS (CONCLUDED)

B. Other Post-Employment Benefits (OPEB) (Concluded)

Details of the OPEB Plan are available in Kankakee County's audit report for the year ended November 30, 2014. The report may be obtained by writing to the Kankakee County Government, 192 N. East Avenue, Kankakee, IL 60901.

NOTE 6: INTERFUND RECEIVABLES AND PAYABLES

Interfund due to / from other fund balances at June 30, 2015 consist of the following individual due to / from other funds in the governmental fund Balance Sheet and the proprietary fund Statement of Net Position. The interfund loan balances between governmental funds were eliminated in the government-wide Statement of Net Position, if applicable; 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	\$ -	\$ 215,731
General State Aid	11,470	-
Education Fund		
Addiction Prevention Comprehensive	-	18,405
Arrest Grant	-	1,294
CPDC Project	-	1,128
HUD Supportive Housing Program	-	3,837
ICJIA Family Violence	-	3,907
Mathematics & Science Partnerships	-	6
McKinney Education for Homeless Children	-	17,409
Partnerships for Success	-	9,059
Race to the Top	-	6,547
REAP	-	5,850
Regional Safe Schools	-	5,620
Teen Reach	-	16,576
Title I School Improvement & Accountability System of Support	-	56,811
Title II Teacher Quality Leadership - Evaluation Training	-	2,415
Proprietary Fund		
Safe Schools Local	281,504	-
Truant Local	21,246	-
Life Education Local	27,464	-
ROE Workshops	6	-
Supplemental Educational Services	22,905	-
	<u>\$ 364,595</u>	<u>\$ 364,595</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

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	\$	296,726
Special Revenue Fund – Education Fund		
Administrative Office of the Illinois Courts		1,128
Illinois Department of Health and Human Services		60,816
Illinois State Board of Education		133,696
Illinois Criminal Justice Information Authority		5,201
U.S. Department of Housing and Urban Development		3,837
U.S. Department of Education		5,850
Proprietary Fund – Nonmajor Enterprise Funds		
Local Governments		28,190
Fiduciary Fund		
Illinois State Board of Education		5,620
Total	<u>\$</u>	<u>541,064</u>

Due to Other Governmental Units:

General Fund		
Local Governments	\$	15
Special Revenue Fund – Education Fund		
Local Governments		44,888
Fiduciary Fund		
Local Governments		5,645
Total	<u>\$</u>	<u>50,548</u>

NOTE 8: INTERFUND TRANSFERS

Interfund transfers in / out to other funds at June 30, 2015 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.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
Child Nutrition	\$ 47,053	\$ -
Special Revenue Fund – Education Fund		
Addiction Prevention Comprehensive	50	-
CPDC Project	56	-
National School Breakfast	-	19,279
National School Lunch	-	23,649
State Free Lunch and Breakfast	-	4,125

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 8: INTERFUND TRANSFERS (CONCLUDED)

Nonmajor Proprietary Funds		
Life Education Local	-	50
Supplemental Educational Services	-	56
	<u>\$ 47,159</u>	<u>\$ 47,159</u>

NOTE 9: CAPITAL ASSETS

Capital asset activity for fiscal year 2015 was as follows:

Governmental Activities

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
Governmental Funds				
Total Capital Assets	\$ 27,031	\$ -	\$ 5,134	\$ 21,897
Less: Accumulated Depreciation	<u>(27,031)</u>	<u>-</u>	<u>(5,134)</u>	<u>(21,897)</u>
Governmental Funds				
Investment in Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Business-Type Activities

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
Business-type Activities				
Total Capital Assets	\$ 10,816	\$ -	\$ -	\$ 10,816
Less: Accumulated Depreciation	<u>(10,816)</u>	<u>-</u>	<u>-</u>	<u>(10,816)</u>
Business-type Activities				
Investment in Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. No depreciation expense was charged to either governmental activities or business-type activities on the government-wide Statement of Activities for the year ended June 30, 2015 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 10: DISTRIBUTIVE FUND INTEREST

Illinois State Board of Education (ISBE) funds received by the Regional Office of Education #32 for the Distributive Fund accrue interest for the period of time between the receipt of funds and clearance of checks to the recipient. In accordance with an agreement dated May 24, 1988 with the school district boards served, interest earned on Distributive Fund deposits is transferred to the General Fund to offset wire service and other bank charges incurred by the Distributive Fund. Distributive Fund interest earned and related charges are recognized as revenues and expenditures in the General Fund.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 11: 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 12: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

The following funds had deficit fund balances at June 30, 2015:

General Fund	
General Operations	\$ 6,140
Education Fund	
CPDC Project	1,128
Race to the Top	1,822
REAP	85
Title I School Improvement & Accountability System of Support	55,741

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

NOTE 13: OPERATING LEASES

Lease 1: On July 1, 2013 the Regional Office of Education #32 renewed a three year lease agreement for rental of 1 Stuart Dr., Kankakee, Illinois beginning July 1, 2013 and terminating June 30, 2016. The lease is payable in annual installments of \$10,000. Lease expense for the office building for fiscal year 2015 was \$10,000.

Lease 2: On March 1, 2012, the Regional Office of Education #32 entered into a lease agreement for rental of a copier for 5 years beginning March 1, 2012 and terminating on February 28, 2017. The lease is payable in monthly installments of \$446. Lease expense for the copier for fiscal year 2015 was \$5,351.

Lease 3: On March 1, 2012, the Regional Office of Education #32 entered into a lease for rental of 2 copiers for 5 years beginning March 1, 2012 and terminating on February 28, 2017. The lease is payable in monthly installments of \$1,141. Lease expense for the copiers for fiscal year 2015 was \$13,690.

Lease 4: On March 1, 2012, the Regional Office of Education #32 extended a lease for rental of a copier for 3 years beginning March 1, 2012 and terminating on February 28, 2015. The lease is payable in monthly installments of \$27. Lease expense for the copier for fiscal year 2015 was \$215.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 13: OPERATING LEASES (CONCLUDED)

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

2016	\$	29,040
2017		12,694
	<u>\$</u>	<u>41,734</u>

NOTE 14: ON-BEHALF PAYMENTS

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

Regional Superintendent Salary	\$	111,108
Regional Superintendent Fringe Benefits (Includes State paid insurance)		31,196
Assistant Regional Superintendent Salary		100,020
Assistant Regional Superintendent Fringe Benefits (Includes State paid insurance)		31,402
THIS Fund Contributions		<u>5,140</u>
 Total	 \$	 <u>278,866</u>

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education. These amounts have been recorded in the accompanying financial statements as State revenue and expenditures.

Regional Office of Education #32 also recorded \$252,303 in revenue and expenses as on-behalf payments from ISBE for the Regional Office's share of the State's Teachers' Retirement System (TRS) pension expense in the Statement of Activities. In addition, the Regional Office of Education #32 has not included any on-behalf payments related to the State's TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois on-behalf payments	\$	278,866
ROE #32's share of TRS pension expense		<u>252,303</u>
Total	\$	<u>531,169</u>

NOTE 15: RISK MANAGEMENT

The Regional Office of Education #32 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education #32 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015**

NOTE 16: RESTATEMENT

The Regional Office of Education #32 implemented GASB 68 and consequently recognized deferred outflows of resources, deferred inflows of resources, and net pension liability in the current year. The net opening balance of deferred outflows of resources, deferred inflows of resources, and net pension liability was \$2,068,695 and \$11,861, for Governmental and Business-Type Activities, respectively. Because these pension-related opening balances reflect pension expenses not previously recognized, the opening net position of the governmental activities and business-type activities on the government-wide Statement of Activities has been restated as follows:

<u>Governmental Activities Net Position</u>	
Net Position - July 01, 2014	\$ 2,196,243
Effect of recognizing deferred outflows of resources, deferred inflows of resources, and net pension liability	<u>(2,068,695)</u>
Net Position, restated - July 01, 2014	<u>\$ 127,548</u>
 <u>Business-Type Activities Net Position</u>	
Net Position - July 01, 2014	\$ 1,723,810
Effect of recognizing deferred outflows of resources, deferred inflows of resources, and net pension liability	<u>(11,861)</u>
Net Position, restated - July 01, 2014	<u>\$ 1,711,949</u>

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

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY & RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
CALENDAR YEAR 2014**

Calendar Year Ended December 31,	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 123,024
Interest on the Total Pension Liability	232,703
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience of the Total Pension Liability	171,506
Changes of Assumptions	136,503
Benefit Payments, including Refunds of Employee Contributions	(71,842)
Net Change in Total Pension Liability	<u>591,894</u>
 Total Pension Liability – Beginning	 <u>3,076,309</u>
 Total Pension Liability – Ending (A)	 <u><u>\$ 3,668,203</u></u>
 Plan Fiduciary Net Position	
Contributions – Employer	\$ 124,380
Contributions - Employees	46,257
Net Investment Income	168,323
Benefit Payments, including Refunds of Employee Contributions	(71,842)
Other (Net Transfer)	(2,222)
Net Change in Plan Fiduciary Net Position	<u>264,896</u>
 Plan Fiduciary Net Position – Beginning	 <u>2,896,564</u>
 Plan Fiduciary Net Position – Ending (B)	 <u><u>\$ 3,161,460</u></u>
 Net Pension Liability – Ending (A) – (B)	 <u><u>\$ 506,743</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 86.19%
 Covered Valuation Payroll	 1,027,931
 Net Pension Liability as a Percentage of Covered Valuation Payroll	 49.30%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
CALENDAR YEAR 2014**

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2014	\$ 118,006 *	\$ 124,380	\$ (6,374)	\$ 1,027,931	12.10%

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2014 Contribution Rate*

Valuation Date:

Notes: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2014 Contribution Rates:

Actuarial Cost Method: Aggregate entry age = normal
Amortization Method: Level percentage of payroll, closed
Remaining Amortization Period: 29-year closed period
Asset Valuation Method: 5-year smoothed market; 20% corridor
Wage Growth: 4%
Price Inflation: 3%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases: 4.40% to 16%, including inflation
Investment Rate of Return: 7.50%
Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality: RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92 percent of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2012, actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FOR THE YEAR ENDED JUNE 30, 2015***

Employer's proportion of the net pension liability	0.0001371620%
Employer's proportionate share of the net pension liability	\$ 83,474
State's proportionate share of the net pension liability associated with the employer	3,133,782
Total	\$ 3,217,256
Employer's covered-employee payroll	\$ 507,980
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	16.43%
Plan fiduciary net position as a percentage of the total pension liability	43.00%

**The amounts presented were determined as of the prior fiscal year end.*

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FOR THE YEAR ENDED JUNE 30, 2015 †**

Fiscal Year Ended June 30,	Contractually Required Contribution	Actual Contribution	Contribution Deficiency (Excess)	Employer's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2015	\$ 4,424	\$ 4,424	\$ -	\$ 503,880	0.88%
2014	4,894	4,894	-	507,980	0.96%

† This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Notes to this Required Supplementary Information

Changes of Assumptions

Amounts reported in 2014 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and a salary increase assumption of 5.75 percent. In 2013, assumptions used were an investment rate of return of 8.0 percent, an inflation of 3.25 percent and real return of 4.75 percent, and salary increases of 6.00 percent. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
 SCHEDULE OF FUNDING PROGRESS
 UNAUDITED
 June 30, 2015**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)
12/1/2013	\$ -	\$ 37,923	\$ 37,923	0%
11/30/2011	-	22,222	22,222	0%

The actuarial valuation of the Plan was performed as of December 1, 2013. 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 5.5% and scaling down to an ultimate rate of 5.0%. Active utilization rate of 10% is assumed for all active employees.

SUPPLEMENTAL INFORMATION

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
GENERAL FUND
June 30, 2015**

	<u>General Operations</u>	<u>General State Aid</u>	<u>Child Nutrition</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 75,217	\$ 1,943,432	\$ 47,053	\$ 2,065,702
Due from other funds	-	11,470	-	11,470
Due from other governments	296,726	-	-	296,726
Total Assets	<u>371,943</u>	<u>1,954,902</u>	<u>47,053</u>	<u>2,373,898</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 371,943</u>	<u>\$ 1,954,902</u>	<u>\$ 47,053</u>	<u>\$ 2,373,898</u>
Liabilities				
Accounts payable	\$ -	\$ 173	\$ -	\$ 173
Due to other funds	215,731	-	-	215,731
Due to other governments	-	15	-	15
Total Liabilities	<u>215,731</u>	<u>188</u>	<u>-</u>	<u>215,919</u>
Deferred Inflows of Resources				
Unavailable revenue	<u>162,352</u>	<u>-</u>	<u>-</u>	<u>162,352</u>
Fund Balances				
Unassigned	<u>(6,140)</u>	<u>1,954,714</u>	<u>47,053</u>	<u>1,995,627</u>
Total Fund Balance	<u>(6,140)</u>	<u>1,954,714</u>	<u>47,053</u>	<u>1,995,627</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 371,943</u>	<u>\$ 1,954,902</u>	<u>\$ 47,053</u>	<u>\$ 2,373,898</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
For the Year Ended June 30, 2015**

	General Operations	General State Aid	Child Nutrition	Total
Revenues				
Local sources	\$ 352,714	\$ -	\$ -	\$ 352,714
State sources	-	863,200	-	863,200
State sources - on-behalf payments	278,866	-	-	278,866
Federal sources	-	80	-	80
Total Revenues	<u>631,580</u>	<u>863,280</u>	<u>-</u>	<u>1,494,860</u>
Expenditures				
Salaries	261,414	589,999	-	851,413
Employee benefits	35,016	74,738	-	109,754
Pension expense	30,323	23,045	-	53,368
Purchased services	66,955	69,074	-	136,029
Supplies and materials	5,945	16,017	-	21,962
Capital outlay	-	612	-	612
Other	1,367	-	-	1,367
On-behalf payments	278,866	-	-	278,866
Total Expenditures	<u>679,886</u>	<u>773,485</u>	<u>-</u>	<u>1,453,371</u>
Excess (Deficiency) of Revenues Over Expenditures				
	<u>(48,306)</u>	<u>89,795</u>	<u>-</u>	<u>41,489</u>
Other Financing Sources (Uses)				
Transfer in	-	-	47,053	47,053
Interest	174	4,002	-	4,176
Total Other Financing Sources (Uses)	<u>174</u>	<u>4,002</u>	<u>47,053</u>	<u>51,229</u>
Net Change in Fund Balances	(48,132)	93,797	47,053	92,718
Fund Balances - Beginning of Year	<u>41,992</u>	<u>1,860,917</u>	<u>-</u>	<u>1,902,909</u>
Fund Balances - End of Year	<u>\$ (6,140)</u>	<u>\$ 1,954,714</u>	<u>\$ 47,053</u>	<u>\$ 1,995,627</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2015**

	Addiction Prevention Comprehensive	Arrest Grant	CPDC Project	HUD Supportive Housing Program	ICJIA Family Violence Coordinating Council
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	21,832	1,294	1,128	3,837	3,907
Total Assets	<u>21,832</u>	<u>1,294</u>	<u>1,128</u>	<u>3,837</u>	<u>3,907</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 21,832</u>	<u>\$ 1,294</u>	<u>\$ 1,128</u>	<u>\$ 3,837</u>	<u>\$ 3,907</u>
Liabilities					
Accounts payable	\$ 3,427	\$ -	\$ -	\$ -	\$ -
Due to other funds	18,405	1,294	1,128	3,837	3,907
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	<u>21,832</u>	<u>1,294</u>	<u>1,128</u>	<u>3,837</u>	<u>3,907</u>
Deferred Inflows of Resources					
Unavailable revenue	<u>-</u>	<u>-</u>	<u>1,128</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)					
Unassigned	<u>-</u>	<u>-</u>	<u>(1,128)</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>-</u>	<u>-</u>	<u>(1,128)</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)	<u>\$ 21,832</u>	<u>\$ 1,294</u>	<u>\$ 1,128</u>	<u>\$ 3,837</u>	<u>\$ 3,907</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2015**

	Mathematics and Science Partnerships	McKinney Education for Homeless Children	National School Breakfast	National School Lunch	Partnerships for Success
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	6	22,865	-	-	14,142
Total Assets	<u>6</u>	<u>22,865</u>	<u>-</u>	<u>-</u>	<u>14,142</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 6</u>	<u>\$ 22,865</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,142</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 5,083
Due to other funds	6	17,409	-	-	9,059
Due to other governments	-	5,456	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	<u>6</u>	<u>22,865</u>	<u>-</u>	<u>-</u>	<u>14,142</u>
Deferred Inflows of Resources					
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)					
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)	<u>\$ 6</u>	<u>\$ 22,865</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,142</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2015**

	Race to the Top	REAP	Regional Safe Schools	ROE/ISC Operations	State Free Lunch and Breakfast
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 78	\$ -
Due from other governments	6,547	5,850	5,620	-	-
Total Assets	<u>6,547</u>	<u>5,850</u>	<u>5,620</u>	<u>78</u>	<u>-</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 6,547</u>	<u>\$ 5,850</u>	<u>\$ 5,620</u>	<u>\$ 78</u>	<u>\$ -</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	6,547	5,850	5,620	-	-
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	78	-
Total Liabilities	<u>6,547</u>	<u>5,850</u>	<u>5,620</u>	<u>78</u>	<u>-</u>
Deferred Inflows of Resources					
Unavailable revenue	<u>1,822</u>	<u>85</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)					
Unassigned	<u>(1,822)</u>	<u>(85)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>(1,822)</u>	<u>(85)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)	<u>\$ 6,547</u>	<u>\$ 5,850</u>	<u>\$ 5,620</u>	<u>\$ 78</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING SCHEDULE OF ACCOUNTS
EDUCATION FUND
June 30, 2015**

	Teen Reach	Title I School Improvement & Accountability System of Support	Title II Teacher Quality	Title II Teacher Quality Leadership - Evaluation Training	Truants' Alternative Program	Total
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 2,321	\$ 2,399
Due from other governments	24,842	96,243	-	2,415	-	210,528
Total Assets	<u>24,842</u>	<u>96,243</u>	<u>-</u>	<u>2,415</u>	<u>2,321</u>	<u>212,927</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 24,842</u>	<u>\$ 96,243</u>	<u>\$ -</u>	<u>\$ 2,415</u>	<u>\$ 2,321</u>	<u>\$ 212,927</u>
Liabilities						
Accounts payable	\$ 8,266	\$ -	\$ -	\$ -	\$ 2,321	\$ 19,097
Due to other funds	16,576	56,811	-	2,415	-	148,864
Due to other governments	-	39,432	-	-	-	44,888
Unearned revenue	-	-	-	-	-	78
Total Liabilities	<u>24,842</u>	<u>96,243</u>	<u>-</u>	<u>2,415</u>	<u>2,321</u>	<u>212,927</u>
Deferred Inflows of Resources						
Unavailable revenue	<u>-</u>	<u>55,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,776</u>
Fund Balances (Deficits)						
Unassigned	<u>-</u>	<u>(55,741)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58,776)</u>
Total Fund Balances (Deficits)	<u>-</u>	<u>(55,741)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58,776)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)	<u>\$ 24,842</u>	<u>\$ 96,243</u>	<u>\$ -</u>	<u>\$ 2,415</u>	<u>\$ 2,321</u>	<u>\$ 212,927</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, 2015**

	Addiction Prevention Comprehensive	Arrest Grant	CPDC Project	HUD Supportive Housing Program	ICJIA Family Violence Coordinating Council
Revenues					
State sources	\$ -	\$ -	\$ -	\$ -	\$ 16,481
Federal sources	211,001	4,933	2,960	52,289	-
Total Revenues	<u>211,001</u>	<u>4,933</u>	<u>2,960</u>	<u>52,289</u>	<u>16,481</u>
Expenditures					
Salaries	157,249	3,995	1,807	33,566	13,252
Employee benefits	15,653	304	138	6,891	1,007
Pension expense	18,425	439	72	3,612	1,488
Purchased services	9,058	50	1,908	7,387	519
Supplies and materials	9,665	147	219	833	215
Capital outlay	-	-	-	-	-
Payments to other governmental units	-	-	-	-	-
Total Expenditures	<u>210,050</u>	<u>4,935</u>	<u>4,144</u>	<u>52,289</u>	<u>16,481</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>951</u>	<u>(2)</u>	<u>(1,184)</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfers in	50	-	56	-	-
Transfers out	-	-	-	-	-
Interest	-	2	-	-	-
Total Other Financing Sources (Uses)	<u>50</u>	<u>2</u>	<u>56</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,001	-	(1,128)	-	-
Fund Balance (Deficit) - Beginning of Year	<u>(1,001)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,128)</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, 2015**

	Mathematics and Science Partnerships	McKinney Education for Homeless Children	National School Breakfast	National School Lunch	Partnerships for Success
Revenues					
State sources	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	6	160,651	16,145	23,114	23,930
Total Revenues	<u>6</u>	<u>160,651</u>	<u>16,145</u>	<u>23,114</u>	<u>23,930</u>
Expenditures					
Salaries	-	44,825	-	-	13,667
Employee benefits	-	5,811	-	-	1,045
Pension expense	-	2,496	-	-	1,388
Purchased services	-	106,265	-	-	2,350
Supplies and materials	6	319	-	-	2,930
Capital outlay	-	-	-	-	2,550
Payments to other governmental units	-	935	13,036	20,162	-
Total Expenditures	<u>6</u>	<u>160,651</u>	<u>13,036</u>	<u>20,162</u>	<u>23,930</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>3,109</u>	<u>2,952</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	(19,279)	(23,649)	-
Interest	-	-	37	46	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(19,242)</u>	<u>(23,603)</u>	<u>-</u>
Net Change in Fund Balances	-	-	(16,133)	(20,651)	-
Fund Balance (Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>16,133</u>	<u>20,651</u>	<u>-</u>
Fund Balance (Deficit) - End of Year	<u>\$ -</u>	<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, 2015**

	Race to the Top	REAP	Regional Safe Schools	ROE/ISC Operations	State Free Lunch and Breakfast
Revenues					
State sources	\$ -	\$ -	\$ 83,193	\$ 74,297	\$ 494
Federal sources	16,077	22,875	-	-	-
Total Revenues	<u>16,077</u>	<u>22,875</u>	<u>83,193</u>	<u>74,297</u>	<u>494</u>
Expenditures					
Salaries	6,611	5,920	69,766	45,034	-
Employee benefits	503	213	6,260	6,672	-
Pension expense	687	3,605	405	5,490	-
Purchased services	9,900	3,128	6,762	9,132	-
Supplies and materials	198	8,167	-	3,404	-
Capital outlay	-	1,927	-	4,576	-
Payments to other governmental units	-	-	-	-	-
Total Expenditures	<u>17,899</u>	<u>22,960</u>	<u>83,193</u>	<u>74,308</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,822)</u>	<u>(85)</u>	<u>-</u>	<u>(11)</u>	<u>494</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(4,125)
Interest	-	-	-	11	7
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>(4,118)</u>
Net Change in Fund Balances	(1,822)	(85)	-	-	(3,624)
Fund Balance (Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,624</u>
Fund Balance (Deficit) - End of Year	<u>\$ (1,822)</u>	<u>\$ (85)</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, 2015**

	Teen Reach	Title I School Improvement & Accountability System of Support	Title II Teacher Quality	Title II Teacher Quality Leadership - Evaluation Training	Truants' Alternative Program	Total
Revenues						
State sources	\$ -	\$ -	\$ -	\$ -	\$ 189,484	\$ 363,949
Federal sources	117,293	472,449	292	5,115	-	1,129,130
Total Revenues	<u>117,293</u>	<u>472,449</u>	<u>292</u>	<u>5,115</u>	<u>189,484</u>	<u>1,493,079</u>
Expenditures						
Salaries	36,137	140,443	-	-	135,677	707,949
Employee benefits	2,738	6,371	-	-	20,836	74,442
Pension expense	4,412	3,982	-	-	11,430	57,931
Purchased services	1,448	102,883	292	5,115	14,677	280,874
Supplies and materials	339	167,065	-	-	6,867	200,374
Capital outlay	-	-	-	-	-	9,053
Payments to other governmental units	72,219	85,363	-	-	-	191,715
Total Expenditures	<u>117,293</u>	<u>506,107</u>	<u>292</u>	<u>5,115</u>	<u>189,487</u>	<u>1,522,338</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(33,658)</u>	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>(29,259)</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	106
Transfers out	-	-	-	-	-	(47,053)
Interest	-	-	-	-	3	106
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>(46,841)</u>
Net Change in Fund Balances	-	(33,658)	-	-	-	(76,100)
Fund Balance (Deficit) - Beginning of Year	<u>-</u>	<u>(22,083)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,324</u>
Fund Balance (Deficit) - End of Year	<u>\$ -</u>	<u>\$ (55,741)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (58,776)</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2014 to June 30, 2015)
 EDUCATION FUND ACCOUNTS
 ADDICTION PREVENTION COMPREHENSIVE
 For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 210,000	\$ 210,000	\$ 211,001
Total Revenues	<u>210,000</u>	<u>210,000</u>	<u>211,001</u>
Expenditures			
Salaries	159,345	157,200	157,249
Employee benefits	38,517	36,644	15,653
Pension expense	-	-	18,425
Purchased services	7,853	7,853	9,058
Supplies and materials	4,285	8,303	9,665
Total Expenditures	<u>210,000</u>	<u>210,000</u>	<u>210,050</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>951</u>
Other Financing Sources (Uses)			
Transfers in	-	-	50
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>50</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	1,001
Fund Balance (Deficit) - Beginning of Year			<u>(1,001)</u>
Fund Balance (Deficit) - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of April 1, 2015 to March 31, 2016)
 EDUCATION FUND ACCOUNTS
 ARREST GRANT
 For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 8,260	\$ 8,260	\$ 1,294
Total Revenues	<u>8,260</u>	<u>8,260</u>	<u>1,294</u>
Expenditures			
Salaries	6,149	6,149	1,104
Employee benefits	-	-	84
Pension expense	-	-	92
Purchased services	2,000	2,000	14
Supplies and materials	111	111	-
Total Expenditures	<u>8,260</u>	<u>8,260</u>	<u>1,294</u>
Net Change in Fund Balance	<u>\$ 8,260</u>	<u>\$ 8,260</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of April 1, 2014 to September 30, 2014)
 EDUCATION FUND ACCOUNTS
 ARREST GRANT
 For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 6,050	\$ 6,050	\$ 3,639
Total Revenues	<u>6,050</u>	<u>6,050</u>	<u>3,639</u>
Expenditures			
Salaries	4,938	4,938	2,891
Employee benefits	-	-	220
Pension expense			347
Purchased services	887	887	36
Supplies and materials	225	225	147
Total Expenditures	<u>6,050</u>	<u>6,050</u>	<u>3,641</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(2)</u>
Other Financing Sources (Uses)			
Interest	-	-	2
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the period October 1, 2014 through September 30, 2015)
EDUCATION FUND ACCOUNTS
CPDC PROJECT
For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 8,290	\$ 8,290	\$ 1,476
Total Revenues	<u>8,290</u>	<u>8,290</u>	<u>1,476</u>
Expenditures			
Salaries	-	-	1,807
Employee benefits	-	-	138
Pension expense	-	-	72
Purchased services	7,900	7,900	583
Supplies and materials	390	390	4
Total Expenditures	<u>8,290</u>	<u>8,290</u>	<u>2,604</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(1,128)
Fund Balance (Deficit) - Beginning of Year			<u>-</u>
Fund Balance (Deficit) - End of Year			<u>\$ (1,128)</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the period October 1, 2013 through September 30, 2014)
 EDUCATION FUND ACCOUNTS
 CPDC PROJECT
 For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 7,440	\$ 7,440	\$ 1,484
Total Revenues	<u>7,440</u>	<u>7,440</u>	<u>1,484</u>
Expenditures			
Purchased services	7,140	7,140	1,325
Supplies and materials	300	300	215
Total Expenditures	<u>7,440</u>	<u>7,440</u>	<u>1,540</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(56)</u>
Other Financing Sources (Uses)			
Transfers in	<u>-</u>	<u>-</u>	<u>56</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>56</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2014 to June 30, 2015)
 EDUCATION FUND ACCOUNTS
 ICJIA FAMILY VIOLENCE COORDINATING COUNCIL
 For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 17,000	\$ 17,000	\$ 16,481
Total Revenues	<u>17,000</u>	<u>17,000</u>	<u>16,481</u>
Expenditures			
Salaries	16,073	16,073	13,252
Employee benefits	-	-	1,007
Pension expense	-	-	1,488
Purchased services	808	808	519
Supplies and materials	119	119	215
Total Expenditures	<u>17,000</u>	<u>17,000</u>	<u>16,481</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of May 1, 2015 to September 30, 2015)
 EDUCATION FUND ACCOUNTS
 MATHEMATICS AND SCIENCE PARTNERSHIPS
 For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 250,000	\$ 250,000	\$ 6
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>6</u>
Expenditures			
Salaries	39,269	42,902	-
Employee benefits	17,220	11,490	-
Purchased services	180,747	129,378	-
Supplies and materials	5,264	58,730	6
Payments to other governmental units	7,500	7,500	-
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>6</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2014 to June 30, 2015)
EDUCATION FUND ACCOUNTS
MCKINNEY EDUCATION FOR HOMELESS CHILDREN
For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 159,000	\$ 175,709	\$ 159,716
Total Revenues	<u>159,000</u>	<u>175,709</u>	<u>159,716</u>
Expenditures			
Salaries	40,027	42,767	44,825
Employee benefits	8,333	8,306	5,811
Pension expense	-	-	2,496
Purchased services	9,191	8,726	106,265
Supplies and materials	10,014	6,644	319
Payments to other governmental units	91,435	109,266	-
Total Expenditures	<u>159,000</u>	<u>175,709</u>	<u>159,716</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2013 to June 30, 2014)
 EDUCATION FUND ACCOUNTS
 MCKINNEY EDUCATION FOR HOMELESS CHILDREN
 For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 159,000	\$ 170,500	\$ 935
Total Revenues	<u>159,000</u>	<u>170,500</u>	<u>935</u>
Expenditures			
Salaries	40,025	38,322	-
Employee benefits	8,262	8,132	-
Purchased services	10,507	14,507	-
Supplies and materials	8,771	18,104	-
Payments to other governmental units	91,435	91,435	935
Total Expenditures	<u>159,000</u>	<u>170,500</u>	<u>935</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2014 to June 30, 2015)
 EDUCATION FUND ACCOUNTS
 PARTNERSHIPS FOR SUCCESS
 For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 31,250	\$ 23,930	\$ 23,930
Total Revenues	<u>31,250</u>	<u>23,930</u>	<u>23,930</u>
Expenditures			
Salaries	12,980	13,667	13,667
Employee benefits	2,934	3,121	1,045
Pension expense	-	-	1,388
Purchased services	3,990	1,990	2,350
Supplies and materials	10,204	2,556	2,930
Capital outlay	1,142	2,596	2,550
Total Expenditures	<u>31,250</u>	<u>23,930</u>	<u>23,930</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2014 to June 30, 2015)
 EDUCATION FUND ACCOUNTS
 REGIONAL SAFE SCHOOLS
 For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 85,108	\$ 83,193	\$ 83,193
Total Revenues	<u>85,108</u>	<u>83,193</u>	<u>83,193</u>
Expenditures			
Salaries	72,154	69,766	69,766
Employee benefits	6,227	6,597	6,260
Pension expense	-	-	405
Purchased services	6,727	6,830	6,762
Total Expenditures	<u>85,108</u>	<u>83,193</u>	<u>83,193</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2014 to June 30, 2015)
EDUCATION FUND ACCOUNTS
ROE/ISC OPERATIONS
For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 74,375	\$ 74,375	\$ 74,297
Total Revenues	<u>74,375</u>	<u>74,375</u>	<u>74,297</u>
Expenditures			
Salaries	44,936	44,936	45,034
Employee benefits	11,695	11,695	6,672
Pension expense	-	-	5,490
Purchased services	9,409	9,409	9,132
Supplies and materials	6,835	2,499	3,404
Capital outlay	1,500	5,836	4,576
Total Expenditures	<u>74,375</u>	<u>74,375</u>	<u>74,308</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(11)</u>
Other Financing Sources (Uses)			
Interest	<u>-</u>	<u>-</u>	<u>11</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>11</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of July 1, 2014 to June 30, 2015)
 EDUCATION FUND ACCOUNTS
 TEEN REACH
 For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 117,293	\$ 117,293	\$ 117,293
Total Revenues	<u>117,293</u>	<u>117,293</u>	<u>117,293</u>
Expenditures			
Salaries	37,520	37,520	36,137
Employee benefits	8,422	8,422	2,738
Pension expense	-	-	4,412
Purchased services	1,217	1,217	1,448
Supplies and materials	365	365	339
Payments to other governmental units	69,769	69,769	72,219
Total Expenditures	<u>117,293</u>	<u>117,293</u>	<u>117,293</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2014 to June 30, 2015)**

**EDUCATION FUND ACCOUNTS
TITLE I SCHOOL IMPROVEMENT & ACCOUNTABILITY SYSTEM OF SUPPORT
For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 769,069	\$ 834,727	\$ 437,416
Total Revenues	<u>769,069</u>	<u>834,727</u>	<u>437,416</u>
Expenditures			
Salaries	244,338	202,858	137,298
Employee benefits	11,068	15,302	6,325
Pension expense	-	-	3,982
Purchased services	101,242	129,807	100,436
Supplies and materials	170,986	169,650	167,065
Payments to other governmental units	241,435	317,110	78,051
Total Expenditures	<u>769,069</u>	<u>834,727</u>	<u>493,157</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(55,741)
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ (55,741)</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2013 to June 30, 2014)**

**EDUCATION FUND ACCOUNTS
TITLE I SCHOOL IMPROVEMENT & ACCOUNTABILITY SYSTEM OF SUPPORT
For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 132,850	\$ 607,850	\$ 35,033
Total Revenues	<u>132,850</u>	<u>607,850</u>	<u>35,033</u>
Expenditures			
Salaries	95,316	101,873	3,145
Employee benefits	9,457	11,149	46
Purchased services	25,627	82,896	2,447
Supplies and materials	1,450	168,858	-
Capital outlay	1,000	1,000	-
Payments to other governmental units	-	242,074	7,312
Total Expenditures	<u>132,850</u>	<u>607,850</u>	<u>12,950</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	22,083
Fund Balance - Beginning of Year			<u>(22,083)</u>
Fund Balance - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of October 9, 2014 to June 30, 2015)
 EDUCATION FUND ACCOUNTS
 TITLE II TEACHER QUALITY
 For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 398	\$ 292	\$ 292
Total Revenues	<u>398</u>	<u>292</u>	<u>292</u>
Expenditures			
Purchased services	<u>398</u>	<u>292</u>	<u>292</u>
Total Expenditures	<u>398</u>	<u>292</u>	<u>292</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 BUDGETARY COMPARISON SCHEDULE
 (For the Period of September 12, 2014 to June 30, 2015)
 EDUCATION FUND ACCOUNTS
 TITLE II TEACHER QUALITY LEADERSHIP - EVALUATION TRAINING
 For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 5,615	\$ 5,615	\$ 5,115
Total Revenues	<u>5,615</u>	<u>5,615</u>	<u>5,115</u>
Expenditures			
Purchased services	5,615	5,615	5,115
Total Expenditures	<u>5,615</u>	<u>5,615</u>	<u>5,115</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
BUDGETARY COMPARISON SCHEDULE
(For the Period of July 1, 2013 to June 30, 2014)
EDUCATION FUND ACCOUNTS
TRUANTS' ALTERNATIVE PROGRAM
For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	193,846	189,484	189,484
Total Revenues	<u>193,846</u>	<u>189,484</u>	<u>189,484</u>
Expenditures:			
Salaries	136,755	135,597	135,677
Employee benefits	31,526	31,294	20,836
Pension expense	-	-	11,430
Purchased services	20,988	16,094	14,677
Supplies and materials	4,577	6,499	6,867
Total Expenditures	<u>193,846</u>	<u>189,484</u>	<u>189,487</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(3)</u>
Other Financing Sources (Uses)			
Interest	<u>-</u>	<u>-</u>	<u>3</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2015**

	Bus Driver Training	General Education Development	Institute	Project Care Healthy Decision	Total
Assets					
Cash and cash equivalents	\$ 23,051	\$ 44,491	\$ 161,406	\$ 4,082	\$ 233,030
Total Assets	23,051	44,491	161,406	4,082	233,030
Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 23,051</u>	<u>\$ 44,491</u>	<u>\$ 161,406</u>	<u>\$ 4,082</u>	<u>\$ 233,030</u>
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Inflows of Resources	-	-	-	-	-
Fund Balances:					
Restricted	23,051	44,491	161,406	4,082	233,030
Total Fund Balance	<u>23,051</u>	<u>44,491</u>	<u>161,406</u>	<u>4,082</u>	<u>233,030</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 23,051</u>	<u>\$ 44,491</u>	<u>\$ 161,406</u>	<u>\$ 4,082</u>	<u>\$ 233,030</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, 2015**

	Bus Driver Training	General Education Development	Institute	Project Care Healthy Decision	Total
Revenue					
Local sources	\$ 5,802	\$ 1,036	\$ 50,107	\$ -	\$ 56,945
State sources	1,286	-	-	-	1,286
Total Revenues	<u>7,088</u>	<u>1,036</u>	<u>50,107</u>	<u>-</u>	<u>58,231</u>
Expenditures					
Salaries	1,394	364	16,255	-	18,013
Employee benefits	171	46	1,756	-	1,973
Pension expense	52	15	1,999	-	2,066
Purchased services	3,575	267	4,268	-	8,110
Supplies and materials	7	56	703	-	766
Other	-	-	1,157	-	1,157
Total Expenditures	<u>5,199</u>	<u>748</u>	<u>26,138</u>	<u>-</u>	<u>32,085</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,889</u>	<u>288</u>	<u>23,969</u>	<u>-</u>	<u>26,146</u>
Other Financing Sources (Uses)					
Interest	67	94	205	9	375
Total Other Financing Sources (Uses)	<u>67</u>	<u>94</u>	<u>205</u>	<u>9</u>	<u>375</u>
Net Change in Fund Balances	1,956	382	24,174	9	26,521
Fund Balance - Beginning of Year	<u>21,095</u>	<u>44,109</u>	<u>137,232</u>	<u>4,073</u>	<u>206,509</u>
Fund Balance - End of Year	<u>\$ 23,051</u>	<u>\$ 44,491</u>	<u>\$ 161,406</u>	<u>\$ 4,082</u>	<u>\$ 233,030</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
June 30, 2015**

	Administrator's Academy Local	Children and Adolescent Local Area Network System	Criminal Background Investigation	Family Violence Coordinating Councils	Life Education Local
Assets					
Current Assets					
Cash and cash equivalents	\$ 14,776	\$ 378	\$ 17,746	\$ 75	\$ 70,721
Due from other funds	-	-	-	-	27,464
Due from other governments	-	-	-	-	17,790
Total Current Assets	14,776	378	17,746	75	115,975
Deferred Outflows of Resources					
Deferred outflows related to pensions	-	-	-	-	8,796
Liabilities					
Current Liabilities					
Accounts payable	-	-	-	-	-
Total current liabilities	-	-	-	-	-
Noncurrent Liabilities					
Net pension liability	-	-	-	-	12,518
Total Liabilities	-	-	-	-	12,518
Deferred Inflows of Resources					
Deferred inflows related to pensions	-	-	-	-	-
Net Position					
Unrestricted	14,776	378	17,746	75	112,253
Total Net Position	\$ 14,776	\$ 378	\$ 17,746	\$ 75	\$ 112,253

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
June 30, 2015**

	Local Induction Mentoring Training Fees	Regional Alternative Attendance Center (RAAC)	ROE Workshops	SALT Activity	School Crisis Assistance Team (SCAT) Donations	School Lunch Student Payments
Assets						
Current Assets						
Cash and cash equivalents	\$ 35,137	\$ 2,521	\$ 66,768	\$ 2,210	\$ 2,581	\$ 77
Due from other funds	-	-	6	-	-	-
Due from other governments	10,400	-	-	-	-	-
Total Current Assets	<u>45,537</u>	<u>2,521</u>	<u>66,774</u>	<u>2,210</u>	<u>2,581</u>	<u>77</u>
Deferred Outflows of Resources						
Deferred outflows related to pensions	-	-	537	-	-	-
Liabilities						
Current Liabilities						
Accounts payable	-	-	172	-	-	-
Total current liabilities	<u>-</u>	<u>-</u>	<u>172</u>	<u>-</u>	<u>-</u>	<u>-</u>
Noncurrent Liabilities						
Net pension liability	-	-	764	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>936</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources						
Deferred inflows related to pensions	-	-	-	-	-	-
Net Position						
Unrestricted	<u>45,537</u>	<u>2,521</u>	<u>66,375</u>	<u>2,210</u>	<u>2,581</u>	<u>77</u>
Total Net Position	<u>\$ 45,537</u>	<u>\$ 2,521</u>	<u>\$ 66,375</u>	<u>\$ 2,210</u>	<u>\$ 2,581</u>	<u>\$ 77</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
June 30, 2015**

	Services Provided HUD	SSOS Foundational Services	Supplemental Educational Services	Teen Reach Local Program	Title I Workshops	Total
Assets						
Current Assets						
Cash and cash equivalents	\$ -	\$ 5,944	\$ 81,662	\$ -	\$ 4,206	\$ 304,802
Due from other funds	-	-	22,905	-	-	50,375
Due from other governments	-	-	-	-	-	28,190
Total Current Assets	-	5,944	104,567	-	4,206	383,367
Deferred Outflows of Resources						
Deferred outflows related to pensions	-	1,402	-	-	-	10,735
Liabilities						
Current Liabilities						
Accounts payable	-	-	-	-	-	172
Total current liabilities	-	-	-	-	-	172
Noncurrent Liabilities						
Net pension liability	-	1,996	-	-	-	15,278
Total Liabilities	-	1,996	-	-	-	15,450
Deferred Inflows of Resources						
Deferred inflows related to pensions	-	-	-	-	-	-
Net Position						
Unrestricted	-	5,350	104,567	-	4,206	378,652
Total Net Position	\$ -	\$ 5,350	\$ 104,567	\$ -	\$ 4,206	\$ 378,652

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2015**

	Administrator's Academy Local	Children and Adolescent Local Area Network System	Criminal Background Investigation	Family Violence Coordinating Councils	Life Education Local
Operating Revenues					
Charges for services	\$ 3,630	\$ -	\$ 10,860	\$ 1,145	\$ 100,526
Operating Expenses					
Salaries	-	-	-	-	41,711
Employee benefits	-	-	-	-	3,355
Pension expense	-	-	-	-	3,857
Purchased services	5,204	107	7,290	1,070	14,876
Supplies and materials	152	-	-	26	2,446
Other	511	-	-	-	-
Total Operating Expenses	<u>5,867</u>	<u>107</u>	<u>7,290</u>	<u>1,096</u>	<u>66,245</u>
Operating Income (Loss)	<u>(2,237)</u>	<u>(107)</u>	<u>3,570</u>	<u>49</u>	<u>34,281</u>
Nonoperating Revenues (Expenses)					
Transfers out	-	-	-	-	(50)
Interest	33	1	36	-	119
Total Nonoperating Revenues (Expenses)	<u>33</u>	<u>1</u>	<u>36</u>	<u>-</u>	<u>69</u>
Change in Net Position	(2,204)	(106)	3,606	49	34,350
Net Position - Beginning of Year - Restated	<u>16,980</u>	<u>484</u>	<u>14,140</u>	<u>26</u>	<u>77,903</u>
Net Position - End of Year	<u>\$ 14,776</u>	<u>\$ 378</u>	<u>\$ 17,746</u>	<u>\$ 75</u>	<u>\$ 112,253</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2015**

	Local Induction Mentoring Training Fees	Regional Alternative Attendance Center (RAAC)	ROE Workshops	SALT Activity	School Crisis Assistance Team (SCAT) Donations	School Lunch Student Payments
Operating Revenues						
Charges for services	\$ 14,040	\$ 628	\$ 28,542	\$ 444	\$ -	\$ 153
Operating Expenses						
Salaries	-	-	2,482	-	-	-
Employee benefits	-	-	190	-	-	-
Pension expense	-	-	235	-	-	-
Purchased services	4,627	70	20,541	69	-	76
Supplies and materials	28	-	967	150	-	-
Other	-	-	3,636	-	-	-
Total Operating Expenses	<u>4,655</u>	<u>70</u>	<u>28,051</u>	<u>219</u>	<u>-</u>	<u>76</u>
Operating Income (Loss)	<u>9,385</u>	<u>558</u>	<u>491</u>	<u>225</u>	<u>-</u>	<u>77</u>
Nonoperating Revenues (Expenses)						
Transfers out	-	-	-	-	-	-
Interest	74	5	144	4	5	-
Total Nonoperating Revenues (Expenses)	<u>74</u>	<u>5</u>	<u>144</u>	<u>4</u>	<u>5</u>	<u>-</u>
Change in Net Position	9,459	563	635	229	5	77
Net Position - Beginning of Year - Restated	<u>36,078</u>	<u>1,958</u>	<u>65,740</u>	<u>1,981</u>	<u>2,576</u>	<u>-</u>
Net Position - End of Year	<u>\$ 45,537</u>	<u>\$ 2,521</u>	<u>\$ 66,375</u>	<u>\$ 2,210</u>	<u>\$ 2,581</u>	<u>\$ 77</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2015**

	Services Provided HUD	SSOS Foundational Services	Supplemental Educational Services	Teen Reach Local Program	Title I Workshops	Total
Operating Revenues						
Charges for services	\$ 2,393	\$ 9,000	\$ -	\$ -	\$ 3,000	\$ 174,361
Operating Expenses						
Salaries	-	3,883	-	-	-	48,076
Employee benefits	-	836	-	-	-	4,381
Pension expense	-	615	-	-	-	4,707
Purchased services	2,424	58	696	6	628	57,742
Supplies and materials	-	-	-	-	21	3,790
Other	-	-	-	-	-	4,147
Total Operating Expenses	<u>2,424</u>	<u>5,392</u>	<u>696</u>	<u>6</u>	<u>649</u>	<u>122,843</u>
Operating Income (Loss)	<u>(31)</u>	<u>3,608</u>	<u>(696)</u>	<u>(6)</u>	<u>2,351</u>	<u>51,518</u>
Nonoperating Revenues (Expenses)						
Transfers out	-	-	(56)	-	-	(106)
Interest	2	8	211	-	7	649
Total Nonoperating Revenues (Expenses)	<u>2</u>	<u>8</u>	<u>155</u>	<u>-</u>	<u>7</u>	<u>543</u>
Change in Net Position	(29)	3,616	(541)	(6)	2,358	52,061
Net Position - Beginning of Year - Restated	<u>29</u>	<u>1,734</u>	<u>105,108</u>	<u>6</u>	<u>1,848</u>	<u>326,591</u>
Net Position - End of Year	<u>\$ -</u>	<u>\$ 5,350</u>	<u>\$ 104,567</u>	<u>\$ -</u>	<u>\$ 4,206</u>	<u>\$ 378,652</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2015**

	Administrator's Academy Local	Children and Adolescent Local Area Network System	Criminal Background Investigation	Family Violence Coordinating Councils	Life Education Local
Cash Flows from Operating Activities					
Receipts from customers	\$ 3,630	\$ -	\$ 10,860	\$ 1,145	\$ 103,121
Payments to suppliers and providers of goods and services	(5,867)	(107)	(7,290)	(1,096)	(17,322)
Payments to employees	-	-	-	-	(48,064)
Net cash provided by (used for) operating activities	<u>(2,237)</u>	<u>(107)</u>	<u>3,570</u>	<u>49</u>	<u>37,735</u>
Cash Flows from Noncapital Financing Activities					
Cash transfers to other funds	-	-	-	-	(50)
Interfund loans (made) repaid, net	-	-	-	-	(4,619)
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,669)</u>
Cash Flows from Investing Activities					
Interest	33	1	36	-	119
Net cash provided by (used for) investing activities	<u>33</u>	<u>1</u>	<u>36</u>	<u>-</u>	<u>119</u>
Net increase (decrease) in cash	(2,204)	(106)	3,606	49	33,185
Cash and Cash Equivalents - Beginning of Year	<u>16,980</u>	<u>484</u>	<u>14,140</u>	<u>26</u>	<u>37,536</u>
Cash and Cash Equivalents - End of Year	<u>\$ 14,776</u>	<u>\$ 378</u>	<u>\$ 17,746</u>	<u>\$ 75</u>	<u>\$ 70,721</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating income (loss)	\$ (2,237)	\$ (107)	\$ 3,570	\$ 49	\$ 34,281
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Pension expense reconciliation	-	-	-	-	859
Change in assets and liabilities:					
(Increase) decrease in due from other governments	-	-	-	-	2,595
Increase (decrease) in accounts payable	-	-	-	-	-
Net cash provided by (used for) operating activities	<u>\$ (2,237)</u>	<u>\$ (107)</u>	<u>\$ 3,570</u>	<u>\$ 49</u>	<u>\$ 37,735</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2015**

	Local Induction Mentoring Training Fees	Regional Alternative Attendance Center (RAAC)	ROE Workshops	SALT Activity	School Crisis Assistance Team (SCAT) Donations	School Lunch Student Payments
Cash Flows from Operating Activities						
Receipts from customers	\$ 3,640	\$ 628	\$ 28,542	\$ 444	\$ -	\$ 153
Payments to suppliers and providers of goods and services	(4,655)	(70)	(24,972)	(219)	-	(76)
Payments to employees	-	-	(2,855)	-	-	-
Net cash provided by (used for) operating activities	<u>(1,015)</u>	<u>558</u>	<u>715</u>	<u>225</u>	<u>-</u>	<u>77</u>
Cash Flows from Noncapital Financing Activities						
Cash transfers to other funds	-	-	-	-	-	-
Interfund loans (made) repaid, net	-	-	(6)	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities						
Interest	74	5	144	4	5	-
Net cash provided by (used for) investing activities	<u>74</u>	<u>5</u>	<u>144</u>	<u>4</u>	<u>5</u>	<u>-</u>
Net increase (decrease) in cash	(941)	563	853	229	5	77
Cash and Cash Equivalents - Beginning of Year	<u>36,078</u>	<u>1,958</u>	<u>65,915</u>	<u>1,981</u>	<u>2,576</u>	<u>-</u>
Cash and Cash Equivalents - End of Year	<u>\$ 35,137</u>	<u>\$ 2,521</u>	<u>\$ 66,768</u>	<u>\$ 2,210</u>	<u>\$ 2,581</u>	<u>\$ 77</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities						
Operating income (loss)	\$ 9,385	\$ 558	\$ 491	\$ 225	\$ -	\$ 77
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Pension expense reconciliation	-	-	52	-	-	-
Change in assets and liabilities:						
(Increase) decrease in due from other governments	(10,400)	-	-	-	-	-
Increase (decrease) in accounts payable	-	-	172	-	-	-
Net cash provided by (used for) operating activities	<u>\$ (1,015)</u>	<u>\$ 558</u>	<u>\$ 715</u>	<u>\$ 225</u>	<u>\$ -</u>	<u>\$ 77</u>

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2015**

	Services Provided HUD	SSOS Foundational Services	Supplemental Educational Services	Teen Reach Local Program	Title I Workshops	Total
Cash Flows from Operating Activities						
Receipts from customers	\$ 2,393	\$ 13,000	\$ -	\$ -	\$ 3,581	\$ 171,137
Payments to suppliers and providers of goods and services	(2,424)	(58)	(696)	(6)	(649)	(65,507)
Payments to employees	-	(5,197)	-	-	-	(56,116)
Net cash provided by (used for) operating activities	<u>(31)</u>	<u>7,745</u>	<u>(696)</u>	<u>(6)</u>	<u>2,932</u>	<u>49,514</u>
Cash Flows from Noncapital Financing Activities						
Cash transfers to other funds	-	-	(56)	-	-	(106)
Interfund loans (made) repaid, net	-	(1,809)	21,922	-	-	15,488
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>(1,809)</u>	<u>21,866</u>	<u>-</u>	<u>-</u>	<u>15,382</u>
Cash Flows from Investing Activities						
Interest	2	8	211	-	7	649
Net cash provided by (used for) investing activities	<u>2</u>	<u>8</u>	<u>211</u>	<u>-</u>	<u>7</u>	<u>649</u>
Net increase (decrease) in cash	(29)	5,944	21,381	(6)	2,939	65,545
Cash and Cash Equivalents - Beginning of Year	29	-	60,281	6	1,267	239,257
Cash and Cash Equivalents - End of Year	<u>\$ -</u>	<u>\$ 5,944</u>	<u>\$ 81,662</u>	<u>\$ -</u>	<u>\$ 4,206</u>	<u>\$ 304,802</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities						
Operating income (loss)	\$ (31)	\$ 3,608	\$ (696)	\$ (6)	\$ 2,351	\$ 51,518
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Pension expense reconciliation	-	137	-	-	-	1,048
Change in assets and liabilities:						
(Increase) decrease in due from other governments	-	4,000	-	-	581	(3,224)
Increase (decrease) in accounts payable	-	-	-	-	-	172
Net cash provided by (used for) operating activities	<u>\$ (31)</u>	<u>\$ 7,745</u>	<u>\$ (696)</u>	<u>\$ (6)</u>	<u>\$ 2,932</u>	<u>\$ 49,514</u>

**REGIONAL OFFICE OF EDUCATION #32
 IROQUOIS AND KANKAKEE COUNTIES
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 June 30, 2015**

	<u>Distributive</u>	<u>Scholarship</u>	<u>Total</u>
<i>Assets</i>			
Cash and cash equivalents	\$ 25	\$ -	\$ 25
Due from other governments	<u>5,620</u>	<u>-</u>	<u>5,620</u>
Total Assets	<u><u>\$ 5,645</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,645</u></u>
<i>Liabilities</i>			
Due to other governments	<u>\$ 5,645</u>	<u>\$ -</u>	<u>\$ 5,645</u>
Total Liabilities	<u><u>\$ 5,645</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,645</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, 2015**

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
<u>Distributive Fund</u>				
Assets				
Cash and cash equivalents	\$ 21	\$ 3,257,819	\$ 3,257,815	\$ 25
Due from other governments	114,064	3,149,375	3,257,819	5,620
Total Assets	<u>\$ 114,085</u>	<u>\$ 6,407,194</u>	<u>\$ 6,515,634</u>	<u>\$ 5,645</u>
Liabilities				
Due to other governments	<u>\$ 114,085</u>	<u>\$ 6,407,194</u>	<u>\$ 6,515,634</u>	<u>\$ 5,645</u>
<u>Scholarship Fund</u>				
Assets				
Cash and cash equivalents	<u>\$ 945</u>	<u>\$ -</u>	<u>\$ 945</u>	<u>\$ -</u>
Liabilities				
Due to other governments	<u>\$ 945</u>	<u>\$ -</u>	<u>\$ 945</u>	<u>\$ -</u>
<u>Total</u>				
Assets				
Cash and cash equivalents	\$ 966	\$ 3,257,819	\$ 3,258,760	\$ 25
Due from other governments	114,064	3,149,375	3,257,819	5,620
Total Assets	<u>\$ 115,030</u>	<u>\$ 6,407,194</u>	<u>\$ 6,516,579</u>	<u>\$ 5,645</u>
Liabilities				
Due to other governments	<u>\$ 115,030</u>	<u>\$ 6,407,194</u>	<u>\$ 6,516,579</u>	<u>\$ 5,645</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, 2015**

DISTRIBUTIONS	Acct. No.	Total	I-KAN ROE #32	Iroquois Area Del #370	Kankakee Regional System #120
State Funds					
General State Aid - Sec. 18-8	3001	\$ 863,200	\$ 863,200	\$ -	\$ -
Voc. Ed. - Career and Technical Ed Improvement	3220	1,046,886	-	140,003	906,883
State Free Lunch & Breakfast	3360	494	494	-	-
ROE School Bus Driver Training	3520	1,286	1,286	-	-
Truants Alternative/Operational Ed.	3695	216,661	216,661	-	-
Regional Safe Schools Program	3696	83,528	83,528	-	-
ROE/ISC Operations	3730	74,375	74,375	-	-
Total State Funds		2,286,430	1,239,544	140,003	906,883
Federal Funds					
National School Lunch Program	4210	23,114	23,114	-	-
School Breakfast Program	4220	16,145	16,145	-	-
IASA - Title I - School Improvement and Accountability	4331	466,381	466,381	-	-
V.E. - Perkins - Title IIC - Secondary	4745	278,521	-	43,936	234,585
McKinney Education for Homeless Children	4920	184,236	184,236	-	-
Title II - Teacher Quality	4932	292	292	-	-
IASA - Title II - Teacher Quality - Leadership	4935	2,700	2,700	-	-
Total Federal Funds		971,389	692,868	43,936	234,585
TOTAL DISTRIBUTIONS		\$ 3,257,819	\$ 1,932,412	\$ 183,939	\$ 1,141,468

FEDERAL COMPLIANCE SECTION

**REGIONAL OFFICE OF EDUCATION #32
IROQUOIS AND KANKAKEE COUNTIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2015**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	ISBE Project # (1st 8 digits) or Contract #	Federal Expenditures 7/1/14 - 6/30/15
U. S. Department of Education			
Rural Education			
<i>Small, Rural School Achievement Program</i>	84.358A	S358A148175	\$ 9,392
<i>Small, Rural School Achievement Program</i>	84.358A	S358A138175	13,568
			<u>22,960</u>
Passed through ROE Champaign-Ford Counties			
Title I Grants to Local Educational Agencies			
<i>System of Support Title I - School Improvement & Accountability</i>	M 84.010A	N/A	80
Passed through Illinois State Board of Education			
Title I Grants to Local Educational Agencies			
<i>System of Support Title I - School Improvement & Accountability</i>	M 84.010A	15-4331-SS	493,157
<i>System of Support Title I - School Improvement & Accountability</i>	M 84.010A	14-4331-SS	12,950
			<u>506,107</u>
Total Title I Grants to Local Educational Agencies			<u>506,187</u>
Education for Homeless Children and Youth			
<i>McKinney Education for Homeless Children</i>	84.196A	15-4920-00	159,716
<i>McKinney Education for Homeless Children</i>	84.196A	14-4920-00	935
			<u>160,651</u>
Improving Teacher Quality State Grants			
<i>Title II - Teacher Quality</i>	84.367A	15-4932-00	292
<i>Title II - Teacher Quality - Leadership Grant</i>	84.367A	15-4935-02	5,115
			<u>5,407</u>
Race to the Top			
<i>Teacher and Principal Induction Mentoring</i>	84.395A	22032988	17,899
Math and Science Grants			
<i>Mathematics and Science Partnerships</i>	84.366B	15-4936-SA	6
			<u>690,070</u>
Total U. S. Department of Education			<u>713,110</u>
U.S. Department of Health and Human Services			
Passed through the State of Illinois Department of Human Services			
Temporary Assistance for Needy Families			
<i>Teen Reach</i>	M 93.558	5FCSTR00983	117,293
Block Grants for Prevention and Treatment of Substance Abuse			
<i>Addiction Prevention Comprehensive</i>	93.959	5FCSTP01419	210,000
Substance Abuse and Mental Health Services			
<i>Strategic Prevention Framework - Partnership for Success</i>	93.243	5FCSTP03863	23,930
			<u>351,223</u>
Passed through the Administrative Office of the Illinois Courts			
State Court Improvement Program			
<i>Child Protection Data Courts Project</i>	93.586	CIP Data-G-1403	2,604
<i>Child Protection Data Courts Project</i>	93.586	CIP Data-G-1303	1,484
			<u>4,088</u>
Total U.S. Department of Health and Human Services			<u>355,311</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, 2015**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	CFDA Number	ISBE Project # (1st 8 digits) or Contract #	Federal Expenditures 7/1/14 - 6/30/15
U. S. Department of Justice			
Passed through Illinois Violence Prevention Authority			
Grants to Encourage Arrest Policies and Enforcement of Protection Orders			
<i>Arrest Grant</i>	16.590	40FVC383021	4,933
Total U. S. Department of Justice			4,933
U. S. Department of Housing and Urban Development			
Supportive Housing Program			
<i>HUD Supportive Housing Program</i>	14.235	IL0282L5T121306	40,595
<i>HUD Supportive Housing Program</i>	14.235	IL0282L5T121205	11,694
Total U.S. Department of Housing and Urban Development			52,289
U. S. Department of Agriculture			
Passed through Illinois State Board of Education			
Child Nutrition Cluster			
School Breakfast Program			
<i>School Breakfast Program</i>	10.553	15-4220-00	13,120
<i>School Breakfast Program</i>	10.553	14-4220-00	3,025
			16,145
National School Lunch Program			
<i>National School Lunch Program</i>	10.555	15-4210-00	19,148
<i>National School Lunch Program</i>	10.555	14-4210-00	3,966
			23,114
Total Child Nutrition Cluster			39,259
Total U. S. Department of Agriculture			39,259
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,164,902

(M) Program was audited as a 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, 2015**

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: DESCRIPTION OF MAJOR FEDERAL PROGRAMS

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.

Teen Reach – This program focuses on improving academic performance, preventing violence and risky behaviors, encouraging parental involvement, and creating opportunities for recreation and sports activities for the youth ages 6-17.

NOTE 3: SUBRECIPIENTS

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

Program Title: Teen Reach
Federal CFDA #: 93.558
Amount provided to subrecipients: \$72,219

Program Title: System of Support Title I – School Improvement and Accountability
Federal CFDA #: 84.010A
Amount provided to subrecipients: \$64,603

NOTE 4: NON-CASH ASSISTANCE

None

NOTE 5: AMOUNT OF INSURANCE

None

NOTE 6: LOANS OR LOAN GUARANTEES OUTSTANDING

None