

**State of Illinois  
IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32**

**FINANCIAL AUDIT  
(In Accordance with the Single Audit Act and OMB Circular A-133)  
FOR THE YEAR ENDED JUNE 30, 2005**

Performed as Special Assistant Auditors  
for the Office of the Auditor General

**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32**

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**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32**

**OFFICIALS**

Regional Superintendent  
(current and during the audit period)

Dr. Kay M. Pangle

Assistant Regional Superintendent  
(current and during the audit period)

Ms. Vicky Hensley

Office is located at:

189 East Court Street, Suite 600  
Kankakee, Illinois 60901

**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
JUNE 30, 2005**

**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	–	–
Prior recommendations implemented or not repeated	1	3

Details of audit findings are presented in a separately tabbed report section.

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)		
05-1	12	Controls Over Compliance with Laws and Regulations
05-2	14	Untimely Deposit of Receipts

FINDINGS AND QUESTIONED COSTS  
(FEDERAL COMPLIANCE)  
None

**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
JUNE 30, 2005**

**SUMMARY OF FINDINGS AND QUESTIONED COST (CONTINUED)**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
		PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS) None
		PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)
04-1	19	Delay in drawdown of indirect costs

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on December 5, 2005 held at the Iroquois-Kankakee Counties Regional Office of Education No. 32, 189 East Court Street, Suite 600, Kankakee, Illinois 60901. Representing the ROE were Dr. Kay Pangle, Regional Superintendent, Vicki Hensley, Assistant Regional Superintendent, Sherry Johnson and Cheryl Van Dyke, Administrative Assistants-Finance. Representing E. C. Ortiz & Co., LLP were Stella B. Santos, Partner and Leilani N. Rodrigo, Manager. The final draft findings were provided to the ROE on February 16, 2006. Responses to the recommendations were provided by Dr. Kay Pangle in a letter dated March 14, 2006.

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**Financial Presentation Examined****FINANCIAL STATEMENT REPORT**

A financial statement audit consists of an audit of an agency's financial statements, including an examination of the underlying books and records, to determine whether those financial statements are fairly presented in accordance with generally accepted accounting principles.

The financial statement report is comprised of the following:

A Summary section providing a brief overview of the financial statement audit.

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**Auditors' Reports**

- An Auditors' Reports section containing statements by the auditors on the scope and results of their audit, as required by applicable professional standards.

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**Findings and Recommendations**

- A Findings & Recommendations section containing sequentially numbered findings in which the auditors note any instances of nonconformity by the agency with applicable laws, rules, regulations, grant agreements, and other standards governing its conduct that were found by the auditors in the course of their review. All findings are discussed with the agency officials during the post audit process.

Each finding generally contains: a description of the condition found; a recommendation by the auditors for corrective action; a response by the agency either accepting or rejecting the auditors' finding; and a description of the agency's plan for addressing the problem.

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**Financial Statements**

- A Financial Statement section generally consisting of:
  - Management's discussion and analysis (MD&A) as required supplementary information;
  - Basic financial statements (entity-wide financial statements, fund financial statements, and notes to the financial statements);
  - Required supplementary information other than MD&A.

Additional financial statements may be presented for agencies with special reporting requirements.



**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32**

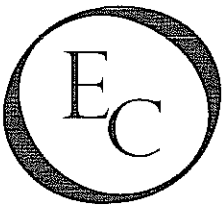
**FINANCIAL STATEMENT REPORT**

**SUMMARY**

The audit of the accompanying basic financial statements of the Iroquois-Kankakee Counties Regional Office No. 32 was performed by E. C. Ortiz & Co., LLP.

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





## INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois-Kankakee Counties Regional Office of Education No. 32, as of and for the year ended June 30, 2005, which collectively comprise the Iroquois-Kankakee Counties Regional Office of Education No. 32's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Iroquois-Kankakee Counties Regional Office of Education No. 32's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois-Kankakee Counties Regional Office of Education No. 32, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

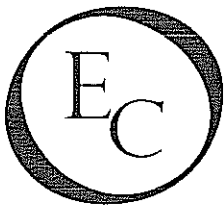
In accordance with *Government Auditing Standards*, we have also issued a report dated October 30, 2005 on our consideration of the Iroquois-Kankakee Counties Regional Office of Education No. 32's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 20 through 26 and page 62 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in

the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Iroquois-Kankakee Counties Regional Office of Education No. 32's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*E. C. Grij & Co. LLP*  
Chicago, Illinois  
October 30, 2005



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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois-Kankakee Counties Regional Office of Education No. 32, as of and for the year ended June 30, 2005, which collectively comprise the Iroquois-Kankakee Counties Regional Office of Education No. 32's basic financial statements and have issued our report thereon dated October 30, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Iroquois-Kankakee Counties Regional Office of Education No. 32's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting which are required by the *Guidelines to Auditing and Reporting for a Regional Office of Education*, to be reported on the accompanying Schedule of Findings and Questioned Costs as item 05-2.

**Compliance and Other Matters**

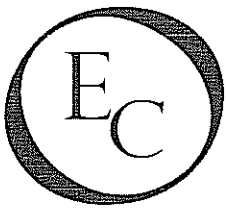
As part of obtaining reasonable assurance about whether the Iroquois-Kankakee Counties Regional Office of Education No. 32's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests

disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance which is required by the *Guidelines to Auditing and Reporting for a Regional Office of Education*, to be reported on the accompanying Schedule of Findings and Questioned Costs as item 05-1.

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

*E. C. Grij & Co. LLC*

Chicago, Illinois  
October 30, 2005



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable William G. Holland  
Auditor General  
State of Illinois

**Compliance**

We have audited the compliance of the Iroquois-Kankakee Counties Regional Office of Education No. 32 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The Iroquois-Kankakee Counties Regional Office of Education No. 32's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Iroquois-Kankakee Counties Regional Office of Education No. 32's management. Our responsibility is to express an opinion on the Iroquois-Kankakee Counties Regional Office of Education No. 32's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Iroquois-Kankakee Counties Regional Office of Education No. 32's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Iroquois-Kankakee Counties Regional Office of Education No. 32's compliance with those requirements.

In our opinion, the Iroquois-Kankakee Counties Regional Office of Education No. 32 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

**Internal Control Over Compliance**

The management of the Iroquois-Kankakee Counties Regional Office of Education No. 32 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Iroquois-Kankakee Counties Regional Office of

Education No. 32's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

*E. C. Grij & Co. LLP*

Chicago, Illinois  
October 30, 2005





**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2005**

**Part I: Summary of the Auditor's Results:**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Reportable condition(s) identified that are not considered to be material weakness(es)? \_\_\_\_\_ Yes   X   None reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Reportable condition(s) identified that are not considered to be material weakness(es)? \_\_\_\_\_ Yes   X   None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? \_\_\_\_\_ Yes   X   No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.287C	Title IV - 21st Century Community Learning Centers
84.010A	Title I - School Improvement & Accountability
93.558	Regional Safe Schools (TANF)
93.558	Regional Safe Schools - General State Aid (TANF)
93.558	Teen Reach
84.367A	Title II - Teacher Quality
84.367A	Title II - Teacher Quality - Leadership Grant
84.367A	Title II - Professional Development

Dollar threshold used to distinguish between type A and type B Programs: \$300,000

Auditee qualified as low-risk auditee?   X   Yes      No

**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2005**

**Part II: Findings Related to the Financial Statements:**

**FINDING NO. 05-1 - Controls Over Compliance with Laws and Regulations**

*Criteria/specific requirements:*

The Illinois School Code 105 ILCS 5/3-14.11 states that the Regional Superintendent shall examine at least once each year all books, accounts, and vouchers of every school treasurer in her educational service region, and if she finds any irregularities in them, to report them at once, in writing, to the trustees in Class II county school units, to the respective school boards of those school districts which form a part of a Class II county school unit but which are not subject to the jurisdiction of the trustees of schools of any township in which any such district is located, or to the respective school boards of the district in Class I county school units whose duty it shall be to take immediately such action as the case demands.

This mandate has existed in its current form since at least 1953.

*Condition:*

The Iroquois-Kankakee Counties Regional Office of Education No. 32 is not examining all books, accounts, and vouchers of every school treasurer in its educational service area at least once each year. Regional Office officials noted that they believe this mandate is outdated and that they are satisfying the intent of the statute by other reviews they undertake. For example, the Regional Superintendent signs off on the Annual Financial Reports from the school districts in her region. In addition, the Regional Office gets a spreadsheet from the Illinois State Board of Education (ISBE) that outlines all of the school districts and their audit exceptions, if any. The Regional Office follows up with school districts having exceptions and gets the corrective action and forwards it to ISBE.

While these are reviews involving the finances of school treasurers, they are not in the level of detail required by 105 ILCS 5/3-14.11.

*Effect:*

The Regional Office of Education No. 32 did not comply with statutory requirements.

*Cause:*

Iroquois-Kankakee Counties Regional Office of Education No. 32 management stated that the procedures currently being performed are deemed sufficient to comply with this mandate.

**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2005**

**Part II: Findings Related to the Financial Statements** (Continued)

**FINDING NO. 05-1 - Controls Over Compliance with Laws and Regulations**  
(Continued)

*Auditors' Recommendations:*

The Regional Office of Education No. 32 should comply with the requirements of 105 ILCS 5/3-14.11. If the Regional Office believes the statutory mandate is obsolete or otherwise unnecessary, then it should seek legislative action to revise the statute accordingly.

*Management's Response:*

In 1953, there were 102 county superintendents and their duties were a lot less numerous than today. Few schools had budgets that exceeded \$500,000. Under such conditions, this law probably made sense. During the past 50+ years, various practices have evolved eliminating the need for this type of monitoring. In the 21<sup>st</sup> century, all schools have multi-million dollar budgets that are: 1.) audited annually by professionally certified outside auditing firms; 2.) audits are filed for public record and inspection; and 3.) this is tracked through the process by the procedures mentioned above in the section titled "Condition". Requiring the ROE's to do another review would be redundant, costly, and require the hiring of teams of new staff members in each ROE to carry out the task. The latter begs the question of which level(s) of government would bear the cost to carry out this task and how costly might that be to reinstitute the practice?

We are grateful for the OAG's assistance in calling this to our collective attention because it provides the Regional Offices of Education with additional justification to request that the General Assembly refine this and other obsolete sections from the statutes to reflect the reality of procedures followed to adhere to the intent of the law not necessarily the letter of the law. We will seek a legislative solution to this and other obsolete passages.

**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2005**

**Part II: Findings Related to the Financial Statements** (Continued)

**FINDING NO. 05-2 - Untimely Deposit of Receipts**

*Criteria/Specific Requirements:*

Sound internal controls over cash receipts require that receipts be promptly deposited in the bank.

*Condition:*

For the Local ROE Funds, we noted 8 of 20 (40%) deposit batches representing receipt of GED fees and workshop fees totaling \$21,752 were not deposited timely from receipt date as follows:

<u>No. of Days from Receipt Date</u>	<u>GED Fees</u>	<u>Workshop Fees</u>	<u>Total</u>
6-15	\$ 1,166	\$ 10,920	\$ 12,086
16-30	923	4,060	4,983
31-60	1,768	1,820	3,588
Over 60	1,095	-	1,095
	<u>\$ 4,952</u>	<u>\$ 16,800</u>	<u>\$ 21,752</u>

*Effect:*

Untimely deposit of cash receipts increases the risk of loss and delays the use of available funds.

*Cause:*

According to ROE officials, deposit batches cited in this exception are composed of individually small receipt amounts and are mostly related to workshop fees, which are handled differently due to the timing of payments and actual workshop dates. There are often extenuating circumstances when a deposit might be delayed. Any undeposited receipts are kept in a secure location.

**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2005**

**Part II: Findings Related to the Financial Statements** (Continued)

**FINDING NO. 05-2 - Untimely Deposit of Receipts** (Continued)

*Auditors' Recommendation:*

The Iroquois-Kankakee Counties Regional Office of Education No. 32 should ensure that receipts are deposited promptly. The ROE should also develop a formal deposit policy, which defines the maximum amounts to be held for deposit and minimizes the time elapsed between the receipt of the funds and the deposit of the items.

*Management's Response:*

The Iroquois-Kankakee Counties Regional Office of Education No. 32 will adopt a policy which identifies amounts and the timeframe for deposit of those amounts following the guidelines provided by the auditors, i.e., below \$500, within 30 days; \$500-\$10,000, within 48 hours; and \$10,000 and above, same day. The Iroquois-Kankakee Counties Regional Office of Education No. 32 will continue to follow its previously adopted policy for workshop fees as approved by our Advisory Board for Professional Development and our previous auditors, i.e., checks will be held until the workshop has concluded and payments have been made. The fees will be deposited as soon as possible following that. This practice prevents the need for refunding checks if the workshop is cancelled due to low attendance or other reasons.

**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2005**

**Part III: Findings and Questioned Costs for Federal Awards:**

**INSTANCES OF NONCOMPLIANCE:**

None

**REPORTABLE CONDITIONS:**

None

**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
JUNE 30, 2005**

**FINDING NO. 05-1 - Controls Over Compliance with Laws and Regulations**

*Condition:*

The Iroquois-Kankakee Counties Regional Office of Education No. 32 is not examining all books, accounts, and vouchers of every school treasurer in its educational service area at least once each year. Regional Office officials noted that they believe this mandate is outdated and that they are satisfying the intent of the statute by other reviews they undertake. For example, the Regional Superintendent signs off on the Annual Financial Reports from the school districts in her region. In addition, the Regional Office gets a spreadsheet from the Illinois State Board of Education (ISBE) that outlines all of the school districts and their audit exceptions, if any. The Regional Office follows up with school districts having exceptions and gets the corrective action and forwards it to ISBE.

While these are reviews involving the finances of school treasurers, they are not in the level of detail required by 105 ILCS 5/3-14.11.

*Plan:*

The Regional Offices of Education will request that the General Assembly consider the deletion of this and other obsolete sections from the statutes. They will seek a legislative solution to this and other obsolete passages.

*Anticipated Completion Date:*

This is a continuing effort and while we hope that the General Assembly will act with haste, we cannot confidently anticipate a date of completion.

*Name of Contact Person:*

Dr. Kay Pangle, Iroquois-Kankakee Counties Regional Office of Education No. 32 Regional Superintendent of Schools



**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
JUNE 30, 2005**

**FINDING NO. 05-2 - Untimely Deposit of Receipts**

*Condition:*

For the Local ROE Funds, we noted 8 of 20 (40%) deposit batches representing receipt of GED fees and workshop fees totaling \$21,752 were not deposited timely from receipt date as follows:

No. of Days from Receipt Date	GED Fees	Workshop Fees	Total
6-15	\$ 1,166	\$ 10,920	\$ 12,086
16-30	923	4,060	4,983
31-60	1,768	1,820	3,588
Over 60	1,095	-	1,095
	\$ 4,952	\$ 16,800	\$ 21,752

*Plan:*

As stated above, the Iroquois-Kankakee Counties Regional Office of Education No. 32 will adopt a policy which identifies amounts and the timeframe for deposit of those amounts following the guidelines provided by the auditors, i.e., below \$500, within 30 days; \$500-\$10,000, within 48 hours; and \$10,000 and above, same day. The Iroquois-Kankakee Counties Regional Office of Education No. 32 will continue to follow its previously adopted policy for workshop fees as approved by our Advisory Board for Professional Development and our previous auditors, i.e., checks will be held until the workshop has concluded and payments have been made. The fees will be deposited as soon as possible following that. This practice prevents the need for refunding checks if the workshop is cancelled due to low attendance or other reasons.

*Anticipated Completion Date:*

Upon completion of this response; approximately March 1, 2006

*Name of Contact Person:*

Sherry Johnson, Bookkeeper, Iroquois-Kankakee Counties Regional Office of Education No. 32

**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2005**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
04-1	Delay in drawdown of indirect costs	Resolved



**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2005**

The Iroquois-Kankakee Counties Regional Office of Education No. 32 (ROE No. 32) provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the year ended June 30, 2005 with comparative information for the year ended June 30, 2004. Readers are encouraged to consider the information in conjunction with the ROE No. 32's basic financial statements.

**2005 Financial Highlights**

- Within the Governmental Funds, the General Fund revenues increased by \$24,108 (3%) from \$726,122 in FY 2004 to \$750,230 in FY 2005. General Fund expenditures increased by \$70,797 (9%) from \$765,432 in FY 2004 to \$836,229 in FY 2005.
- Within the Governmental Funds, the Special Revenue Funds revenues increased by \$2,168,048 (55%) from \$3,964,903 in FY 2004 to \$6,132,951 in FY 2005. The Special Revenue Funds expenditures increased by \$2,065,795 (51%) from \$4,028,313 in FY 2004 to \$6,094,108 in FY 2005.
- Proprietary Funds revenues increased by \$266,817 (66%) from \$405,816 in FY 2004 to \$672,633 in FY 2005. The Proprietary Funds expenditures decreased by \$238,520 (38%) from \$619,228 in FY 2004 to \$380,708 in FY 2005.
- The ROE No. 32 has no long term debt.

**Using This Report**

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

- *Management's Discussion and Analysis* introduces financial statements and provides an analytical overview of the ROE No. 32's financial activities.
- The *Government-wide financial statements* consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the ROE No. 32 as a whole and present an overall view of the Office's finances.
- *Fund financial statements* report the ROE No. 32's operations in more detail than the government-wide statements by providing information about the most significant funds.
- *Notes to the financial statements* provide additional information that is needed for a full understanding of the data provided in the basic financial statements.
- *Required supplementary information* further explains and supports the financial statements and other supplementary information provides detail information about the major and non-major funds.

**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2005**

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

It is important to note, that many grants (Systems of Support, Homeless, In-Touch, etc.) are cooperative efforts of ROE No. 32 and the other ROEs in Area IV. Therefore, these figures may reflect grants that are intended to serve Iroquois-Kankakee Counties only and also grants that serve ROE Nos. 9, 11, 17, 39 and 54.

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

The Government-wide statements report information about the ROE No. 32 as a whole. The Statement of Net Assets includes all of the assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid using Generally Accepted Accounting Principles and GASB 34.

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

- Over time, increases or decreases in the net assets can be an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the ROE No. 32's overall financial condition, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the state level need to be considered.

We divide the ROE No. 32's activities into three broad types:

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

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

Ombudsman Activities - Supported through various competitive grants and/or entitlements from various state and federal government agencies and including private trusts/contributions. The activities supported include but are not limited to truancy

**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2005**

prevention efforts, drug prevention efforts, attention to homeless children and families, out-of-school time programming, provision of education for multi-suspended or potentially expelled students, etc.

**Fund Financial Statements**

The fund financial statements provide detailed information about the Regional Office's funds. Funds are accounting devices that allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by state law. The ROE No. 32 established other funds to control and manage money for particular purposes.

The Office has three kinds of funds:

- (1) Governmental Funds account for all of the ROE No. 32's services. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at the year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the Office's programs. The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances.
- (2) Proprietary Funds account for resources from fees charged directly to those entities or individuals that use its services. Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by government-wide financial statements but with more detail for major and non-major enterprise funds. The proprietary funds required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses and Changes in Fund Net Assets and Statement of Cash Flows.
- (3) Fiduciary Funds are used to account for assets held by the ROE No. 32 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The fiduciary funds required financial statements include a Statement of Fiduciary Net Assets.

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve when examined over time as one indicator of the financial position of the ROE No. 32. The net assets at the end of FY 2005 totaled \$1,498,046. At the end of FY 2004, the net assets were approximately \$1,254,801. The analysis that follows provides a summary of the ROE No. 32's net assets as of June 30.

**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2005**

CONDENSED STATEMENT OF NET ASSETS

	<u>2005</u>	<u>2004</u>
Current assets	\$ 2,595,206	\$ 2,176,326
Capital assets, net of depreciation	2,146	4,833
Total assets	<u>2,597,352</u>	<u>2,181,159</u>
Current liabilities	<u>1,099,306</u>	<u>926,358</u>
Total liabilities	<u>1,099,306</u>	<u>926,358</u>
Net assets:		
Invested in capital assets, net of related debt	2,146	4,833
Unrestricted	<u>1,495,900</u>	<u>1,249,968</u>
Total net assets	<u>\$ 1,498,046</u>	<u>\$ 1,254,801</u>

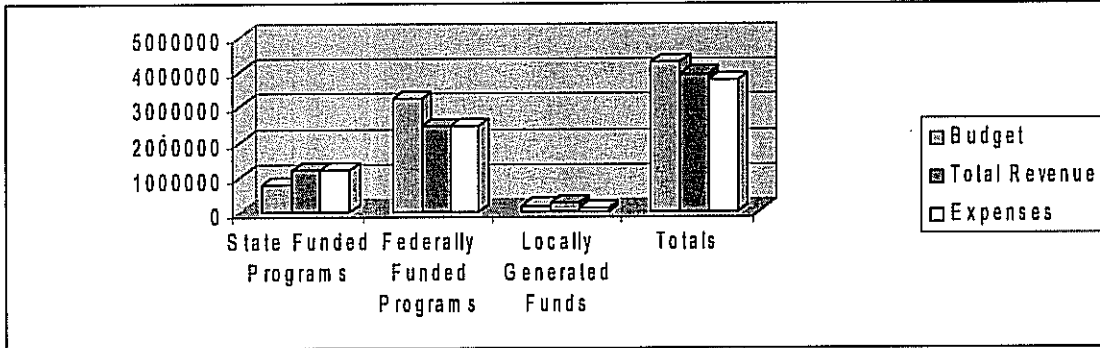
The ROE No. 32's net assets increased by \$243,245 (19%) from FY 2004. The increase occurred primarily in the Proprietary Fund due to increased services rendered without increasing staff in FY 2005.

CHANGES IN NET ASSETS

	<u>2005</u>	<u>2004</u>
Revenues:		
Program revenues:		
Charges for services	\$ 741,625	\$ 454,326
Operating grants and contributions	6,049,350	3,472,378
General revenues:		
Local sources and others	275,792	312,817
State sources	79,987	487,104
On-behalf payments	409,060	370,216
Total revenues	<u>7,555,814</u>	<u>5,096,841</u>
Expenses:		
Program expenses:		
Instructional services	6,522,801	4,429,501
Administrative	409,060	370,216
Professional development	380,708	615,316
Total expenses	<u>7,312,569</u>	<u>5,415,033</u>
Change in net assets	243,245	(318,192)
Net assets beginning of year	<u>1,254,801</u>	<u>1,572,993</u>
Net assets end of year	<u>\$ 1,498,046</u>	<u>\$ 1,254,801</u>

**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2005**

**Governmental Fund Activities**



Revenues for governmental fund activities were \$6,883,181 and expenditures were \$6,930,337. Some grants increased while others decreased or were not funded in FY 2005. Revenues for System of Support grants (Title V - Innovative Programs - SEA Projects, Title I - School Improvement & Accountability, and Title II - Teacher Quality - Leadership Grant) increased by a total of \$1,007,749 primarily because the System of Support programs were not fully funded in FY 2004, and also due to having more schools on the academic watch list and the need to provide services to these schools. Although Title IV - Community Service program was not funded in FY 2005, Title IV - Safe and Drug Free Schools revenue increased by \$90,608. Title I - Reading First Part B SEA Funds increased by \$10,591 in relation to the State's reading initiative program. Revenues of Title IV - 21st Century Community Learning Center and McKinney Education for Homeless Children increased by \$615,219 and \$47,173, respectively due to increase in the number of students in the programs. Under the 21<sup>st</sup> Century program, an additional grant was funded only in FY 2005. Other State Programs revenues increased by \$425,922 and new programs (Learn and Serve America, Americorps Learn and Serve Program and HUD Supplemental Housing) contributed to the increase in revenues by \$89,109. Expenses were proportionally increased or decreased to meet the funding level.

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

As previously noted, the ROE No. 32 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The ROE No. 32's governmental funds reported combined fund balances of \$354,815.

**Governmental Fund Highlights**

- The state financial support for school services was further reduced in FY 2005. This represented approximately a 15% reduction in dollars received when compared to FY



**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2005**

2004. Increased enterprise revenues and staff reductions helped to blunt the impact of the reduced state revenue.

- The dollar return on investments (certificate of deposit, short-term investments and interest earned on a float), were reduced because of the low interest rates. In order to provide services budgeted for the Direct Service Budget, certain reserves had to be used.
- There was an increase in the state aid foundation level from \$4,810 to \$4,964 per student. This helped to off-set the reduction in the grant dollars provided for the Safe Schools Program.

**Proprietary Fund Highlights**

Total proprietary fund net assets increased by \$300,799 (36%). The net increase in the proprietary funds revenues and expenses is due to increase in local revenues by \$167,356 for the planning, evaluation and data processing services for the 21st Century Community Learning Centers and the Life Education Program.

**Fiduciary Fund Highlights**

There was an increase of \$117,222 in total fiduciary funds for FY 2005. Transactions represent mainly transfers in and out of funds for Distributive and Payroll Funds.

**Budgetary Highlights**

The ROE No. 32 annually adopts budgets for several funds. Budgets for the General Fund and Special Revenue Fund Accounts are prepared by the Regional Superintendent and serve as a guideline for activities and expenditures. The typical fiscal year for the state budget is July 1 to June 30. The Regional Superintendent annually prepares a County Support Budget and submits it to the County Board for their approval. The County Support Budget covers a fiscal year which runs from December 1 to November 30. All grant budgets are prepared by the ROE No. 32 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. These fiscal years vary by design of the grants. Federal Grants are typically October 1 to September 30.

**Capital Assets**

ROE No. 32's capital assets include office equipment, computers, audio-visual equipment, and office furniture. The ROE No. 32 maintains an inventory of capital assets which have been accumulated over time. There were no items purchased or retired in 2005 that exceeded the threshold of \$5,000. Depreciation expense for FY 2005 was \$2,687.

**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2005**

**Economic Factors and Next Years' Budget**

At the time these financial statements were prepared and audited, the ROE No. 32 was aware of several existing circumstances that could affect its financial condition in the future:

- The state aid foundation level has increased to \$5,164 per student.
- The interest rate on investments remains low and will impact interest earned.
- Most grants have remained near or at previous levels. The School Services grant has not been determined although an increase has been proposed. It is important to understand that these reductions in School Services dollars have not resulted in a reduction of required initiatives. On the contrary, there has been an increase in required initiatives.
- County Boards support for ROE No. 32 will be increased by 5%.

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

The financial report is designed to provide a general overview of the Office's finances and accountability for the money it receives. If you have questions about the report or desire additional information, please contact the Regional Superintendent or the Chief Bookkeeper of the Iroquois-Kankakee Counties Regional Office of Education No. 32, 189 E. Court Street, Suite 600, Kankakee, IL 60901

## **BASIC FINANCIAL STATEMENTS**

**IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2005**

**EXHIBIT A**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 1,154,966	\$ 1,140,920	\$ 2,295,886
Due from other government agencies	299,155	165	299,320
Total current assets	<u>1,454,121</u>	<u>1,141,085</u>	<u>2,595,206</u>
Noncurrent assets			
Capital assets, net	522	1,624	2,146
<b>TOTAL ASSETS</b>	<u>1,454,643</u>	<u>1,142,709</u>	<u>2,597,352</u>
<b>LIABILITIES</b>			
Accounts payable	542,795	-	542,795
Due to other governmental agencies	260,602	-	260,602
Deferred revenues	295,909	-	295,909
<b>TOTAL LIABILITIES</b>	<u>1,099,306</u>	<u>-</u>	<u>1,099,306</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	522	1,624	2,146
Unrestricted	354,815	1,141,085	1,495,900
<b>TOTAL NET ASSETS</b>	<u>\$ 355,337</u>	<u>\$ 1,142,709</u>	<u>\$ 1,498,046</u>

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

**IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2005**

**EXHIBIT B**

FUNCTIONS/PROGRAMS	Net Revenue (Expense) and Changes in Net Assets				
	Program Revenues		Primary Government		
	Charges for Services	Operating Grants and Contribution	Governmental Activities	Business-Type Activities	Total
Primary government					
Governmental activities:					
Instructional services					
Salaries	\$ 2,689,002	\$ 2,427,423	\$ (261,579)	\$ -	\$ (261,579)
Benefits	354,162	299,140	(55,022)	-	(55,022)
Purchased services	2,009,252	1,909,901	(63,419)	-	(63,419)
Supplies and materials	575,111	546,377	(21,574)	-	(21,574)
Capital expenditures	45,689	41,075	(111)	-	(111)
Depreciation	1,524	-	(1,524)	-	(1,524)
Miscellaneous	22,000	9,921	(3,612)	-	(3,612)
Payments to other governmental units	826,061	815,513	8,416	-	8,416
Administrative					
On-behalf payments	409,060	-	(409,060)	-	(409,060)
Total governmental activities	<u>6,931,861</u>	<u>6,049,350</u>	<u>(807,485)</u>	<u>-</u>	<u>(807,485)</u>
Business-type activities:					
Professional development	380,708	-	-	285,891	285,891
Total business-type activities	<u>380,708</u>	<u>-</u>	<u>-</u>	<u>285,891</u>	<u>285,891</u>
Total primary government	<u>\$ 7,312,569</u>	<u>\$ 6,049,350</u>	<u>(807,485)</u>	<u>285,891</u>	<u>(521,594)</u>
General revenues:					
State sources			79,987	-	79,987
On-behalf payments			409,060	-	409,060
Local sources:					
Intergovernmental			258,170	-	258,170
Interest income			11,588	6,034	17,622
Transfers			(8,874)	8,874	-
Total general revenues and transfers			<u>749,931</u>	<u>14,908</u>	<u>764,839</u>
Change in net assets			(57,554)	300,799	243,245
Net assets - beginning			412,891	841,910	1,254,801
Net assets - ending			<u>\$ 355,337</u>	<u>\$ 1,142,709</u>	<u>\$ 1,498,046</u>

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

**IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2005**

**EXHIBIT C**

	<u>General Fund</u>	<u>Education Fund</u>	<u>Other Non-Major Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 208,987	\$ 749,545	\$ 196,434	\$ 1,154,966
Due from other funds	-	19,986	-	19,986
Due from other governmental agencies	-	299,054	101	299,155
<b>TOTAL ASSETS</b>	<u>208,987</u>	<u>1,068,585</u>	<u>196,535</u>	<u>1,474,107</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	43,453	499,342	-	542,795
Due to other funds	-	19,986	-	19,986
Due to other governmental agencies	-	260,602	-	260,602
Deferred revenues	-	295,909	-	295,909
Total liabilities	<u>43,453</u>	<u>1,075,839</u>	<u>-</u>	<u>1,119,292</u>
<b>FUND BALANCES</b>				
Unrestricted, reported in:				
General fund	165,534	-	-	165,534
Special revenue funds	-	(7,254)	196,535	189,281
Total fund balances	<u>165,534</u>	<u>(7,254)</u>	<u>196,535</u>	<u>354,815</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 208,987</u>	<u>\$ 1,068,585</u>	<u>\$ 196,535</u>	<u>\$ 1,474,107</u>

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

**IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2005**

**EXHIBIT D**

Total fund balances - governmental funds	\$ 354,815
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	<u>522</u>
Net assets of governmental activities	<u>\$ 355,337</u>

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

IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

EXHIBIT E

	General Fund	Education Fund	Other Non-Major Funds	Total Governmental Funds
<b>REVENUES</b>				
Federal sources	\$ -	\$ 4,291,886	\$ 9,660	\$ 4,301,546
State sources	79,987	1,754,964	7,765	1,842,716
Local sources				
Intergovernmental	258,170	-	-	258,170
Interest income	3,013	7,507	1,068	11,588
Fees for services	-	-	57,532	57,532
Other	-	2,500	69	2,569
On-behalf payments	409,060	-	-	409,060
Total revenues	<u>750,230</u>	<u>6,056,857</u>	<u>76,094</u>	<u>6,883,181</u>
<b>EXPENDITURES</b>				
Current:				
Instructional Services:				
Salaries	258,989	2,430,013	-	2,689,002
Benefits	54,684	299,478	-	354,162
Purchased services	78,974	1,911,965	18,313	2,009,252
Supplies and materials	24,503	546,959	3,649	575,111
Capital expenditures	2,267	41,127	2,295	45,689
Miscellaneous	7,752	9,933	4,315	22,000
Payments to other governments	-	816,396	9,665	826,061
On-behalf payments	409,060	-	-	409,060
Total expenditures	<u>836,229</u>	<u>6,055,871</u>	<u>38,237</u>	<u>6,930,337</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(85,999)	986	37,857	(47,156)
<b>OTHER FINANCING USES</b>				
Transfers out	(8,874)	-	-	(8,874)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES</b>	(94,873)	986	37,857	(56,030)
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>	<u>260,407</u>	<u>(8,240)</u>	<u>158,678</u>	<u>410,845</u>
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>	<u>\$ 165,534</u>	<u>\$ (7,254)</u>	<u>\$ 196,535</u>	<u>\$ 354,815</u>

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



**IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
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, 2005**

**EXHIBIT F**

Net change in fund balances \$ (56,030)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense (1,524)

Change in net assets of governmental activities \$ (57,554)

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

IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 JUNE 30, 2005

EXHIBIT G

	Scientific Literacy Workshops	ROE Workshops	Life Education Local Revenue	Safe Schools Local Revenue	Truant Local Revenue	Other Non-Major Funds	Total
<b>ASSETS</b>							
Current assets							
Cash and cash equivalents	\$ 88,650	\$ 73,930	\$ 176,407	\$ 512,668	\$ 152,433	\$ 136,832	\$ 1,140,920
Accounts receivable	-	-	-	-	-	-	-
Due from other governmental agencies	-	99	-	-	-	66	165
Total current assets	88,650	74,029	176,407	512,668	152,433	136,898	1,141,085
Noncurrent assets							
Capital assets, net	-	-	-	-	-	1,624	1,624
<b>TOTAL ASSETS</b>	<b>88,650</b>	<b>74,029</b>	<b>176,407</b>	<b>512,668</b>	<b>152,433</b>	<b>138,522</b>	<b>1,142,709</b>
<b>NET ASSETS</b>							
Invested in capital assets	-	-	-	-	-	1,624	1,624
Unrestricted	88,650	74,029	176,407	512,668	152,433	136,898	1,141,085
<b>TOTAL NET ASSETS</b>	<b>\$ 88,650</b>	<b>\$ 74,029</b>	<b>\$ 176,407</b>	<b>\$ 512,668</b>	<b>\$ 152,433</b>	<b>\$ 138,522</b>	<b>\$ 1,142,709</b>

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

IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Scientific Literacy Workshops	ROE Workshops	Life Education Local Revenue	Safe Schools Local Revenue	Truant Local Revenue	Other Non-Major Funds	Total
Local sources	\$ 1,341	\$ 33,661	\$ 239,953	\$ 128,416	\$ 126,023	\$ 137,205	\$ 666,599
<b>OPERATING REVENUES</b>							
Salaries	10,318	3,887	109,037	-	16,333	37,693	177,268
Benefits	789	-	17,626	-	1,825	4,080	24,320
Purchased services	13,853	35,101	6,864	9,436	14,699	46,658	126,611
Supplies and materials	5,351	3,991	2,242	-	2,189	15,061	28,834
Miscellaneous	-	855	-	-	-	2,070	2,925
Capital outlay	-	3,533	-	16,054	-	-	19,587
Depreciation	-	-	-	-	-	1,163	1,163
Total operating expenses	30,311	47,367	135,769	25,490	35,046	106,725	380,708
<b>OPERATING INCOME (LOSS)</b>	(28,970)	(13,706)	104,184	102,926	90,977	30,480	285,891
<b>NONOPERATING REVENUES</b>							
Interest income	1,137	629	192	2,337	482	1,257	6,034
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	(27,833)	(13,077)	104,376	105,263	91,459	31,737	291,925
<b>OPERATING TRANSFERS</b>							
Transfers in	-	-	-	-	-	8,874	8,874
<b>CHANGE IN NET ASSETS</b>	(27,833)	(13,077)	104,376	105,263	91,459	40,611	300,799
<b>TOTAL NET ASSETS, July 1, 2004</b>	116,483	87,106	72,031	407,405	60,974	97,911	841,910
<b>TOTAL NET ASSETS, June 30, 2005</b>	\$ 88,650	\$ 74,029	\$ 176,407	\$ 512,668	\$ 152,433	\$ 138,522	\$ 1,142,709

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

**ILLINOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**EXHIBIT I**

	Scientific Literacy Workshops	ROE Workshops	Life Education Local Revenue	Safe Schools Local Revenue	Truant Local Revenue	Other Non-Major Funds	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Receipts for workshops/services	\$ 1,341	\$ 42,259	\$ 234,309	\$ 128,416	\$ 126,841	\$ 137,178	\$ 670,344
Payment to suppliers and providers of goods and services	(19,993)	(43,480)	(26,732)	(25,490)	(18,713)	(67,869)	(202,277)
Payment to employees	(10,318)	(3,887)	(109,037)	-	(16,333)	(37,693)	(177,268)
Net cash provided by (used in) operating activities	(28,970)	(5,108)	98,540	102,926	91,795	31,616	290,799
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>							
Transfers from other funds	-	-	-	-	-	8,874	8,874
Net cash provided by noncapital financing activities	-	-	-	-	-	8,874	8,874
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>							
Interest	1,137	629	192	2,337	482	1,257	6,034
Net cash provided by investing activities	1,137	629	192	2,337	482	1,257	6,034
<b>NET INCREASE (DECREASE) IN CASH</b>	(27,833)	(4,479)	98,732	105,263	92,277	41,747	305,707
<b>CASH, BEGINNING OF YEAR</b>	116,483	78,409	77,675	407,405	60,156	95,085	835,213
<b>CASH, END OF YEAR</b>	\$ 88,650	\$ 73,930	\$ 176,407	\$ 512,668	\$ 152,433	\$ 136,832	\$ 1,140,920
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>							
Operating income (loss)	\$ (28,970)	\$ (13,706)	\$ 104,184	\$ 102,926	\$ 90,977	\$ 30,480	\$ 285,891
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	-	-	-	-	-	1,163	1,163
Effects of changes in assets and liabilities:							
Accounts payable	-	-	-	-	106	-	106
Due from (to) other governmental agencies	-	8,598	(5,644)	-	712	(27)	3,639
Net cash provided by (used in) operating activities	\$ (28,970)	\$ (5,108)	\$ 98,540	\$ 102,926	\$ 91,795	\$ 31,616	\$ 290,799

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

**IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUNDS  
JUNE 30, 2005**

**EXHIBIT J**

**ASSETS**

Cash	<u>\$ 142,835</u>
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**LIABILITIES**

Due to other governmental agencies	<u>\$ 142,835</u>
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*The notes to the financial statements are an integral part of this statement.*

**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Iroquois-Kankakee Counties Regional Office of Education No. 32's (ROE) accounting policies conform to the generally accepted accounting principles which are appropriate to local government units of this type.

**A. Reporting Entity**

Iroquois-Kankakee Counties Regional Office of Education No. 32 operates under the School Code (Articles 3 and 3A of Illinois Compiled Statutes, Chapter 105). The Iroquois-Kankakee Counties Regional Office of Education No. 32 contains twenty-two (22) school districts within Kankakee and Iroquois Counties. The Regional Superintendent of Schools serves as chief administrative officer of the Regional Office of Education No. 32 and is elected pursuant to Article 3 of Illinois Compiled Statutes, Chapter 105. The Regional Superintendent is responsible for the supervision and control of the school districts. This responsibility includes, but is not limited to, providing directions to teachers and school officers on science, art and teaching methods; implementing the Illinois State Board of Education's Policy Programs; encouraging camaraderie among teachers through the teachers' institute; making public notices of unfilled teaching positions within Iroquois-Kankakee Counties Regional Office of Education No. 32; insuring the safety, health and welfare of the students in Iroquois-Kankakee Counties Regional Office of Education No. 32 by periodically inspecting the school buildings and ensuring that bus drivers have licenses and are properly trained to operate the school buses. Further, the Regional Superintendent receives an allocation of school funds from the State Board of Education and apportions these funds to the school districts in accordance with the State Board of Education's formula.

The Iroquois-Kankakee Counties Regional Office of Education No. 32 does not consider itself to be a component unit of any other entity.

**B. Principles Used to Determine the Scope of the Reporting Entity**

The Office of the Regional Superintendent of Schools, in its capacity as administrator agent, is the reporting entity of all organizations and projects in which the Office of the Regional Superintendent exercises oversight responsibility.

The Office of the Regional Superintendent of Schools has developed criteria to determine whether outside agencies with activities which benefit the citizens of Iroquois-Kankakee Counties Regional Office of Education No. 32 should be included within its financial reporting entity. The criteria used in determining manifestation of oversight responsibility are:

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- a) Financial Interdependency
- b) Selection of Governing Authority
- c) Designation of Management
- d) Ability to Significantly Influence Operations
- e) Accountability for Fiscal Matters
- f) Scope of Public Service, and
- g) Special Financial Relationships

The Office of the Regional Superintendent of Schools is supported by Kankakee and Iroquois Counties, Illinois, in the form of secretarial service and other expenses incurred in the operations of the office. In addition, the Illinois State Board of Education provides support in the form of salaries to the Regional Superintendent and the Assistant Regional Superintendent.

Included within the reporting entity is the Iroquois-Kankakee Film Library which was formed by an Intergovernmental Agreement among twenty-eight member districts. Its board of control consists of the superintendent of each member district. The Office of the Regional Superintendent of Schools for Iroquois-Kankakee Counties Regional Office of Education No. 32 is the administrative agent for the Film Library and, as such, is able to designate management and to significantly influence its operations. Funds of the Film Library are combined with funds that are under the control of the Regional Superintendent of Schools for Iroquois-Kankakee Counties Regional Office of Education No. 32.

**C. Change in Accounting Principles**

Effective July 1, 2004, the Iroquois-Kankakee Counties Regional Office of Education No. 32 adopted GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, an amendment of GASB Statement No. 3. This new standard enhances the deposit and investment risk disclosures by updating the custodial credit risk disclosure requirements of GASB Statement No. 3 and addressing other common risks, including concentration of credit risk, interest rate risk and foreign currency risk. The implementation did not have a significant impact on the Iroquois-Kankakee Counties Regional Office of Education No. 32's financial statements.

**D. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed

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from these statements. The statements distinguish between those activities of the ROE that are governmental in nature and those that are considered business-type activities. *Governmental activities* normally are supported by operating grants and contributions, charges for services and intergovernmental revenues. *Business-type activities* normally are supported by amounts assessed or received from local sources for the ROE programs.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to users who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Items not properly included among program revenues are reported instead as *general revenues*. Major individual governmental funds are reported as separate columns in the fund financial statements.

Certain 2004 amounts have been reclassified to conform to the 2005 presentation. Criminal Background Investigation fund activities have been classified and reported in prior years as general fund and are currently classified and reported as proprietary fund.

**E. Measurement, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund and fiduciary financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Iroquois-Kankakee Counties Regional Office of Education No. 32 considers revenues as available if they are collected within 60 days after year-end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance.



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There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to the purpose of expenditure and are usually revocable 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict the guidance of the Governmental Accounting Standards Board.

When both restricted and unrestricted resources are available for use, it is the ROE's policy to use restricted resources first, then unrestricted resources as they are needed.

F. Fund Accounting

The accounts are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund and account group are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue, and expenditures. The resources are allocated to and accounted for in individual funds and account groups based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following summarizes the fund types and account groups used:

Government Fund Types

Governmental Funds are those through which most governmental functions of the Iroquois-Kankakee Counties Regional Office of Education No. 32 are financed. The acquisition, use and balances of the Iroquois-Kankakee Counties Regional Office of Education No. 32's expendable financial resources and the related liabilities are accounted for through governmental funds.

General Fund - to account for all financial resources except those required to be accounted for in another fund. The following are the general funds:

ROE/ISC Operations - to account for monies received for, and payment of, assisting schools in all areas of school improvement.

**IROQUOIS-KANKAKEE COUNTIES  
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General Operations - to account for the general operating fund of the Iroquois-Kankakee Counties Regional Office of Education No. 32. It has been used to record expenditures in connection with general administration activities.

Special Revenue Funds - to account for the proceeds of special revenue sources that are legally restricted to expenditures for specific purposes. The following are the special revenue funds of the Iroquois-Kankakee Counties Regional Office of Education No. 32:

Education - to account for State and federal grant monies received for, and payment of, expenditures incurred in administering numerous grant awards which include:

Administrator's Academy - to account for grant monies received for, and payment of, providing staff development training to administrators' in school improvement.

Scientific Literacy - to account for grant monies received for, and payment of improving teacher knowledge and skills in mathematics and science.

Truants' Alternative Program - to account for grant monies received for, and payment of, expenses of the Truants Alternative Program.

Summer Bridges - to account for the administration of monies to be used for the summer bridges fund by Illinois State Board of Education.

FY 2004/FY 2005 Title II - Teacher Quality Leadership Grant - to account for grant monies received for, and payment of, expenditures incurred in providing workshops to teachers for improvement of instruction in the classroom.

Title IV - Safe & Drug Free Schools (Reduce Alcohol Abuse) - to account for federal grant monies received, and the payment of, expenditures incurred for the prevention of alcohol abuse among secondary students.

Title IV - Safe & Drug Free Schools (Formula) - to account for federal grant monies received for, and the payment of, expenditures in the reform of elementary and secondary education.

Standards Aligned Classroom - to account for revenues received and expenditures incurred in the improvement of teaching and learning.

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Juvenile Justice Formula - (Illinois Juvenile Detention Alternative Initiative) - to account for funds from Illinois Department of Human Services. Program provides mentoring for troubled youth as an alternative incarceration.

Communities Can - to account for federal grant monies and local support received and expended in the communities can program.

Regional Safe Schools - to account for the administration of monies to be used for the Regional Safe Schools Program Fund by Illinois State Board of Education.

General State Aid - to account for monies received for and expenditures in connection with the safe schools program.

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

FY 2004/FY 2005 Illinois Violence Prevention Authority (IVPA) Family Violence Coordinating Council - to account for funds received from IVPA to provide community awareness, coordination and training to impede family violence.

Title V - Innovative Programs - Formula - to account for funds received for, and payment of, expenditures of Title V - Innovative Programs. The purpose of these programs is to provide a continuing source of innovation and educational improvement.

Title I - School Improvement & Accountability - to account for federal monies received for, and payment of, expenditures of the Title I - Accountability grant. This grant provides school districts with funds to carry out their school improvement and corrective action responsibilities under Section 1116(c) of Title I while offering students in schools identified for improvement and corrective action the opportunity to transfer to another higher performing public school, including a public charter within the district.

Title I - Reading First Part B SEA Funds - to account for funds received from Illinois State Board of Education to provide professional development to the area schools' Reading First coaches.

Title IV - Community Service - Accounts for monies received for, and payment of, expenditures for Safe and Drug Free Schools and Communities

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Programs. These programs enhance the Nation's efforts to prevent illegal use of drugs and violence among, and promote safety and discipline for, students at all levels in the community.

Title IV - 21st Century Community Learning Center - to account for funds received from Department of Education to set up and maintain after school program for area No Child Left Behind (NCLB) targeted students and their families. Programs will provide both enrichment and academic assistance.

Federal Special Education Discretionary - to account for federal grant monies received and expended in providing special education and related services to children with disabilities.

McKinney Education for Homeless Children - to account for grant monies received for, and payment of, expenditures associated with a federal program designed to provide counseling and educational support to homeless children and their families. The programs are funded by Stewart B. McKinney Education for Homeless Children and Youth Grant administered through the Illinois State Board of Education.

Title II - Teacher Quality / Title II - Teacher Quality - Leadership Grant - to account for funds received from a small block grant to help the Regional Safe School teachers to attend trainings and course work for improvement of instruction in the classroom.

Addiction Prevention Comprehensive - to account for the federal, State, and local revenue received and expended under the drug prevention program developed and funded by the State Board of Education and the Illinois Department of Human Services. The program, developed in cooperation with the Lt. Governor's Office, is a school-based program concentrating on comprehensive prevention and coordination of school policies, curriculum, family support, and community activities to provide comprehensive prevention efforts. The program operates in Kankakee and Iroquois Counties.

Addiction Prevention In-Touch - to account for the federal, State and local revenue received and expended under the drug prevention program developed and funded by the State Board of Education and the Illinois Department of Human Services. The program, developed in cooperation with the Lt. Governor's Office, is a school-based program concentrating on developing regional prevention groups (RPG's) and coordination of school policies, curriculum, family support, and community activities to improve the

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effectiveness of prevention efforts. The program operates in Kankakee, Vermilion, Iroquois, Livingston, Champaign, Ford, Douglas, and Piatt counties.

Teen Reach - to account for the federal grants and local support received and expended under the drug prevention program developed and funded by the State Board of Education and the Illinois Department of Human Services. The program, developed in cooperation with the Lt. Governor's office, is a school based program concentrating on developing regional prevention groups (RPG's) and coordination of school policies, curriculum, family support, and community activities to improve the effectiveness of prevention efforts. The program operates in Kankakee and Iroquois Counties.

Title IV - 21st Century Community Learning Center - Kankakee - to account for federal grant monies received for, and the payment of, expenditures incurred in providing learning opportunities for children and youth in the city of Kankakee, and in reducing illegal drug use and violence.

Other State Programs - to account for grant monies received, and the payment of, expenditures incurred for various support service programs funded by the state.

Illinois Reading First - Coaches Academy - to account for federal grant money received through ROE #39 to provide assistance to school districts in establishing reading programs that are based on scientifically based reading research.

Title II - Professional Development (Para-Professional Test Preparatory Course) - to account for grant monies received for, and payment of, expenditures for the Para-Professional Test Preparatory Course Program.

Title V - Innovative Programs SEA - SOS - to account for grant monies received for, and payment of, expenditures of the Title V - Innovative Programs - SEA Projects Grant.

Learn and Serve America - to account for grant monies received for, and payment of, expenditures of the Learn and Serve America Grant. Funds are used to encourage teachers to create, develop and offer service-learning opportunities; to introduce young people to a broad range of education, training, and careers; and to develop local service-learning partnerships.

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Americorps Learn and Serve Program - to account for grant monies received for, and payment of, expenditures of the Learn and Serve America Grant from the U. S. Department of Health and Human Services. Funds are used to engage youth in learning about their community, determining areas of need and working cooperatively with others in the community to meet those needs. The service learning activities are designed to increase the number of youth who volunteer and are involved in their community.

HUD Supplemental Housing - to account for grant monies received for, and payment of, expenditures of the HUD Supporting Housing Program. 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.

Other Non-Major Special Revenue Funds - The ROE reported the following special revenue funds as non-major governmental funds:

General Education Development (GED) - to account for proceeds earned from students who participate in the high school equivalency program. These proceeds are used to pay the administrative expenses incurred to administer the GED program.

Bus Driver Training - to account for the proceeds from federal and State grants, registration, and other fees. These proceeds pay administrative expenses incurred to insure compliance with 105 ILCS 5/3-14.23.

Supervisory - to account for the proceeds provided to the Regional Superintendent by the State Board of Education to be used for travel and related expenses.

State Free Lunch and Breakfast - to account for the proceeds received and expended in the operations of the free lunch and breakfast program.

National School Lunch Program - to account for the proceeds received and expenses of the program for the national school lunch fund.

Project Care Healthy Decision - to account for the revenue received and the expenses incurred in providing a suicide hotline for students.

Life Education Center (LEC) USA - to account for the proceeds received and expenses of the program for the LEC USA Fund.

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Education Service Center (ESC) Transition - to account for funds received for, and payment of, expenditures for ESC transition into the Regional Office of Education. Education Service Centers across the State were closed in order for the ROE's to assume responsibility over the ESC's. The funds are to be used for office improvements and upgrades required to provide services to the districts which were previously under the ESC's.

Reorganization Incentive Feasibility Study - to account for funds received for, and payment of, expenditures for feasibility studies being used as a tool to investigate the advantages and/or disadvantages of reorganization options for the school districts involved in the study.

Institute - to account for the proceeds earned from teacher registration, certificate renewals, and examinations. The Regional Superintendent uses these proceeds to pay administration expenses incurred on behalf of the teachers' institute certificates, workshops, and general meetings.

Proprietary Fund Types

Enterprise Funds are used to account for resources from fees charged directly to those entities or individuals that use its service.

Major Proprietary Funds - The Iroquois-Kankakee Counties Regional Office of Education No. 32 reported the following proprietary funds as major funds:

Scientific Literacy Workshops - to account for local revenues and disbursements related to the Scientific Literacy workshops.

ROE Workshops - to account for local revenues and disbursements related to various workshops conducted by the Iroquois-Kankakee Regional Office of Education No. 32 which are not accounted for in a separate fund.

Life Education Local Revenue - to account for local revenues received and related disbursements for the Life Education program.

Safe Schools Local Revenue - to account for local revenues and disbursements related to the Safe School program.

Truants' Local Revenue - to account for local revenues and disbursements related to the Truant programs.

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Other Non-Major Proprietary Funds - The Iroquois-Kankakee Counties Regional Office of Education No. 32 reported the following proprietary funds as non-major funds:

Fluoride - to account for revenues and expenses of the Fluoride Program. The objective of this program is to prevent tooth decay among students.

Technology Hub Fees - to account for local revenues and disbursements for the Technology Hub.

Internal Review Workshops - to account for local revenues and disbursements related to conducting Internal Review workshops.

Internet Connectivity - to account for local revenues and disbursements for the Internet Connectivity Program.

Administrator's Academy Local Revenue - to account for local revenues and disbursements related to the Administrators Academy Program.

Career Awareness and Development Workshop - to account for local revenues and disbursements related to the Career Awareness and Development workshop.

School Lunch Student Payments - to account for local revenues and disbursements for the Students School Lunch program.

Regional Automation Advisory Committee (RAAC) Activity Fund - to account for local revenues and disbursements related to the Regional Alternative Attendance Center (RAAC) Activity Fund.

Service Provided Standards - to account for local revenues and disbursements related to the Service Provided Standards program.

RAAC Renaissance Program - to account for local revenues and disbursements related to the Regional Alternative Attendance Center Renaissance program.

Service Provided - Positive Behavioral Interventions and Support (PBIS) - to account for local revenues and disbursements related to the Service Provided Positive Behavioral Intervention and Support program.



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School Crises Assistance Team (SCAT) Donations - to account for donations and related disbursements for the School Crisis Assistance Team.

21st Century Learning Center Activity - to account for local revenues and disbursements related to the 21st Century Learning Center Activity.

Reading Recovery Fees - to account for local revenues and disbursements related to the Reading Recovery workshops.

Children and Adolescent Local Area Network System (C & A LANS) - #26 Funds - to account for the funds received by the Regional Office of Education upon the closure of the local organization, C & A LANS. This fund is used to service at-risk youth.

Miscellaneous Local Fees - to account for local revenues and disbursements related to miscellaneous programs of the Regional Office of Education.

In-Touch Revenue - to account for local revenues and disbursements related to the In-Touch program.

Title I Workshops - to account for local revenues and disbursements for workshops related to the Title I - School Improvement & Accountability.

Service Provided - Homeless - to account for local revenues and disbursements related to the McKinney Education for Homeless Children.

Service Provided Goals 2000 - to account for local revenues and disbursements related to the Service Provided Goals 2000 program.

Teen Reach Local Program - to account for local revenues and disbursements related to the Teen Reach program.

Para-Professional Workshop Fees - to account for local revenues and disbursements related to the Paraprofessional Test Preparatory Course program.

Reading First Academy Workshops - to account for local revenues and disbursements related to the Illinois Reading First Academy.

Local Induction / Mentoring Training Fees - to account for local revenues and disbursements for Induction/Mentoring Training programs.

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Behavioral Interventions and Support Workshop - to account for local revenues and disbursements related to the Behavioral Interventions and Support program.

RAAC Learn and Serve Workshop - to account for local revenues and disbursements related to the Learn and Serve America programs.

Criminal Background Investigation - to account for the assessments received from the school districts to pay for the processing of fingerprinting the substitute teachers and expenditures incurred providing this service to the school districts.

Service Provided - Alcohol Reduction - to account for local revenues and disbursements related to the Alcohol Reduction program.

Service Provided - HUD - to account for local revenues and disbursements related to the HUD Supplemental Housing program.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held in a trustee capacity or as an agent for individuals or private or governmental organizations. The Fiduciary Funds include:

Agency Funds - to account for assets held by the Regional Superintendent in a trustee capacity. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to outside organizations are equal to the assets held. The agency funds are as follows:

Distributive - to account for federal and State funds appropriated to school districts under the oversight of the Regional Superintendent. These proceeds are received and disbursed to the local school districts that are part of the Iroquois-Kankakee Counties Regional Office of Education No. 32. Interest revenue earned on the custodial funds collected is part of the overall revenues of the General Fund. This treatment is in accordance with an agreement between the Regional Superintendent and all the school boards within the Iroquois-Kankakee Counties Regional Office of Education No. 32.

Payroll - to account for monies received for various funds and subsequent payments of payroll expenditures.

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Petitions for Detachment and Annexation - to account for petition receipts and expenses incurred for providing hearings and disposals of petitions for change of school district boundaries.

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

G. Interest Revenue

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

Distributive Fund interest earned and related charges are recognized as revenues and expenditures in the general fund.

H. License and Permits

License and permit revenues are recognized in the year for which the licenses or permits are issued. Teacher certification revenues are recognized over a five year period when applicable.

I. Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Non-exchange transactions, in which the ROE receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the ROE must provide local resources to be used for specific purpose; and expenditure requirements, in which the resources are

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provided to the ROE on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

J. Capital Assets

Capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets but are not reported in the fund financial statements.

Capital assets are recorded at cost at the time of acquisition or fair value at the date of donation. The ROE capitalizes items costing \$5,000 or more. Depreciation is calculated on a straight-line basis over the estimated useful lives (three to five years) of the respective assets.

K. Deferred Revenues

The ROE reports unearned deferred revenue in the governmental fund Balance Sheet. Deferred and unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period.

L. Net Assets

Net assets present the difference between assets and liabilities in the Statement of Net Assets. Net assets of the ROE are classified as follows:

*Invested in Capital Assets* - represents the ROE's total investment in capital assets. There is no outstanding debt related to these assets at this time.

*Unrestricted Net Assets* - represent resources used for transactions relating to the general operations of the ROE and may be used at the discretion of management to meet expenses for any purpose.

M. Management Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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N. Investments and Cash Accounts

State regulations require that the Iroquois-Kankakee Counties Regional Office of Education No. 32 deposit funds under its control into accounts insured by the federal government, secured by substantial collateral or into pooled investment trusts. All funds not needed for immediate disbursements are maintained in interest bearing accounts. Statutes authorize the Iroquois-Kankakee Counties Regional Office of Education No. 32 to make deposits or invest in obligation of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurer's Investment Pool.

O. Revenue from Federal and State Grants

Revenues from federal and State grant awards are recorded net of the amount due to the State for the unused portion of the grant or the amount carried over the following fiscal year project. Amounts due to the State or carried over to the following year project are recorded as liabilities.

P. Budgetary Data

The Iroquois-Kankakee Counties Regional Office of Education No. 32 did not adopt annual budgets for all funds under its control and annual budgets prepared were not based upon the same operating period. Certain programs administered by the Iroquois-Kankakee Counties Regional Office of Education No. 32 are subject to budget approval by the State of Illinois:

General Fund:

- ROE/ISC Operations

Special Revenue Funds:

- Education Fund:
  - Truants' Alternative Program
  - Summer Bridges
  - FY 2005 Title II - Teacher Quality Leadership Grant
  - Title IV - Safe & Drug Free Schools Formula
  - Regional Safe Schools
  - K-6 Reading Improvement
  - Title V - Innovative Programs

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- Title I - School Improvement & Accountability
- Title I - Reading First Part B SEA Funds
- Title IV - 21st Century Community Learning Center
- McKinney Education for Homeless Children
- Title II - Teacher Quality
- Other State Programs
- Title V - Innovative Programs SEA - SOS
- Learn and Serve America

The budget for the office operations is submitted to the County Schools committee and the Kankakee and Iroquois County boards. The county boards are obligated to pay certain office operating expenses and approve the Regional Office of Education No. 32's operating budget. The county funds the approved budget based upon the county's November 30 year end. These expenditures are not included in this report.

**Q. Compensated Absences**

The Iroquois-Kankakee Counties Regional Office of Education No. 32 provides paid vacation time for its full-time employees who work all twelve months of the year. Unused vacation time does not accumulate and carryover to future calendar years. Sick pay may accumulate for full-time employees of the In-Touch Program up to a maximum of 180 days. Unused sick pay for those employees may be certified in writing to the next employer at the request of the employee at the time of re-employment elsewhere. Unused sick pay for those employees may be used as service credits toward the employee's retirement fund when the employee retires. Employees of all other programs may not accumulate and carryover unused sick pay to future years. There are no material accumulations of sick pay or vacation pay at June 30, 2005.

**R. Interfund Transfers**

Interfund transfers are categorized as either residual equity interfund transfers or operating interfund transfers. Residual equity interfund transfers are nonrecurring or nonroutine transfers of equity between funds. Operating interfund transfers are those routine kinds of transfers made between funds due to the unique relationships between the funds involved.

**NOTE 2 - CASH AND INVESTMENTS**

The Iroquois-Kankakee Counties Regional Office of Education No. 32 utilizes several different bank accounts for its various activities. The book balance of such accounts is

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\$2,438,721 at June 30, 2005, while the bank balance was \$2,985,410. The difference between the above amounts primarily represents checks that have been issued but have not yet cleared the bank as of June 30, 2005.

Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, the ROE's deposits may not be recovered. Originally, GASB Statement No. 3 discussed three categories of custodial credit risk as follows:

Category 1 includes deposits covered by depository insurance or collateral held by Iroquois-Kankakee Counties Regional Office of Education No. 32 in its name.

Category 2 includes deposits covered by collateral held by the financial institutions in a pledged safekeeping account in the name of Iroquois-Kankakee Counties Regional Office of Education No. 32.

Category 3 includes deposits which are uncollateralized or the collateral is held by the financial institution trust department but not in the name of Iroquois-Kankakee Counties Regional Office of Education No. 32.

The ROE's deposits are covered by the Federal Deposit Insurance Corporation (FDIC) and by collateral held by the financial institution in the ROE's name. Although deposit balances classified under the traditional risk categories of 1 and 2 have been determined under GASB Statement No. 40 to be exposed to only minimal risk, and, based on this conclusion, the GASB chose to limit disclosure of custodial credit risk to deposits that meet the definition of "Category 3", the ROE has decided to include categories 1 and 2 in the discussion. The following table reflects the ROE's level of risk as of June 30, 2005:

	<b>Bank Balance</b>
Category 1	\$ 262,138
Category 2	2,722,134
Category 3	—
Exempt	1,138
Total	<u>\$ 2,985,410</u>

The exempt funds are those deposited into the Illinois Funds.

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Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The ROE's policy for reducing its exposure to the risk is to structure the ROE's portfolio so that securities mature to meet the ROE's cash requirements for ongoing operations. The ROE's investments as of June 30, 2005 are limited to the investment in the State investment pool (Illinois Funds).

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ROE's policy for managing its exposure to the risk is to limit investments to those allowable by the Illinois Public Funds Investment Act. As of June 30, 2005, the ROE's investment in the State investment pool (Illinois Funds) was rated AAAM by Standard & Poor's.

**NOTE 3 - RETIREMENT FUND COMMITMENTS**

Teachers' Retirement System of the State of Illinois

The Regional Office of Education No. 32 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the governor's approval. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate through June 30, 2005 was 9 percent of creditable earnings. These contributions, which may be paid on behalf of employees by employer, are submitted to TRS by the employer. In addition, virtually all employers and members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The employer THIS Fund contribution was 0.5 percent during the year ended June 30, 2005, and the member THIS Fund health insurance contribution was 0.75 percent.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education No. 32's TRS-covered employees.



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- **On-behalf Contributions.** The State of Illinois makes employer pension contributions on behalf of Regional Office of Education No. 32. For the year ended June 30, 2005, the State of Illinois contributions were based on 11.76 percent of creditable earnings, and Regional Office of Education No. 32, recognized revenue and expenditures of \$206,709 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2004 and June 30, 2003, the State of Illinois contribution rate as a percentage of creditable earnings were 13.98 percent (\$170,263) and 13.01 percent (\$112,162), respectively.

The Regional Office of Education No. 32 makes three other types of employer contributions directly to TRS.

- **2.2 Formula Contributions.** For the year ended June 30, 2005, and June 30, 2004, employers were required to contribute 0.58 percent of creditable earnings for the 2.2 formula change. Contributions for the years ended June 30, 2005, and June 30, 2004, were \$10,195 and \$7,064 respectively. For the year ended June 30, 2003, part of the employer's 2.2 formula contribution (0.58 percent of pay) was reduced as a result of a new employer THIS Fund contribution for retiree health insurance (0.4 percent of pay). The remaining 0.18 percent was submitted to TRS. Contributions for the year ended June 30, 2003 were \$1,552.
- **Federal and Trust Fund Contributions.** When TRS members are paid from federal and trust funds administered by Regional Office of Education No. 32, there is a statutory requirement for Regional Office of Education No. 32 to pay an employer pension contribution from those funds. For the three years ended June 30, 2005, the employer pension contribution was 10.5 percent of salaries paid from those funds. For the year ended June 30, 2005, salaries totaling \$870,595 were paid from federal and trust funds that required employer contributions of \$91,412. For the years ended June 30, 2004 and June 30, 2003, required Regional Office of Education No. 32 contributions were \$57,555 and \$23,768, respectively.
- **Early Retirement Option.** Regional Office of Education No. 32 is also required to make one-time employer contributions to TRS for members who retired under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member. No member or employer contributions are required if the member has 34 years of service. The maximum employer payment of 100 percent of the member's highest salary used in the calculation of final average salary is required if the member is 55 years old. For the year ended June 30, 2005, the Regional Office of Education No. 32 paid \$0 for employer contributions under the ERO. For the years ended June 30, 2004 and June 30, 2003, there were no salaries that qualified for this plan.

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**Changes**

Public Act 94-0004, which was signed into law on June 1, 2005, contained a number of provisions affecting employer and active member contributions. Most will not be effective or impact financial statements until the year ending June 30, 2006. The changes are summarized below:

- **Active member contributions.** The active member contribution rate will increase from the current 9.0 percent of creditable earnings to 9.4 percent beginning July 1, 2005. The increase is to help cover the cost of the new ERO program and will be refunded if the member does not retire under ERO.
- **State/federal contributions.** Under a policy adopted by the Board of Trustees before Public Act 94-0004 was enacted, the employer contribution rate for employees paid from federal funds will be the same as the rate paid by the state. Under Public Act 94-0004, the state contribution rate in FY 2006 was reduced to 7.06 percent of pay. Therefore, the employer contribution rate for employees paid from federal funds in FY 2006 will be 7.06 percent, a decrease from the current 10.50 percent.
- **New employer contributions.**
  - **Salary increases over 6 percent.** If employers grant salary increases in excess of 6 percent that are used in final average salary calculations, the employer will make a lump-sum contribution to TRS to cover the cost of the portion of the benefit due to salary increases over 6 percent. Public Act 94-0004 exempts salary increases granted under contracts and collective bargaining agreements in effect on June 1, 2005.
  - **Sick leave in excess of normal allotment.** If employers grant sick leave near retirement in excess of the normal allotment and that sick leave is counted as service credit, the employer will make a lump-sum contribution to TRS. The act exempts sick leave granted under contracts and collective bargaining agreements in effect on June 1, 2005.
- **Early Retirement Option.** In addition to the changes described above, the following changes were made to ERO:
  - Both active member and employer ERO contribution rates are increased. For employers, the maximum contribution increases from the current 100 percent of the member's highest salary used in the calculation of final average salary to 117.5 percent.
  - The waiver of member and employer ERO contributions when the member has 34 years of service ended with the program that expired June 30, 2005.

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- A “Pipeline ERO” program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007.
- Public Act 94-0004 provides for a review of the member and employer ERO contributions every five years to ensure that the program is revenue neutral.

TRS financial information, an explanation of TRS’ benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2004. The report for the year ended June 30, 2005, is expected to be available in late 2005. The reports may be obtained by writing to the Teachers’ Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS web site at [trs.illinois.gov](http://trs.illinois.gov).

Illinois Municipal Retirement Fund

The Iroquois-Kankakee Counties Regional Office of Education No. 32’s defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at [www.imrf.org/pubs/pubs\\_homepage.htm](http://www.imrf.org/pubs/pubs_homepage.htm) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The Iroquois-Kankakee Counties Regional Office of Education No. 32 is required to contribute at an actuarially determined rate. The employer rate for calendar year 2004 was 12.33 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2004 was 2 years.

For December 31, 2004, the Iroquois-Kankakee Counties Regional Office of Education No. 32’s annual pension cost of \$100,134 was equal to the Iroquois-Kankakee Counties Regional Office of Education No. 32’s required and actual contributions. The required contribution was determined as part of the December 31, 2002 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50 percent investment rate of return (net of administrative expense), (b) projected salary increases of 4.00% a year,

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attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor.

The assumptions used for the 2004 actuarial valuation were based on the 1999-2001 experience study.

**TREND INFORMATION**

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/04	\$ 100,134	100%	\$ —
12/31/03	103,727	100%	—
12/31/02	109,587	100%	—
12/31/01	108,437	100%	—
12/31/00	85,233	100%	—
12/31/99	65,196	100%	—
12/31/98	50,330	100%	—
12/31/97	34,540	100%	—
12/31/96	25,753	100%	—
12/31/95	9,824	100%	—

**NOTE 4 - CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2005 is as follows:

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2005</u>
<b>GOVERNMENTAL FUNDS</b>				
Equipment	\$ 40,929	\$ —	\$ —	\$ 40,929
Less: accumulated depreciation	38,883	1,524	—	40,407
Capital assets, net	<u>\$ 2,046</u>	<u>\$ (1,524)</u>	<u>\$ —</u>	<u>\$ 522</u>
<b>PROPRIETARY FUNDS</b>				
Equipment	\$ 22,670	\$ —	\$ —	\$ 22,670
Less: accumulated depreciation	19,883	1,163	—	21,046
Capital assets, net	<u>\$ 2,787</u>	<u>\$ (1,163)</u>	<u>\$ —</u>	<u>\$ 1,624</u>

**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005**

**NOTE 5 - RELATED PARTY TRANSACTIONS**

Salaries of the Regional Superintendent and Assistant Regional Superintendent are paid by the State of Illinois. Significant portion of the operational expenditures of the Iroquois-Kankakee Counties Regional Office No. 32 are paid by Kankakee County, Illinois, in accordance with the statutes and the basic financial statements do not include amounts for these expenditures.

**NOTE 6 - DEFICIT FUND BALANCES**

At June 30, 2005, the following had deficit fund balances. They are expected to correct themselves in 2006, through payments from the State and transfers from local funds.

Education Funds	
Title IV - Safe and Drug Free Schools - Reduce Alcohol Abuse	\$ 400
Title I - Reading First Part B SEA Funds	3,892
Title IV 21st Century Community Learning Center	2,882
Addiction Prevention Comprehensive	718
Illinois Reading First - Coaches Academy	8
Para-Professional Test Preparatory Course	867

**NOTE 7 - ON-BEHALF PAYMENTS**

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

Regional Superintendent Salary	\$ 88,540
Regional Superintendent Benefits (includes State paid insurance)	17,351
Assistant Regional Superintendent Salary	79,686
Assistant Regional Superintendent Benefits (includes State paid insurance)	16,774
TRS Pension Contributions	206,709
<b>Total</b>	<u>\$ 409,060</u>

**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005**

**NOTE 8 - DUE FROM (TO) OTHER GOVERNMENTS**

The Iroquois-Kankakee Counties Regional Office of Education No. 32's General Funds, Special Revenue Funds, Enterprise Funds, Agency Funds and various grant programs have funds due to and due from various governmental units which consists of the following:

Due from Other Governments:

U. S. Department of Education	\$ 74,616
U. S. Department of Housing and Urban Development	11,416
Illinois State Board of Education	164,318
Illinois Department of Human Services	45,758
Macon-Piatt Counties Regional Office of Education No. 39	3,047
Local School Districts	165
Total	\$ 299,320

Due to Other Governments:

Local School Districts	\$ 403,437
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**NOTE 9 - INTERFUND TRANSACTIONS**

**(a) Due From (To) Other Funds**

The following is a summary of amounts due from (to) other funds as of June 30, 2005:

Fund	Due From Other Funds	Due To Other Funds
Education Fund - Regional Safe Schools	\$ 19,986	\$ -
Education Fund - Regional Safe Schools - General State Aid	-	19,986
Total	\$ 19,986	\$ 19,986

**(b) Transfers From (To) Other Funds**

The composition of interfund transfers for the year ended June 30, 2005 is as follows:

	Transfers-out	Transfers-in
General Fund	(\$8,874)	
Proprietary Fund - Criminal Background Investigation		\$8,874

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

**IROQUOIS-KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2005**

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/04	\$ 1,045,304	\$ 1,118,072	\$ 72,768	93.49%	812,121	8.96%
12/31/03	884,874	982,292	97,418	90.08%	834,493	11.67%
12/31/02	740,948	835,061	94,113	88.73%	921,671	10.21%
12/31/01	601,905	741,400	139,495	81.18%	945,399	14.76%
12/31/00	433,141	561,589	128,448	77.13%	763,057	16.83%
12/31/99	284,996	400,951	115,955	71.08%	613,900	18.89%
12/31/98	175,188	277,492	102,304	63.13%	466,014	21.95%
12/31/97	99,266	156,771	57,505	63.32%	358,526	16.04%
12/31/96	48,475	94,811	46,336	51.13%	314,443	14.74%
12/31/95	14,722	42,477	27,755	34.66%	117,262	23.67%

On a market value basis, the actuarial value of assets as of December 31, 2004 is \$1,046,945.  
On a market basis, the funded ratio would be 95.54%.

**\*Digest of Changes**

The actuarial assumptions used to determine the actuarial accrued liability for 2004 are based on the 1999-2001 Experience Study.

The principal changes were:

- Fewer members are expected to take refunds early in their career.
- For Regular members, fewer normal and early retirements are expected to occur.



**OTHER SUPPLEMENTARY INFORMATION**

**IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32**  
**COMBINING SCHEDULE OF ACCOUNTS**  
**GENERAL FUND**  
**JUNE 30, 2005**

**SCHEDULE 1**

	<u>ROE/ISC Operations</u>	<u>General Operations</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ -	\$ 208,987	\$ 208,987
<b>TOTAL ASSETS</b>	<u>-</u>	<u>208,987</u>	<u>208,987</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	-	43,453	43,453
<b>FUND BALANCES</b>			
Unrestricted	-	165,534	165,534
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ -</u>	<u>\$ 208,987</u>	<u>\$ 208,987</u>

**IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GENERAL FUND ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**SCHEDULE 2**

	<u>ROE/ISC</u> <u>Operations</u>	<u>General</u> <u>Operations</u>	<u>Total</u>
<b>REVENUES</b>			
State sources	\$ 79,987	\$ -	\$ 79,987
Local sources			
Intergovernmental	-	258,170	258,170
Interest	4	3,009	3,013
On-behalf payments	-	409,060	409,060
	<u>79,991</u>	<u>670,239</u>	<u>750,230</u>
<b>EXPENDITURES</b>			
Salaries	48,528	210,461	258,989
Benefits	10,411	44,273	54,684
Purchased services	17,710	61,264	78,974
Supplies and materials	5,000	19,503	24,503
Capital expenditures	-	2,267	2,267
Miscellaneous	-	7,752	7,752
On-behalf payments	-	409,060	409,060
	<u>81,649</u>	<u>754,580</u>	<u>836,229</u>
<b>DEFICIENCY OF REVENUES</b>			
<b>OVER EXPENDITURES</b>	(1,658)	(84,341)	(85,999)
<b>OTHER FINANCING USES</b>			
Transfers out	-	(8,874)	(8,874)
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>			
<b>AND OTHER FINANCING USES</b>	(1,658)	(93,215)	(94,873)
<b>FUND BALANCE, UNRESERVED,</b>			
<b>BEGINNING OF YEAR</b>	<u>1,658</u>	<u>258,749</u>	<u>260,407</u>
<b>FUND BALANCE, UNRESERVED,</b>			
<b>END OF YEAR</b>	<u>\$ -</u>	<u>\$ 165,534</u>	<u>\$ 165,534</u>

**IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 BUDGETARY COMPARISON SCHEDULES  
 GENERAL FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2005**

**SCHEDULE 3**

	<u>ROE/ISC Operations</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
State sources	\$ 79,987	\$ 79,987	\$ -
Interest	-	4	4
Total revenues	<u>79,987</u>	<u>79,991</u>	<u>4</u>
<b>EXPENDITURES</b>			
Salaries	48,981	48,528	453
Benefits	9,352	10,411	(1,059)
Purchased services	16,154	17,710	(1,556)
Supplies and materials	5,000	5,000	-
Capital expenditures	500	-	500
Total expenditures	<u>79,987</u>	<u>81,649</u>	<u>(1,662)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ -</u>	<u>(1,658)</u>	<u>\$ (1,658)</u>
<b>FUND BALANCE, July 1, 2004</b>		<u>1,658</u>	
<b>FUND BALANCE, June 30, 2005</b>		<u>\$ -</u>	

IRROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2005

	Administrator's Academy	Scientific Literacy	Truants' Alternative Program	Summer Bridges	FY 2004 Title II - Teacher Quality Leadership Grant	FY 2005 Title II - Teacher Quality Leadership Grant	Title IV - Safe and Drug Free Schools (Reduce Alcohol Abuse)	Title IV - Safe and Drug Free Schools (Formula)
<b>ASSETS</b>								
Cash and cash equivalents (overdrafts)	\$ -	\$ -	4	\$ (142,254)	\$ -	\$ 17,081	\$ (73,331)	\$ -
Due from other funds	-	-	-	-	-	-	-	-
Due from other governmental agencies	-	-	-	142,256	-	-	74,616	-
<b>TOTAL ASSETS</b>	-	-	4	2	-	17,081	1,285	-
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Accounts payable	-	-	-	-	-	-	1,685	-
Due to other funds	-	-	-	-	-	-	-	-
Due to other governmental agencies	-	-	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	16,697	-	-
Total liabilities	-	-	-	-	-	16,697	1,685	-
<b>FUND BALANCES</b>								
Fund balances (deficit), unreserved	-	-	4	2	-	384	(400)	-
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	\$ -	\$ -	\$ 4	\$ 2	\$ -	\$ 17,081	\$ 1,285	\$ -

IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2005

SCHEDULE 4  
 (CONTINUED)

2004 Illinois  
 Violence  
 Prevention  
 Authority  
 (IVPA) Family  
 Violence  
 Coordinating  
 Council

	Standards Aligned Classroom	Juvenile Justice Formula	Communities Can	Regional Safe Schools	General State Aid	K-6 Reading Improvement	2004 Illinois Violence Prevention Authority (IVPA) Family Violence Coordinating Council
<b>ASSETS</b>							
Cash and cash equivalents (overdrafts)	\$ 2,189	\$ -	\$ -	\$ 20,224	\$ 50,210	\$ -	\$ -
Due from other funds	-	-	-	-	19,986	-	-
Due from other governmental agencies	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>2,189</b>	<b>-</b>	<b>-</b>	<b>20,224</b>	<b>70,196</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	2,189	-	-	-	-	-	-
Due to other funds	-	-	-	19,986	-	-	-
Due to other governmental agencies	-	-	-	-	-	-	-
Deferred revenues	-	-	-	-	70,151	-	-
Total liabilities	<b>2,189</b>	<b>-</b>	<b>-</b>	<b>19,986</b>	<b>70,151</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Fund balances (deficit), unreserved	-	-	-	238	45	-	-
<b>TOTAL LIABILITIES AND FUND BALANCE:</b>	<b>\$ 2,189</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,224</b>	<b>\$ 70,196</b>	<b>\$ -</b>	<b>\$ -</b>

IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2005

SCHEDULE 4  
 (CONTINUED)

	Title V - Innovative Programs - Formula	Title I - School Improvement & Accountability	Title I - Reading First Part B SEA Funds	Title IV - Community Service	Title IV - 21st Century Community Learning Center	Federal Special Education Discretionary	McKinney Education for Homeless Children
<b>ASSETS</b>							
Cash and cash equivalents (overdrafts)	\$ -	\$ 624,045	\$ 19,960	\$ -	\$ 60,929	\$ 10,084	\$ 5,316
Due from other funds	-	-	-	-	-	-	-
Due from other governmental agencies	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	-	624,045	19,960	-	60,929	10,084	5,316
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	-	189,474	-	-	63,811	-	5,180
Due to other funds	-	-	-	-	-	-	-
Due to other governmental agencies	-	260,602	-	-	-	-	-
Deferred revenues	-	173,969	23,852	-	-	-	-
Total liabilities	-	624,045	23,852	-	63,811	9,900	5,180
<b>FUND BALANCES</b>							
Fund balances (deficit), unreserved	-	-	(3,892)	-	(2,882)	184	136
<b>TOTAL LIABILITIES AND FUND BALANCE:</b>	\$ -	\$ 624,045	\$ 19,960	\$ -	\$ 60,929	\$ 10,084	\$ 5,316

IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2005

SCHEDULE 4  
 (CONTINUED)

2005 Illinois  
 Violence  
 Prevention  
 Authority  
 (IVPA) Family  
 Violence  
 Coordinating  
 Council

Title IV - 21st  
 Century  
 Community  
 Learning Center  
 - Kankakee

	Title II - Teacher Quality	Addiction Prevention Comprehensive	Addiction Prevention In- Touch	Teen Reach	Learning Center - Kankakee	Other State Programs	2005 Illinois Violence Prevention Authority (IVPA) Family Violence Coordinating Council
Cash and cash equivalents (overdrafts)	\$ -	\$ (11,702)	\$ (14,441)	\$ (16,688)	\$ -	\$ 194,147	\$ 875
Due from other funds	-	-	-	-	-	-	-
Due from other governmental agencies	-	10,984	14,574	16,700	-	-	-
<b>TOTAL ASSETS</b>	-	(718)	133	12	-	194,147	875

**LIABILITIES AND FUND BALANCES**

**LIABILITIES**

Accounts payable	-	-	-	-	-	193,439	-
Due to other funds	-	-	-	-	-	-	-
Due to other governmental agencies	-	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	486	854
Total liabilities	-	-	-	-	-	193,925	854

**FUND BALANCES**

Fund balances (deficit), unreserved	-	(718)	133	12	-	222	21
<b>TOTAL LIABILITIES AND FUND BALANCE:</b>	<b>\$ -</b>	<b>\$ (718)</b>	<b>\$ 133</b>	<b>\$ 12</b>	<b>\$ -</b>	<b>\$ 194,147</b>	<b>\$ 875</b>



IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2005

SCHEDULE 4  
 (CONTINUED)

	Title II - Professional Development (Para- Illinois Reading First - Coaches Academy	Professional Test Preparatory Course)	Title V - Innovative Programs SEA - SOS	Learn and Serve America	Americorps Learn and Serve Program	HUD Supplemental Housing	Total
Cash and cash equivalents (overdrafts)	\$ (3,055)	\$ (867)	\$ 11,193	\$ 10,542	\$ (3,500)	\$ (11,416)	\$ 749,545
Due from other funds	-	-	-	-	-	-	19,986
Due from other governmental agencies	3,047	-	19,461	2,500	3,500	11,416	299,054
<b>TOTAL ASSETS</b>	<b>(8)</b>	<b>(867)</b>	<b>30,654</b>	<b>13,042</b>	<b>-</b>	<b>-</b>	<b>1,068,585</b>

**LIABILITIES AND FUND BALANCES**

	Title II - Professional Development (Para- Illinois Reading First - Coaches Academy	Professional Test Preparatory Course)	Title V - Innovative Programs SEA - SOS	Learn and Serve America	Americorps Learn and Serve Program	HUD Supplemental Housing	Total
Accounts payable	-	-	30,526	13,038	-	-	499,342
Due to other funds	-	-	-	-	-	-	19,986
Due to other governmental agencies	-	-	-	-	-	-	260,602
Deferred revenues	-	-	-	-	-	-	295,909
Total liabilities	-	-	30,526	13,038	-	-	1,075,839
<b>FUND BALANCES</b>							
Fund balances (deficit), unreserved	(8)	(867)	128	4	-	-	(7,254)
<b>TOTAL LIABILITIES AND FUND BALANCE:</b>	<b>(8)</b>	<b>(867)</b>	<b>30,654</b>	<b>13,042</b>	<b>-</b>	<b>-</b>	<b>1,068,585</b>

**IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**EDUCATION FUND ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

SCHEDULE 5

	Administrator's Academy	Scientific Literacy	Truants' Alternative Program	Summer Bridges	FY 2004 Title II - Teacher		FY 2005 Title II - Teacher		Title IV - Safe and Drug Free Schools (Reduce Alcohol Abuse)	Title IV - Safe and Drug Free Schools (Formula)
					Quality Leadership Grant	Quality Leadership Grant	Quality Leadership Grant	Quality Leadership Grant		
<b>REVENUES</b>										
State sources	\$ -	\$ -	\$ 217,230	\$ 253,747	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	-	-	-	-	394,358	88,533	468,924	71		
Local sources										
Other	-	-	-	2,400	-	-	-	-	-	-
Interest	-	-	4	34	560	384	-	-	-	-
Total revenues	-	-	217,234	256,181	394,918	88,917	468,924	71		
<b>EXPENDITURES</b>										
Salaries	-	-	99,418	166,550	37,151	32,645	283,725	-		
Benefits	-	-	7,610	5,331	2,417	4,036	49,872	-		
Purchased services	-	-	1,587	31,102	264,267	2,499	76,335	71		
Supplies and materials	-	-	-	53,198	55,597	8,893	36,325	-		
Payment to other governments	-	-	108,615	-	33,000	40,460	-	-		
Capital expenditures	-	-	-	-	2,486	-	13,062	-		
Miscellaneous	427	7	-	-	-	-	9,494	-		
Total expenditures	427	7	217,230	256,181	394,918	88,533	468,813	71		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(427)	(7)	4	-	-	384	111	-		
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>	427	7	-	2	-	-	(511)	-		
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>	\$ -	\$ -	\$ 4	\$ 2	\$ -	\$ 384	\$ (400)	\$ -		

**IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2005**

**SCHEDULE 5  
(CONTINUED)**

2004 Illinois  
Violence  
Prevention  
Authority  
(IVPA) Family  
Violence  
Coordinating  
Council

	Standards Aligned Classroom	Juvenile Justice Formula	Communities Can	Regional Safe Schools	General State Aid	K-6 Reading Improvement	Coordinating Council
<b>REVENUES</b>							
State sources	\$ -	\$ -	\$ -	\$ 124,657	\$ 329,575	\$ 13,925	\$ 919
Federal sources	118,600	-	-	82,062	79,945	-	-
Local sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Interest	207	-	-	68	55	6	-
Total revenues	118,807	-	-	206,787	409,575	13,931	919
<b>EXPENDITURES</b>							
Salaries	26,286	-	-	156,811	108,178	11,250	-
Benefits	742	-	-	11,154	12,927	27	-
Purchased services	78,279	16	-	25,301	272,859	1,652	443
Supplies and materials	-	97	-	13,523	10,877	1,002	727
Payment to other governments	13,500	-	-	-	-	-	-
Capital expenditures	-	-	-	-	4,679	-	-
Miscellaneous	-	-	5	-	-	-	-
Total expenditures	118,807	113	5	206,789	409,520	13,931	1,170

**EXCESS (DEFICIENCY) OF REVENUES  
OVER EXPENDITURES**

**FUND BALANCE (DEFICIT), UNRESERVED,  
BEGINNING OF YEAR**

**FUND BALANCE (DEFICIT), UNRESERVED,  
END OF YEAR**

	-	(113)	(5)	(2)	55	-	(251)
	-	113	5	240	(10)	-	251
\$	-	\$ -	\$ -	\$ 238	\$ 45	\$ -	\$ -

**IRROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2005**

**SCHEDULE 5  
(CONTINUED)**

	Title V - Innovative Programs - Formula	Title I - School Improvement & Accountability	Title I - Reading First Part B SEA Funds	Title IV - Community Service	Title IV - 21st Century Community Learning Center	Federal Special Education Discretionary	McKinney Education for Homeless Children
<b>REVENUES</b>							
State sources	-	-	-	-	-	-	-
Federal sources	103	874,644	51,796	-	1,059,941	191,302	183,624
Local sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Interest	-	4,594	97	-	684	184	121
Total revenues	103	879,238	51,893	-	1,060,625	191,486	183,745
<b>EXPENDITURES</b>							
Salaries	-	70,073	4,988	-	631,918	79,026	51,453
Benefits	-	10,664	656	-	77,793	16,109	8,919
Purchased services	103	379,602	36,715	7	301,215	93,465	20,135
Supplies and materials	-	158,297	13,171	-	52,581	956	6,208
Payment to other governments	-	260,602	-	-	-	-	91,799
Capital expenditures	-	-	-	-	-	1,746	5,110
Miscellaneous	-	-	-	-	-	-	-
Total expenditures	103	879,238	55,530	7	1,063,507	191,302	183,624
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	-	(3,637)	(7)	(2,882)	184	121
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>	-	-	(255)	7	-	-	15
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>	\$ -	\$ -	\$ (3,892)	\$ -	\$ (2,882)	\$ 184	\$ 136

**IRROUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2005**

**SCHEDULE 5  
(CONTINUED)**

**2005 Illinois  
Violence  
Prevention  
Authority  
(IVPA) Family  
Violence  
Coordinating  
Council**

	Title II - Teacher Quality	Addiction Prevention Comprehensive	Addiction Prevention In- Touch	Teen Reach	Title IV - 21st Century Community Learning Center Kankakee	Other State Programs	
<b>REVENUES</b>							
State sources	-	\$ 93,980	\$ 124,684	-	-	\$ 577,718	\$ 18,529
Federal sources	373	33,110	43,890	196,000	227,019	-	-
Local sources							
Other	-	-	-	100	-	-	-
Interest	-	43	22	14	-	222	21
Total revenues	373	127,133	168,596	196,114	227,019	577,940	18,550
<b>EXPENDITURES</b>							
Salaries	-	99,592	122,083	59,337	138,890	155,896	14,400
Benefits	-	5,111	23,173	12,387	18,006	18,024	1,102
Purchased services	376	5,022	19,427	121,485	51,428	97,605	2,499
Supplies and materials	-	17,425	3,922	2,791	10,822	69,694	528
Payment to other governments	-	-	-	-	-	228,164	-
Capital expenditures	-	-	-	-	-	8,335	-
Miscellaneous	-	-	-	-	-	-	-
Total expenditures	376	127,150	168,605	196,000	219,146	577,718	18,529
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(3)	(17)	(9)	114	7,873	222	21
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>	3	(701)	142	(102)	(7,873)	-	-
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>	-	\$ (718)	\$ 133	\$ 12	\$ -	\$ 222	\$ 21

IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2005

	Illinois Reading Academy	First - Coaches	Professional Development (Para- Professional Test Preparatory Course)	Title II - Professional Development	Title V - Innovative Programs SEA - SOS	Learn and Serve America	Americorps Learn and Serve Program	HUD Supplemental Housing	Total
<b>REVENUES</b>									
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,754,964
Federal sources	46,732	11,750	50,000	25,002	11,000	53,107			4,291,886
Local sources	-	-	-	-	-	-	-	-	2,500
Other	3	45	128	4	7	-	-	-	7,507
Interest	46,735	11,795	50,128	25,006	11,007	53,107			6,056,857
Total revenues									
<b>EXPENDITURES</b>									
Salaries	32,889	3,670	-	-	1,736	42,048			2,430,013
Benefits	5,705	536	-	-	133	7,044			299,478
Purchased services	5,246	5,830	571	10,949	1,859	4,015			1,911,965
Supplies and materials	2,903	2,626	7,552	13,132	4,112	-			546,959
Payment to other governments	-	-	40,256	-	-	-			816,396
Capital expenditures	-	-	1,621	921	3,167	-			41,127
Miscellaneous	-	-	-	-	-	-			9,933
Total expenditures	46,743	12,662	50,000	25,002	11,007	53,107			6,055,871

<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(8)	(867)	128	4	-	-	-	-	986
<b>FUND BALANCE (DEFICIT), UNRESERVED, BEGINNING OF YEAR</b>	-	-	-	-	-	-	-	-	(8,240)
<b>FUND BALANCE (DEFICIT), UNRESERVED, END OF YEAR</b>	\$ (8)	\$ (867)	\$ 128	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ (7,254)

IRROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 BUDGETARY COMPARISON SCHEDULES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Truants' Alternative Program			Summer Bridges			FY 2005 Title II - Teacher Quality Leadership Grant		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>									
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	217,230	217,230	-	218,415	253,747	35,332	210,134	88,533	(121,601)
Local sources	-	-	-	-	-	-	-	-	-
Other	-	4	4	-	2,400	2,400	-	-	-
Interest	-	4	4	-	34	34	-	-	-
Total revenues	217,230	217,234	4	218,415	256,181	37,766	210,134	88,917	(121,217)
<b>EXPENDITURES</b>									
Salaries	96,305	99,418	(3,113)	166,550	166,550	-	35,083	32,645	2,438
Benefits	10,837	7,610	3,227	5,317	5,331	(14)	4,156	4,036	120
Purchased services	1,473	1,587	(114)	26,548	31,102	(4,554)	152,526	2,499	150,027
Supplies and materials	-	-	-	20,000	53,198	(33,198)	18,369	8,893	9,476
Payments to other governments	108,615	108,615	-	-	-	-	-	40,460	(40,460)
Capital expenditures	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total expenditures	217,230	217,230	-	218,415	256,181	(37,766)	210,134	88,533	121,601
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ -	\$ 4	\$ 4	\$ -	\$ 2	\$ -	\$ -	\$ 384	\$ 384
<b>FUND BALANCE (DEFICIT), July 1, 2004</b>									
					2				
<b>FUND BALANCE (DEFICIT), June 30, 2005</b>	\$ -	\$ 4	\$ 4	\$ 2	\$ 2	\$ -	\$ -	\$ 384	\$ 384

IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 BUDGETARY FUND COMPARISON SCHEDULES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2005

SCHEDULE 6  
 (CONTINUED)

	Title IV - Safe and Drug Free Schools (Reduce Alcohol Abuse)			Title IV - Safe and Drug Free Schools (Formulas)			Regional Safe Schools		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>									
Federal sources	\$ 615,700	\$ 468,924	\$ (146,776)	\$ 71	\$ 71	\$ -	\$ 206,719	\$ 82,062	\$ (124,657)
State sources	-	-	-	-	-	-	-	124,657	124,657
Local sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	68	68
Total revenues	<u>615,700</u>	<u>468,924</u>	<u>(146,776)</u>	<u>71</u>	<u>71</u>	<u>-</u>	<u>206,719</u>	<u>206,787</u>	<u>68</u>
<b>EXPENDITURES</b>									
Salaries	320,200	283,725	36,475	-	-	-	156,811	156,811	-
Benefits	72,750	49,872	22,878	-	-	-	11,154	11,154	-
Purchased services	127,750	76,335	51,415	71	71	-	26,935	25,301	1,634
Supplies and materials	95,000	36,325	58,675	-	-	-	11,819	13,523	(1,704)
Payments to other governments	-	-	-	-	-	-	-	-	-
Capital expenditures	-	13,062	(13,062)	-	-	-	-	-	-
Miscellaneous	-	9,494	(9,494)	-	-	-	-	-	-
Total expenditures	<u>615,700</u>	<u>468,813</u>	<u>146,887</u>	<u>71</u>	<u>71</u>	<u>-</u>	<u>206,719</u>	<u>206,789</u>	<u>(70)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ -	\$ 111	\$ 111	\$ -	\$ -	\$ -	\$ -	\$ (2)	\$ (2)
<b>FUND BALANCE (DEFICIT), July 1, 2004</b>		(511)						240	
<b>FUND BALANCE (DEFICIT), June 30, 2005</b>		\$ (400)						\$ 238	



IRROUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
BUDGETARY COMPARISON SCHEDULES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2005

	K-6 Reading Improvement			Title V - Innovative Programs - Formula			Title I - School Improvement & Accountability		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>									
Federal sources	\$ -	\$ -	\$ -	\$ 103	\$ 103	\$ -	\$ 1,554,791	\$ 874,644	\$ (680,147)
State sources	13,925	13,925	-	-	-	-	-	-	-
Local sources	-	-	-	-	-	-	-	-	-
Other	-	-	6	-	-	-	-	-	-
Interest	-	6	6	-	-	-	-	4,594	4,594
Total revenues	13,925	13,931	6	103	103	-	1,554,791	879,238	(675,553)
<b>EXPENDITURES</b>									
Salaries	11,000	11,250	(250)	-	-	-	68,804	70,073	(1,269)
Benefits	300	27	273	-	-	-	10,216	10,664	(448)
Purchased services	1,500	1,652	(152)	103	103	-	1,133,117	379,602	753,515
Supplies and materials	1,125	1,002	123	-	-	-	342,654	158,297	184,357
Payments to other governments	-	-	-	-	-	-	-	260,602	(260,602)
Capital expenditures	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total expenditures	13,925	13,931	(6)	103	103	-	1,554,791	879,238	675,553
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCE (DEFICIT), July 1, 2004</b>	-	-	-	-	-	-	-	-	-
<b>FUND BALANCE (DEFICIT), June 30, 2005</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	Title I - Reading First Part B SEA Funds			Title IV - 21st Century Community Learning Center			Federal Special Education Discretionary		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>									
Federal sources	\$ 56,625	\$ 51,796	\$ (4,829)	\$ 959,000	\$ 1,059,941	\$ 100,941	\$ 185,000	\$ 191,302	\$ 6,302
State sources	-	-	-	-	-	-	-	-	-
Local sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Interest	-	97	97	-	-	684	-	-	184
Total revenues	<u>56,625</u>	<u>51,893</u>	<u>(4,732)</u>	<u>959,000</u>	<u>1,060,625</u>	<u>101,625</u>	<u>185,000</u>	<u>191,486</u>	<u>6,486</u>
<b>EXPENDITURES</b>									
Salaries	11,616	4,988	6,628	511,044	631,918	(120,874)	79,012	79,026	(14)
Benefits	1,513	656	857	68,013	77,793	(9,780)	16,095	16,109	(14)
Purchased services	30,136	36,715	(6,579)	292,390	301,215	(8,825)	87,000	93,465	(6,465)
Supplies and materials	13,360	13,171	189	87,553	52,581	34,972	1,143	956	187
Payments to other governments	-	-	-	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-	1,750	1,746	4
Miscellaneous	-	-	-	-	-	-	-	-	-
Total expenditures	<u>56,625</u>	<u>55,530</u>	<u>1,095</u>	<u>959,000</u>	<u>1,063,507</u>	<u>(104,507)</u>	<u>185,000</u>	<u>191,302</u>	<u>(6,302)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ -	\$ (3,637)	\$ (3,637)	\$ -	\$ (2,882)	\$ (2,882)	\$ -	\$ 184	\$ 184
<b>FUND BALANCE (DEFICIT), July 1, 2004</b>									
		(255)							
<b>FUND BALANCE (DEFICIT), June 30, 2005</b>	\$ -	\$ (3,892)	\$ (3,892)	\$ -	\$ (2,882)	\$ -	\$ -	\$ 184	\$ 184

IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
BUDGETARY COMPARISON SCHEDULES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2005

	McKinney Education for Homeless Children			Title II - Teacher Quality			Addition Prevention Comprehensive		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>									
Federal sources	\$ 183,624	\$ 183,624	\$ -	\$ 373	\$ 373	\$ -	\$ 33,110	\$ 33,110	\$ -
State sources	-	-	-	-	-	-	94,390	93,980	(410)
Local sources	-	-	-	-	-	-	-	-	-
Other	-	121	121	-	-	-	-	-	-
Interest	-	183,745	183,745	373	373	-	127,500	127,133	43
Total revenues	<u>183,624</u>	<u>183,745</u>	<u>121</u>	<u>373</u>	<u>373</u>	<u>-</u>	<u>127,500</u>	<u>127,133</u>	<u>(367)</u>
<b>EXPENDITURES</b>									
Salaries	50,450	51,453	(1,003)	-	-	-	99,000	99,592	(592)
Benefits	9,176	8,919	257	-	-	-	6,750	5,111	1,639
Purchased services	113,933	20,135	93,798	373	376	(3)	3,450	5,022	(1,572)
Supplies and materials	10,065	6,208	3,857	-	-	-	17,284	17,425	(141)
Payments to other governments	-	91,799	(91,799)	-	-	-	1,016	-	1,016
Capital expenditures	-	5,110	(5,110)	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total expenditures	<u>183,624</u>	<u>183,624</u>	<u>-</u>	<u>373</u>	<u>376</u>	<u>(3)</u>	<u>127,500</u>	<u>127,150</u>	<u>350</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ -	\$ 121	\$ 121	\$ -	\$ (3)	\$ (3)	\$ -	\$ (17)	\$ (17)
<b>FUND BALANCE (DEFICIT), July 1, 2004</b>		<u>15</u>			<u>3</u>			<u>(701)</u>	
<b>FUND BALANCE (DEFICIT), June 30, 2005</b>	\$ -	<u>136</u>		\$ -	<u>-</u>		\$ -	<u>(718)</u>	

IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
BUDGETARY COMPARISON SCHEDULES  
EDUCATION FUND ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2005

	Addiction Prevention In-Touch			Teen Reach			Other State Programs		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>									
Federal sources	\$ 43,890	\$ 43,890	\$ -	\$ 196,000	\$ 196,000	\$ -	\$ -	\$ -	\$ -
State sources	124,684	124,684	-	-	-	-	365,000	577,718	212,718
Local sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	100	100	100	-	-	-
Interest	-	22	22	14	14	14	-	-	222
Total revenues	<u>168,574</u>	<u>168,596</u>	<u>22</u>	<u>196,000</u>	<u>196,114</u>	<u>114</u>	<u>365,000</u>	<u>577,940</u>	<u>212,940</u>
<b>EXPENDITURES</b>									
Salaries	122,082	122,083	(1)	60,365	59,337	1,028	94,665	155,896	(61,231)
Benefits	22,633	23,173	(540)	13,538	12,387	1,151	13,507	18,024	(4,517)
Purchased services	20,081	19,427	654	5,800	121,485	(115,685)	209,053	97,605	11,448
Supplies and materials	3,778	3,922	(144)	2,797	2,791	6	45,485	69,694	(24,209)
Payments to other governments	-	-	-	113,500	-	113,500	-	228,164	(228,164)
Capital expenditures	-	-	-	-	-	-	2,290	8,335	(6,045)
Miscellaneous	-	-	-	-	-	-	-	-	-
Total expenditures	<u>168,574</u>	<u>168,605</u>	<u>(31)</u>	<u>196,000</u>	<u>196,000</u>	<u>-</u>	<u>365,000</u>	<u>577,718</u>	<u>(212,718)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ -	\$ (9)	\$ (9)	\$ -	\$ 114	\$ 114	\$ -	\$ 222	\$ 222
<b>FUND BALANCE (DEFICIT), July 1, 2004</b>		142		(102)					
<b>FUND BALANCE (DEFICIT), June 30, 2005</b>	\$ -	\$ 133		\$ 12			\$ -	\$ 222	

IRROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 BUDGETARY COMPARISON SCHEDULES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2005

SCHEDULE 6  
 (CONTINUED)

	Title V - Innovative Programs SEA - SDS			Learn and Serve America			Total
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	
<b>REVENUES</b>							
Federal sources	\$ 50,000	\$ 50,000	\$ -	\$ 25,002	\$ 25,002	\$ -	\$ 3,349,375
State sources	-	-	-	-	-	-	\$ 1,405,941
Local sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	2,500
Interest	-	128	128	-	4	4	6,609
Total revenues	50,000	50,128	128	25,002	25,006	4	4,764,425
<b>EXPENDITURES</b>							
Salaries	-	-	-	-	-	-	2,024,765
Benefits	-	-	-	-	-	-	250,866
Purchased services	42,165	571	41,594	11,480	10,949	531	1,225,217
Supplies and materials	6,835	7,552	(717)	12,602	13,132	(530)	458,670
Payments to other governments	-	40,256	(40,256)	-	-	-	769,896
Capital expenditures	1,000	1,621	(621)	920	921	(1)	30,795
Miscellaneous	-	-	-	-	-	-	9,494
Total expenditures	50,000	50,000	-	25,002	25,002	-	4,769,703
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ -	\$ 128	\$ 128	\$ -	\$ 4	\$ 4	\$ (5,278)
<b>FUND BALANCE (DEFICIT), July 1, 2004</b>	-	-	-	-	-	-	(1,167)
<b>FUND BALANCE (DEFICIT), June 30, 2005</b>	\$ -	\$ 128	\$ 128	\$ -	\$ 4	\$ 4	\$ (6,445)

IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2005

	General Education Development (GED)	Bus Driver Training	Supervisory	State Free Lunch and Breakfast	National School Lunch Program
<b>ASSETS</b>					
Cash	\$ 35,450	\$ 11,964	\$ -	\$ 395	\$ 2,331
Due from other governmental agencies	-	-	-	101	-
<b>TOTAL ASSETS</b>	<u>35,450</u>	<u>11,964</u>	<u>-</u>	<u>496</u>	<u>2,331</u>
<b>FUND BALANCES</b>					
Fund balances, unreserved	35,450	11,964	-	496	2,331
<b>TOTAL FUND BALANCES</b>	<u>\$ 35,450</u>	<u>\$ 11,964</u>	<u>\$ -</u>	<u>\$ 496</u>	<u>\$ 2,331</u>

IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2005

	Project Care Healthy Decision	Life Education Center (LEC) USA	Education Service Center (ESC) Transition	Reorganization Incentive Feasibility Study	Institute	Total
<b>ASSETS</b>						
Cash	\$ 3,828	\$ 36,273	\$ -	\$ -	\$ 106,193	\$ 196,434
Due from other governmental agencies	-	-	-	-	-	101
<b>TOTAL ASSETS</b>	<u>3,828</u>	<u>36,273</u>	<u>-</u>	<u>-</u>	<u>106,193</u>	<u>196,535</u>
<b>FUND BALANCES</b>						
Fund balances, unreserved	3,828	36,273	-	-	106,193	196,535
<b>TOTAL FUND BALANCES</b>	<u>\$ 3,828</u>	<u>\$ 36,273</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,193</u>	<u>\$ 196,535</u>

**IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005**

SCHEDULE 8

	General Education Development (GED)	Bus Driver Training	Supervisory	State Free Lunch and Breakfast	National School Lunch Program
<b>REVENUES</b>					
Federal sources	-	-	-	-	9,660
State sources	-	1,200	2,000	565	-
Local sources					
Fees for services	8,726	2,734	-	-	-
Other	66	-	-	-	-
Interest	365	124	1	2	15
Total revenues	<u>9,157</u>	<u>4,058</u>	<u>2,001</u>	<u>567</u>	<u>9,675</u>
<b>EXPENDITURES</b>					
Purchased services	3,646	2,368	2,000	507	-
Supplies and materials	2,414	170	1	-	-
Miscellaneous	-	-	-	-	-
Payments to other government	-	-	-	-	9,665
Capital expenditure	-	-	-	-	-
Total expenditures	<u>6,060</u>	<u>2,538</u>	<u>2,001</u>	<u>507</u>	<u>9,665</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	3,097	1,520	-	60	10
<b>FUND BALANCES, UNRESERVED, BEGINNING OF YEAR</b>	32,353	10,444	-	436	2,321
<b>FUND BALANCES, UNRESERVED, END OF YEAR</b>	<u>\$ 35,450</u>	<u>\$ 11,964</u>	<u>\$ -</u>	<u>\$ 496</u>	<u>\$ 2,331</u>



**IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32**  
**SCHEDULE 8**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**(CONTINUED)**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

	Project Care Healthy Decision	Life Education Center (LEC)		Education Service Center (ESC)		Reorganization Incentive Feasibility Study	Institute	Total
		USA	Transition	Transition	Transition			
<b>REVENUES</b>								
Federal sources	-	\$ -	\$ -	-	-	\$ -	-	\$ 9,660
State sources	-	-	-	-	-	4,000	-	7,765
Local sources								
Fees for services	-	-	-	-	-	-	46,072	57,532
Other	3	-	-	-	-	-	-	69
Interest	18	169	169	2	2	3	369	1,068
Total revenues	21	169	169	2	2	4,003	46,441	76,094
<b>EXPENDITURES</b>								
Purchased services	432	-	-	285	-	4,000	5,075	18,313
Supplies and materials	-	-	-	26	-	3	1,035	3,649
Miscellaneous	-	-	-	-	-	-	4,315	4,315
Payments to other government	-	-	-	-	-	-	-	9,665
Capital expenditure	-	-	-	2,295	-	-	-	2,295
Total expenditures	432	-	-	2,606	-	4,003	10,425	38,237
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(411)	169	169	(2,604)	-	-	36,016	37,857
<b>FUND BALANCES, UNRESERVED, BEGINNING OF YEAR</b>	4,239	36,104	36,104	2,604	-	-	70,177	158,678
<b>FUND BALANCES, UNRESERVED, END OF YEAR</b>	\$ 3,828	\$ 36,273	\$ 36,273	\$ -	\$ -	\$ -	\$ 106,193	\$ 196,535

IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 COMBINING STATEMENT OF NET ASSETS  
 NON-MAJOR PROPRIETARY FUNDS  
 JUNE 30, 2005

SCHEDULE 9

	Fluoride Fund	Technology Hub Fees	Internal Review Workshops	Internet Connectivity	Administrator's Academy Local Revenue	Career Awareness and Development Workshop
ASSETS						
Current Assets						
Cash	\$ 741	\$ -	\$ -	\$ 3,894	\$ 36,941	\$ 8,404
Due from other governmental agencies	-	-	-	-	-	-
Total current assets	741	-	-	3,894	36,941	8,404
Noncurrent assets						
Capital assets, net	-	1,624	-	-	-	-
<b>TOTAL ASSETS</b>	<b>741</b>	<b>1,624</b>	<b>-</b>	<b>3,894</b>	<b>36,941</b>	<b>8,404</b>
NET ASSETS						
Invested in capital assets	-	1,624	-	-	-	-
Unrestricted	741	-	-	3,894	36,941	8,404
<b>TOTAL NET ASSETS</b>	<b>741</b>	<b>1,624</b>	<b>-</b>	<b>3,894</b>	<b>36,941</b>	<b>8,404</b>

IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR PROPRIETARY FUNDS  
JUNE 30, 2005

	School Lunch Student Payments	Regional Automation Advisory Committee (RAAC) Activity Fund	Service Provided - Standards	RAAC Renaissance Program	Service Provided - Behavioral Interventions and Support	School Crises Assistance Team (SCAT) Donations
Current Assets						
Cash	\$ 2,134	\$ 91	\$ 10,443	\$ 79	\$ 11,176	\$ 2,428
Due from other governmental agencies	-	-	-	-	-	-
Total current assets	<u>2,134</u>	<u>91</u>	<u>10,443</u>	<u>79</u>	<u>11,176</u>	<u>2,428</u>
Noncurrent assets						
Capital assets, net	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u><u>2,134</u></u>	<u><u>91</u></u>	<u><u>10,443</u></u>	<u><u>79</u></u>	<u><u>11,176</u></u>	<u><u>2,428</u></u>
<b>NET ASSETS</b>						
Invested in capital assets	-	-	-	-	-	-
Unrestricted	<u>2,134</u>	<u>91</u>	<u>10,443</u>	<u>79</u>	<u>11,176</u>	<u>2,428</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ 2,134</u></u>	<u><u>\$ 91</u></u>	<u><u>\$ 10,443</u></u>	<u><u>\$ 79</u></u>	<u><u>\$ 11,176</u></u>	<u><u>\$ 2,428</u></u>

IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 COMBINING STATEMENT OF NET ASSETS  
 NON-MAJOR PROPRIETARY FUNDS  
 JUNE 30, 2005

SCHEDULE 9  
 (CONTINUED)

	21st Century Learning Center Activity	Reading Recovery Fees	Children and Adolescent Local Area Network System (C & A LANS)	Miscellaneous Local Fees	In-Touch Revenue	Title I Workshops
ASSETS						
Current Assets						
Cash	\$ 2,997	\$ 4,157	\$ 780	\$ 549	\$ -	\$ 232
Due from other governmental agencies	-	-	-	66	-	-
Total current assets	2,997	4,157	780	615	-	232
Noncurrent assets						
Capital assets, net	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>2,997</b>	<b>4,157</b>	<b>780</b>	<b>615</b>	<b>-</b>	<b>232</b>
NET ASSETS						
Invested in capital assets	-	-	-	-	-	-
Unrestricted	2,997	4,157	780	615	-	232
<b>TOTAL NET ASSETS</b>	<b>\$ 2,997</b>	<b>\$ 4,157</b>	<b>\$ 780</b>	<b>\$ 615</b>	<b>\$ -</b>	<b>\$ 232</b>

IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 COMBINING STATEMENT OF NET ASSETS  
 NON-MAJOR PROPRIETARY FUNDS  
 JUNE 30, 2005

SCHEDULE 9  
 (CONTINUED)

	Service Provided - Homeless	Service Provided - Goals 2000	Teen Reach Local Program	Para- Professional Workshop Fees	Reading First Academy Workshops	Local Induction / Mentoring Training Fees
<b>ASSETS</b>						
Current Assets						
Cash	\$ -	\$ 18,557	\$ 243	\$ 13,649	\$ 8,367	\$ 9,196
Due from other governmental agencies	-	-	-	-	-	-
Total current assets	-	18,557	243	13,649	8,367	9,196
Noncurrent assets						
Capital assets, net	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	-	18,557	243	13,649	8,367	9,196
<b>NET ASSETS</b>						
Invested in capital assets	-	-	-	-	-	-
Unrestricted	-	18,557	243	13,649	8,367	9,196
<b>TOTAL NET ASSETS</b>	-	18,557	243	13,649	8,367	9,196

IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 COMBINING STATEMENT OF NET ASSETS  
 NON-MAJOR PROPRIETARY FUNDS  
 JUNE 30, 2005

SCHEDULE 9  
 (CONTINUED)

	Behavioral Interventions and Support Workshop	RAAC Learn and Serve Workshop	Criminal Background Investigation	Service Provided - Alcohol Reduction	Service Provided - HUD	Total
ASSETS						
Current Assets						
Cash	\$ 648	\$ -	\$ -	\$ 1	\$ 1,125	\$ 136,832
Due from other governmental agencies	-	-	-	-	-	66
Total current assets	648	-	-	1	1,125	136,898
Noncurrent assets						
Capital assets, net	-	-	-	-	-	1,624
<b>TOTAL ASSETS</b>	<b>648</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1,125</b>	<b>138,522</b>
NET ASSETS						
Invested in capital assets	-	-	-	-	-	1,624
Unrestricted	648	-	-	1	1,125	136,898
<b>TOTAL NET ASSETS</b>	<b>\$ 648</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 1,125</b>	<b>\$ 138,522</b>

IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 NON-MAJOR PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Fluoride Fund	Technology Hub Fees	Internal Review Workshops	Internet Connectivity	Administrator's Academy Local Revenue	Career Awareness and Development Workshop
<b>OPERATING REVENUES</b>						
Local sources	\$ 5,352	\$ -	\$ -	\$ 3,400	\$ 8,805	\$ -
<b>OPERATING EXPENSES</b>						
Salaries	-	-	19,915	-	-	-
Benefits	-	-	300	-	-	-
Purchased services	122	123	424	2,933	6,134	33
Supplies and materials	4,499	-	45	-	682	-
Miscellaneous	-	-	-	-	-	-
Depreciation	-	1,163	-	-	-	-
Total operating expenses	4,621	1,286	20,684	2,933	6,816	33
<b>OPERATING INCOME (LOSS)</b>	731	(1,286)	(20,684)	467	1,989	(33)
<b>NONOPERATING REVENUES</b>						
Interest income	7	-	69	50	389	88
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	738	(1,286)	(20,615)	517	2,378	55
<b>OPERATING TRANSFERS</b>						
Transfers in (out)	-	-	3,399	-	-	-
<b>CHANGE IN NET ASSETS</b>	738	(1,286)	(17,216)	517	2,378	55
<b>TOTAL NET ASSETS, July 1, 2004</b>	3	2,910	17,216	3,377	34,563	8,349
<b>TOTAL NET ASSETS, June 30, 2005</b>	\$ 741	\$ 1,624	\$ -	\$ 3,894	\$ 36,941	\$ 8,404

IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
NON-MAJOR PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005

	School Lunch Student Payments	Regional Automation Advisory Committee (RAAC) Activity Fund	Service Provided - Standards	RAAC Renaissance Program	Service Provided - Behavioral Interventions and Support	School Crises Assistance Team (SCAT) Donations
<b>OPERATING REVENUES</b>						
Local sources	\$ 1,629	\$ 783	\$ 12,000	\$ -	\$ 3,000	\$ 1,501
<b>OPERATING EXPENSES</b>						
Salaries	-	-	-	-	-	-
Benefits	-	-	-	-	-	-
Purchased services	794	637	-	-	-	363
Supplies and materials	-	453	-	-	-	28
Miscellaneous	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Total operating expenses	794	1,090	-	-	-	391
<b>OPERATING INCOME (LOSS)</b>	835	(307)	12,000	-	3,000	1,110
<b>NONOPERATING REVENUES</b>						
Interest income	10	1	46	1	95	10
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	845	(306)	12,046	1	3,095	1,120
<b>OPERATING TRANSFERS</b>						
Transfers in (out)	-	-	(3,399)	-	-	-
<b>CHANGE IN NET ASSETS</b>	845	(306)	8,647	1	3,095	1,120
<b>TOTAL NET ASSETS, July 1, 2004</b>	1,289	397	1,796	78	8,081	1,308
<b>TOTAL NET ASSETS, June 30, 2005</b>	\$ 2,134	\$ 91	\$ 10,443	\$ 79	\$ 11,176	\$ 2,428



**IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**NON-MAJOR PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

SCHEDULE 10  
(CONTINUED)

	21st Century Learning Center Activity	Reading Recovery Fees	Children and Adolescent Local Area Network System (C & A LANS)	Miscellaneous Local Fees	In-Touch Revenue	Title I Workshops
<b>OPERATING REVENUES</b>						
Local sources	\$ 1,255	\$ 9,076	\$ 1	\$ 13,725	\$ -	\$ 130
<b>OPERATING EXPENSES</b>						
Salaries	5,486	6,028	-	6,264	-	-
Benefits	523	423	-	2,824	-	-
Purchased services	5,259	418	-	152	773	-
Supplies and materials	615	188	-	-	252	-
Miscellaneous	-	2,000	-	-	-	-
Depreciation	-	-	-	-	-	-
Total operating expenses	11,883	9,057	-	9,240	1,025	-
<b>OPERATING INCOME (LOSS)</b>	(10,628)	19	1	4,485	(1,025)	130
<b>NONOPERATING REVENUES</b>						
Interest income	33	27	3	17	4	2
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	(10,595)	46	4	4,502	(1,021)	132
<b>OPERATING TRANSFERS</b>						
Transfers in (out)	-	-	-	-	-	-
<b>CHANGE IN NET ASSETS</b>	(10,595)	46	4	4,502	(1,021)	132
<b>TOTAL NET ASSETS, July 1, 2004</b>	13,592	4,111	776	(3,887)	1,021	100
<b>TOTAL NET ASSETS, June 30, 2005</b>	\$ 2,997	\$ 4,157	\$ 780	\$ 615	\$ -	\$ 232

**IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**NON-MAJOR PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

SCHEDULE 10  
(CONTINUED)

	Service Provided - Homeless	Service Provided - Goals 2000	Teen Reach Local Program	Para- Professional Workshop Fees	Reading First Academy Workshops	Local Induction / Mentoring Training Fees
<b>OPERATING REVENUES</b>						
Local sources	\$ -	\$ 22,350	\$ 242	\$ 11,080	\$ 7,830	\$ 19,212
<b>OPERATING EXPENSES</b>						
Salaries	-	-	-	-	-	-
Benefits	-	10	-	-	-	-
Purchased services	-	9,094	-	-	180	7,426
Supplies and materials	1	1,489	-	-	29	2,858
Miscellaneous	-	-	-	-	70	-
Depreciation	-	-	-	-	-	-
Total operating expenses	1	10,593	-	-	279	10,284
<b>OPERATING INCOME (LOSS)</b>	(1)	11,757	242	11,080	7,551	8,928
<b>NONOPERATING REVENUES</b>						
Interest income	-	172	1	95	45	68
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	(1)	11,929	243	11,175	7,596	8,996
<b>OPERATING TRANSFERS</b>						
Transfers in (out)	-	-	-	-	-	-
<b>CHANGE IN NET ASSETS</b>	(1)	11,929	243	11,175	7,596	8,996
<b>TOTAL NET ASSETS, July 1, 2004</b>	1	6,628	-	2,474	771	200
<b>TOTAL NET ASSETS, June 30, 2005</b>	-	\$ 18,557	\$ 243	\$ 13,649	\$ 8,367	\$ 9,196

**IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**NON-MAJOR PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**SCHEDULE 10**  
**(CONTINUED)**

	Behavioral Interventions and Support Workshop	RAAC Learn and Serve Workshop	Criminal Background Investigation	Service Provided - Alcohol Reduction	Service Provided - HUD	Total
<b>OPERATING REVENUES</b>						
Local sources	\$ 2,300	\$ 250	\$ 8,495	\$ 3,664	\$ 1,125	\$ 137,205
<b>OPERATING EXPENSES</b>						
Salaries	-	-	-	-	-	37,693
Benefits	-	-	-	-	-	4,080
Purchased services	1,667	-	10,126	-	-	46,658
Supplies and materials	-	250	-	3,672	-	15,061
Miscellaneous	-	-	-	-	-	2,070
Depreciation	-	-	-	-	-	1,163
Total operating expenses	1,667	250	10,126	3,672	-	106,725
<b>OPERATING INCOME (LOSS)</b>	633	-	(1,631)	(8)	1,125	30,480
<b>NONOPERATING REVENUES</b>						
Interest income	15	-	-	9	-	1,257
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	648	-	(1,631)	1	1,125	31,737
<b>OPERATING TRANSFERS</b>						
Transfers in (out)	-	-	8,874	-	-	8,874
<b>CHANGE IN NET ASSETS</b>	648	-	7,243	1	1,125	40,611
<b>TOTAL NET ASSETS, July 1, 2004</b>	-	-	(7,243)	-	-	97,911
<b>TOTAL NET ASSETS, June 30, 2005</b>	\$ 648	\$ -	\$ -	\$ 1	\$ 1,125	\$ 138,522

IRROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

SCHEDULE 11

Fluoride Fund	Technology		Internal		Internet		Administrator's		Career	
	Hub Fees	Workshops	Review	Workshops	Connectivity	Academy Local	Revenue	Awareness and	Development	Workshop
\$ 5,352	\$ -	\$ -	\$ -	\$ -	\$ 3,400	\$ 8,805	\$ -	\$ -	\$ -	\$ -
(4,621)	(123)	(769)	(19,915)	(20,684)	(2,933)	(6,816)	(33)	(33)	(33)	(33)
731	(123)	(20,684)	467	1,989						
-	-	3,399	-	-	-	-	-	-	-	-
-	-	3,399	-	-	-	-	-	-	-	-
7	-	69	50	389	50	389	88	88	88	88
7	-	69	50	389	50	389	88	88	88	88
738	(123)	(17,216)	517	2,378						
3	123	17,216	3,377	34,563						
\$ 741	\$ -	\$ -	\$ 3,894	\$ 36,941	\$ 3,894	\$ 36,941	\$ 8,404	\$ 8,404	\$ 8,404	\$ 8,404
\$ 731	\$ (1,286)	\$ (20,684)	\$ 467	\$ 1,989	\$ 467	\$ 1,989	\$ (33)	\$ (33)	\$ (33)	\$ (33)
-	1,163	-	-	-	-	-	-	-	-	-
731	(123)	(20,684)	467	1,989	467	1,989	(33)	(33)	(33)	(33)

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Receipts for workshops/services  
 Payment to suppliers  
 Payment to employees  
 Net cash provided by (used in) operating activities

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Cash transfers from (to) other funds  
 Net cash provided by (used in) non capital financing activities

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Interest  
 Net cash provided by investing activities

**NET INCREASE (DECREASE) IN CASH**

**CASH, BEGINNING OF YEAR**

**CASH, END OF YEAR**

**Reconciliation of operating income (loss) to net cash provided by**

(used in) operating activities:  
 Operating income (loss)  
 Adjustments to reconcile operating income (loss) to net cash  
 provided by (used in) operating activities:  
 Depreciation  
 Effects of changes in assets and liabilities:  
 Due to other governmental agencies  
 Net cash provided by (used in) operating activities

IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

SCHEDULE II  
 (CONTINUED)

	School Lunch Student Payments	Regional Automation Advisory Committee (RAAC) Activity Fund	Service Provided - Standards	RAAC Renaissance Program	Service Provided - Behavioral Interventions and Support	School Crises Assistance Team (SCAT) Donations
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts for workshops/services	\$ 1,629	\$ 783	\$ 12,000	\$ -	\$ 3,000	\$ 1,501
Payment to suppliers	(794)	(1,090)	-	-	-	(391)
Payment to employees	-	-	-	-	-	-
Net cash provided by (used in) operating activities	835	(307)	12,000	-	3,000	1,110
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Cash transfers from (to) other funds	-	-	(3,399)	-	-	-
Net cash provided by (used in) non capital financing activities	-	-	(3,399)	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest	10	1	46	1	95	10
Net cash provided by investing activities	10	1	46	1	95	10
NET INCREASE (DECREASE) IN CASH	845	(306)	8,647	1	3,095	1,120
CASH, BEGINNING OF YEAR	1,289	397	1,796	78	8,081	1,308
CASH, END OF YEAR	\$ 2,134	\$ 91	\$ 10,443	\$ 79	\$ 11,176	\$ 2,428
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 835	\$ (307)	\$ 12,000	\$ -	\$ 3,000	\$ 1,110
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	-	-	-	-	-
Effects of changes in assets and liabilities:						
Due to other governmental agencies	-	-	-	-	-	-
Net cash provided by (used in) operating activities	\$ 835	\$ (307)	\$ 12,000	\$ -	\$ 3,000	\$ 1,110





IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005

	Behavioral Interventions and Support Workshop	RAAC Learn and Serve Workshop	Criminal Background Investigation	Service Provided - Alcohol Reduction	Service Provided - HUD	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Receipts for workshops/services	\$ 2,300	\$ 250	\$ 8,470	\$ 3,664	\$ 1,125	\$ 137,178
Payment to suppliers	(1,667)	(250)	(10,126)	(3,672)	-	(67,869)
Payment to employees	-	-	-	-	-	(37,693)
Net cash provided by (used in) operating activities	633	-	(1,656)	(8)	1,125	31,616
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Cash transfers from (to) other funds	-	-	8,874	-	-	8,874
Net cash provided by (used in) non capital financing activities	-	-	8,874	-	-	8,874
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Interest	15	-	-	9	-	1,257
Net cash provided by investing activities	15	-	-	9	-	1,257
<b>NET INCREASE (DECREASE) IN CASH</b>	648	-	7,218	1	1,125	41,747
<b>CASH, BEGINNING OF YEAR</b>	-	-	(7,218)	-	-	95,085
<b>CASH, END OF YEAR</b>	\$ 648	\$ -	\$ -	\$ 1	\$ 1,125	\$ 136,832
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	\$ 633	\$ -	\$ (1,631)	\$ (8)	\$ 1,125	\$ 30,480
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	-	-	-	-	1,163
Effects of changes in assets and liabilities:						
Due to other governmental agencies	-	-	(25)	-	-	(27)
Net cash provided by (used in) operating activities	\$ 633	\$ -	\$ (1,656)	\$ (8)	\$ 1,125	\$ 31,616



IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 AGENCY FUNDS  
 JUNE 30, 2005

	<u>Distributive</u>	<u>Petitions for Detachment and Annexation</u>	<u>Scholarship Fund</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS</b>					
Cash	\$ 3,383	\$ 1	\$ 3,686	\$ 135,765	\$ 142,835
<b>LIABILITIES</b>					
Due to other government agencies	\$ 3,383	\$ 1	\$ 3,686	\$ 135,765	\$ 142,835

**IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**SCHEDULE 13**

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2005</u>
<b>DISTRIBUTIVE</b>				
<b>ASSETS</b>				
Cash	\$ 1,442	\$ 5,190,864	\$ 5,188,923	\$ 3,383
<b>LIABILITIES</b>				
Due to other government agencies	\$ 1,442	\$ 5,190,864	\$ 5,188,923	\$ 3,383
<b>PETITIONS FOR DETACHMENT AND ANNEXATION</b>				
<b>ASSETS</b>				
Cash	\$ 1,918	\$ 417	\$ 2,334	\$ 1
<b>LIABILITIES</b>				
Due to other government agencies	\$ 1,918	\$ 417	\$ 2,334	\$ 1
<b>SCHOLARSHIP FUND</b>				
<b>ASSETS</b>				
Cash	\$ 3,648	\$ 38	\$ -	\$ 3,686
<b>LIABILITIES</b>				
Due to other government agencies	\$ 3,648	\$ 38	\$ -	\$ 3,686
<b>PAYROLL</b>				
<b>ASSETS</b>				
Cash	\$ 18,605	\$ 3,346,172	\$ 3,229,012	\$ 135,765
<b>LIABILITIES</b>				
Due to other government agencies	\$ 18,605	\$ 3,346,172	\$ 3,229,012	\$ 135,765
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash	\$ 25,613	\$ 8,537,491	\$ 8,420,269	\$ 142,835
<b>LIABILITIES</b>				
Due to other government agencies	\$ 25,613	\$ 8,537,491	\$ 8,420,269	\$ 142,835

IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES  
 DISTRIBUTIVE FUND  
 FOR THE YEAR ENDED JUNE 30, 2005

SCHEDULE 14

Program	I-KAN ROE #32	Iroquois Area Del #370	Kankakee Career Center	Kankakee Reg. System #120	Totals
General State Aid	\$ 479,671	\$ -	\$ -	\$ -	\$ 479,671
Vocational Education - Sec. Program Imp.	-	138,381	-	652,116	790,497
Vocational Education - Agriculture Ed. Incentive	-	10,941	-	10,999	21,940
State Free Lunch and Breakfast	540	-	-	-	540
Transportation - Regular	-	-	18,196	-	18,196
ROE School Bus Driver Training	1,200	-	-	-	1,200
Truants Alternative Optional Education	217,230	-	-	-	217,230
Alternative Education	245,577	-	-	-	245,577
K - 6 Reading Improvement - Reading Recovery	13,925	-	-	-	13,925
ROE / ISC Operations	79,987	-	-	-	79,987
Supervisory Fund	2,000	-	-	-	2,000
Summer Bridges	218,415	-	-	-	218,415
Bridges Extended Learning Opportunities	-	-	-	-	-
Other Restricted Grant - In - Aid from State Sources	445,800	-	-	-	445,800
IASA Title VI - Formula	103	-	-	-	103
IASA Title VI - SEA	15,000	-	-	-	15,000
Title V - Innovative Programs (SOS)	15,539	-	-	-	15,539
National School Lunch	9,660	-	-	-	9,660
Title I - School Improvement & Accountability	787,682	-	-	-	787,682
Title I - Reading First Part B SEA Funds	33,065	-	-	-	33,065
IL Reading First Acad. Statewide Delivery	33,942	-	-	-	33,942
Safe & Drug Free Schools Title VI	71	-	-	-	71
NCLB Title IV - IL Comm. Learn & Serve	9,629	-	-	-	9,629
NCLB 21st Century CLC	959,000	-	-	-	959,000
V. E. Perkins Title II Secondary	-	63,435	-	260,540	323,975
Lear and Serve America	22,502	-	-	-	22,502
McKinney Ed. For Homeless Children	183,624	-	-	-	183,624
Title II - Teacher Quality	373	-	-	-	373
Title II - Professional Development	154,550	-	-	-	154,550
Title II - Math & Science Competitive	12,300	-	-	-	12,300
Title II - Teacher Quality SEA (SOS)	92,930	-	-	-	92,930
<b>Total</b>	<b>\$ 4,034,315</b>	<b>\$ 212,757</b>	<b>\$ 18,196</b>	<b>\$ 923,655</b>	<b>\$ 5,188,923</b>

**IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2005**

**SCHEDULE 15**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through Number	FY 2005 Expenditures
<b><u>DEPARTMENT OF EDUCATION</u></b>			
Safe and Drug-Free Schools and Communities_National Programs <i>Title IV - Safe and Drug Free Schools (Reduce Alcohol Abuse)</i>	84.184A	2005-4400-01	\$ 468,813
Title I Grants to Local Educational Agencies Passed-Through Illinois State Board of Education <i>Title I - School Improvement &amp; Accountability</i>	(M) 84.010A	2005-4331-SS	874,644
Safe and Drug-Free Schools and Communities_State Grants Passed-Through Illinois State Board of Education <i>Title IV - Safe &amp; Drug Free Schools (Formula)</i>	84.186A	2005-4400-00	71
Education for Homeless Children and Youth Passed-Through Illinois State Board of Education <i>McKinney Education for Homeless Children</i>	84.196A	2005-4920-00	183,624
State Grants for Innovative Programs Passed-Through Illinois State Board of Education <i>Title V - Innovative Programs - Formula</i>	84.298A	2005-4100-00	103
<i>Title V - Innovative Programs - SEA Projects</i>	84.298A	2005-4105-SS	50,000
Passed-Through Clark, Coles, Cumberland, Douglas, Edgar, Moultrie and Shelby Counties Regional Office of Education No. 11 <i>Standards Aligned Classroom</i>	84.298A	2005-4999-00	118,600 <u>168,703</u>
Reading First State Grants Passed-Through Illinois State Board of Education <i>Title I - Reading First Part B SEA Funds</i>	84.357A	2004-4337-02	19,371
<i>Title I - Reading First Part B SEA Funds</i>	84.357A	2005-4337-00	15,183
<i>Title I - Reading First Part B SEA Funds</i>	84.357A	2005-4337-02	17,242
Passed-Through Macon-Pitatt Counties Regional Office of Education No. 39 <i>Illinois Reading First</i>	84.357A	2005-4337-00	46,732 <u>98,528</u>
Twenty-First Century Community Learning Centers <i>Title IV - 21st Century Community Learning Centers - Kankakee</i>	(M) 84.287C	2005-4999-26	219,146
Passed-Through Illinois State Board of Education <i>Title IV - 21st Century Community Learning Centers</i>	(M) 84.287C	2004-4421-04	100,941
<i>Title IV - 21st Century Community Learning Centers</i>	(M) 84.287C	2005-4421-00	500,000
<i>Title IV - 21st Century Community Learning Centers</i>	(M) 84.287C	2005-4421-04	309,000
<i>Title IV - 21st Century Community Learning Centers</i>	(M) 84.287C	2005-4421-05	150,000 <u>1,279,087</u>
Special Education_Grants to States Passed-Through Northern Suburban Special Education District <i>Federal Special Education - I.D.E.A. - Discretionary</i>	84.027A	2005-4630-02	191,302

**IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2005**

**SCHEDULE 15  
 (CONTINUED)**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through Number	FY 2005 Expenditures
<b>Improving Teacher Quality State Grants</b>			
Passed-Through Illinois State Board of Education			
<i>Title II - Teacher Quality</i>	(M) 84.367A	2005-4932-00	373
<i>Title II - Teacher Quality - Leadership Grant</i>	(M) 84.367A	2004-4935-01	394,358
<i>Title II - Teacher Quality - Leadership Grant</i>	(M) 84.367A	2005-4935-SS	88,533
Passed-Through Illinois Community College Board			
<i>Title II - Professional Development</i>			11,750
<i>(ParaProfessional Test Preparatory Course)</i>	(M) 84.367A	2005-4999-30	<u>495,014</u>
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<b>\$ 3,759,786</b>
<b><u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
Temporary Assistance for Needy Families			
Passed-Through Illinois State Board of Education			
<i>Regional Safe Schools (TANF)</i>	(M) 93.558	2005-3696-00	\$ 82,062
<i>Regional Safe Schools - General State Aid - Sec. 18-8 (TANF)</i>	(M) 93.558	2005-3001-93	79,945
Passed-Through Illinois Department of Human Services			
<i>Teen Reach</i>	(M) 93.558	2005-4999-20	<u>196,000</u>
			<u>358,007</u>
Block Grants for Prevention and Reduction of Substance Abuse			
Passed-Through Illinois Department of Human Services			
<i>Addiction Prevention Comprehensive</i>	93.959	2005-4999-12	33,110
<i>Addiction Prevention In-Touch</i>	93.959	2005-4999-20	<u>43,890</u>
			<u>77,000</u>
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>\$ 435,007</b>
<b><u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u></b>			
Learn and Serve America School and Community Based Programs			
Passed-Through Illinois State Board of Education			
<i>Learn and Serve America</i>	94.004	2005-4910-00	\$ 25,002
Passed-Through Illinois Department of Human Services			
<i>Americorps Learn and Serve America</i>	94.004	2004-4999-31	5,000
<i>Americorps Learn and Serve America</i>	94.004	2005-4999-31	<u>6,000</u>
			<u>36,002</u>
<b>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>			<b>\$ 36,002</b>
<b><u>DEPARTMENT OF AGRICULTURE</u></b>			
National School Lunch Program			
Passed-Through Illinois State Board of Education			
<i>National School Lunch</i>	10.555	2005-4210-00	\$ 9,660
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<b>\$ 9,660</b>

**IROQUOIS-KANKAKEE COUNTIES REGIONAL OFFICE OF EDUCATION NO. 32  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2005**

**SCHEDULE 15  
 (CONTINUED)**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through Number	FY 2005 Expenditures
<b><u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>			
Supportive Housing Program <i>Supplemental Housing</i>	14.235		<u>\$ 53,107</u>
<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u>\$ 53,107</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 4,293,562</u>

(M) Program was audited as major program.

*The accompanying notes are an integral part of this schedule.*

**IROQUOIS/KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2005**

**Note 1. Reporting Entity Basis of Presentation and Accounting**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Iroquois-Kankakee Counties Regional Office of Education No. 32 and is prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**Note 2. Subrecipients**

The Iroquois-Kankakee Counties Regional Office of Education No. 32 provided federal awards totaling \$334,597 to the following:

<u>Grant Title / CFDA #</u>	<u>Champaign- Ford Counties Regional Office of Education No. 9</u>	<u>Clark, Coles, Cumberland, Douglas, Edgar, Moultrie and Shelby Counties Regional Office of Education No. 11</u>	<u>Macon/Piatt Counties Regional Office of Education No. 39</u>	<u>DeWitt, Livingston and McLean Counties Regional Office of Education No. 17</u>	<u>Total</u>
Title V - Innovative Programs - SEA Projects (CFDA #84.298)	\$ —	\$ 8,023	\$ 8,332	\$ 8,234	\$ 24,589
Title I - School Improvement & Accountability (CFDA #84.010A)	—	102,296	84,655	—	186,951
McKinney Education for Homeless Children (CFDA #84.196A)	49,867	—	—	—	49,867
Title II - Teacher Quality - Leadership Grant (CFDA #84.367A)	—	40,190	—	33,000	73,190
<b>Total</b>	<u>\$ 49,867</u>	<u>\$ 150,509</u>	<u>\$ 92,987</u>	<u>\$ 41,234</u>	<u>\$ 334,597</u>

**IROQUOIS/KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2005**

**Note 3. Description of Major Federal Programs**

Title IV - 21st Century Community Learning Center is a federal grant given by the Department of Education to set up and maintain after school program for area No Child Left Behind targeted students and their families. Programs will provide both enrichment and academic assistance.

Title I - School Improvement & Accountability is a grant that provides school districts with funds to carry out their school improvement and corrective action responsibilities under Section 1116(c) of Title I while offering students in schools identified for improvement and corrective action the opportunity to transfer to another higher performing public school, including a public charter within the district.

Title II - Teacher Quality / Title II - Teacher Quality - Leadership Grant provides workshops to teachers for the improvement of instruction in the classroom.

Title II - Professional Development (Para-Professional Test Preparatory Course) is focused on the development of test preparation opportunities for paraprofessionals in Illinois. A statewide curriculum for preparing individuals for the ETS "Parapro" and ACT WorkKeys assessments will be used during the course.

Regional Safe Schools and Regional Safe Schools - General State Aid (TANF) aims to provide a safe and positive environment where students can learn as they strive to become independent, productive, and responsible citizens. It focuses on building each individual's academic, behavioral, and social skills to facilitate greater success both in the classroom and in the community.

Teen Reach is developed and funded by the State Board of Education and the Illinois Department of Human Services. The program, developed in cooperation with the Lt. Governor's office, is a school based program concentrating on developing regional prevention groups (RPG's) and coordination of school policies, curriculum, family support, and community activities to improve the effectiveness of prevention efforts. This drug prevention program operates in Kankakee and Iroquois Counties.

**Note 4. Non-Cash Assistance**

Not Applicable.



**IROQUOIS/KANKAKEE COUNTIES  
REGIONAL OFFICE OF EDUCATION NO. 32  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2005**

**Note 5. Amount of Insurance**

Not Applicable.

**Note 6. Loans or Loan Guarantees Outstanding**

Not Applicable.