

**STATE OF ILLINOIS  
REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
FINANCIAL AUDIT  
(In Accordance with the Single Audit Act  
& OMB Circular A-133)  
For the Year Ended June 30, 2014**

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

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

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

Regional Superintendent  
(Current and during the audit period)

Dr. Gregg Murphy

Assistant Regional Superintendent  
(Current and during the audit period)

Mr. Frank Petkunas

Office is located at:

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

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

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

AUDITORS' REPORTS

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

SUMMARY OF AUDIT FINDINGS

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

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

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (GOVERNMENT AUDITING STANDARDS)			
2014-001	13a	Controls Over Financial Statement Preparation	Material Weakness

FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)  
None

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)  
None

PRIOR FINDINGS NOT REPEATED (FEDERAL COMPLIANCE)  
None

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

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on August 28, 2014. Attending were Dr. Gregg Murphy, Regional Superintendent; Sherry Johnson, Finance Officer; Kay Williams, Payroll Clerk; Clatus Bierman, CPA, Partner, Kemper CPA Group, LLP; and Kimberly Walker, CPA, Partner, Kemper CPA Group, LLP. Responses to the recommendations were provided by Dr. Gregg Murphy, Regional Superintendent on September 30, 2014.

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

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

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

## INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

### Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois and Kankakee Counties Regional Office of Education #32, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Iroquois and Kankakee Counties Regional Office of Education #32's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois and Kankakee Counties Regional Office of Education #32, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Required Supplementary Information

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

### Other Information

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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2015 on our consideration of the Iroquois and Kankakee Counties Regional Office of Education #32's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Iroquois and Kankakee Counties Regional Office of Education #32's internal control over financial reporting and compliance.



KEMPER CPA GROUP LLP  
*Certified Public Accountants and Consultants*

Marion, Illinois  
March 31, 2015

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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Iroquois and Kankakee Counties Regional Office of Education #32, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Iroquois and Kankakee Counties Regional Office of Education #32's basic financial statements, and have issued our report thereon dated March 31, 2015.

**Internal Control Over Financial Reporting**

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

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be a material weakness.

## **Compliance and Other Matters**

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

## **Regional Office of Education #32's Response to Finding**

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

## **Purpose of this Report**

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



KEMPER CPA GROUP LLP

*Certified Public Accountants and Consultants*

Marion, Illinois  
March 31, 2015

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

Honorable William G. Holland  
Auditor General  
State of Illinois

**Report on Compliance for Each Major Federal Program**

We have audited the Iroquois and Kankakee Counties Regional Office of Education #32's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Iroquois and Kankakee Counties Regional Office of Education #32's major federal programs for the year ended June 30, 2014. The Iroquois and Kankakee Counties Regional Office of Education #32's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

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

**Auditors' Responsibility**

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

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

## **Opinion on Each Major Federal Program**

In our opinion, the Iroquois and Kankakee Counties Regional Office of Education #32 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

## **Report on Internal Control Over Compliance**

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

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

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

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



KEMPER CPA GROUP LLP  
*Certified Public Accountants and Consultants*

Marion, Illinois  
March 31, 2015

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**SECTION 1 - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: *unmodified*

Internal control over financial reporting:

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

**Federal Awards**

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.010A	System of Support Title I – School Improvement and Accountability
84.196A	McKinney Education for Homeless Children

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

Auditee qualified as a low-risk auditee? No

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II – FINANCIAL STATEMENT FINDING  
For the Year Ended June 30, 2014**

**FINDING NO. 2014-001 – Controls Over Financial Statement Preparation (Repeat from 10-01, 11-01, 12-01, and 13-001)**

***Criteria/specific requirement:***

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

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

***Condition:***

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

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

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or unearned revenue. While the Regional Office did maintain records to indicate the balances of some accounts payable, accounts receivable, and unearned revenue, not all entries were provided to reconcile the Regional Office of Education #32's grant activity, such as posting grant receivables and unearned revenue.

***Effect:***

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II – FINANCIAL STATEMENT FINDING  
For the Year Ended June 30, 2014**

***Cause:***

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

***Auditors' Recommendation:***

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

***Management's Response:***

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION III – FEDERAL AWARD FINDING  
For the Year Ended June 30, 2014**

**INSTANCES OF NONCOMPLIANCE:**

None

**SIGNIFICANT DEFICIENCIES:**

None

**MATERIAL WEAKNESSES:**

None

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDING  
For the Year Ended June 30, 2014**

**Corrective Action Plan**

**FINDING NO. 2014-001 – Controls Over Financial Statement Preparation**

***Condition:***

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

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

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or unearned revenue. While the Regional Office did maintain records to indicate the balances of some accounts payable, accounts receivable, and unearned revenue, not all entries were provided to reconcile the Regional Office of Education #32's grant activity, such as posting grant receivables and unearned revenue.

***Plan:***

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

***Anticipated Date of Completion:***

June 30, 2015

***Contact Person:***

Dr. Gregg Murphy, Regional Superintendent

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended June 30, 2014**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
13-001	Controls Over Financial Statement Preparation	Repeated

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2014**

The Iroquois and Kankakee Counties Regional Office of Education #32 (Regional Office) provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the year ended June 30, 2014 with comparative information for the year ended June 30, 2013. We encourage readers to consider this information in conjunction with the Regional Office's financial statements, which follow.

**2014 Financial Highlights**

Within the Governmental Funds, the General Fund revenue decreased by \$66,886 (3%), from \$2,012,462 in FY2013 to \$1,945,576 in FY2014. General Fund expenditures decreased by \$9,174 (0.5%), from \$1,895,372 in FY2013 to \$1,886,198 in FY2014. The decrease in revenue was due primarily to a decrease in General State Aid. The decrease in expenditures are mainly due to reduced salaries and benefits in general programs.

Within the Governmental Funds, the Education Fund revenue decreased by \$580,941(32%) from \$1,837,823 in FY2013 to \$1,256,882 in FY2014. The Education Fund expenditures decreased by \$559,654 (31%), from \$1,825,618 in FY2013 to \$1,265,964 in FY2014. These decreases were due to reduced federal and State funding for various educational programs in FY2014.

Proprietary Funds revenue increased by \$304 (.1%), from \$363,924 in FY2013 to \$364,228 in FY2014. The Proprietary Funds expenditures increased by \$11,018 (3%), from \$350,585 in FY2013 to \$361,603 in FY2014. While revenue stayed basically even, expenditures increased due to the reduction in State and Federal funding for grant programs in FY2014.

**Using This Annual Report**

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

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2014**

**Reporting the Regional Office of Education #32 as a Whole**

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

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

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

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

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

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

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

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

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2014**

**Fund Financial Statements**

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

The Office has three kinds of funds:

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

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

**Government-Wide Financial Analysis**

As noted earlier, net position may serve, when examined over time, as one indicator of the financial position of the Regional Office. The net position at the end of FY2014 and FY2013 totaled \$3,920,053 and \$3,733,122, respectively. The analysis that follows provides a summary of the Regional Office's net position as of June 30, 2014 and 2013.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2014**

**CONDENSED STATEMENT OF NET POSITION  
June 30, 2014 and 2013**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>						
Current assets	\$2,316,573	\$2,155,400	\$1,740,310	\$1,723,008	\$4,056,883	\$3,878,408
Capital assets, net of depreciation	—	—	—	—	—	—
<b>TOTAL ASSETS</b>	<u>2,316,573</u>	<u>2,155,400</u>	<u>1,740,310</u>	<u>1,723,008</u>	<u>4,056,883</u>	<u>3,878,408</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
	—	—	—	—	—	—
<b>LIABILITIES</b>						
Current liabilities	41,140	66,849	16,500	5,400	57,640	72,249
Noncurrent liabilities	79,190	73,037	—	—	79,190	73,037
<b>TOTAL LIABILITIES</b>	<u>120,330</u>	<u>139,886</u>	<u>16,500</u>	<u>5,400</u>	<u>136,830</u>	<u>145,286</u>
<b>NET POSITION</b>						
Invested in capital assets, net of related debt	—	—	—	—	—	—
Restricted for educational purposes	246,917	212,277	—	—	246,917	212,277
Unrestricted	1,949,326	1,803,237	1,723,810	1,717,608	3,673,136	3,520,845
<b>TOTAL NET POSITION</b>	<u>\$2,196,243</u>	<u>\$2,015,514</u>	<u>\$1,723,810</u>	<u>\$1,717,608</u>	<u>\$3,920,053</u>	<u>\$3,733,122</u>

The Regional Office's net position increased by \$186,931 (5%) from FY2013 to FY2014. The increase is primarily due to the decrease in current liabilities which occurred in the governmental activities, as well as an overall increase in cash and cash equivalents over the same period. Also, part of the Regional Office's net position is considered restricted for educational purposes.

The following analysis shows the changes in net position for the years ended June 30, 2014 and 2013.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2014**

**CHANGES IN NET POSITION  
For the Years Ended June 30, 2014 and 2013**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program revenues:						
Charges for services	\$ 49,544	\$ 55,810	\$ 364,228	\$ 363,924	\$ 413,772	\$ 419,734
Operating grants and contributions	1,276,907	1,838,739	-	-	1,276,907	1,838,739
General revenues:						
State and local sources	1,505,794	1,553,638	-	-	1,505,794	1,553,638
Interest income	4,545	5,050	3,730	4,135	8,275	9,185
On-behalf payments	528,466	495,927	-	-	528,466	495,927
Total revenues	<u>3,365,256</u>	<u>3,949,164</u>	<u>367,958</u>	<u>368,059</u>	<u>3,733,214</u>	<u>4,317,223</u>
Expenses:						
Salaries	1,564,340	1,759,983	114,837	148,493	1,679,177	1,908,476
Employee benefits	317,093	415,766	19,779	21,337	336,872	437,103
Purchased services	296,997	426,581	187,830	155,807	484,827	582,388
Supplies and materials	226,518	70,914	36,573	23,926	263,091	94,840
Capital outlay	13,823	4,669	1,562	-	15,385	4,669
Payments to other governmental units	230,414	605,143	-	-	230,414	605,143
Other	7,029	7,099	1,022	1,022	8,051	8,121
On-behalf payments	528,466	495,927	-	-	528,466	495,927
Total expenses	<u>3,184,680</u>	<u>3,786,082</u>	<u>361,603</u>	<u>350,585</u>	<u>3,546,283</u>	<u>4,136,667</u>
Income (loss) before operating transfers	180,576	163,082	6,355	17,474	186,931	180,556
Operating transfers	153	154	(153)	(154)	-	-
Change in net position	180,729	163,236	6,202	17,320	186,931	180,556
Net position, beginning (restated, see Note 16)	<u>2,015,514</u>	<u>1,852,278</u>	<u>1,717,608</u>	<u>1,700,288</u>	<u>3,733,122</u>	<u>3,552,566</u>
Net position, ending	<u><u>2,196,243</u></u>	<u><u>2,015,514</u></u>	<u><u>1,723,810</u></u>	<u><u>\$ 1,717,608</u></u>	<u><u>3,920,053</u></u>	<u><u>\$ 3,733,122</u></u>

**Governmental Activities**

Revenues from governmental fund activities were \$3,365,256 in FY2014 and expenses were \$3,184,680. Governmental revenues decreased by \$583,908 (15%) and expenses decreased by \$601,402 (16%). The decrease in revenues is the result of a decrease in General State Aid, grant funds, and contracts with the State of Illinois. The decrease in expenditures was a reaction to offset the effects of these decreases in revenue.

**Business-Type Activities**

Revenues from business-type activities were \$367,958 and expenditures were \$361,603 in FY2014. The decrease in revenues of \$101 (0.03%) and was essentially unchanged. While revenues stayed basically even, expenditures increased due to the reduction in State and Federal funding for grant programs in FY 2014.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2014**

**Financial Analysis of the Regional Office of Education #32 Funds**

As previously noted, the Regional Office uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Regional Office's governmental funds reported combined fund balances of \$2,126,742 at June 30, 2014.

**Governmental Fund Highlights**

- State funding of Regional Offices of Education has been reduced compared to the previous year.
- The dollar return on investments (certificates of deposit and short-term investments) decreased due to lower interest rates.

**Proprietary Fund Highlights**

Proprietary Funds were managed in a way that kept expenses less than revenue and increased net position by \$6,202.

**Fiduciary Fund Highlights**

There was a decrease of \$6,019 (5%) in total fiduciary fund assets from FY2013 to FY2014. Transactions represent mainly transfers in and out of the Distributive Fund for disbursements to school district treasurers and other entities.

**Budgetary Highlights**

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

**Capital Assets**

The Regional Office's capital assets include office equipment, computers, audio-visual equipment, and office furniture. The Regional Office maintains an inventory of capital assets which have been accumulated over time. There were no additions or disposals in FY2014. There was no depreciation expense in FY2014. As of June 30, 2014, the Regional Office's capital assets remain in use and are fully depreciated.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2014**

**Economic Factors and Next Year's Budget**

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

- State funding of the Regional Offices of Education School Services program is expected to increase by 109% over FY14 restoring it to FY10 levels.
- General State Aid has been reduced between both Students All Learning Together and Regional Alternative Attendance Center programs for FY15 (10%).
- Regional Safe School Program (RSSP) and Truants Alternative/Optional Education Program (TAOEP) grants are expected to remain at FY 14 levels.
- Core services for the Statewide System of Support (SSoS) remains under the direction of the Illinois Center for School Improvement with coaching services and foundational services provided by the Regional Office. The current grant anticipates an overall increase in revenue of \$500,000 in FY15 with significant changes in services.
- The DHS Substance Abuse Prevention Program (SAPP) and Teen Reach Program are expected to reach level funding for FY15, with the addition of \$42,971 grant funds for the Strategic Prevention Framework Partnerships for Success (SPF PFS).
- Title II Teacher Quality Grant will continue in FY15.
- County Support has decreased by 25% in the past years and is expected to decrease again in FY15.
- The Regional Office was awarded a Rural Education Achievement Program (REAP) grant for FY14, which will continue in FY15.

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

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

## **BASIC FINANCIAL STATEMENTS**

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
STATEMENT OF NET POSITION  
June 30, 2014**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 2,193,313	\$ 1,459,128	\$ 3,652,441
Due (to) from other funds	(256,216)	256,216	-
Due from other governments	379,476	24,966	404,442
Total current assets	<u>2,316,573</u>	<u>1,740,310</u>	<u>4,056,883</u>
<b>NONCURRENT ASSETS</b>			
Capital assets, net of depreciation	-	-	-
<b>TOTAL ASSETS</b>	<u>2,316,573</u>	<u>1,740,310</u>	<u>4,056,883</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	-	-	-
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	7,312	-	7,312
Due to other governments	33,828	-	33,828
Unearned revenue	-	16,500	16,500
Total current liabilities	<u>41,140</u>	<u>16,500</u>	<u>57,640</u>
<b>NONCURRENT LIABILITIES</b>			
Other post-employment benefit obligation	22,222	-	22,222
IMRF net pension obligation	56,968	-	56,968
Total noncurrent Liabilities	<u>79,190</u>	<u>-</u>	<u>79,190</u>
<b>TOTAL LIABILITIES</b>	<u>120,330</u>	<u>16,500</u>	<u>136,830</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	-	-	-
<b>NET POSITION</b>			
Net investment in capital assets	-	-	-
Unrestricted	1,949,326	1,723,810	3,673,136
Restricted for educational purposes	246,917	-	246,917
<b>TOTAL NET POSITION</b>	<u>\$ 2,196,243</u>	<u>\$ 1,723,810</u>	<u>\$ 3,920,053</u>

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2014**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants	Governmental Activities	Business-Type Activities	Total
<b>PRIMARY GOVERNMENT</b>						
Governmental Activities:						
Instructional Services:						
Salaries	\$ 1,564,340	\$ 10,183	\$ 625,350	\$ (928,807)	\$ -	\$ (928,807)
Employee benefits	317,093	5,948	114,239	(196,906)	-	(196,906)
Purchased services	296,997	23,243	107,811	(165,943)	-	(165,943)
Supplies and materials	226,518	2,527	199,093	(24,898)	-	(24,898)
Capital outlay	13,823	-	-	(13,823)	-	(13,823)
Other	7,029	7,643	-	614	-	614
Payments to other governmental units	230,414	-	230,414	-	-	-
Administrative:						
On-behalf payments - State	528,466	-	-	(528,466)	-	(528,466)
Total Governmental Activities	<u>3,184,680</u>	<u>49,544</u>	<u>1,276,907</u>	<u>(1,858,229)</u>	<u>-</u>	<u>(1,858,229)</u>
Business-type Activities:						
Professional development	361,603	364,228	-	-	2,625	2,625
Total Business-type Activities	<u>361,603</u>	<u>364,228</u>	<u>-</u>	<u>-</u>	<u>2,625</u>	<u>2,625</u>
Total Primary Government	<u>\$ 3,546,283</u>	<u>\$ 413,772</u>	<u>\$ 1,276,907</u>	<u>(1,858,229)</u>	<u>2,625</u>	<u>(1,855,604)</u>
General Revenues and Transfers:						
Local sources				526,282	-	526,282
State sources				979,512	-	979,512
On-behalf payments - State				528,466	-	528,466
Interest				4,545	3,730	8,275
Transfers				153	(153)	-
Total General Revenues and Transfers				<u>2,038,958</u>	<u>3,577</u>	<u>2,042,535</u>
Change in net position				180,729	6,202	186,931
Net Position - beginning				<u>2,015,514</u>	<u>1,717,608</u>	<u>3,733,122</u>
Net Position - ending				<u>\$ 2,196,243</u>	<u>\$ 1,723,810</u>	<u>\$ 3,920,053</u>

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2014**

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,946,396	\$ 40,408	\$ 206,509	\$ 2,193,313
Due from other governments	200,870	178,606	-	379,476
Total assets	<u>2,147,266</u>	<u>219,014</u>	<u>206,509</u>	<u>2,572,789</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 2,147,266</u>	<u>\$ 219,014</u>	<u>\$ 206,509</u>	<u>\$ 2,572,789</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 292	\$ 7,020	\$ -	\$ 7,312
Due to other funds	118,443	137,773	-	256,216
Due to other governments	15	33,813	-	33,828
Total liabilities	<u>118,750</u>	<u>178,606</u>	<u>-</u>	<u>297,356</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	125,607	23,084	-	148,691
<b>FUND BALANCE (DEFICIT)</b>				
Restricted	-	40,408	206,509	246,917
Unassigned	1,902,909	(23,084)	-	1,879,825
Total fund balance	<u>1,902,909</u>	<u>17,324</u>	<u>206,509</u>	<u>2,126,742</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 2,147,266</u>	<u>\$ 219,014</u>	<u>\$ 206,509</u>	<u>\$ 2,572,789</u>

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

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 GOVERNMENTAL FUNDS  
 June 30, 2014**

Total fund balances - governmental funds	\$ 2,126,742
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds, net of accumulated depreciation of \$27,031	-
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Some revenues will not be collected for several months after the Regional Office's fiscal year ends; they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.	148,691
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Other post-employment benefit obligation	(22,222)
IMRF net pension obligation	(56,968)
	(79,190)

Net position of governmental activities	\$ 2,196,243
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The notes to the financial statements are an integral part of this statement.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2014**

	General Fund	Education Fund	Nonmajor Special Revenue Funds	Total Governmental Funds
<b>REVENUES</b>				
Local sources	\$ 437,598	\$ 59	\$ 48,258	\$ 485,915
State sources	979,512	340,331	1,286	1,321,129
State sources - on-behalf payments	528,466	-	-	528,466
Federal sources	-	916,492	-	916,492
<b>Total revenues</b>	<b>1,945,576</b>	<b>1,256,882</b>	<b>49,544</b>	<b>3,252,002</b>
<b>EXPENDITURES</b>				
Instructional services:				
Salaries	940,110	618,811	5,419	1,564,340
Employee benefits	194,731	113,044	3,165	310,940
Purchased services	177,944	106,684	12,369	296,997
Supplies and materials	28,162	197,011	1,345	226,518
Other	2,962	-	4,067	7,029
Payments to other governmental units	-	230,414	-	230,414
On-behalf payments	528,466	-	-	528,466
Capital outlay	13,823	-	-	13,823
<b>Total expenditures</b>	<b>1,886,198</b>	<b>1,265,964</b>	<b>26,365</b>	<b>3,178,527</b>
Excess/(Deficiency) of revenues over expenditures	59,378	(9,082)	23,179	73,475
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	147	6	-	153
Interest	4,092	72	381	4,545
<b>Total other financing sources (uses)</b>	<b>4,239</b>	<b>78</b>	<b>381</b>	<b>4,698</b>
Net change in fund balances	63,617	(9,004)	23,560	78,173
FUND BALANCES - BEGINNING OF YEAR	1,839,292	26,328	182,949	2,048,569
FUND BALANCES - END OF YEAR	<u>\$ 1,902,909</u>	<u>\$ 17,324</u>	<u>\$ 206,509</u>	<u>\$ 2,126,742</u>

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

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2014**

Net change in fund balances \$ 78,173

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

Some revenues will not be collected for several months after the Regional Office's fiscal year ends; they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.

Current year unavailable revenue - local sources	\$ 125,607	
Current year unavailable revenue - Federal sources	23,084	
Prior year unavailable revenue - local sources	(36,982)	
Prior year unavailable revenue - Federal sources	<u>(3,000)</u>	108,709

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

IMRF net pension expense		<u>(6,153)</u>
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Change in net position of governmental activities		<u><u>\$ 180,729</u></u>
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The notes to the financial statements are an integral part of this statement.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2014**

	Business-Type Activities - Enterprise Funds				Total
	Safe Schools Local	Truant Local	Nonmajor Enterprise Funds	Eliminations	
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 930,419	\$ 289,452	\$ 239,257	\$ -	\$ 1,459,128
Due from other funds	163,177	27,176	67,672	(1,809)	256,216
Due from other governments	-	-	24,966	-	24,966
Total current assets	<u>1,093,596</u>	<u>316,628</u>	<u>331,895</u>	<u>(1,809)</u>	<u>1,740,310</u>
DEFERRED OUTFLOWS OF RESOURCES					
	-	-	-	-	-
<b>LIABILITIES</b>					
Current liabilities					
Due to other funds	-	-	1,809	(1,809)	-
Unearned revenue	16,500	-	-	-	16,500
Total current liabilities	<u>16,500</u>	<u>-</u>	<u>1,809</u>	<u>(1,809)</u>	<u>16,500</u>
DEFERRED INFLOWS OF RESOURCES					
	-	-	-	-	-
<b>NET POSITION</b>					
Unrestricted	<u>1,077,096</u>	<u>316,628</u>	<u>330,086</u>	<u>-</u>	<u>1,723,810</u>
Total net position	<u>\$ 1,077,096</u>	<u>\$ 316,628</u>	<u>\$ 330,086</u>	<u>\$ -</u>	<u>\$ 1,723,810</u>

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2014**

	<u>Business-Type Activities - Enterprise Funds</u>			Total
	Safe	Truant	Nonmajor	
	Schools		Enterprise	
	<u>Local</u>	<u>Local</u>	<u>Funds</u>	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 143,355	\$ 75,502	\$ 145,371	\$ 364,228
<b>OPERATING EXPENSES</b>				
Salaries	23,382	34,665	56,790	114,837
Employee benefits	2,654	9,798	7,327	19,779
Purchased services	83,469	5,289	99,072	187,830
Supplies and materials	2,217	22,782	11,574	36,573
Capital outlay	1,562	-	-	1,562
Other	-	-	1,022	1,022
Total operating expenses	<u>113,284</u>	<u>72,534</u>	<u>175,785</u>	<u>361,603</u>
Operating Income (Loss)	<u>30,071</u>	<u>2,968</u>	<u>(30,414)</u>	<u>2,625</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Transfers out	-	-	(153)	(153)
Interest	2,371	668	691	3,730
Total nonoperating revenues (expenses)	<u>2,371</u>	<u>668</u>	<u>538</u>	<u>3,577</u>
Change in net position	32,442	3,636	(29,876)	6,202
<b>TOTAL NET POSITION - BEGINNING OF YEAR</b>	<u>1,044,654</u>	<u>312,992</u>	<u>359,962</u>	<u>1,717,608</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ 1,077,096</u>	<u>\$ 316,628</u>	<u>\$ 330,086</u>	<u>\$ 1,723,810</u>

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2014**

	Business-Type Activities - Enterprise Funds			Total
	Safe Schools Local	Truant Local	Nonmajor Enterprise Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 162,421	\$ 75,502	\$ 138,518	\$ 376,441
Payments to suppliers and providers of goods and services	(87,248)	(28,071)	(117,068)	(232,387)
Payments to employees	(26,036)	(44,463)	(64,117)	(134,616)
Net cash provided by (used for) operating activities	<u>49,137</u>	<u>2,968</u>	<u>(42,667)</u>	<u>9,438</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Cash transfers to other funds	-	-	(153)	(153)
Interfund loans (made) repaid, net	37,606	28,380	(13,458)	52,528
Net cash provided by (used for) noncapital financing activities	<u>37,606</u>	<u>28,380</u>	<u>(13,611)</u>	<u>52,375</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest	2,371	668	691	3,730
Net cash provided by (used for) investing activities	<u>2,371</u>	<u>668</u>	<u>691</u>	<u>3,730</u>
Net increase (decrease) in cash	89,114	32,016	(55,587)	65,543
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>841,305</u>	<u>257,436</u>	<u>294,844</u>	<u>1,393,585</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 930,419</u>	<u>\$ 289,452</u>	<u>\$ 239,257</u>	<u>\$ 1,459,128</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 30,071	\$ 2,968	\$ (30,414)	\$ 2,625
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Change in assets and liabilities:				
(Increase) decrease in due from other governments	2,566	-	(6,853)	(4,287)
Increase (decrease) in accounts payable	-	-	(5,400)	(5,400)
Increase (decrease) in unearned revenue	16,500	-	-	16,500
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<u>\$ 49,137</u>	<u>\$ 2,968</u>	<u>\$ (42,667)</u>	<u>\$ 9,438</u>

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

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUND  
 June 30, 2014**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 966
Due from other governments	<u>114,064</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 115,030</u></u>
<b>LIABILITIES</b>	
Due to other governments	<u>\$ 115,030</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 115,030</u></u>

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014**

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

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

In 2014, the Regional Office of Education #32 implemented Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*; GASB Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*; GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*; and GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The Regional Office of Education #32 implemented these standards during the current year; however, GASB Statement No. 70 had no impact on the financial statements. The implementation of GASB Statement No. 65 reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The implementation of GASB Statement No. 66 resolved conflicting guidance that resulted from the issuance of GASB Statements Nos. 54 and 62 regarding risk financing activities, operating leases, purchased loans, and servicing fees. The implementation of GASB Statement No. 67 improved financial reporting by state and local governmental pension plans.

A. Date of Management’s Review

Management has evaluated subsequent events through March 31, 2015, the date when the financial statements were available to be issued.

B. Financial Reporting Entity

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

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

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #32’s districts; providing township treasurers with a list of district treasurers; to inspect

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014**

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

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

and approve building plans which comply with State law; to perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; to maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

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

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

For the period ended June 30, 2014, the Regional Office of Education #32 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #32. Such activities are reported as a single major special revenue fund (Education Fund).

**C. Scope of Reporting Entity**

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

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

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014**

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

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

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the non-fiduciary activities of the Regional Office of Education #32. The effect of interfund activity has been removed from these statements. Governmental activities are supported by intergovernmental revenues and are reported separate from business-type activities, which rely, to a significant extent, on fees and charges for support.

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

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as payables, receivables, and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from other funds on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other financing sources/uses on the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and on the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities. In the Statement of Activities, transactions between governmental and business-type activities have not been eliminated.

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014**

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

E. Proprietary Fund Financial Statements

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

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

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

F. Governmental Fund Financial Statements

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

The governmental fund financial statements have been prepared in accordance with generally accepted accounting principles on the modified accrual basis. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual i.e., both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Regional Office of Education #32 considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues received more than 60 days after the end of the current period are included in deferred inflows of resources in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for prepaid expenses and other long-term obligations, which are recognized when paid.

G. Measurement Focus and Basis of Accounting

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014**

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

G. Measurement Focus and Basis of Accounting (Concluded)

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

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

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

H. Fund Accounting

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

*Governmental Funds*

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014**

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

H. Fund Accounting (Continued)

*Governmental Funds (Continued)*

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

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

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

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

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

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

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

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014**

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

H. Fund Accounting (Continued)

*Governmental Funds (Continued)*

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

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

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

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

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

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

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014**

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

H. Fund Accounting (Continued)

*Governmental Funds (Continued)*

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

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

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

Reorganization Feasibility Study – This State program is designed to assist districts wanting to investigate the advantages and/or disadvantages of reorganization options.

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

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

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014**

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

H. Fund Accounting (Continued)

*Governmental Funds (Concluded)*

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

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

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

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

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

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

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

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

*Proprietary Funds*

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014**

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

H. Fund Accounting (Continued)

*Proprietary Funds (Continued)*

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

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

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

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

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

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

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

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

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

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

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

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

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

H. Fund Accounting (Continued)

*Proprietary Funds (Concluded)*

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

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

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

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

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

SSOS Foundational Services – This fund accounts for local revenues and disbursements related to the Title I – SSOS Foundational Services program.

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

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

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

*Fiduciary Funds*

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

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

H. Fund Accounting (Concluded)

*Fiduciary Funds (Concluded)*

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

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

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

I. Governmental Fund Balances

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

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

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

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

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

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

I. Governmental Fund Balances (Concluded)

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

J. Net Position

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

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

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

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

K. Cash and Cash Equivalents

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

L. Inventory

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

M. Capital Assets

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

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014**

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

N. Interfund Receivables and Payables

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

O. Deferred Inflows and Outflows of Resources

GASB Statement No. 65 reclassified as deferred outflows of resources or deferred inflows of resources certain items that were previously reported as assets and liabilities. Decreases in net assets that relate to future periods are reported as deferred outflows of resources. Increases in net assets that relate to future periods are reported as deferred inflows of resources. When an asset is recorded in the governmental fund financial statements but the revenue is not available, the Regional Office reports a deferred inflow of resources until such time as the revenue becomes available. *Available* means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are not available if they are received more than 60 days after the end of the fiscal year.

P. Compensated Absences

All employees who work 12 calendar months earn vacation time. Unused vacation time does not accumulate and carryover to future calendar years. Sick pay may accumulate for full-time employees of the In-Touch Program up to a maximum of 180 days. Unused sick pay for these employees may be certified in writing to the next employer at the request of the employee at the time of re-employment elsewhere. Unused sick pay for those employees may be used as service credits toward the employee's retirement fund when the employee retires. Employees of all other programs may not accumulate and carryover unused sick pay to future years. There are no material accumulations of sick pay or vacation pay at June 30, 2014.

Q. Estimates

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

R. Budget Information

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)**

R. Budget Information (Concluded)

Comparisons of budgeted and actual results for the following programs are presented as supplementary information: Addiction Prevention Comprehensive, Arrest Grant, CPDC Project, IVPA Family Violence Coordinating Council, McKinney Education for Homeless Children, Regional Safe Schools, ROE/ISC Operations, Teen Reach, Title I School Improvement & Accountability System of Support, Title II Teacher Quality, Title II Teacher Quality Leadership – Evaluation Training, and Truants' Alternative Program.

S. Long-Term Obligations

Long-term liabilities are reported only on the Statement of Net Position and consist of a net pension obligation as discussed further in Note 3 and other post-employment benefits as discussed further in Note 5.

**NOTE 2: CASH AND CASH EQUIVALENTS**

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

A. Cash Deposits

At June 30, 2014, the carrying amount of the Regional Office of Education #32's government-wide and fiduciary fund deposits were \$3,652,441 and \$966, respectively, and the bank balances were \$3,708,352 and \$966, respectively. At June 30, 2014, \$250,000 of the Regional Office of Education #32's cash deposits were insured by the Federal Deposit Insurance Corporation. Another \$3,425,397 was collateralized by securities pledged by the Regional Office of Education #32's financial institution in the name of the Regional Office and \$33,921 was invested in the Illinois Funds Money Market Fund.

*Custodial Credit Risk*

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

**REGIONAL OFFICE OF EDUCATION #32  
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**NOTE 2: CASH AND CASH EQUIVALENTS (CONCLUDED)**

B. Investments

The Regional Office of Education #32's investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2014, the Regional Office of Education #32 had investments with carrying and fair values of \$33,921 invested in the Illinois Funds Money Market Fund.

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2014, the Illinois Funds Money Market Fund had a Standard and Poor's AAA rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

*Interest Rate Risk*

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

*Concentration of Credit Risk*

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

**NOTE 3: DEFINED BENEFIT PENSION PLAN**

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
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**NOTE 3: DEFINED BENEFIT PENSION PLAN (CONCLUDED)**

**Funding Policy.** As set by statute, the Regional Office of Education #32's Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2013 used by the Regional Office of Education #32 was 11.30% of annual covered payroll. The employer annual required contribution rate for calendar year 2013 was 12.92%. The Regional Office of Education #32 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Annual Pension Cost.** For calendar year ending December 31, 2013, the Regional Office of Education #32's actual contributions for pension cost for the Regular plan were \$112,433. Its required contribution for calendar year 2013 was \$128,552.

**THREE YEAR TREND INFORMATION**

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/13	\$ 128,552	87%	\$ 56,968
12/31/12	108,369	84%	50,815
12/31/11	81,949	84%	35,613

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included a) 7.5% investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00% a year, attributable to inflation, c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3% annually. The actuarial value of the Regional Office of Education #32's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Regional Office of Education #32's Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 10 year basis.

**Funded Status and Funding Progress.** As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 84.63% funded. The actuarial accrued liability for benefits was \$2,454,901 and the actuarial value of assets was \$2,077,472 resulting in an underfunded actuarial accrued liability (UAAL) of \$377,429. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$994,981 and the ratio of the UAAL to the covered payroll was 38%.

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

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

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

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

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The active member contribution rate for the year ended June 30, 2014, was 9.4% of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4% for the years ended June 30, 2013 and 2012.

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

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #32. For the year ended June 30, 2014, the State of Illinois contributions were based on 35.41% of creditable earnings not paid from federal funds, and the Regional Office of Education #32 recognized revenue and expenditures of \$251,584 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2013 and June 30, 2012, the contribution rates were 28.05% (\$211,279) and 24.91% (\$183,289), respectively.

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

- **2.2 formula contributions.** Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2014 were \$2,946. Contributions for the years ending June 30, 2013, and June 30, 2012, were \$4,971 and \$4,825, respectively.
- **Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #32, there is a statutory requirement for the Regional Office of Education #32 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the State contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

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

For the year ended June 30, 2014, the employer pension contribution was 35.41% of salaries paid from federal and special trust funds. For the years ended June 30, 2013 and 2012, the employer contribution was 28.05% and 24.91%, respectively. For the year ended June 30, 2014, salaries totaling \$5,500 were paid from federal and special trust funds that required employer contributions of \$1,948. For the years ended June 30, 2013 and June 30, 2012, required Regional Office of Education #32 contributions were \$86,479 and \$70,450, respectively.

- **Early retirement option.** The Regional Office of Education #32 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member. The maximum ERO employer contribution is 146.5% and applies when the member is age 55 at retirement.

For the year ended June 30, 2014, the Regional Office of Education #32 paid no employer contributions to TRS under the ERO programs. For the years ended June 30, 2013 and June 30, 2012, the Regional Office of Education #32 paid \$0 and \$11,729 in employer ERO contributions, respectively.

- **Salary increases over 6% and excess sick leave.** If the Regional Office of Education #32 grants salary increases over 6% and those salaries are used to calculate a retiree's final average salary, the Regional Office of Education #32 makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6%.

For the year ended June 30, 2014, the Regional Office of Education #32 paid \$0 to TRS for employer contributions due on salary increases in excess of 6%. For the years ended June 30, 2013 and June 30, 2012, the Regional Office of Education #32 paid \$23 and \$0, respectively.

- If Regional Office of Education #32 grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, Regional Office of Education #32 makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.29% of salary during the year ended June 30, 2014).

For the year ended June 30, 2014, the Regional Office of Education #32 paid no employer contributions to TRS for sick leave days granted in excess of the normal annual allotment. For the years ended June 30, 2013, and June 30, 2012, the Regional Office of Education #32 paid \$0 and \$10,307, respectively.

**Further information on TRS.** TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and State funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2013. The report for the year ended June 30, 2014, is expected to be available in late 2014. The reports may be obtained by writing to the Teacher's Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, Illinois 62794-9253. The most current report is also available on the TRS website at <http://trs.illinois.gov>.

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**NOTE 5: OTHER POST-EMPLOYMENT COMMITMENTS**

A. Teacher Health Insurance Security Fund

The Regional Office of Education #32 participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

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

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

**On-behalf contributions to THIS Fund.** The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education #32. State contributions are intended to match contributions to THIS Fund from active members which were 0.97% of pay during the year ended June 30, 2014. State of Illinois contributions were \$4,927 and the Regional Office of Education #32 recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the year ended June 30, 2013 and June 30, 2012 were 0.92% and 0.88% of pay, respectively. State contributions on behalf of the Regional Office of Education #32's employees were \$7,884 and \$7,321, respectively.

**Employer contributions to THIS Fund.** The Regional Office of Education #32 also makes contributions to THIS Fund. The Regional Office of Education #32's contribution was 0.72% during the year ended June 30, 2014 and 0.69% and 0.66% during the years ended June 30, 2013 and June 30, 2012, respectively. For the year ended June 30, 2014, the Regional Office of Education #32 paid \$3,657 to the THIS Fund. For the years ended June 30, 2013 and 2012, the Regional Office of Education #32 paid \$5,913 and \$5,490, respectively, which was 100% of the required contribution.

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

**REGIONAL OFFICE OF EDUCATION #32  
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**NOTE 5: OTHER POST-EMPLOYMENT COMMITMENTS (CONCLUDED)**

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

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

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

Details of the OPEB Plan are available in Kankakee County's audit report for the year ended November 30, 2012. The report may be obtained by writing to the Kankakee County Government, 192 N. East Avenue, Kankakee, IL 60901.

**NOTE 6: INTERFUND RECEIVABLES AND PAYABLES**

Interfund due to / from other fund balances at June 30, 2014 consist of the following individual due to / from other funds in the governmental fund Balance Sheet and the proprietary fund Statement of Net Position. The interfund loan balances between governmental funds were eliminated in the government-wide Statement of Net Position, if applicable; however, the interfund loans between the governmental funds and the business-type funds were not eliminated.

Fund	Due From Other Funds	Due to Other Funds
General Fund		
General Operations	\$ -	\$ 118,443
Education Fund		
Addiction Prevention Comprehensive	-	22,846
Arrest Grant	-	2,411
CPDC Project	-	2,506
HUD Supportive Housing Program	-	5,282
McKinney Education for Homeless Children	-	27,700
REAP	-	29
Regional Safe Schools	-	5,955
Teen Reach	-	9,433
Title I School Improvement & Accountability System of Support	-	34,434
Truants' Alternative Program	-	27,177

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**NOTE 6: INTERFUND RECEIVABLES AND PAYABLES (CONCLUDED)**

Fund	Due From Other Funds	Due to Other Funds
Proprietary Funds		
Safe Schools Local	163,177	-
Truant Local	27,176	-
Life Education Local	22,845	-
Supplemental Education Services	44,827	-
SSOS Foundational Services	-	1,809
	<u>\$ 258,025</u>	<u>\$ 258,025</u>

**NOTE 7: DUE TO/DUE FROM OTHER GOVERNMENTAL UNITS**

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

Due from Other Governmental Units:

General Fund		
Local Governments		\$ 200,870
Special Revenue Fund – Education Fund		
Administrative Office of the Illinois Courts		2,506
Illinois Department of Health and Human Services		32,279
Illinois State Board of Education		136,099
Illinois Violence Prevention Authority		2,411
U.S. Department of Housing and Urban Development		5,282
U.S. Department of Education		29
Proprietary Fund – Nonmajor Enterprise Funds		
Local Governments		24,966
Fiduciary Fund		
Illinois State Board of Education		114,064
Total		<u>\$ 518,506</u>

Due to Other Governmental Units:

General Fund		
Local Governments		\$ 15
Special Revenue Fund – Education Fund		
Local Governments		33,813
Fiduciary Fund		
Local Governments		115,030
Total		<u>\$ 148,858</u>

**REGIONAL OFFICE OF EDUCATION #32  
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**NOTE 8: CAPITAL ASSETS**

Governmental Activities

Capital asset activity for fiscal year 2014 was as follows:

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
Governmental Funds				
Total Capital Assets	\$ 27,031	\$ -	\$ -	\$ 27,031
Less: Accumulated Depreciation	<u>(27,031)</u>	<u>-</u>	<u>-</u>	<u>(27,031)</u>
Governmental Funds				
Investment in Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Business-Type Activities

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
Business-type Activities				
Total Capital Assets	\$ 10,816	\$ -	\$ -	\$ 10,816
Less: Accumulated Depreciation	<u>(10,816)</u>	<u>-</u>	<u>-</u>	<u>(10,816)</u>
Business-type Activities				
Investment in Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. No depreciation expense was charged to either governmental activities or business-type activities on the government-wide Statement of Activities for the year ended June 30, 2014 as all capital assets were fully depreciated as of that date. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

**NOTE 9: DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES**

The governmental funds report a separate section for deferred inflows of resources. A deferred inflow of resources reflects an increase in net assets that applies to a future period. The Regional Office has only one type of item that is reported as a deferred inflow of resources. Grant revenues received more than 60 days after the end of the year, which are thus not available under the modified accrual basis of accounting, are reported as deferred inflows of resources in the governmental funds Balance Sheet.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014**

**NOTE 10: DISTRIBUTIVE FUND INTEREST**

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

**NOTE 11: RELATED PARTY TRANSACTIONS**

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

**NOTE 12: RISK MANAGEMENT**

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

**NOTE 13: ON-BEHALF PAYMENTS**

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

Regional Superintendent Salary	\$	109,464
Regional Superintendent Fringe Benefits (Includes State paid insurance)		31,847
Assistant Regional Superintendent Salary		98,544
Assistant Regional Superintendent Fringe Benefits (Includes State paid insurance)		32,100
TRS Pension Contributions		251,584
THIS Fund Contributions		<u>4,927</u>
Total	<u>\$</u>	<u>528,466</u>

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014**

**NOTE 14: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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

The following fund had a deficit fund balance at June 30, 2014:

Education Funds		
Addiction Prevention Comprehensive	\$	1,001
Title I School Improvement & Accountability System of Support	\$	22,083

**NOTE 15: INTERFUND TRANSFERS**

Interfund transfers in / out to other funds at June 30, 2014 consist of the following individual transfers in / out to other funds in the fund statements. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities; however, the transfers between the governmental funds and the business-type funds were not eliminated.

Fund	Transfers In	Transfers Out
General Fund		
General Operations	\$ 147	\$ -
Special Revenue Fund – Education Fund		
Arrest Grant	6	-
Nonmajor Proprietary Funds		
Family Violence Coordinating Councils	-	6
Internet Connectivity	-	147
	<u>\$ 153</u>	<u>\$ 153</u>

**NOTE 16: OPERATING LEASES**

Lease 1: On July 1, 2013 the Regional Office of Education #32 renewed a three year lease agreement for rental of 1 Stuart Dr., Kankakee, Illinois beginning July 1, 2013 and terminating June 30, 2016. The lease is payable in annual installments of \$10,000. Lease expense for the office building for fiscal year 2014 was \$10,000.

Lease 2: On March 1, 2012, the Regional Office of Education #32 entered into a lease agreement for rental of a copier for 5 years beginning March 1, 2012 and terminating on February 28, 2017. The lease is payable in monthly installments of \$446. Lease expense for the copier for fiscal year 2014 was \$5,351.

Lease 3: On March 1, 2012, the Regional Office of Education #32 entered into a lease for rental of 2 copiers for 5 years beginning March 1, 2012 and terminating on February 28, 2017. The lease is payable in monthly installments of \$1,141. Lease expense for the copiers for fiscal year 2014 was \$13,690.

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2014**

**NOTE 16: OPERATING LEASES (CONCLUDED)**

Lease 4: On March 1, 2012, the Regional Office of Education #32 extended a lease for rental of a copier for 3 years beginning March 1, 2012 and terminating on February 28, 2015. The lease is payable in monthly installments of \$27. Lease expense for the copier for fiscal year 2014 was \$322.

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

2015	\$	29,255
2016		29,040
2017		12,694
	<u>\$</u>	<u>70,989</u>

**NOTE 17: PROSPECTIVE ACCOUNTING CHANGE**

The Governmental Accounting Standards Board has issued Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB No. 27*. This statement will be implemented for the fiscal year ending June 30, 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a significant liability for the government's proportionate share of the employee pension plan.

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
June 30, 2014**

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

*UNAUDITED*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ( (b-a)/c)
12/31/13	\$2,077,472	\$2,454,901	\$377,429	84.63%	\$994,981	37.93%
12/31/12	1,825,646	2,146,731	321,085	85.04%	884,646	36.30%
12/31/11	1,601,400	1,923,380	321,980	83.26%	739,610	43.53%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$2,354,779. On a market basis, the funded ratio would be 95.92%.

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

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
June 30, 2014**

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

*UNAUDITED*

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

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

**SUPPLEMENTAL INFORMATION**

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
GENERAL FUND  
June 30, 2014**

	<u>General Operations</u>	<u>General State Aid</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 85,172	\$ 1,861,224	\$ 1,946,396
Due from other governments	<u>200,870</u>	<u>-</u>	<u>200,870</u>
Total Assets	<u>286,042</u>	<u>1,861,224</u>	<u>2,147,266</u>
 Deferred Outflows of Resources	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 286,042</u>	 <u>\$ 1,861,224</u>	 <u>\$ 2,147,266</u>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 292	\$ 292
Due to other funds	118,443	-	118,443
Due to other governments	<u>-</u>	<u>15</u>	<u>15</u>
Total Liabilities	<u>118,443</u>	<u>307</u>	<u>118,750</u>
 Deferred Inflows of Resources			
Unavailable revenue	<u>125,607</u>	<u>-</u>	<u>125,607</u>
<b>Fund Balances</b>			
Unassigned	<u>41,992</u>	<u>1,860,917</u>	<u>1,902,909</u>
Total Fund Balance	<u>41,992</u>	<u>1,860,917</u>	<u>1,902,909</u>
 Total Liabilities, Deferred Inflows and Fund Balance	 <u>\$ 286,042</u>	 <u>\$ 1,861,224</u>	 <u>\$ 2,147,266</u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GENERAL FUND ACCOUNTS  
 For the Year Ended June 30, 2014**

	General Operations	General State Aid	Total
Revenues			
Local sources	\$ 437,598	\$ -	\$ 437,598
State sources	-	979,512	979,512
State sources - on-behalf payments	528,466	-	528,466
Total Revenues	<u>966,064</u>	<u>979,512</u>	<u>1,945,576</u>
Expenditures			
Salaries	321,330	618,780	940,110
Employee benefits	96,994	97,737	194,731
Purchased services	81,370	96,574	177,944
Supplies and materials	6,599	21,563	28,162
Capital outlay	10,376	3,447	13,823
Other	2,962	-	2,962
On-behalf payments	528,466	-	528,466
Total Expenditures	<u>1,048,097</u>	<u>838,101</u>	<u>1,886,198</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(82,033)</u>	<u>141,411</u>	<u>59,378</u>
Other Financing Sources (Uses)			
Transfer in	147	-	147
Interest	335	3,757	4,092
Total Other Financing Sources (Uses)	<u>482</u>	<u>3,757</u>	<u>4,239</u>
Net Change in Fund Balances	(81,551)	145,168	63,617
Fund Balances - Beginning of Year	<u>123,543</u>	<u>1,715,749</u>	<u>1,839,292</u>
Fund Balances - End of Year	<u>\$ 41,992</u>	<u>\$ 1,860,917</u>	<u>\$ 1,902,909</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2014**

	Addiction Prevention Comprehensive	Arrest Grant	CPDC Project	HUD Supportive Housing Program	IVPA Family Violence Coordinating Council
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	22,846	2,411	2,506	5,282	-
<b>Total Assets</b>	<u>22,846</u>	<u>2,411</u>	<u>2,506</u>	<u>5,282</u>	<u>-</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 22,846</u>	<u>\$ 2,411</u>	<u>\$ 2,506</u>	<u>\$ 5,282</u>	<u>\$ -</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	22,846	2,411	2,506	5,282	-
Due to other governments	-	-	-	-	-
<b>Total Liabilities</b>	<u>22,846</u>	<u>2,411</u>	<u>2,506</u>	<u>5,282</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	<u>1,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficits)</b>					
Restricted	-	-	-	-	-
Unassigned	<u>(1,001)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Fund Balances (Deficits)</b>	<u>(1,001)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows and Fund Balance (Deficit)</b>	<u>\$ 22,846</u>	<u>\$ 2,411</u>	<u>\$ 2,506</u>	<u>\$ 5,282</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2014**

	McKinney Education for Homeless Children	National School Breakfast	National School Lunch	REAP	Regional Safe Schools
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ 16,133	\$ 20,651	\$ -	\$ -
Due from other governments	46,450	-	-	29	5,955
<b>Total Assets</b>	<u>46,450</u>	<u>16,133</u>	<u>20,651</u>	<u>29</u>	<u>5,955</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 46,450</u>	<u>\$ 16,133</u>	<u>\$ 20,651</u>	<u>\$ 29</u>	<u>\$ 5,955</u>
<b>Liabilities</b>					
Accounts payable	\$ 7,020	\$ -	\$ -	\$ -	\$ -
Due to other funds	27,700	-	-	29	5,955
Due to other governments	11,730	-	-	-	-
<b>Total Liabilities</b>	<u>46,450</u>	<u>-</u>	<u>-</u>	<u>29</u>	<u>5,955</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficits)</b>					
Restricted	-	16,133	20,651	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<u>-</u>	<u>16,133</u>	<u>20,651</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows and Fund Balance (Deficit)</b>	<u>\$ 46,450</u>	<u>\$ 16,133</u>	<u>\$ 20,651</u>	<u>\$ 29</u>	<u>\$ 5,955</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2014**

	ROE/ISC Operations	Reorganization Feasibility Study	State Free Lunch and Breakfast	Teen Reach	Title I School Improvement & Accountability System of Support
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 3,624	\$ -	\$ -
Due from other governments	-	-	-	9,433	56,517
<b>Total Assets</b>	<u>-</u>	<u>-</u>	<u>3,624</u>	<u>9,433</u>	<u>56,517</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,624</u>	<u>\$ 9,433</u>	<u>\$ 56,517</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	9,433	34,434
Due to other governments	-	-	-	-	22,083
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,433</u>	<u>56,517</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	-	-	-	-	22,083
<b>Fund Balances (Deficits)</b>					
Restricted	-	-	3,624	-	-
Unassigned	-	-	-	-	(22,083)
<b>Total Fund Balances (Deficits)</b>	<u>-</u>	<u>-</u>	<u>3,624</u>	<u>-</u>	<u>(22,083)</u>
<b>Total Liabilities, Deferred Inflows and Fund Balance (Deficit)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,624</u>	<u>\$ 9,433</u>	<u>\$ 56,517</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING SCHEDULE OF ACCOUNTS  
EDUCATION FUND  
June 30, 2014**

	Title II Teacher Quality	Title II Teacher Quality Leadership - Evaluation Training	Truants' Alternative Program	Total
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 40,408
Due from other governments	-	-	27,177	178,606
Total Assets	<u>-</u>	<u>-</u>	<u>27,177</u>	<u>219,014</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,177</u>	<u>\$ 219,014</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 7,020
Due to other funds	-	-	27,177	137,773
Due to other governments	-	-	-	33,813
Total Liabilities	<u>-</u>	<u>-</u>	<u>27,177</u>	<u>178,606</u>
Deferred Inflows of Resources				
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,084</u>
<b>Fund Balances (Deficits)</b>				
Restricted	-	-	-	40,408
Unassigned	-	-	-	(23,084)
Total Fund Balances (Deficits)	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,324</u>
Total Liabilities, Deferred Inflows and Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,177</u>	<u>\$ 219,014</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2014**

	<u>Addiction Prevention Comprehensive</u>	<u>Arrest Grant</u>	<u>CPDC Project</u>	<u>HUD Supportive Housing Program</u>	<u>IVPA Family Violence Coordinating Council</u>
Revenues					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	21,054
Federal sources	210,000	12,456	5,032	51,615	-
Total Revenues	<u>210,000</u>	<u>12,456</u>	<u>5,032</u>	<u>51,615</u>	<u>21,054</u>
Expenditures					
Salaries	159,387	5,011	-	37,050	12,231
Employee benefits	34,056	963	-	7,024	2,348
Purchased services	12,226	6,336	2,956	5,615	6,114
Supplies and materials	4,332	152	77	1,926	364
Payments to other governmental units	-	-	-	-	-
Total Expenditures	<u>210,001</u>	<u>12,462</u>	<u>3,033</u>	<u>51,615</u>	<u>21,057</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1)</u>	<u>(6)</u>	<u>1,999</u>	<u>-</u>	<u>(3)</u>
Other Financing Sources (Uses)					
Transfers in	-	6	-	-	-
Interest	1	-	-	-	3
Total Other Financing Sources (Uses)	<u>1</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>3</u>
Net Change in Fund Balances	-	-	1,999	-	-
Fund Balance (Deficit) - Beginning of Year	<u>(1,001)</u>	<u>-</u>	<u>(1,999)</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - End of Year	<u>\$ (1,001)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2014**

	McKinney Education for Homeless Children	National School Breakfast	National School Lunch	REAP	Regional Safe Schools
Revenues					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	85,388
Federal sources	173,662	15,247	23,596	8,890	-
Total Revenues	<u>173,662</u>	<u>15,247</u>	<u>23,596</u>	<u>8,890</u>	<u>85,388</u>
Expenditures					
Salaries	39,714	-	-	6,600	72,701
Employee benefits	7,831	-	-	369	6,186
Purchased services	10,506	34	70	1,921	6,501
Supplies and materials	17,789	-	-	-	-
Payments to other governmental units	97,822	10,355	18,299	-	-
Total Expenditures	<u>173,662</u>	<u>10,389</u>	<u>18,369</u>	<u>8,890</u>	<u>85,388</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>4,858</u>	<u>5,227</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Interest	-	27	34	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>27</u>	<u>34</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	4,885	5,261	-	-
Fund Balance (Deficit) - Beginning of Year	<u>-</u>	<u>11,248</u>	<u>15,390</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - End of Year	<u>\$ -</u>	<u>\$ 16,133</u>	<u>\$ 20,651</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
EDUCATION FUND ACCOUNTS  
For the Year Ended June 30, 2014**

	ROE/ISC Operations	Reorganization Feasibility Study	State Free Lunch and Breakfast	Teen Reach	Title I School Improvement & Accountability System of Support
Revenues					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	33,616	5,500	927	-	-
Federal sources	-	-	-	117,293	291,954
Total Revenues	<u>33,616</u>	<u>5,500</u>	<u>927</u>	<u>117,293</u>	<u>291,954</u>
Expenditures					
Salaries	26,176	-	-	37,727	81,997
Employee benefits	6,529	-	-	7,239	9,835
Purchased services	357	-	-	1,999	26,465
Supplies and materials	554	-	-	559	167,071
Payments to other governmental units	-	5,500	-	69,769	28,669
Total Expenditures	<u>33,616</u>	<u>5,500</u>	<u>-</u>	<u>117,293</u>	<u>314,037</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>927</u>	<u>-</u>	<u>(22,083)</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Interest	-	-	7	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	934	-	(22,083)
Fund Balance (Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>2,690</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,624</u>	<u>\$ -</u>	<u>\$ (22,083)</u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 For the Year Ended June 30, 2014**

	Title II Teacher Quality	Title II Teacher Quality Leadership - Evaluation Training	Truants' Alternative Program	Total
<b>Revenues</b>				
Local sources	\$ -	\$ -	\$ 59	\$ 59
State sources	-	-	193,846	340,331
Federal sources	414	6,333	-	916,492
Total Revenues	<u>414</u>	<u>6,333</u>	<u>193,905</u>	<u>1,256,882</u>
<b>Expenditures</b>				
Salaries	-	-	140,217	618,811
Employee benefits	-	-	30,664	113,044
Purchased services	414	6,333	18,837	106,684
Supplies and materials	-	-	4,187	197,011
Payments to other governmental units	-	-	-	230,414
Total Expenditures	<u>414</u>	<u>6,333</u>	<u>193,905</u>	<u>1,265,964</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,082)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	6
Interest	-	-	-	72
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>78</u>
Net Change in Fund Balances	-	-	-	(9,004)
Fund Balance (Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,328</u>
Fund Balance (Deficit) - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,324</u>

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 210,000	\$ 210,000	\$ 210,000
Total Revenues	<u>210,000</u>	<u>210,000</u>	<u>210,000</u>
Expenditures			
Salaries	159,345	159,345	159,387
Employee benefits	36,559	36,559	34,056
Purchased services	9,695	9,695	12,226
Supplies and materials	4,401	4,401	4,332
Total Expenditures	<u>210,000</u>	<u>210,000</u>	<u>210,001</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(1)</u>
Other Financing Sources (Uses)			
Interest			<u>1</u>
Total Other Financing Sources (Uses)			<u>1</u>
Net Change in Fund Balance			-
Fund Balance - Beginning of Year			<u>(1,001)</u>
Fund Balance (Deficit) - End of Year			<u>\$ (1,001)</u>

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 20,909	\$ 20,909	\$ 10,045
Total Revenues	<u>20,909</u>	<u>20,909</u>	<u>10,045</u>
Expenditures			
Salaries	10,400	9,304	3,275
Employee benefits	-	1,096	623
Purchased services	10,509	10,509	6,013
Supplies and materials	-	-	140
Total Expenditures	<u>20,909</u>	<u>20,909</u>	<u>10,051</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 20,909</u>	<u>\$ 20,909</u>	<u>(6)</u>
Other Financing Sources (Uses)			
Transfers in			<u>6</u>
Total Other Financing Sources (Uses)			<u>6</u>
Net Change in Fund Balance			-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 6,050	\$ 6,050	\$ 2,411
Total Revenues	<u>6,050</u>	<u>6,050</u>	<u>2,411</u>
Expenditures			
Salaries	4,938	4,938	1,736
Employee benefits	-	-	340
Purchased services	887	887	323
Supplies and materials	225	225	12
Total Expenditures	<u>6,050</u>	<u>6,050</u>	<u>2,411</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 (For the period October 1, 2012 through September 30, 2013)  
 EDUCATION FUND ACCOUNTS  
 CPDC PROJECT  
 For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 6,615	\$ 6,615	\$ 2,043
Total Revenues	<u>6,615</u>	<u>6,615</u>	<u>2,043</u>
Expenditures			
Purchased services	6,315	6,315	40
Supplies and materials	300	300	4
Total Expenditures	<u>6,615</u>	<u>6,615</u>	<u>44</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	1,999
Fund Balance (Deficit) - Beginning of Year			<u>(1,999)</u>
Fund Balance - End of Year			<u>\$ -</u>

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 7,440	\$ 7,440	\$ 2,989
Total Revenues	<u>7,440</u>	<u>7,440</u>	<u>2,989</u>
Expenditures			
Purchased services	7,140	7,140	2,916
Supplies and materials	300	300	73
Total Expenditures	<u>7,440</u>	<u>7,440</u>	<u>2,989</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 11,430	\$ 11,430	\$ 11,430
Total Revenues	<u>11,430</u>	<u>11,430</u>	<u>11,430</u>
Expenditures			
Salaries	8,417	8,417	6,532
Employee benefits	-	-	1,278
Purchased services	2,970	2,970	3,586
Supplies and materials	43	43	34
Total Expenditures	<u>11,430</u>	<u>11,430</u>	<u>11,430</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of January 1, 2013 to December 31, 2013)  
 EDUCATION FUND ACCOUNTS  
 IVPA FAMILY VIOLENCE COORDINATING COUNCIL  
 For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 16,700	\$ 16,700	\$ 9,624
Total Revenues	<u>16,700</u>	<u>16,700</u>	<u>9,624</u>
Expenditures			
Salaries	11,400	11,124	5,699
Employee benefits	1,835	2,399	1,070
Purchased services	3,065	2,828	2,528
Supplies and materials	400	349	330
Total Expenditures	<u>16,700</u>	<u>16,700</u>	<u>9,627</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(3)</u>
Other Financing Sources (Uses)			
Interest			<u>3</u>
Total Other Financing Sources (Uses)			<u>3</u>
Net Change in Fund Balance			-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 1, 2012 to June 30, 2013)  
 EDUCATION FUND ACCOUNTS  
 MCKINNEY EDUCATION FOR HOMELESS CHILDREN  
 For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 158,361	\$ 168,361	\$ 6,597
Total Revenues	<u>158,361</u>	<u>168,361</u>	<u>6,597</u>
Expenditures			
Salaries	50,871	48,007	-
Employee benefits	9,964	9,428	-
Purchased services	6,930	9,930	3
Supplies and materials	2,720	6,620	1,625
Payments to other governmental units	<u>87,876</u>	<u>94,376</u>	<u>4,969</u>
Total Expenditures	<u>158,361</u>	<u>168,361</u>	<u>6,597</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 159,000	\$ 170,500	\$ 167,065
Total Revenues	<u>159,000</u>	<u>170,500</u>	<u>167,065</u>
Expenditures			
Salaries	40,025	38,322	39,714
Employee benefits	8,262	8,132	7,831
Purchased services	10,507	14,507	10,503
Supplies and materials	8,771	18,104	16,164
Payments to other governmental units	91,435	91,435	92,853
Total Expenditures	<u>159,000</u>	<u>170,500</u>	<u>167,065</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 85,383	\$ 85,383	\$ 85,388
Total Revenues	<u>85,383</u>	<u>85,383</u>	<u>85,388</u>
Expenditures			
Salaries	72,154	72,154	72,701
Employee benefits	6,155	6,155	6,186
Purchased services	7,074	7,074	6,501
Total Expenditures	<u>85,383</u>	<u>85,383</u>	<u>85,388</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of July 24, 2013 to June 30, 2014)  
 EDUCATION FUND ACCOUNTS  
 ROE/ISC OPERATIONS  
 For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State sources	\$ 33,616	\$ 33,616	\$ 33,616
Total Revenues	<u>33,616</u>	<u>33,616</u>	<u>33,616</u>
Expenditures			
Salaries	27,337	26,176	26,176
Employee benefits	5,289	6,528	6,529
Purchased services	644	358	357
Supplies and materials	346	554	554
Total Expenditures	<u>33,616</u>	<u>33,616</u>	<u>33,616</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 117,293	\$ 117,293	\$ 117,293
Total Revenues	<u>117,293</u>	<u>117,293</u>	<u>117,293</u>
Expenditures			
Salaries	36,953	36,953	37,727
Employee benefits	8,769	8,769	7,239
Purchased services	71,231	71,231	1,999
Supplies and materials	340	340	559
Payments to other governmental units	-	-	69,769
Total Expenditures	<u>117,293</u>	<u>117,293</u>	<u>117,293</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

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

**EDUCATION FUND ACCOUNTS  
TITLE I SCHOOL IMPROVEMENT & ACCOUNTABILITY SYSTEM OF SUPPORT  
For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 704,446	\$ 704,446	\$ 3,331
Total Revenues	<u>704,446</u>	<u>704,446</u>	<u>3,331</u>
Expenditures			
Salaries	319,543	236,942	-
Employee benefits	89,746	70,111	-
Purchased services	33,550	68,524	134
Supplies and materials	1,000	6,227	-
Capital outlay	2,400	1,200	-
Payments to other governmental units	258,207	321,442	3,197
Total Expenditures	<u>704,446</u>	<u>704,446</u>	<u>3,331</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

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

**EDUCATION FUND ACCOUNTS  
TITLE I SCHOOL IMPROVEMENT & ACCOUNTABILITY SYSTEM OF SUPPORT  
For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 132,850	\$ 607,850	\$ 288,623
Total Revenues	<u>132,850</u>	<u>607,850</u>	<u>288,623</u>
Expenditures			
Salaries	95,316	101,873	81,997
Employee benefits	9,457	11,149	9,835
Purchased services	25,627	82,896	26,331
Supplies and materials	1,450	168,858	167,071
Capital outlay	1,000	1,000	-
Payments to other governmental units	-	242,074	25,472
Total Expenditures	<u>132,850</u>	<u>607,850</u>	<u>310,706</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(22,083)
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ (22,083)</u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of September 12, 2013 to June 30, 2014)  
 EDUCATION FUND ACCOUNTS  
 TITLE II TEACHER QUALITY  
 For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 400	\$ 414	\$ 414
Total Revenues	<u>400</u>	<u>414</u>	<u>414</u>
Expenditures			
Purchased services	200	414	414
Supplies and materials	200	-	-
Total Expenditures	<u>400</u>	<u>414</u>	<u>414</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 (For the Period of September 30, 2013 to August 31, 2014)  
 EDUCATION FUND ACCOUNTS  
 TITLE II TEACHER QUALITY LEADERSHIP - EVALUATION TRAINING  
 For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal sources	\$ 6,333	\$ 6,333	\$ 6,333
Total Revenues	<u>6,333</u>	<u>6,333</u>	<u>6,333</u>
Expenditures			
Purchased services	6,333	6,333	6,333
Total Expenditures	<u>6,333</u>	<u>6,333</u>	<u>6,333</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

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

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues:			
Local sources	\$ -	\$ -	\$ 59
State sources	193,846	193,846	193,846
Total Revenues	<u>193,846</u>	<u>193,846</u>	<u>193,905</u>
Expenditures:			
Salaries	140,035	140,035	140,217
Employee benefits	31,560	31,560	30,664
Purchased services	18,845	18,845	18,837
Supplies and materials	3,406	3,406	4,187
Total Expenditures	<u>193,846</u>	<u>193,846</u>	<u>193,905</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning of Year			<u>-</u>
Fund Balance - End of Year			<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2014**

	Bus Driver Training	General Education Development	Institute	Project Care Healthy Decision	Total
Assets					
Cash and cash equivalents	\$ 21,095	\$ 44,109	\$ 137,232	\$ 4,073	\$ 206,509
Total Assets	21,095	44,109	137,232	4,073	206,509
Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 21,095</u>	<u>\$ 44,109</u>	<u>\$ 137,232</u>	<u>\$ 4,073</u>	<u>\$ 206,509</u>
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Inflows of Resources	-	-	-	-	-
Fund Balances:					
Restricted	21,095	44,109	137,232	4,073	206,509
Total Fund Balance	<u>21,095</u>	<u>44,109</u>	<u>137,232</u>	<u>4,073</u>	<u>206,509</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 21,095</u>	<u>\$ 44,109</u>	<u>\$ 137,232</u>	<u>\$ 4,073</u>	<u>\$ 206,509</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2014**

	Bus Driver Training	General Education Development	Institute	Project Care Healthy Decision	Total
Revenue					
Local sources	\$ 5,276	\$ 11,482	\$ 31,500	\$ -	\$ 48,258
State sources	1,286	-	-	-	1,286
Total Revenues	<u>6,562</u>	<u>11,482</u>	<u>31,500</u>	<u>-</u>	<u>49,544</u>
Expenditures					
Salaries	-	5,119	300	-	5,419
Employee benefits	-	3,157	8	-	3,165
Purchased services	4,504	1,287	6,578	-	12,369
Supplies and materials	316	219	810	-	1,345
Other	-	-	4,067	-	4,067
Total Expenditures	<u>4,820</u>	<u>9,782</u>	<u>11,763</u>	<u>-</u>	<u>26,365</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,742</u>	<u>1,700</u>	<u>19,737</u>	<u>-</u>	<u>23,179</u>
Other Financing Sources (Uses)					
Interest	46	93	233	9	381
Total Other Financing Sources (Uses)	<u>46</u>	<u>93</u>	<u>233</u>	<u>9</u>	<u>381</u>
Net Change in Fund Balances	1,788	1,793	19,970	9	23,560
Fund Balance - Beginning of Year	<u>19,307</u>	<u>42,316</u>	<u>117,262</u>	<u>4,064</u>	<u>182,949</u>
Fund Balance - End of Year	<u>\$ 21,095</u>	<u>\$ 44,109</u>	<u>\$ 137,232</u>	<u>\$ 4,073</u>	<u>\$ 206,509</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING STATEMENT OF NET POSITION  
NONMAJOR PROPRIETARY FUNDS  
June 30, 2014**

	Administrator's Academy Local	Children and Adolescent Local Area Network System	Criminal Background Investigation	Family Violence Coordinating Councils	Internet Connectivity	Life Education Local
<b>Assets</b>						
Cash and cash equivalents	\$ 16,980	\$ 484	\$ 14,140	\$ 26	\$ -	\$ 37,536
Due from other funds	-	-	-	-	-	22,845
Due from other governments	-	-	-	-	-	20,385
<b>Total Assets</b>	<b>16,980</b>	<b>484</b>	<b>14,140</b>	<b>26</b>	<b>-</b>	<b>80,766</b>
<b>Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>						
Due to other funds	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>						
Unrestricted	16,980	484	14,140	26	-	80,766
<b>Total Net Position</b>	<b>\$ 16,980</b>	<b>\$ 484</b>	<b>\$ 14,140</b>	<b>\$ 26</b>	<b>\$ -</b>	<b>\$ 80,766</b>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING STATEMENT OF NET POSITION  
NONMAJOR PROPRIETARY FUNDS  
June 30, 2014**

	Local Induction Mentoring Training Fees	Regional Alternative Attendance Center (RAAC)	ROE Workshops	SALT Activity	School Crisis Assistance Team (SCAT) Donations	School Lunch Student Payments
<b>Assets</b>						
Cash and cash equivalents	\$ 36,078	\$ 1,958	\$ 65,915	\$ 1,981	\$ 2,576	\$ -
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
<b>Total Assets</b>	<u>36,078</u>	<u>1,958</u>	<u>65,915</u>	<u>1,981</u>	<u>2,576</u>	<u>-</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>						
Due to other funds	-	-	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>						
Unrestricted	<u>36,078</u>	<u>1,958</u>	<u>65,915</u>	<u>1,981</u>	<u>2,576</u>	<u>-</u>
<b>Total Net Position</b>	<u>\$ 36,078</u>	<u>\$ 1,958</u>	<u>\$ 65,915</u>	<u>\$ 1,981</u>	<u>\$ 2,576</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32  
 IROQUOIS AND KANKAKEE COUNTIES  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR PROPRIETARY FUNDS  
 June 30, 2014**

	Services Provided HUD	SSOS Foundational Services	Supplemental Educational Services	Teen Reach Local Program	Title I Workshops	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 29	\$ -	\$ 60,281	\$ 6	\$ 1,267	\$ 239,257
Due from other funds	-	-	44,827	-	-	67,672
Due from other governments	-	4,000	-	-	581	24,966
<b>Total Assets</b>	<b>29</b>	<b>4,000</b>	<b>105,108</b>	<b>6</b>	<b>1,848</b>	<b>331,895</b>
<b>Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>						
Due to other funds	-	1,809	-	-	-	1,809
<b>Total Liabilities</b>	<b>-</b>	<b>1,809</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,809</b>
<b>Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>						
Unrestricted	29	2,191	105,108	6	1,848	330,086
<b>Total Net Position</b>	<b>\$ 29</b>	<b>\$ 2,191</b>	<b>\$ 105,108</b>	<b>\$ 6</b>	<b>\$ 1,848</b>	<b>\$ 330,086</b>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
NONMAJOR PROPRIETARY FUNDS  
For the Year Ended June 30, 2014**

	Administrator's Academy Local	Children and Adolescent Local Area Network System	Criminal Background Investigation	Family Violence Coordinating Councils	Internet Connectivity	Life Education Local
Operating Revenues						
Charges for services	\$ 6,225	\$ -	\$ 8,380	\$ 1,193	\$ -	\$ 50,842
Operating Expenses						
Salaries	1,500	-	-	-	-	55,290
Employee benefits	284	-	-	-	-	7,043
Purchased services	14,060	271	6,000	1,457	-	24,578
Supplies and materials	-	-	-	-	-	9,725
Other	511	-	-	-	-	-
Total Operating Expenses	<u>16,355</u>	<u>271</u>	<u>6,000</u>	<u>1,457</u>	<u>-</u>	<u>96,636</u>
Operating Income (Loss)	<u>(10,130)</u>	<u>(271)</u>	<u>2,380</u>	<u>(264)</u>	<u>-</u>	<u>(45,794)</u>
Nonoperating Revenues (Expenses)						
Transfers out	-	-	-	(6)	(147)	-
Interest	44	2	28	-	-	181
Total Nonoperating Revenues (Expenses)	<u>44</u>	<u>2</u>	<u>28</u>	<u>(6)</u>	<u>(147)</u>	<u>181</u>
Change in Net Position	(10,086)	(269)	2,408	(270)	(147)	(45,613)
Net Position - Beginning of Year	<u>27,066</u>	<u>753</u>	<u>11,732</u>	<u>296</u>	<u>147</u>	<u>126,379</u>
Net Position - End of Year	<u>\$ 16,980</u>	<u>\$ 484</u>	<u>\$ 14,140</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ 80,766</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
NONMAJOR PROPRIETARY FUNDS  
For the Year Ended June 30, 2014**

	Local Induction Mentoring Training Fees	Regional Alternative Attendance Center (RAAC)	ROE Workshops	SALT Activity	School Crisis Assistance Team (SCAT) Donations	School Lunch Student Payments
Operating Revenues						
Charges for services	\$ 15,965	\$ 846	\$ 46,938	\$ 701	\$ -	\$ 3,067
Operating Expenses						
Salaries	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-
Purchased services	2,914	825	37,516	325	-	3,067
Supplies and materials	229	16	936	441	-	-
Other	-	-	511	-	-	-
Total Operating Expenses	<u>3,143</u>	<u>841</u>	<u>38,963</u>	<u>766</u>	<u>-</u>	<u>3,067</u>
Operating Income (Loss)	<u>12,822</u>	<u>5</u>	<u>7,975</u>	<u>(65)</u>	<u>-</u>	<u>-</u>
Nonoperating Revenues (Expenses)						
Transfers out	-	-	-	-	-	-
Interest	60	4	137	4	6	-
Total Nonoperating Revenues (Expenses)	<u>60</u>	<u>4</u>	<u>137</u>	<u>4</u>	<u>6</u>	<u>-</u>
Change in Net Position	12,882	9	8,112	(61)	6	-
Net Position - Beginning of Year	<u>23,196</u>	<u>1,949</u>	<u>57,803</u>	<u>2,042</u>	<u>2,570</u>	<u>-</u>
Net Position - End of Year	<u>\$ 36,078</u>	<u>\$ 1,958</u>	<u>\$ 65,915</u>	<u>\$ 1,981</u>	<u>\$ 2,576</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
NONMAJOR PROPRIETARY FUNDS  
For the Year Ended June 30, 2014**

	Services Provided HUD	SSOS Foundational Services	Supplemental Educational Services	Teen Reach Local Program	Title I Workshops	Total
Operating Revenues						
Charges for services	\$ 2,714	\$ 7,000	\$ -	\$ -	\$ 1,500	\$ 145,371
Operating Expenses						
Salaries	-	-	-	-	-	56,790
Employee benefits	-	-	-	-	-	7,327
Purchased services	2,689	4,810	-	-	560	99,072
Supplies and materials	-	-	-	-	227	11,574
Other	-	-	-	-	-	1,022
Total Operating Expenses	<u>2,689</u>	<u>4,810</u>	<u>-</u>	<u>-</u>	<u>787</u>	<u>175,785</u>
Operating Income (Loss)	<u>25</u>	<u>2,190</u>	<u>-</u>	<u>-</u>	<u>713</u>	<u>(30,414)</u>
Nonoperating Revenues (Expenses)						
Transfers out	-	-	-	-	-	(153)
Interest	2	1	220	-	2	691
Total Nonoperating Revenues (Expenses)	<u>2</u>	<u>1</u>	<u>220</u>	<u>-</u>	<u>2</u>	<u>538</u>
Change in Net Position	27	2,191	220	-	715	(29,876)
Net Position - Beginning of Year	<u>2</u>	<u>-</u>	<u>104,888</u>	<u>6</u>	<u>1,133</u>	<u>359,962</u>
Net Position - End of Year	<u>\$ 29</u>	<u>\$ 2,191</u>	<u>\$ 105,108</u>	<u>\$ 6</u>	<u>\$ 1,848</u>	<u>\$ 330,086</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
For the Year Ended June 30, 2014**

	Administrator's Academy Local	Children and Adolescent Local Area Network System	Criminal Background Investigation	Family Violence Coordinating Councils	Internet Connectivity	Life Education Local
Cash Flows from Operating Activities						
Receipts from customers	\$ 6,225	\$ -	\$ 8,380	\$ 1,193	\$ -	\$ 48,570
Payments to suppliers and providers of goods and services	(14,571)	(271)	(6,000)	(1,457)	-	(34,303)
Payments to employees	(1,784)	-	-	-	-	(62,333)
Net cash provided by (used for) operating activities	<u>(10,130)</u>	<u>(271)</u>	<u>2,380</u>	<u>(264)</u>	<u>-</u>	<u>(48,066)</u>
Cash Flows from Noncapital Financing Activities						
Cash transfers to other funds	-	-	-	(6)	(147)	-
Interfund loans (made) repaid, net	-	-	-	-	147	(3,645)
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>-</u>	<u>(3,645)</u>
Cash Flows from Investing Activities						
Interest	44	2	28	-	-	181
Net cash provided by (used for) investing activities	<u>44</u>	<u>2</u>	<u>28</u>	<u>-</u>	<u>-</u>	<u>181</u>
Net increase (decrease) in cash	(10,086)	(269)	2,408	(270)	-	(51,530)
Cash and Cash Equivalents - Beginning of Year	<u>27,066</u>	<u>753</u>	<u>11,732</u>	<u>296</u>	<u>-</u>	<u>89,066</u>
Cash and Cash Equivalents - End of Year	<u>\$ 16,980</u>	<u>\$ 484</u>	<u>\$ 14,140</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ 37,536</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities						
Operating income (loss)	\$ (10,130)	\$ (271)	\$ 2,380	\$ (264)	\$ -	\$ (45,794)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Change in assets and liabilities:						
(Increase) decrease in due from other governments	-	-	-	-	-	(2,272)
Increase (decrease) in accounts payable	-	-	-	-	-	-
Net cash provided by (used for) operating activities	<u>\$ (10,130)</u>	<u>\$ (271)</u>	<u>\$ 2,380</u>	<u>\$ (264)</u>	<u>\$ -</u>	<u>\$ (48,066)</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
For the Year Ended June 30, 2014**

	Local Induction Mentoring Training Fees	Regional Alternative Attendance Center (RAAC)	ROE Workshops	SALT Activity	School Crisis Assistance Team (SCAT) Donations	School Lunch Student Payments
Cash Flows from Operating Activities						
Receipts from customers	\$ 15,965	\$ 846	\$ 46,938	\$ 701	\$ -	\$ 3,067
Payments to suppliers and providers of goods and services	(3,143)	(841)	(44,363)	(766)	-	(3,067)
Payments to employees	-	-	-	-	-	-
Net cash provided by (used for) operating activities	<u>12,822</u>	<u>5</u>	<u>2,575</u>	<u>(65)</u>	<u>-</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities						
Cash transfers to other funds	-	-	-	-	-	-
Interfund loans (made) repaid, net	9,135	-	2,742	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>9,135</u>	<u>-</u>	<u>2,742</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities						
Interest	60	4	137	4	6	-
Net cash provided by (used for) investing activities	<u>60</u>	<u>4</u>	<u>137</u>	<u>4</u>	<u>6</u>	<u>-</u>
Net increase (decrease) in cash	22,017	9	5,454	(61)	6	-
Cash and Cash Equivalents - Beginning of Year	<u>14,061</u>	<u>1,949</u>	<u>60,461</u>	<u>2,042</u>	<u>2,570</u>	<u>-</u>
Cash and Cash Equivalents - End of Year	<u>\$ 36,078</u>	<u>\$ 1,958</u>	<u>\$ 65,915</u>	<u>\$ 1,981</u>	<u>\$ 2,576</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities						
Operating income (loss)	\$ 12,822	\$ 5	\$ 7,975	\$ (65)	\$ -	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Change in assets and liabilities:						
(Increase) decrease in due from other governments	-	-	-	-	-	-
Increase (decrease) in accounts payable	-	-	(5,400)	-	-	-
Net cash provided by (used for) operating activities	<u>\$ 12,822</u>	<u>\$ 5</u>	<u>\$ 2,575</u>	<u>\$ (65)</u>	<u>\$ -</u>	<u>\$ -</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
For the Year Ended June 30, 2014**

	Services Provided HUD	SSOS Foundational Services	Supplemental Educational Services	Teen Reach Local Program	Title I Workshops	Total
Cash Flows from Operating Activities						
Receipts from customers	\$ 2,714	\$ 3,000	\$ -	\$ -	\$ 919	\$ 138,518
Payments to suppliers and providers of goods and services	(2,689)	(4,810)	-	-	(787)	(117,068)
Payments to employees	-	-	-	-	-	(64,117)
Net cash provided by (used for) operating activities	<u>25</u>	<u>(1,810)</u>	<u>-</u>	<u>-</u>	<u>132</u>	<u>(42,667)</u>
Cash Flows from Noncapital Financing Activities						
Cash transfers to other funds	-	-	-	-	-	(153)
Interfund loans (made) repaid, net	-	1,809	(23,646)	-	-	(13,458)
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>1,809</u>	<u>(23,646)</u>	<u>-</u>	<u>-</u>	<u>(13,611)</u>
Cash Flows from Investing Activities						
Interest	2	1	220	-	2	691
Net cash provided by (used for) investing activities	<u>2</u>	<u>1</u>	<u>220</u>	<u>-</u>	<u>2</u>	<u>691</u>
Net increase (decrease) in cash	27	-	(23,426)	-	134	(55,587)
Cash and Cash Equivalents - Beginning of Year	<u>2</u>	<u>-</u>	<u>83,707</u>	<u>6</u>	<u>1,133</u>	<u>294,844</u>
Cash and Cash Equivalents - End of Year	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 60,281</u>	<u>\$ 6</u>	<u>\$ 1,267</u>	<u>\$ 239,257</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities						
Operating income (loss)	\$ 25	\$ 2,190	\$ -	\$ -	\$ 713	\$ (30,414)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Change in assets and liabilities:						
(Increase) decrease in due from other governments	-	(4,000)	-	-	(581)	(6,853)
Increase (decrease) in accounts payable	-	-	-	-	-	(5,400)
Net cash provided by (used for) operating activities	<u>\$ 25</u>	<u>\$ (1,810)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132</u>	<u>\$ (42,667)</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS  
June 30, 2014**

	Distributive	Petitions and Detachment	Scholarship	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 21	\$ -	\$ 945	\$ 966
Due from other governments	114,064	-	-	114,064
Total Assets	\$ 114,085	\$ -	\$ 945	\$ 115,030
<b>Liabilities</b>				
Due to other governments	\$ 114,085	\$ -	\$ 945	\$ 115,030
Total Liabilities	\$ 114,085	\$ -	\$ 945	\$ 115,030

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
For the Year Ended June 30, 2014**

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
<u>Distributive Fund</u>				
Assets				
Cash and cash equivalents	\$ 19,071	\$ 3,135,206	\$ 3,154,256	\$ 21
Due from other governments	100,281	3,167,917	3,154,134	114,064
Total Assets	<u>\$ 119,352</u>	<u>\$ 6,303,123</u>	<u>\$ 6,308,390</u>	<u>\$ 114,085</u>
Liabilities				
Due to other governments	<u>\$ 119,352</u>	<u>\$ 6,303,123</u>	<u>\$ 6,308,390</u>	<u>\$ 114,085</u>
<u>Petitions and Detachment Fund</u>				
Assets				
Cash and cash equivalents	<u>\$ 754</u>	<u>\$ -</u>	<u>\$ 754</u>	<u>\$ -</u>
Liabilities				
Due to other governments	<u>\$ 754</u>	<u>\$ -</u>	<u>\$ 754</u>	<u>\$ -</u>
<u>Scholarship Fund</u>				
Assets				
Cash and cash equivalents	<u>\$ 943</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 945</u>
Liabilities				
Due to other governments	<u>\$ 943</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 945</u>
<u>Total</u>				
Assets				
Cash and cash equivalents	\$ 20,768	\$ 3,135,208	\$ 3,155,010	\$ 966
Due from other governments	100,281	3,167,917	3,154,134	114,064
Total Assets	<u>\$ 121,049</u>	<u>\$ 6,303,125</u>	<u>\$ 6,309,144</u>	<u>\$ 115,030</u>
Liabilities				
Due to other governments	<u>\$ 121,049</u>	<u>\$ 6,303,125</u>	<u>\$ 6,309,144</u>	<u>\$ 115,030</u>

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES  
DISTRIBUTIVE FUND  
For the Year Ended June 30, 2014**

DISTRIBUTIONS	Acct. No.	Total	I-KAN ROE #32	Iroquois Area Del #370	Kankakee Career Center	Kankakee Regional System #120
<b>State Funds</b>						
General State Aid - Sec. 18-8	3001	\$ 979,512	\$ 979,512	\$ -	\$ -	\$ -
Reorganization Incentive - Feasibility Study	3021	5,500	5,500	-	-	-
Voc. Ed. - Career and Technical Ed Improvement	3220	927,811	-	126,742	-	801,069
State Free Lunch & Breakfast	3360	927	927	-	-	-
Transportation - Regular	3500	13,017	-	-	13,017	-
ROE School Bus Driver Training	3520	1,286	1,286	-	-	-
Truants Alternative/Operational Ed.	3695	183,869	183,869	-	-	-
Regional Safe Schools Program	3696	93,168	93,168	-	-	-
ROE/ISC Operations	3730	36,411	36,411	-	-	-
<b>Total State Funds</b>		<u>2,241,501</u>	<u>1,300,673</u>	<u>126,742</u>	<u>13,017</u>	<u>801,069</u>
<b>Federal Funds</b>						
National School Lunch Program	4210	23,596	23,596	-	-	-
School Breakfast Program	4220	15,247	15,247	-	-	-
IASA - Title I - School Improvement and Accountability	4331	411,525	411,525	-	-	-
V.E. - Perkins - Title IIC - Secondary	4745	269,526	-	18,812	-	250,714
McKinney Education for Homeless Children	4920	176,857	176,857	-	-	-
Title II - Teacher Quality	4932	414	414	-	-	-
IASA - Title II - Teacher Quality - Leadership	4935	15,468	15,468	-	-	-
<b>Total Federal Funds</b>		<u>912,633</u>	<u>643,107</u>	<u>18,812</u>	<u>-</u>	<u>250,714</u>
<b>TOTAL DISTRIBUTIONS</b>		<u>\$ 3,154,134</u>	<u>\$ 1,943,780</u>	<u>\$ 145,554</u>	<u>\$ 13,017</u>	<u>\$ 1,051,783</u>

**FEDERAL COMPLIANCE SECTION**

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2014**

Federal Grantor/ Pass-Through Grantor/ <u>Program or Cluster Title</u>	CFDA <u>Number</u>	ISBE Project # (1st 8 digits) <u>or Contract #</u>	Federal Expenditures <u>7/1/13 - 6/30/14</u>
<b>U. S. Department of Education</b>			
Rural Education			
<i>Small, Rural School Achievement Program</i>	84.358A	S358A138175	\$ 8,890
<b>Passed through Illinois State Board of Education</b>			
Title I Grants to Local Educational Agencies			
<i>System of Support Title I - School Improvement &amp; Accountability</i>	M 84.010A	14-4331-SS	310,706
<i>System of Support Title I - School Improvement &amp; Accountability</i>	M 84.010A	13-4331-SS	3,331
			314,037
Education for Homeless Children and Youth			
<i>McKinney Education for Homeless Children</i>	M 84.196A	14-4920-00	167,065
<i>McKinney Education for Homeless Children</i>	M 84.196A	13-4920-00	6,597
			173,662
Improving Teacher Quality State Grants			
<i>Title II - Teacher Quality</i>	84.367A	14-4932-00	414
<i>Title II - Teacher Quality - Leadership Grant</i>	84.367A	14-4935-02	6,333
			6,747
<b>Total U. S. Department of Education</b>			503,336
<b>U.S. Department of Health and Human Services</b>			
<b>Passed through the State of Illinois Department of Human Services</b>			
Temporary Assistance for Needy Families			
<i>Teen Reach</i>	93.558	FCSSR00983	117,293
Block Grants for Prevention and Treatment of Substance Abuse			
<i>Addiction Prevention Comprehensive</i>	93.959	FCSSP01419	210,000
<b>Passed through the Administrative Office of the Illinois Courts</b>			
State Court Improvement Program			
<i>Child Protection Data Courts Project</i>	93.586	CIP Data-G-1303	2,989
<i>Child Protection Data Courts Project</i>	93.586	CIP Data-G-1203	44
			3,033
<b>Total U.S. Department of Health and Human Services</b>			330,326
<b>U. S. Department of Justice</b>			
<b>Passed through Illinois Violence Prevention Authority</b>			
Grants to Encourage Arrest Policies and Enforcement of Protection Orders			
<i>Arrest Grant</i>	16.590	40FVC383021	10,045
<i>Arrest Grant</i>	16.590	40FVC384021	2,411
<b>Total U. S. Department of Justice</b>			12,456

The accompanying notes are an integral part of this schedule.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONCLUDED)  
For the Year Ended June 30, 2014**

Federal Grantor/ Pass-Through Grantor/ <u>Program or Cluster Title</u>	<u>CFDA Number</u>	ISBE Project # (1st 8 digits) <u>or Contract #</u>	Federal Expenditures <u>7/1/13 - 6/30/14</u>
<b>U. S. Department of Housing and Urban Development</b>			
Supportive Housing Program			
<i>HUD Supportive Housing Program</i>	14.235	IL0282L5T121205	42,876
<i>HUD Supportive Housing Program</i>	14.235	IL0282B5T121104	8,739
<b>Total U.S. Department of Housing and Urban Development</b>			<u>51,615</u>
<b>U. S. Department of Agriculture</b>			
<b>Passed through Illinois State Board of Education</b>			
Child Nutrition Cluster			
School Breakfast Program			
<i>School Breakfast Program</i>	10.553	14-4220-00	12,685
<i>School Breakfast Program</i>	10.553	13-4220-00	7,569
			<u>20,254</u>
National School Lunch Program			
<i>National School Lunch Program</i>	10.555	14-4210-00	19,738
<i>National School Lunch Program</i>	10.555	13-4210-00	12,806
			<u>32,544</u>
Total Child Nutrition Cluster			<u>52,798</u>
<b>Total U. S. Department of Agriculture</b>			<u>52,798</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 950,531</u>

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

**REGIONAL OFFICE OF EDUCATION #32  
IROQUOIS AND KANKAKEE COUNTIES  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2014**

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

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

**NOTE 2: DESCRIPTION OF MAJOR FEDERAL PROGRAM**

*System of Support Title I – School Improvement and Accountability*

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

*McKinney Education for Homeless Children*

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

**NOTE 3: SUBRECIPIENTS**

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

Program Title: Teen Reach  
Federal CFDA #: 93.558  
Amount provided to subrecipients: \$69,769

**NOTE 4: NON-CASH ASSISTANCE**

None

**NOTE 5: AMOUNT OF INSURANCE**

None

**NOTE 6: LOANS OR LOAN GUARANTEES OUTSTANDING**

None