

**KINNIKINNICK  
COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 131  
Roscoe, Illinois**

Annual Financial Report

June 30, 2023

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Heather Johnson, Secretary, to April 2025  
Scott Meyers, Member, to April 2025  
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\* \* \* \* \*

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Heather Johnson

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SUPERINTENDENT

Keli Freedlund

\* \* \* \* \*

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Annual Financial Report  
June 30, 2023

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## Independent Auditor's Report

Board of Education  
Kinnikinnick Community Consolidated School District #131  
Winnebago County, Illinois

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of Kinnikinnick Community Consolidated School District #131, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### *Unmodified Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Kinnikinnick Community Consolidated School District #131 as of June 30, 2023, and the revenues it received and expenditures it paid, and budgetary results for the year then ended, in accordance with the financial reporting provisions of the Illinois State Board of Education as described in Note 1.

#### *Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Kinnikinnick Community Consolidated School District #131, as of June 30, 2023, or the changes in its financial position for the year then ended.

#### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Kinnikinnick Community Consolidated School District #131 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

50 W. Douglas Street, Suite 300  
Freeport, Illinois 61032  
(815) 235-3157  
Fax (815) 235-3158

6815 Weaver Road, Suite 300  
Rockford, Illinois 61114  
(815) 316-2375  
Fax (815) 316-2389

1809 10<sup>th</sup> Street  
Monroe, Wisconsin 53566  
(608) 325-5035  
Fax (608) 328-2843

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1, the financial statements are prepared by Kinnikinnick Community Consolidated School District #131 on the basis of the financial reporting provisions prescribed or permitted by the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Illinois State Board of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions prescribed or permitted by the Illinois State Board of Education. Management is also responsible for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Kinnikinnick Community Consolidated School District #131's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Kinnikinnick Community Consolidated School District #131's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Kinnikinnick Community Consolidated School District #131's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Other Matters***

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Kinnikinnick Community Consolidated School District #131's basic financial statements. The schedules listed in the table of contents as "Supplementary Information" and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 Supplementary Information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting as described in Note 1.

The 2022 comparative information shown in the schedule of expenditures of federal awards was subjected to the auditing procedures applied by us and our report dated September 23, 2022 expressed an unqualified opinion that such information was fairly stated, in all material respects, in relation to the 2022 financial statements taken as a whole on the basis of accounting as described in Note 1.

*Other Information*

Management is responsible for the information listed in the table of contents as “Other Information” and “Statistical Information” included in the annual report (collectively, the Other Information). The Other Information does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the Other Information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the Other Information and consider whether a material inconsistency exists between the Other Information and the basic financial statements, or the Other Information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the Other Information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2023, on our consideration of Kinnikinnick Community Consolidated School District #131’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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Kinnikinnick Community Consolidated School District #131’s 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 Kinnikinnick Community Consolidated School District #131’s internal control over financial reporting and compliance.



Freeport, Illinois  
September 22, 2023





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**Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Board of Education  
Kinnikinnick Community Consolidated School District #131  
Winnebago County, Illinois

We have audited, 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, the financial statements of Kinnikinnick Community Consolidated School District #131 as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Kinnikinnick Community Consolidated School District #131's basic financial statements, and have issued our report thereon dated September 22, 2023. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, in accordance with regulatory reporting requirements established by the Illinois State Board of Education.

## **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Kinnikinnick Community Consolidated School District #131's internal control over financial reporting (internal control) as a basis for designing 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify

50 W. Douglas Street, Suite 300  
Freeport, Illinois 61032  
(815) 235-3157  
Fax (815) 235-3158

6815 Weaver Road, Suite 300  
Rockford, Illinois 61114  
(815) 316-2375  
Fax (815) 316-2389

1809 10<sup>th</sup> Street  
Monroe, Wisconsin 53566  
(608) 325-5035  
Fax (608) 328-2843

any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Kinnikinnick Community Consolidated School District #131'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 financial statements. 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-001.

### **District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Kinnikinnick Community Consolidated School District #131's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Kinnikinnick Community Consolidated School District #131's response was not subjected to the other 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Freeport, Illinois  
September 22, 2023

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Statements of Assets and Liabilities  
Arising from Cash Transactions  
June 30, 2023

	Educational	Operations & Maintenance	Debt Services	Transpor- tation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety	Agency Funds	Account Groups	
											General Fixed Assets	General Long-Term Debt
<b>ASSETS</b>												
Current Assets												
Cash	\$ 450,894	\$ 1,380,062	\$ 102,044	\$ 46,335	\$ 29,571	\$ 3,265	\$ 75,032	\$ -	\$ -	\$ -	\$ -	\$ -
Cash - student activity funds	90,633	-	-	-	-	-	-	-	-	-	-	-
Investments	19,723,342	4,211,368	674,494	1,326,834	965,805	-	6,386,169	-	-	-	-	-
Other receivables	7,483	-	-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>20,272,352</b>	<b>5,591,430</b>	<b>776,538</b>	<b>1,373,169</b>	<b>995,376</b>	<b>3,265</b>	<b>6,461,201</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capital Assets												
Land	-	-	-	-	-	-	-	-	-	-	1,146,728	-
Building & building improvements	-	-	-	-	-	-	-	-	-	-	30,805,000	-
Site improvements & infrastructure	-	-	-	-	-	-	-	-	-	-	2,435,232	-
Capitalized equipment	-	-	-	-	-	-	-	-	-	-	1,380,054	-
Construction in progress	-	-	-	-	-	-	-	-	-	-	114,450	-
Amount available in debt service funds	-	-	-	-	-	-	-	-	-	-	-	776,538
Amount to be provided for payment on long-term debt	-	-	-	-	-	-	-	-	-	-	-	5,309,190
<b>Total assets</b>	<b>\$ 20,272,352</b>	<b>\$ 5,591,430</b>	<b>\$ 776,538</b>	<b>\$ 1,373,169</b>	<b>\$ 995,376</b>	<b>\$ 3,265</b>	<b>\$ 6,461,201</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,881,464</b>	<b>\$ 6,085,728</b>
<b>LIABILITIES AND FUND BALANCES</b>												
<b>LIABILITIES</b>												
Current Liabilities												
Payroll deductions & withholdings	\$ 401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to activity fund organizations	(392)	-	-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Long-term Liabilities												
Long-term debt payable	-	-	-	-	-	-	-	-	-	-	-	6,085,728
<b>Total long-term liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,085,728</b>
<b>Total liabilities</b>	<b>\$ 9</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,085,728</b>
<b>FUND BALANCES</b>												
Reserved fund balances	\$ 263,600	\$ -	\$ -	\$ -	\$ 132,745	\$ 3,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved fund balances	20,008,743	5,591,430	776,538	1,373,169	862,631	-	6,461,201	-	-	-	-	-
Investments in general fixed assets	-	-	-	-	-	-	-	-	-	-	35,881,464	-
<b>Total fund balances</b>	<b>\$ 20,272,343</b>	<b>\$ 5,591,430</b>	<b>\$ 776,538</b>	<b>\$ 1,373,169</b>	<b>\$ 995,376</b>	<b>\$ 3,265</b>	<b>\$ 6,461,201</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,881,464</b>	<b>\$ -</b>
<b>Total liabilities and fund balances</b>	<b>\$ 20,272,352</b>	<b>\$ 5,591,430</b>	<b>\$ 776,538</b>	<b>\$ 1,373,169</b>	<b>\$ 995,376</b>	<b>\$ 3,265</b>	<b>\$ 6,461,201</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,881,464</b>	<b>\$ 6,085,728</b>

See accompanying notes to financial statements.

KINNICKINICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Statements of Revenue Received, Expenditures Disbursed,  
Other Sources (Uses) and Changes in Fund Balances  
Year ended June 30, 2023

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
<b>REVENUE</b>									
Local sources	\$ 12,657,335	\$ 3,909,460	\$ 564,826	\$ 671,205	\$ 474,472	\$ 1,503	\$ 135,519	\$ -	\$ -
State sources	4,590,814	50,000	-	520,697	-	-	-	-	-
Federal sources	1,673,032	114,450	-	5,879	1,684	-	-	-	-
Total direct revenue	18,921,181	4,073,910	564,826	1,197,781	476,156	1,503	135,519	-	-
Revenue for on-behalf payments	5,551,640	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>\$ 24,472,821</b>	<b>\$ 4,073,910</b>	<b>\$ 564,826</b>	<b>\$ 1,197,781</b>	<b>\$ 476,156</b>	<b>\$ 1,503</b>	<b>\$ 135,519</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPENDITURES</b>									
Instruction	\$ 11,602,597	\$ -	\$ -	\$ -	\$ 189,288	\$ -	\$ -	\$ -	\$ -
Support services	4,709,561	1,744,495	-	949,322	174,899	-	-	-	-
Community services	139,688	-	-	-	11,793	-	-	-	-
Payments to other districts & gov't units	285,524	-	-	789	-	-	-	-	-
Debt service	-	-	633,566	-	-	-	-	-	-
Total direct expenditures	16,737,370	1,744,495	633,566	950,111	375,980	-	-	-	-
Expenditures for on-behalf payments	5,551,640	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 22,289,010</b>	<b>\$ 1,744,495</b>	<b>\$ 633,566</b>	<b>\$ 950,111</b>	<b>\$ 375,980</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Excess of direct revenue over (under) direct expenditures</b>	<b>\$ 2,183,811</b>	<b>\$ 2,329,415</b>	<b>\$ (68,740)</b>	<b>\$ 247,670</b>	<b>\$ 100,176</b>	<b>\$ 1,503</b>	<b>\$ 135,519</b>	<b>\$ -</b>	<b>\$ -</b>
<b>OTHER SOURCES (USES) OF FUNDS</b>									
<b>Permanent transfer between various funds</b>									
Principal on bonds sold	\$ -	\$ -	\$ 1,281,662	\$ -	\$ -	\$ -	\$ 3,362,138	\$ -	\$ -
Other sources (uses) not classified elsewhere	-	-	(1,193,400)	-	-	-	-	-	-
<b>Total other sources (uses) of funds</b>	<b>-</b>	<b>-</b>	<b>88,262</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,362,138</b>	<b>-</b>	<b>-</b>
<b>Excess of revenues and other sources of funds over (under) expenditures and other uses of funds</b>	<b>\$ 2,183,811</b>	<b>\$ 2,329,415</b>	<b>\$ 19,522</b>	<b>\$ 247,670</b>	<b>\$ 100,176</b>	<b>\$ 1,503</b>	<b>\$ 3,497,657</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCES - July 1, 2022</b>	<b>\$ 18,088,532</b>	<b>\$ 3,262,015</b>	<b>\$ 757,016</b>	<b>\$ 1,125,499</b>	<b>\$ 895,200</b>	<b>\$ 1,762</b>	<b>\$ 2,963,544</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCES - June 30, 2023</b>	<b>\$ 20,272,343</b>	<b>\$ 5,591,430</b>	<b>\$ 776,538</b>	<b>\$ 1,373,169</b>	<b>\$ 995,376</b>	<b>\$ 3,265</b>	<b>\$ 6,461,201</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Educational Fund

Statement of Revenue Received - Actual and Budget  
Year ended June 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>REVENUE FROM LOCAL SOURCES</b>			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 10,626,787	\$ 10,077,230	\$ 549,557
Leasing purposes levy	108,992	85,074	23,918
Special education purposes levy	72,347	69,336	3,011
Other tax levies	45,024	37,250	7,774
	<u>10,853,150</u>	<u>10,268,890</u>	<u>584,260</u>
Payments in lieu of taxes:			
Corporate personal property replacement taxes	250,000	250,000	-
	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Tuition:			
Special Ed - Tuition from Other Districts (In State)	17,764	17,764	-
	<u>17,764</u>	<u>17,764</u>	<u>-</u>
Earnings on investments:			
Interest on investments	662,896	632,220	30,676
	<u>662,896</u>	<u>632,220</u>	<u>30,676</u>
Food service:			
Sales to pupils - Lunch	289,614	287,500	2,114
Sales to adults	1,152	1,500	(348)
Other food service	-	1,000	(1,000)
	<u>290,766</u>	<u>290,000</u>	<u>766</u>
District/school activity income:			
Admissions - athletic	4,307	5,000	(693)
Other district/school activity revenue	366	1,000	(634)
Student activity fund revenues	135,929	60,000	75,929
	<u>140,602</u>	<u>66,000</u>	<u>74,602</u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Educational Fund

Statement of Revenue Received - Actual and Budget  
Year ended June 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
Other revenue from local sources:			
Rentals	700	1,000	(300)
Contributions and donations from private sources	24,810	30,100	(5,290)
Refund of prior years' expenditures	80,006	100,000	(19,994)
Payment from other districts	3,000	-	3,000
Other local fees	<u>333,641</u>	<u>350,000</u>	<u>(16,359)</u>
Total other revenue from local sources	<u>442,157</u>	<u>481,100</u>	<u>(38,943)</u>
<b>Total revenue from local sources</b>	<b><u>\$ 12,657,335</u></b>	<b><u>\$ 12,005,974</u></b>	<b><u>\$ 651,361</u></b>
<b>REVENUE FROM STATE SOURCES</b>			
Unrestricted grants-in-aid:			
Evidence based funding formula - Sec. 18-8.05	<u>\$ 4,443,641</u>	<u>\$ 4,443,600</u>	<u>\$ 41</u>
Total unrestricted grants-in-aid	<u>4,443,641</u>	<u>4,443,600</u>	<u>41</u>
Restricted grants-in-aid:			
Special education:			
Private facility tuition	21,860	15,000	6,860
Orphanage individual	<u>28,190</u>	<u>35,000</u>	<u>(6,810)</u>
Total special education	<u>50,050</u>	<u>50,000</u>	<u>50</u>
State free lunch and breakfast	871	1,500	(629)
Early childhood - block grant	<u>96,252</u>	<u>100,000</u>	<u>(3,748)</u>
Total restricted grants-in-aid	<u>147,173</u>	<u>151,500</u>	<u>(4,327)</u>
<b>Total revenue from state sources</b>	<b><u>\$ 4,590,814</u></b>	<b><u>\$ 4,595,100</u></b>	<b><u>\$ (4,286)</u></b>
<b>REVENUE FROM FEDERAL SOURCES</b>			
Restricted grants-in-aid received from federal government through the state:			
Food service:			
National school lunch program	\$ 336,538	\$ 330,000	\$ 6,538
Special milk program	1,570	1,500	70
School breakfast program	<u>19,426</u>	<u>20,000</u>	<u>(574)</u>
Total food service	<u>357,534</u>	<u>351,500</u>	<u>6,034</u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Educational Fund

Statement of Revenue Received - Actual and Budget  
Year ended June 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
Title I:			
Low income	315,692	457,752	(142,060)
Total Title I	<u>315,692</u>	<u>457,752</u>	<u>(142,060)</u>
Title IV:			
Safe and drug free schools	9,799	22,451	(12,652)
Total Title IV	<u>9,799</u>	<u>22,451</u>	<u>(12,652)</u>
Federal - special education:			
Preschool flow-through	14,517	22,250	(7,733)
IDEA flow-through	364,191	459,790	(95,599)
Total federal - special education	<u>378,708</u>	<u>482,040</u>	<u>(103,332)</u>
Title II - teacher quality	46,120	71,282	(25,162)
Medicaid matching funds - administrative outreach	35,579	25,000	10,579
Medicaid matching funds - fee-for-service program	62,849	65,000	(2,151)
Other restricted revenue from federal sources	466,751	636,235	(169,484)
<b>Total revenue from federal sources</b>	<u>\$ 1,673,032</u>	<u>\$ 2,111,260</u>	<u>\$ (438,228)</u>
<b>Total direct revenue</b>	<u><u>\$ 18,921,181</u></u>	<u><u>\$ 18,712,334</u></u>	<u><u>\$ 208,847</u></u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>INSTRUCTION</b>			
Regular programs:			
Salaries	\$ 6,155,622	\$ 6,465,000	\$ (309,378)
Employee benefits	954,074	1,055,300	(101,226)
Purchased services	538,524	620,110	(81,586)
Supplies and materials	346,322	721,700	(375,378)
Capital outlay	51,927	120,000	(68,073)
Other objects	1,337	5,000	(3,663)
	<u>8,047,806</u>	<u>8,987,110</u>	<u>(939,304)</u>
Total regular programs			
Pre-K programs:			
Salaries	160,238	165,800	(5,562)
Employee benefits	11,936	12,436	(500)
Purchased services	5,816	8,000	(2,184)
Supplies and materials	3,378	3,000	378
Other objects	170	850	(680)
	<u>181,538</u>	<u>190,086</u>	<u>(8,548)</u>
Total Pre-K programs			
Special education programs:			
Salaries	1,790,963	2,131,550	(340,587)
Employee benefits	184,193	239,696	(55,503)
Purchased services	389,196	424,535	(35,339)
Supplies and materials	24,643	43,150	(18,507)
Capital outlay	5,597	13,000	(7,403)
Other objects	-	500	(500)
	<u>2,394,592</u>	<u>2,852,431</u>	<u>(457,839)</u>
Total special education programs			
Remedial and supplemental programs K-12:			
Salaries	437,360	463,270	(25,910)
Employee benefits	42,869	47,674	(4,805)
Purchased services	26,198	66,000	(39,802)
Supplies and materials	16,639	17,361	(722)
	<u>523,066</u>	<u>594,305</u>	<u>(71,239)</u>
Total remedial and supplemental programs K-12			

See accompanying notes to financial statements.



KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2023

	Actual	Budget	Actual over (under) Budget
Interscholastic programs:			
Salaries	65,083	73,500	(8,417)
Employee benefits	1,334	1,558	(224)
Purchased services	13,153	12,000	1,153
Supplies and materials	3,131	5,900	(2,769)
Other objects	1,699	3,500	(1,801)
Total interscholastic programs	<u>84,400</u>	<u>96,458</u>	<u>(12,058)</u>
Summer school programs:			
Salaries	8,900	10,000	(1,100)
Total summer school programs	<u>8,900</u>	<u>10,000</u>	<u>(1,100)</u>
Bilingual programs:			
Salaries	76,032	76,100	(68)
Employee benefits	11,480	11,819	(339)
Purchased services	534	3,500	(2,966)
Supplies and materials	2,122	2,500	(378)
Total bilingual programs	<u>90,168</u>	<u>93,919</u>	<u>(3,751)</u>
Special education programs K-12 - private tuition:			
Other objects	144,804	419,000	(274,196)
Total special ed programs K-12 - private tuition	<u>144,804</u>	<u>419,000</u>	<u>(274,196)</u>
Student activity fund expenditures:			
Other objects	127,323	50,000	77,323
Total student activity fund expenditures	<u>127,323</u>	<u>50,000</u>	<u>77,323</u>
<b>Total instruction</b>	<u>\$ 11,602,597</u>	<u>\$ 13,293,309</u>	<u>\$ (1,690,712)</u>
<b>SUPPORT SERVICES</b>			
Support services - pupils:			
Attendance and social work services:			
Salaries	\$ 212,558	\$ 240,000	\$ (27,442)
Employee benefits	34,969	65,911	(30,942)
Purchased services	103,011	157,500	(54,489)
Supplies and materials	289	500	(211)
Total attendance and social work services	<u>350,827</u>	<u>463,911</u>	<u>(113,084)</u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2023

	Actual	Budget	Actual over (under) Budget
Guidance services:			
Salaries	64,303	64,300	3
Employee benefits	11,082	11,569	(487)
Purchased services	6,539	12,400	(5,861)
Supplies and materials	-	1,000	(1,000)
Total guidance services	<u>81,924</u>	<u>89,269</u>	<u>(7,345)</u>
Health services:			
Salaries	150,378	166,500	(16,122)
Employee benefits	6,148	11,113	(4,965)
Purchased services	350	25,000	(24,650)
Supplies and materials	2,625	5,000	(2,375)
Capital outlay	2,185	2,200	(15)
Total health services	<u>161,686</u>	<u>209,813</u>	<u>(48,127)</u>
Psychological services:			
Salaries	210,905	230,000	(19,095)
Employee benefits	35,741	36,509	(768)
Purchased services	-	10,000	(10,000)
Supplies and materials	158	500	(342)
Total psychological services	<u>246,804</u>	<u>277,009</u>	<u>(30,205)</u>
Speech pathology & audiology services:			
Salaries	483,518	520,000	(36,482)
Employee benefits	59,750	63,526	(3,776)
Purchased services	-	30,000	(30,000)
Supplies and materials	761	1,000	(239)
Total speech pathology & audiology services	<u>544,029</u>	<u>614,526</u>	<u>(70,497)</u>
Total support services - pupils	<u>1,385,270</u>	<u>1,654,528</u>	<u>(269,258)</u>
Support services - instructional staff:			
Improvement of instruction services:			
Salaries	117,303	126,350	(9,047)
Employee benefits	36,465	42,279	(5,814)
Purchased services	54,697	110,609	(55,912)
Supplies and materials	2,801	6,250	(3,449)
Capital outlay	-	2,000	(2,000)
Total improvement of instruction services	<u>211,266</u>	<u>287,488</u>	<u>(76,222)</u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2023

	Actual	Budget	Actual over (under) Budget
Educational media services:			
Salaries	49,569	56,000	(6,431)
Total educational media services	<u>49,569</u>	<u>56,000</u>	<u>(6,431)</u>
Assessment & testing:			
Purchased services	8,145	13,500	(5,355)
Total assessment & testing	<u>8,145</u>	<u>13,500</u>	<u>(5,355)</u>
Total support services - instructional staff	<u>268,980</u>	<u>356,988</u>	<u>(88,008)</u>
Support services - general administration:			
Board of education services:			
Salaries	2,700	2,800	(100)
Purchased services	377,787	420,000	(42,213)
Supplies and materials	-	1,500	(1,500)
Other objects	9,343	12,500	(3,157)
Total board of education services	<u>389,830</u>	<u>436,800</u>	<u>(46,970)</u>
Executive administration services:			
Salaries	205,818	221,120	(15,302)
Employee benefits	50,591	59,299	(8,708)
Purchased services	107,254	68,000	39,254
Supplies and materials	3,238	4,000	(762)
Capital outlay	22,062	15,000	7,062
Other objects	3,132	4,500	(1,368)
Total executive administration services	<u>392,095</u>	<u>371,919</u>	<u>20,176</u>
Special area administration services:			
Salaries	98,433	98,980	(547)
Employee benefits	39,945	41,372	(1,427)
Purchased services	9,617	6,500	3,117
Supplies and materials	7	3,000	(2,993)
Capital outlay	-	4,000	(4,000)
Other objects	30	1,000	(970)
Total special area administration services	<u>148,032</u>	<u>154,852</u>	<u>(6,820)</u>
Total support services - general administration	<u>929,957</u>	<u>963,571</u>	<u>(33,614)</u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
Support services - school administration:			
Office of the principal services:			
Salaries	625,027	634,475	(9,448)
Employee benefits	236,298	243,057	(6,759)
Supplies and materials	6,503	6,000	503
Capital outlay	-	6,000	(6,000)
Other objects	2,153	4,000	(1,847)
Total office of the principal services	<u>869,981</u>	<u>893,532</u>	<u>(23,551)</u>
Total support services - school administration	<u>869,981</u>	<u>893,532</u>	<u>(23,551)</u>
Support services - business:			
Direction of business support services:			
Salaries	132,409	136,365	(3,956)
Employee benefits	43,930	46,520	(2,590)
Purchased services	137,913	103,000	34,913
Supplies and materials	9,755	17,970	(8,215)
Capital outlay	4,292	5,000	(708)
Other objects	4,168	4,785	(617)
Total direction of business support services	<u>332,467</u>	<u>313,640</u>	<u>18,827</u>
Fiscal services:			
Salaries	69,736	80,000	(10,264)
Employee benefits	13,647	19,969	(6,322)
Purchased services	-	3,250	(3,250)
Supplies and materials	183	500	(317)
Capital outlay	-	1,000	(1,000)
Other objects	-	500	(500)
Total fiscal services	<u>83,566</u>	<u>105,219</u>	<u>(21,653)</u>
Operation and maintenance of plant services:			
Employee benefits	76,772	89,580	(12,808)
Total operation & maintenance of plant services	<u>76,772</u>	<u>89,580</u>	<u>(12,808)</u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2023

	Actual	Budget	Actual over (under) Budget
Food services:			
Salaries	205,678	236,200	(30,522)
Employee benefits	30,245	30,640	(395)
Purchased services	9,152	21,250	(12,098)
Supplies and materials	249,976	428,000	(178,024)
Capital outlay	9,221	30,000	(20,779)
Other objects	2,142	3,000	(858)
Total food services	<u>506,414</u>	<u>749,090</u>	<u>(242,676)</u>
Total support services - business	<u>999,219</u>	<u>1,257,529</u>	<u>(258,310)</u>
Support services - central:			
Data processing services:			
Salaries	189,716	193,250	(3,534)
Employee benefits	30,104	30,625	(521)
Purchased services	24,308	31,000	(6,692)
Supplies and materials	6,986	12,500	(5,514)
Capital outlay	4,841	100,000	(95,159)
Other objects	199	250	(51)
Total data processing services	<u>256,154</u>	<u>367,625</u>	<u>(111,471)</u>
Total support services - central	<u>256,154</u>	<u>367,625</u>	<u>(111,471)</u>
Other support services:			
Purchased services	-	600	(600)
Supplies and materials	-	400	(400)
Total other support services	<u>-</u>	<u>1,000</u>	<u>(1,000)</u>
<b>Total support services</b>	<u>\$ 4,709,561</u>	<u>\$ 5,494,773</u>	<u>\$ (785,212)</u>
<b>COMMUNITY SERVICES</b>			
Salaries	\$ 110,489	\$ 176,990	\$ (66,501)
Employee benefits	10,323	11,221	(898)
Purchased services	3,300	9,900	(6,600)
Supplies and materials	11,513	13,500	(1,987)
Capital outlay	-	2,000	(2,000)
Other objects	4,063	10,000	(5,937)
<b>Total community services</b>	<u>\$ 139,688</u>	<u>\$ 223,611</u>	<u>\$ (83,923)</u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>PAYMENTS TO OTHER DISTRICTS &amp; GOV'T UNITS</b>			
Payments to other districts & gov't units (in-state):			
Payments for special education programs:			
Purchased services	\$ 283,724	\$ 539,893	\$ (256,169)
Other objects	<u>1,800</u>	<u>5,000</u>	<u>(3,200)</u>
Total payments for special education programs	<u>285,524</u>	<u>544,893</u>	<u>(259,369)</u>
Total payments to other gov't units (in-state)	<u>285,524</u>	<u>544,893</u>	<u>(259,369)</u>
<b>Total payments to other districts     &amp; gov't units</b>	<u>\$ 285,524</u>	<u>\$ 544,893</u>	<u>\$ (259,369)</u>
<b>PROVISION FOR CONTINGENCIES</b>			
Other objects	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ (50,000)</u>
<b>Total direct expenditures</b>	<u>\$ 16,737,370</u>	<u>\$ 19,606,586</u>	<u>\$ (2,869,216)</u>
<b>Excess (deficiency) of revenue     over expenditures</b>	<u>\$ 2,183,811</u>	<u>\$ (894,252)</u>	<u>\$ 3,078,063</u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Operations and Maintenance Fund

Statement of Revenue Received - Actual and Budget  
Year ended June 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>REVENUE FROM LOCAL SOURCES</b>			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 1,987,448	\$ 1,886,443	\$ 101,005
Total ad valorem taxes levied by district	<u>1,987,448</u>	<u>1,886,443</u>	<u>101,005</u>
Payments in lieu of taxes:			
Corporate personal property replacement taxes	1,747,669	1,750,000	(2,331)
Total payments in lieu of taxes	<u>1,747,669</u>	<u>1,750,000</u>	<u>(2,331)</u>
Earnings on investments:			
Interest on investments	140,019	132,500	7,519
Total earnings on investments	<u>140,019</u>	<u>132,500</u>	<u>7,519</u>
Other revenue from local sources:			
Rentals	33,413	35,000	(1,587)
Contributions and donations from private sources	642	1,000	(358)
Refund of prior years' expenditures	269	-	269
Total other revenue from local sources	<u>34,324</u>	<u>36,000</u>	<u>(1,676)</u>
<b>Total revenue from local sources</b>	<u>\$ 3,909,460</u>	<u>\$ 3,804,943</u>	<u>\$ 104,517</u>
<b>REVENUE FROM STATE SOURCES</b>			
Restricted grants-in-aid:			
School infrastructure	\$ 50,000	\$ 50,000	\$ -
Total restricted grants-in-aid	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<b>Total revenue from state sources</b>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>
<b>REVENUE FROM FEDERAL SOURCES</b>			
Restricted grants-in-aid from federal govt thru the state:			
Other restricted revenue from federal sources	\$ 114,450	\$ -	\$ 114,450
<b>Total restricted grants-in-aid</b>	<u>114,450</u>	<u>-</u>	<u>114,450</u>
<b>Total revenue from federal sources</b>	<u>\$ 114,450</u>	<u>\$ -</u>	<u>\$ 114,450</u>
<b>Total direct revenue</b>	<u>\$ 4,073,910</u>	<u>\$ 3,854,943</u>	<u>\$ 218,967</u>

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Operations and Maintenance Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>SUPPORT SERVICES</b>			
Support services - business:			
Facilities acquisition & construction services:			
Purchased services	\$ 18,305	\$ 366,401	\$ (348,096)
Capital outlay	<u>659,613</u>	<u>2,265,000</u>	<u>(1,605,387)</u>
Total facilities acquisition & construction services	<u>677,918</u>	<u>2,631,401</u>	<u>(1,953,483)</u>
Operations and maintenance of plant services:			
Salaries	331,358	400,000	(68,642)
Purchased services	242,854	265,000	(22,146)
Supplies and materials	488,357	660,000	(171,643)
Capital outlay	<u>4,008</u>	<u>10,000</u>	<u>(5,992)</u>
Total operations and maintenance of plant services	<u>1,066,577</u>	<u>1,335,000</u>	<u>(268,423)</u>
Total support services - business	<u>1,744,495</u>	<u>3,966,401</u>	<u>(2,221,906)</u>
<b>Total support services</b>	<u>\$ 1,744,495</u>	<u>\$ 3,966,401</u>	<u>\$ (2,221,906)</u>
<b>PROVISION FOR CONTINGENCIES</b>			
Other objects	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ (15,000)</u>
<b>Total direct expenditures</b>	<u>\$ 1,744,495</u>	<u>\$ 3,981,401</u>	<u>\$ (2,236,906)</u>
<b>Excess (deficiency) of revenue over expenditures</b>	<u><u>\$ 2,329,415</u></u>	<u><u>\$ (126,458)</u></u>	<u><u>\$ 2,455,873</u></u>

See accompanying notes to financial statements.



KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Debt Services Fund

Statement of Revenues Received - Actual and Budget  
Year ended June 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>REVENUE FROM LOCAL SOURCES</b>			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 541,443	\$ 572,750	\$ (31,307)
Total ad valorem taxes levied by district	<u>541,443</u>	<u>572,750</u>	<u>(31,307)</u>
Earnings on investments:			
Interest on investments	<u>23,383</u>	<u>21,700</u>	<u>1,683</u>
Total earnings on investments	<u>23,383</u>	<u>21,700</u>	<u>1,683</u>
<b>Total revenue from local sources</b>	<u>\$ 564,826</u>	<u>\$ 594,450</u>	<u>\$ (29,624)</u>
<b>Total direct revenue</b>	<u><u>\$ 564,826</u></u>	<u><u>\$ 594,450</u></u>	<u><u>\$ (29,624)</u></u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Debt Services Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>DEBT SERVICES</b>			
Debt services - interest on long-term debt:			
Other objects	\$ 108,163	\$ 111,428	\$ (3,265)
Debt services - principal on long-term debt:			
Other objects	453,903	1,655,700	(1,201,797)
Debt services - other:			
Other objects	71,500	71,500	-
<b>Total debt services</b>	<u>\$ 633,566</u>	<u>\$ 1,838,628</u>	<u>\$ (1,205,062)</u>
<b>PROVISION FOR CONTINGENCIES</b>			
Other objects	\$ -	\$ 5,000	\$ (5,000)
<b>Total direct expenditures</b>	<u>\$ 633,566</u>	<u>\$ 1,843,628</u>	<u>\$ (1,210,062)</u>
<b>Excess (deficiency) of revenue over expenditures</b>	<u>\$ (68,740)</u>	<u>\$ (1,249,178)</u>	<u>\$ 1,180,438</u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Transportation Fund

Statement of Revenues Received - Actual and Budget  
Year ended June 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>REVENUE FROM LOCAL SOURCES</b>			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 604,641	\$ 542,858	\$ 61,783
Total ad valorem taxes levied by district	<u>604,641</u>	<u>542,858</u>	<u>61,783</u>
Transportation Fees:			
Regular - transp fees from co-curricular activities	16,523	16,500	23
Total transportation fees	<u>16,523</u>	<u>16,500</u>	<u>23</u>
Earnings on investments:			
Interest on investments	50,041	47,000	3,041
Total earnings on investments	<u>50,041</u>	<u>47,000</u>	<u>3,041</u>
<b>Total revenue from local sources</b>	<u>\$ 671,205</u>	<u>\$ 606,358</u>	<u>\$ 64,847</u>
<b>REVENUE FROM STATE SOURCES</b>			
Restricted grants-in-aid:			
Transportation:			
Regular and vocational	\$ 347,264	\$ 350,000	\$ (2,736)
Special education	173,433	170,000	3,433
Total transportation	<u>520,697</u>	<u>520,000</u>	<u>697</u>
Total restricted grants-in-aid	<u>520,697</u>	<u>520,000</u>	<u>697</u>
<b>Total revenue from state sources</b>	<u>\$ 520,697</u>	<u>\$ 520,000</u>	<u>\$ 697</u>
<b>REVENUE FROM FEDERAL SOURCES</b>			
Restricted grants-in-aid from federal govt thru the state:			
Medicaid matching funds - fee-for-service program	\$ -	\$ 3,000	\$ (3,000)
Other restricted revenue from federal sources	5,879	5,879	-
Total restricted grants-in-aid from federal govt thru the state	<u>5,879</u>	<u>8,879</u>	<u>(3,000)</u>
<b>Total revenue from federal sources</b>	<u>\$ 5,879</u>	<u>\$ 8,879</u>	<u>\$ (3,000)</u>
<b>Total direct revenue</b>	<u>\$ 1,197,781</u>	<u>\$ 1,135,237</u>	<u>\$ 62,544</u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Transportation Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>SUPPORT SERVICES</b>			
Support services - business:			
Pupil transportation services:			
Purchased services	\$ 949,322	\$ 1,188,100	\$ (238,778)
Total pupil transportation services	<u>949,322</u>	<u>1,188,100</u>	<u>(238,778)</u>
<b>Total support services</b>	<u>\$ 949,322</u>	<u>\$ 1,188,100</u>	<u>\$ (238,778)</u>
<b>PAYMENTS TO OTHER DISTRICTS &amp; GOV'T UNITS</b>			
Payments to other governmental units (in-state):			
Payments for special education programs:			
Other objects	\$ 789	\$ 1,500	\$ (711)
Total payments for special education programs	<u>789</u>	<u>1,500</u>	<u>(711)</u>
Total payments to other govt units (in state)	<u>789</u>	<u>1,500</u>	<u>(711)</u>
<b>Total payments to other govt units</b>	<u>\$ 789</u>	<u>\$ 1,500</u>	<u>\$ (711)</u>
<b>PROVISION FOR CONTINGENCIES</b>			
Other objects	\$ -	\$ 20,000	\$ (20,000)
<b>Total direct expenditures</b>	<u>\$ 950,111</u>	<u>\$ 1,209,600</u>	<u>\$ (259,489)</u>
<b>Excess (deficiency) of revenue     over expenditures</b>	<u>\$ 247,670</u>	<u>\$ (74,363)</u>	<u>\$ 322,033</u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Municipal Retirement / Social Security Fund

Statement of Revenue Received - Actual and Budget  
Year ended June 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>REVENUE FROM LOCAL SOURCES</b>			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 187,265	\$ 164,295	\$ 22,970
FICA/Medicare only purposes levies	224,208	219,723	4,485
Total ad valorem taxes levied by district	<u>411,473</u>	<u>384,018</u>	<u>27,455</u>
Payments in lieu of taxes:			
Corporate personal property replacement taxes	30,000	30,000	-
Total payments in lieu of taxes	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Earnings on investments:			
Interest on investments	32,999	32,000	999
Total earnings on investments	<u>32,999</u>	<u>32,000</u>	<u>999</u>
<b>Total revenue from local sources</b>	<u>\$ 474,472</u>	<u>\$ 446,018</u>	<u>\$ 28,454</u>
<b>REVENUE FROM FEDERAL SOURCES</b>			
Restricted grants-in-aid received from federal government through the state:			
Federal - special education			
IDEA flow-through	\$ 1,304	\$ -	\$ 1,304
Total federal - special education	<u>1,304</u>	<u>-</u>	<u>1,304</u>
Title II - teacher quality	380	-	380
<b>Total revenue from federal sources</b>	<u>\$ 1,684</u>	<u>\$ -</u>	<u>\$ 1,684</u>
<b>Total direct revenue</b>	<u>\$ 476,156</u>	<u>\$ 446,018</u>	<u>\$ 30,138</u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Municipal Retirement / Social Security Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>INSTRUCTION</b>			
Regular programs:			
Employee benefits	\$ 87,281	\$ 93,743	\$ (6,462)
Pre-k programs:			
Employee benefits	8,892	11,981	(3,089)
Special education programs:			
Employee benefits	84,623	159,148	(74,525)
Remedial and supplemental programs - K-12:			
Employee benefits	6,467	6,718	(251)
Interscholastic programs:			
Employee benefits	923	12,606	(11,683)
Bilingual programs:			
Employee benefits	1,102	1,103	(1)
<b>Total instruction</b>	<b>\$ 189,288</b>	<b>\$ 285,299</b>	<b>\$ (96,011)</b>
<b>SUPPORT SERVICES</b>			
Support services - pupils:			
Attendance and social work services:			
Employee benefits	\$ 3,075	\$ 3,480	\$ (405)
Guidance services:			
Employee benefits	898	932	(34)
Health services:			
Employee benefits	19,007	28,033	(9,026)
Psychological services:			
Employee benefits	3,048	3,335	(287)

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Municipal Retirement / Social Security Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
Speech pathology & audiology services:			
Employee benefits	<u>6,913</u>	<u>7,540</u>	<u>(627)</u>
Total support services - pupils	<u>32,941</u>	<u>43,320</u>	<u>(10,379)</u>
Support services - instructional staff:			
Improvement of instruction services:			
Employee benefits	<u>2,146</u>	<u>1,832</u>	<u>314</u>
Educational media services:			
Employee benefits	<u>6,485</u>	<u>9,604</u>	<u>(3,119)</u>
Total support services - instructional staff	<u>8,631</u>	<u>11,436</u>	<u>(2,805)</u>
Support services - general administration:			
Executive administration services:			
Employee benefits	<u>6,781</u>	<u>10,231</u>	<u>(3,450)</u>
Special area administrative services:			
Employee benefits	<u>1,553</u>	<u>1,577</u>	<u>(24)</u>
Total support services - general administration	<u>8,334</u>	<u>11,808</u>	<u>(3,474)</u>
Support services - school administration:			
Office of the principal services:			
Employee benefits	<u>21,522</u>	<u>26,717</u>	<u>(5,195)</u>
Total support services - school administration	<u>21,522</u>	<u>26,717</u>	<u>(5,195)</u>
Support services - business:			
Direction of business support services:			
Employee benefits	<u>2,019</u>	<u>2,173</u>	<u>(154)</u>
Fiscal services:			
Employee benefits	<u>9,160</u>	<u>13,720</u>	<u>(4,560)</u>
Operations and maintenance of plant services:			
Employee benefits	<u>42,585</u>	<u>66,225</u>	<u>(23,640)</u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Municipal Retirement / Social Security Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
Food services:			
Employee benefits	<u>24,792</u>	<u>40,509</u>	<u>(15,717)</u>
Total support services - business	<u>78,556</u>	<u>122,627</u>	<u>(44,071)</u>
Support services - central:			
Data processing services:			
Employee benefits	<u>24,915</u>	<u>32,668</u>	<u>(7,753)</u>
Total support services - central	<u>24,915</u>	<u>32,668</u>	<u>(7,753)</u>
<b>Total support services</b>	<u>\$ 174,899</u>	<u>\$ 248,576</u>	<u>\$ (73,677)</u>
<b>COMMUNITY SERVICES</b>			
Employee benefits	<u>\$ 11,793</u>	<u>\$ 28,910</u>	<u>\$ (17,117)</u>
<b>Total community services</b>	<u>\$ 11,793</u>	<u>\$ 28,910</u>	<u>\$ (17,117)</u>
<b>PROVISION FOR CONTINGENCIES</b>			
Other objects	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ (15,000)</u>
<b>Total direct expenditures</b>	<u>\$ 375,980</u>	<u>\$ 577,785</u>	<u>\$ (201,805)</u>
<b>Excess (deficiency) of revenue         over expenditures</b>	<u><u>\$ 100,176</u></u>	<u><u>\$ (131,767)</u></u>	<u><u>\$ 231,943</u></u>

See accompanying notes to financial statements.



KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Capital Projects Fund

Statement of Revenue Received - Actual and Budget  
Year ended June 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>REVENUE FROM LOCAL SOURCES</b>			
Earnings on investments:			
Interest on investments	\$ 108	\$ 100	\$ 8
Total earnings on investments	<u>108</u>	<u>100</u>	<u>8</u>
Other revenue from local sources:			
School facility occupation tax proceeds	<u>1,395</u>	<u>1,450</u>	<u>(55)</u>
Total other revenue from local sources	<u>1,395</u>	<u>1,450</u>	<u>(55)</u>
<b>Total revenue from local sources</b>	<u>\$ 1,503</u>	<u>\$ 1,550</u>	<u>\$ (47)</u>
<b>Total direct revenue</b>	<u><u>\$ 1,503</u></u>	<u><u>\$ 1,550</u></u>	<u><u>\$ (47)</u></u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Capital Projects Fund

Statement of Expenditures Disbursed - Actual and Budget  
Year ended June 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>SUPPORT SERVICES</b>			
Support services - business:			
Facilities acquisition and construction services			
Purchased services	\$ -	\$ -	\$ -
Supplies & materials	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total facilities acquisition and construction services	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total support services</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total direct expenditures</b>	\$ -	\$ -	\$ -
	<hr/>	<hr/>	<hr/>
<b>Excess (deficiency) of revenue     over expenditures</b>	<u>\$ 1,503</u>	<u>\$ 1,550</u>	<u>\$ (47)</u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Working Cash Fund

Statement of Revenue Received - Actual and Budget  
Year ended June 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
<b>REVENUE FROM LOCAL SOURCES</b>			
Earnings on investments:			
Interest on investments	\$ 135,519	\$ 133,000	\$ 2,519
Total earnings on investments	<u>135,519</u>	<u>133,000</u>	<u>2,519</u>
<b>Total revenue from local sources</b>	<u>\$ 135,519</u>	<u>\$ 133,000</u>	<u>\$ 2,519</u>
<b>Total direct revenue</b>	<u><u>\$ 135,519</u></u>	<u><u>\$ 133,000</u></u>	<u><u>\$ 2,519</u></u>

See accompanying notes to financial statements.

Notes to Financial Statements

June 30, 2023

**(1) Summary of Significant Accounting Policies**

The District's accounting policies conform to the cash basis of accounting, as defined by the Illinois State Board of Education.

**(a) Principles Used to Determine the Scope of the Reporting Entity**

The District's reporting entity includes the District's governing board and all related organizations for which the District exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the District, including joint agreements which serve pupils from numerous districts, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District 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.

Joint agreements have been determined not to be 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 District does not control the assets, operations or management of the joint agreements. In addition, the District is not aware of any entity which would exercise such oversight as to result in the District being considered a component unit of the entity.

**(b) Basis of Presentation – Fund Accounting**

These financial statements comply with the regulatory basis of reporting as prescribed by the Illinois State Board of Education.

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities arising from cash transactions, fund balance, revenue received and expenditures paid. The District maintains individual funds required by the State of Illinois. These funds are presented on the regulatory basis as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types and account groups are used by the District:

Notes to Financial Statements

Governmental Funds

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities arising from cash transactions are accounted for through governmental funds.

*Educational Fund* – This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Student Activity Funds consist of funds owned, operated, and managed by an organization, club, or association within the student body under the guidance or direction of one or more staff members for educational, recreational, or cultural purposes. The school board, superintendent, or district employees have direct involvement with the decisions of how funds are spent or attained. Due to the District's administrative involvement with the Student Activity Funds, these funds are reported as part of the Educational Fund in the financial statements.

*Operations and Maintenance Fund* – This fund is also a general operating fund used to account for costs of maintaining school buildings.

*Debt Service Fund* – This fund is a debt retirement fund. Resources of this fund are used to retire principal and interest maturities of outstanding bond obligations and other long-term debt instruments.

*Transportation Fund* – This fund is a special revenue fund used to account for the costs of transporting pupils to and from school and school activities.

*Municipal Retirement/Social Security Fund* – This fund is a special revenue fund used to pay the District's share of municipal retirement benefits for covered employees. The District's share of Social Security and Medicare-only is also paid from this fund.

*Capital Projects Fund* – Proceeds of construction bond issues, the capital improvement tax levy, and if applicable, school facility occupation tax proceeds are accounted for in this fund.

*Working Cash Fund* – The resources of this fund are held by the District to be used for temporary interfund loans to any fund of the District for which taxes are levied.

*Tort Fund* – This fund is a special revenue fund used to account for tort immunity or tort judgment purposes.

*Fire Prevention and Safety Fund* – Proceeds of fire prevention and safety bond issues and tax levy are accounted for in this fund.

## Notes to Financial Statements

Fiduciary Funds

Fiduciary funds consist of funds received from an independent, outside source in which the school board is acting in an administrative capacity. Neither the school board, the superintendent, nor any district employee has the right of approval for how the funds are spent or raised, nor do they have direct financial involvement in the funds. The district has fiduciary responsibility for the funds but does not have any control over the funds. Fiduciary funds may include outside, independent scholarship funds in which the district has no authority to decide how the funds are attained and awarded. Fiduciary funds may also include trust funds which have been established in connection with the District's employee benefit plans. Fiduciary funds are reported as *Agency funds* in the financial statements.

Governmental Funds – Measurement Focus

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

General Fixed Assets and General Long-Term Debt Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

**(c) Basis of Accounting**

Basis of accounting refers to when revenue received and expenditures paid are recognized in the accounts and how they are reported on the financial statements. The District maintains its accounting records for all funds and account groups on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenue is recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement

Notes to Financial Statements

of cash. Assets of a fund are only recorded when cash is received or when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related bond principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

**(d) Budgets and Budgetary Accounting**

The budget for all Governmental Fund Types is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with 105 ILCS 5/17-1. The budget was passed on September 27, 2022 and amended on June 27, 2023. The budget lapses at the end of each fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is held as to such budget prior to final action.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget by the same procedures required of its original adoption.

**(e) Cash**

The District considers cash on hand, cash on deposit with banks and other institutions, and money markets to be cash for financial statement purposes.

## Notes to Financial Statements

**(f) Investments**

Investment balances, which include money market accounts, are stated at cost which approximates market. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education. The District's investments consist of the District's own bond and Illinois School District Liquid Asset Fund Plus.

**(g) Commingled Accounts**

The District uses common bank accounts to hold the monies of more than one fund. Interest earned on these common accounts is credited to each participating fund based on its approximate share of the account prior to the payment of interest.

Occasionally one or more of the funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the Board of Education. Negative balances incurred in commingled bank accounts at year end are shown as interfund receivables/interfund payables in the financial statements.

**(h) General Fixed Assets**

General fixed assets with expected useful lives that exceed two years and cost more than \$1,000, are recorded as expenditures paid in the Governmental or Activity Funds and capitalized at cost in the general fixed assets account group. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated general fixed assets are stated at estimated fair market value as of the date of acquisition. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge). Depreciation is computed using the straight line method over estimated lives ranging from three to fifty years. Estimated lives are determined based on the policies prescribed by the Illinois State Board of Education.

Certain contracts establish intangible assets based on the District's right to use the assets of another entity. Lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. Right-to-use lease assets are amortized on a straight-line basis over the life of the related lease. Subscription-based information technology arrangements (SBITA) are initially measured as the sum of the initial subscription liability amount, payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription assets are amortized on a straight-line basis over the subscription term.



Notes to Financial Statements

**(2) Property Taxes**

The District’s property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The levy was passed by the board on November 29, 2022. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on approximately June 1 and September 1. The District receives significant distributions of tax receipts during June, July, August, September, October, and November. Taxes recorded in these financial statements are from the 2022, 2021, and prior tax levies.

The following are the tax rate limits permitted by the *Illinois Compiled Statutes* and by local referendum and the actual rates levied per \$100 of assessed valuation:

	- 2022 Levy Year -		- 2021 Levy Year -	
	Limit	Actual	Limit	Actual
Educational	As Needed	2.8500	As Needed	2.9095
Oper. & maint.	0.5500	0.5357	0.5500	0.5408
Bond and interest	As Needed	0.1437	As Needed	0.1502
Transportation	As Needed	0.1700	As Needed	0.1555
Municipal retirement	As Needed	0.0512	As Needed	0.0500
Social security	As Needed	0.0612	As Needed	0.0600
Working cash	0.0500	0.0000	0.0500	0.0000
Tort Immunity	As Needed	0.0000	As Needed	0.0000
Special education	0.4000	0.0195	0.4000	0.0197
Fire prevention and safety	As Needed	0.0000	As Needed	0.0000
Leasing/purchase/rental	0.1000	0.0295	0.1000	0.0295
Prior year adjustment	As Needed	0.0002	As Needed	0.0000
Revenue recapture adj.	As Needed	0.0076	As Needed	0.0181
		<u>3.8686</u>		<u>3.9333</u>

**(3) Cash Deposits and Investments**

The District is allowed to invest in securities as authorized by the Illinois Public Funds Investment Act - 30 ILCS 235/2 and 6; and the Illinois School Code - 105 ILCS 5/8-7.

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Statement of Assets and Liabilities Arising from Cash Transactions	
Cash	\$ 2,177,836
Investments	<u>33,288,012</u>
Total cash and investments	<u>\$ 35,465,848</u>

Notes to Financial Statements

Cash and investments as of June 30, 2023 consist of the following:

Cash on hand	\$ -
Deposits with financial institutions	
District	2,087,203
Student activity funds	90,633
Investments	
District	33,288,012
Student activity funds	-
Total cash and investments	<u><u>\$ 35,465,848</u></u>

Deposits – custodial credit risk

Custodial credit risk for deposits is the risk that, in the event of a depository financial institution failure, the District’s deposits may not be returned to it. The District’s policy requires that all amounts deposited or invested with financial institutions in excess of any insurance limit shall be collateralized by: (1) securities eligible for District investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating services to include Standard & Poor’s, Moody’s, or Fitch, (2) mortgages, (3) letters of credit issued by a Federal Home Loan Bank, or (4) loans covered by a State Guaranty under the Illinois Farm Development Act. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization. The Chief Investment Officer shall determine other collateral requirements.

Safekeeping and Custody Arrangements

The preferred method for safekeeping is to have securities registered in the District’s name and held by a third-party custodian. Safekeeping practices should qualify for the Governmental Accounting Standards Board (GASB) Statement No. 3, *Deposits with Federal Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, Category I, the highest recognized safekeeping procedures.

As of June 30, 2023, \$3,188,751 of the District’s bank balance of \$3,438,751 were exposed to custodial credit risk as follows:

Uninsured and collateralized by FHLB Letters of credit	<u><u>\$ 3,188,751</u></u>
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Investments

The District’s investment policy authorizes the District to invest in any investment as authorized in 30 ILCS 235/2 and Acts amended thereto. It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the District’s obligations as they become due. The District will use prudent investment principles in managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity, and yield.

## Notes to Financial Statements

As authorized under the Investment of Municipal Funds Act of the State of Illinois, the District purchased their own municipal bonds. On January 31, 2020, the District purchased \$2,120,000 Taxable General Obligation Refunding School Bonds, Series 2020A and \$1,786,300 Taxable General Obligation Limited Tax School Bonds, Series 2020B. The bonds carry an interest rate of 3.00% and the future bond repayment schedules are shown in Note 7 below.

On April 11, 2023, the District issued a \$4,643,800 Taxable General Obligation Limited Tax School Bonds, Series 2023. This bond issuance paid down the remaining \$1,193,400 of Series 2020B payments. The bond carries an interest rate of 3.5% and the future bond repayment schedule is shown in Note 7 below.

As of June 30, 2023, the District's investments are comprised as follows:

Investment	Carrying Amount	Fair Value
Liquid Asset Fund Plus (ISDLAF+)	\$ 27,227,912	27,227,912
Kinnikinnick School Bonds	6,060,100	6,060,100
Total investments	<u>\$ 33,288,012</u>	<u>33,288,012</u>

The District holds investments in the Illinois School District Liquid Asset Fund (ISDLAF), which is a comprehensive cash management program investment pool available for Illinois public school districts. The fund is rated AAAM by Standard and Poor's and is considered a safe investment. The fund seeks to maintain a stable net asset value of \$1.00 per share, but is not guaranteed by the FDIC or any other governmental agency. As of June 30, 2023, Max Class funds of \$27,227,912 were uncollateralized.

## Interest rate risk

The District's investment policy does not limit maturities of its investments as a means of managing its exposure to fair value losses arising from increasing interest rates.

## Credit risk

The District's investment policy does not impose limitations on the types of investments the District may utilize, other than limiting the choices to those allowed by Illinois law.

## Custodial credit risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to indirect investments in securities

## Notes to Financial Statements

through the use of mutual funds or governmental investment pools such as Illinois Funds and ISDLAF+. The District is not exposed to this particular risk.

## Concentration of credit risk

No investment in any one issuer, other than ISDLAF+, represent 5% or more of the District's total investments.

The District places no limit on the amount the District may invest in any one issuer.

**(4) Changes in General Fixed Assets, Depreciation, and Amortization**

Under the regulatory basis of accounting, fixed assets, depreciation, and amortization are not recorded and therefore the financial statements do not reflect the amounts below.

	<u>Assets at Cost</u>			Balance 6/30/2023	Life in Years
	Balance 7/1/2022	Additions	Deletions		
Nondepreciable assets:					
Land	\$ 1,146,728	-	-	1,146,728	N/A
Construction in progress	96,597	114,450	96,597	114,450	N/A
Total nondepreciable assets	<u>1,243,325</u>	<u>114,450</u>	<u>96,597</u>	<u>1,261,178</u>	
Depreciable assets:					
Buildings and improvements	30,174,683	623,311	-	30,797,994	50
Temporary buildings	7,006	-	-	7,006	20
Land improvements	2,431,719	3,513	-	2,435,232	20
10-year equipment	1,219,110	119,070	-	1,338,180	10
5-year equipment	-	-	-	-	5
3-year equipment	-	-	-	-	3
Total depreciable assets	<u>33,832,518</u>	<u>745,894</u>	<u>-</u>	<u>34,578,412</u>	
Right-to-use lease assets:					
10-year equipment	-	-	-	-	10
5-year equipment	41,874	-	-	41,874	5
3-year equipment	-	-	-	-	3
Total right-to-use lease assets	<u>41,874</u>	<u>-</u>	<u>-</u>	<u>41,874</u>	
Subscription-based information technology arrangement assets					
	-	-	-	-	Varies
Total general fixed assets	<u>\$ 35,117,717</u>	<u>860,344</u>	<u>96,597</u>	<u>35,881,464</u>	

## Notes to Financial Statements

**Accumulated Depreciation, Accumulated Amortization, and Undepreciated Cost**

	Balance 7/1/2022	Additions	Deletions	Balance 6/30/2023	Undepreciated Cost 6/30/2023
Nondepreciable assets:					
Land	\$ -	-	-	-	1,146,728
Construction in progress	-	-	-	-	114,450
Total nondepreciable assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,261,178</u>
Accumulated depreciation:					
Depreciable assets:					
Buildings and improvements	10,612,211	605,993	-	11,218,204	19,579,790
Temporary buildings	2,521	350	-	2,871	4,135
Land improvements	1,590,911	121,601	-	1,712,512	722,720
10-year equipment	340,808	124,445	-	465,253	872,927
5-year equipment	-	-	-	-	-
3-year equipment	-	-	-	-	-
Total depreciable assets	<u>12,546,451</u>	<u>852,389</u>	<u>-</u>	<u>13,398,840</u>	<u>21,179,572</u>
Accumulated amortization:					
Right-to-use lease assets:					
10-year equipment	-	-	-	-	-
5-year equipment	8,375	8,375	-	16,750	25,124
3-year equipment	-	-	-	-	-
Total right-to-use lease assets	<u>8,375</u>	<u>8,375</u>	<u>-</u>	<u>16,750</u>	<u>25,124</u>
Subscription-based information technology arrangement assets	-	-	-	-	-
Total general fixed assets	<u>\$ 12,554,826</u>	<u>860,764</u>	<u>-</u>	<u>13,415,590</u>	<u>22,465,874</u>

**(5) Employee Pensions and Other Benefit Plans**

The District participates in multiple retirement plans to provide retirement benefits to its employees. For the year ended June 30, 2023, the District recorded a total of \$540,281 in payments to the various retirement plans as detailed below.

It should be noted that actuarial accrued liabilities, deferred inflows of resources and deferred out flows of resources are not recorded in the financial statements since the District uses the regulatory basis of accounting as prescribed or permitted by the Illinois State Board of Education as described in Note 1.

## Notes to Financial Statements

**(a) Teachers' Retirement System of the State of Illinois****Plan description**

The employer participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/acfrs/fy2022>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

**Benefits provided**

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

Tier 2 members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the highest four. Disability provisions for Tier 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different from Tier 1.

Essentially all Tier 1 retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier 2 annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2026. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for

## Notes to Financial Statements

accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and are funded by bonds issued by the state of Illinois.

### **Contributions**

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2022, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer. For the year ended June 30, 2023, the District reported expenditures of \$92,069 for this contribution.

- ***On behalf contributions to TRS.***

The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2023, state of Illinois contributions recognized by the employer were based on the state's proportionate share with pension expense associated with the employer, and the employer recognized revenue and expenditures of \$5,486,519 in pension contributions from the state of Illinois.

- ***2.2 formula contributions.***

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2023, were \$59,394 and are deferred because they were paid after the June 30, 2022 measurement date.

- ***Federal and special trust fund contributions.***

When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

## Notes to Financial Statements

For the year ended June 30, 2023, the employer pension contribution was 10.49 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2023, salaries totaling \$86,560 were paid from federal and special trust funds that required employer contributions of \$9,080. These contributions are deferred because they were paid after the June 30, 2022 measurement date.

- ***Employer retirement cost contributions.***

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2023, the employer paid \$3,759 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2022, the employer had a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount of the employer's proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's proportionate share of the net pension liability	\$ 805,206
State's proportionate share of the net pension liability associated with the employer	<u>69,846,293</u>
Total	<u><u>\$ 70,651,499</u></u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2022, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2022, the employer's proportion was .0009604042 percent, which was a decrease of .0001179521 from its proportion measured as of June 30, 2021.

At June 30, 2023, the employer had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



## Notes to Financial Statements

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,618	\$ 4,440
Net difference between projected and actual earnings on pension plan investments	737	-
Changes of assumptions	3,713	1,537
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	160,570
Employer contributions subsequent to the measurement date	-	-
Total	<u>\$ 6,068</u>	<u>\$ 166,547</u>

Deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year ended June 30,	
2024	\$ (75,142)
2025	(33,827)
2026	(33,005)
2027	(10,688)
2028	(7,817)

**Actuarial assumptions**

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

In the June 30, 2022 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2020. In the June 30, 2021 actuarial valuation, mortality rates were based on the PubT-2010 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2020.

The long-term (20-year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected

## Notes to Financial Statements

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	16.3%	5.73%
U.S. equities small/mid cap	1.9%	6.78%
International equities developed	14.1%	6.56%
Emerging market equities	4.7%	8.55%
U.S. bonds core	6.9%	1.15%
Cash equivalents	1.2%	-0.32%
TIPS	0.5%	0.33%
International debt developed	1.2%	6.56%
Emerging international debt	3.7%	3.76%
Real estate	16.0%	5.42%
Private debt	12.5%	5.29%
Hedge funds	4.0%	3.48%
Private equity	15.0%	10.04%
Infrastructure	2.0%	5.86%
Total	100%	

**Discount rate**

At June 30, 2022, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2021 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2022 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

## Notes to Financial Statements

**Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate**

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	\$ 984,774	\$ 805,206	\$ 656,302

**TRS fiduciary net position**

Detailed information about the TRS's fiduciary net position as of June 30, 2022 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

**(b) Illinois Municipal Retirement Fund Pension Plan**

*Plan Description.* The District'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 District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

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

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each

Notes to Financial Statements

year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

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

*Employees Covered by Benefit Terms.* As of December 31, 2022, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	70
Inactive plan members entitled to but not yet receiving benefits	141
Active members	83
Total	294

*Contributions.* As set by statute, the District’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District’s annual contribution rate for calendar year 2022 was 6.49%. For the fiscal year ended June 30, 2023, the District contributed \$93,648 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Net Pension Liability.* The District’s net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The following are the methods and assumptions used to determine total pension liability at December 31, 2022:

## Notes to Financial Statements

- The actuarial cost method used was Entry Age Normal.
- The asset valuation method used was Market Value of Assets.
- The inflation rate was assumed to be 2.25%.
- Salary increases were expected to be 2.85% to 13.75%, including inflation.
- The investment rate of return was assumed to be 7.25%.
- Projected retirement age was from the Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
- For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.
- For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	35.5%	6.50%
International Equity	18.0%	7.60%
Fixed Income	25.5%	4.90%
Real Estate	10.5%	6.20%
Alternative Investments	9.5%	6.25-9.90%
Cash Equivalents	1.0%	4.00%
	100%	

*Single Discount Rate.* A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

## Notes to Financial Statements

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.05%, and the resulting single discount rate is 7.25%.

*Changes in Net Pension Liability*

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) Liability (A) - (B)
Balances at December 31, 2021	\$ 7,979,120	\$ 9,391,994	(1,412,874)
Changes for the year:			
Service cost	148,297	-	148,297
Interest on the total pension liability	569,346	-	569,346
Difference between expected and actual experience of the total pension liability	296,340	-	296,340
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	106,710	(106,710)
Contributions - employee	-	76,860	(76,860)
Net investment income	-	(1,171,447)	1,171,447
Benefit payments, including refunds of employee contributions	(400,454)	(400,454)	-
Other (net transfer)	-	71,389	(71,389)
Net changes	613,529	(1,316,942)	1,930,471
Balances at December 31, 2022	\$ 8,592,649	\$ 8,075,052	\$ 517,597

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	Single Discount Rate Assumption		
	1% Decrease 6.25%	Current 7.25%	1% Increase 8.25%
Total pension liability	\$ 9,504,638	\$ 8,592,649	\$ 7,837,061
Plan fiduciary net position	8,075,052	8,075,052	8,075,052
Net pension (asset) liability	\$ 1,429,586	\$ 517,597	\$ (237,991)

Notes to Financial Statements

*Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.* Pension expense as reflected in the financial statements for the fiscal year ended June 30, 2023 was \$93,648. At December 31, 2022, the District had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred amounts to be recognized in pension expense in future periods:		
Difference between expected and actual experience	\$ 176,486	\$ 38,336
Changes of assumptions	-	4,469
Net difference between projected and actual earnings on pension plan investments	<u>1,477,674</u>	<u>817,685</u>
Total deferred amounts to be recognized in pension expense in future periods	1,654,160	860,490
Pension contributions made subsequent to the measurement date	-	-
Total deferred amounts related to pensions	<u><u>\$ 1,654,160</u></u>	<u><u>\$ 860,490</u></u>

Deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending December 31</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ 48,401
2024	166,902
2025	208,947
2026	369,420
2027	-
	<u><u>\$ 793,670</u></u>

**(c) Aggregate Information**

Since the District participates in more than one retirement plan, GASB 68 requires disclosure of the following, which aggregates selected information from the Teachers' Retirement System and the Illinois Municipal Retirement Fund.

## Notes to Financial Statements

	TRS	IMRF	Total
Net Pension Liabilities	\$ 805,206	\$ 517,597	\$ 1,322,803
Net Pension Assets	-	-	-
Deferred Outflows of Resources	6,068	1,654,160	1,660,228
Deferred Inflows of Resources	166,547	860,490	1,027,037
Pension expenditures for the year ended June 30, 2023	164,302	93,648	257,950

**(d) Social Security**

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$110,846, the total required contribution for the current fiscal year.

**(e) Medicare**

All employees, except certified personnel hired prior to April 1, 1986, are covered under the Basic Hospital Insurance Plan provision of the Medicare health insurance program. The District paid \$171,485, the total required contribution for the current fiscal year.

**(6) Fund Balance Reporting**

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. The Regulatory Model, followed by the District, only reports Reserved and Unreserved Fund Balances. Below are definitions of the differences and a reconciliation of how these balances are reported.

**(a) Nonspendable Fund Balance**

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. Due to the cash basis nature of the District, all such items are expensed at the time of purchase, so there is nothing to report for this classification.

**(b) Restricted Fund Balance**

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by



Notes to Financial Statements

definition restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories –

1. Special Education  
Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.
2. Leasing Levy  
Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.
3. State Grants  
Proceeds from state grants and the related expenditures have been included in multiple District funds. At June 30, 2023, expenditures disbursed exceeded revenue received from state grants, resulting in no restricted balances.
4. Federal Grants  
Proceeds from federal grants and the related expenditures have been included in multiple District funds. At June 30, 2023, revenue received from federal grants exceeded expenditures disbursed for those specific purposes resulting in a restricted fund balance of \$172,967. This balance is included in the financial statements as Reserved in the Educational Fund.
5. IMRF/Social Security  
Cash disbursed and the related cash receipts of these restricted tax levies are accounted for in the Municipal Retirement/Social Security Fund. Revenue received exceeded expenditures disbursed for these purposes, resulting in a restricted fund balance of \$995,376. For purposes of Regulatory reporting, the Social Security portion of the fund balance, \$132,745, will be classified as Reserved, and the Municipal Retirement portion of the tax levies, \$862,631, will be classified as Unreserved.
6. Student Activity Funds  
Cash receipts and the related cash disbursements of Student Activity Funds are accounted for in the Educational Fund. At June 30, 2023, revenue received for Student Activity Funds exceeded expenditures disbursed for those specific purposes resulting in a restricted fund balance of \$90,633. This balance is included in the financial statements as Reserved in the Educational Fund.
7. School Facilities Occupation Tax  
Cash receipts and the related cash disbursements of this restricted tax are accounted for in the Capital Projects Fund. The balance of \$3,265 represents the excess of cumulative receipts over cumulative disbursements which is restricted for future capital projects and will be classified as Reserved in the Capital Projects Fund.

## Notes to Financial Statements

**(c) Committed Fund Balance**

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the School Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The School Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Employee contracts for services rendered during the school year for employees electing twelve month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. At June 30, 2023 the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2023 amounted to \$1,427,867. This amount is shown as Unreserved in the Educational Fund.

**(d) Assigned Fund Balance**

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the School Board itself or (b) the finance committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes.

The District budgets property tax revenue based on the tax levy approved by the Board the previous December. For the fiscal year ending June 30, 2024, the District budgets property tax based on the 2022 tax levy of which \$8,028,457 was received by the District prior to June 30, 2023 and is therefore included as revenue under the cash method of accounting, in this fiscal year. Under the assigned fund balance definition, \$7,026,623 received in the Educational and Operations and Maintenance funds is assigned fund balance in these funds as shown below and is shown as Unreserved in the financial statements.

A reserve of \$5,062 has been established for self-insurance costs for employee dental benefits in the Educational Fund. The reserve balance is shown as assigned fund balance in these funds as shown below and is shown as Unreserved in the financial statements.

**(e) Unassigned Fund Balance**

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds. Unassigned Fund Balance

Notes to Financial Statements

amounts are shown in the financial statements as Unreserved Fund Balances in the Educational, Operations and Maintenance, and Working Cash Funds.

**(f) Regulatory – Fund Balance Definitions**

Reserved Fund Balances are those balances that are reserved for a specific purpose, other than the regular purpose of any given fund. Unreserved Fund Balances are all balances that are not reserved for a specific purpose other than the specified purpose of a fund.

**(g) Reconciliation of Fund Balance Reporting**

The first five columns of the following table represent Fund Balance Reporting according to generally accepted accounting principles. The last two columns represent Fund Balance Reporting under the regulatory basis of accounting utilized in preparation of the financial statements.

Fund	Generally Accepted Accounting Principles					Regulatory Basis	
	Non-spendable	Restricted	Committed	Assigned	Unassigned	Financial Statements- Reserved	Financial Statements- Unreserved
Educational	-	263,600	1,427,867	5,919,982	12,660,894	263,600	20,008,743
Operations & Maintenance	-	-	-	1,111,703	4,479,727	-	5,591,430
Debt Service	-	776,538	-	-	-	-	776,538
Transportation	-	1,373,169	-	-	-	-	1,373,169
Municipal Retirement	-	995,376	-	-	-	132,745	862,631
Capital Projects	-	3,265	-	-	-	3,265	-
Working Cash	-	-	-	-	6,461,201	-	6,461,201
Tort	-	-	-	-	-	-	-
Fire Prevention and Safety	-	-	-	-	-	-	-

**(h) Expenditures of Fund Balance**

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

**(7) Long-Term Debt**

As of June 30, 2023, the District had long-term debt outstanding in the amount of \$6,085,728. The long-term debt is reported in the General Long-Term Debt Group and consists of the following.

Notes to Financial Statements

**Bonded Indebtedness**

Bonded indebtedness current requirements for principal and interest expenditures are payable from future revenues of the Debt Service Fund. The revenues consist principally of property taxes collected by the District and interest earnings.

Bonded indebtedness consists of the following:

Taxable General Obligation Refunding School Bonds, Series 2020A

Original Issue	\$2,120,000
Issue Date	January 31, 2020
Rate	3.00%
Interest Date	November 1 <sup>st</sup>

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 255,000	\$ 42,489	\$ 297,489
2025	268,600	34,839	303,439
2026	282,700	26,781	309,481
2027	297,400	18,300	315,700
2028	312,600	9,378	321,978
Total	<u>\$ 1,416,300</u>	<u>\$ 131,787</u>	<u>\$ 1,548,087</u>

Taxable General Obligation Limited School (Working Cash) Bonds, Series 2020B

Original Issue	\$1,786,300
Issue Date	January 31, 2020
Rate	3.00%
Interest Date	November 1 <sup>st</sup>

On April 11, 2023 the District issued \$4,643,800 General Obligation Limited Tax School Bonds, Series 2023. The bond proceeds were used to retire the series 2020B General Obligation Limited Tax Bonds. The refunding transaction resulted in an aggregate debt service increase of \$1,840,030; however, restructuring the existing debt allowed the District to reduce the annual tax levy while still issuing a new Limited School (Working Cash) Bond. Additionally, because the District purchased their own bonds, the District will be able to capture future interest earnings rather than paying outside investors. The expected economic gain or present value savings of the refunding transaction is undeterminable.

## Notes to Financial Statements

Taxable General Obligation Limited Tax School (Working Cash) Bonds, Series 2023

Original Issue	\$4,643,800
Issue Date	April 11, 2023
Rate	3.50%
Interest Date	November 1 <sup>st</sup>

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 160,400	\$ 90,296	\$ 250,696
2025	113,200	156,919	270,119
2026	130,700	152,957	283,657
2027	141,000	148,382	289,382
2028	151,700	143,448	295,148
2029	162,900	138,138	301,038
2030	174,600	132,436	307,036
2031	186,900	126,326	313,226
2032	199,700	119,784	319,484
2033	213,000	112,795	325,795
2034	227,000	105,339	332,339
2035	241,600	97,395	338,995
2036	256,800	88,939	345,739
2037	272,800	79,950	352,750
2038	289,400	70,402	359,802
2039	306,700	60,274	366,974
2040	324,700	49,539	374,239
2041	343,600	38,174	381,774
2042	363,300	26,149	389,449
2043	383,800	13,433	397,233
Total	<u>\$ 4,643,800</u>	<u>\$ 1,951,075</u>	<u>\$ 6,594,875</u>

Lease Obligation

The District entered into a five year lease agreement with Toshiba Financial Services LLC for 6 copiers/printers, effective July 1, 2021. The lease requires monthly payments of \$733, beginning July 1, 2021, and there are no variable payment components of the lease. The lease liability is measured at a discount rate of 2%, which is the stated rate in the lease agreement. As a result of the lease, the District recorded an initial right to use asset with a net book value of \$41,874. The right to use asset is discussed in more detail in Note 1(h), *General Fixed Assets*. The District made lease payments totaling \$8,793 during the year ended June 30, 2023.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Notes to Financial Statements

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023 were as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 8,371	\$ 422	\$ 8,793
2025	8,541	252	8,793
2026	8,716	77	8,793
	<u>\$ 25,628</u>	<u>\$ 751</u>	<u>\$ 26,379</u>

In accordance with regulatory requirements, the lease is included in General Long-Term Debt Account Group and the annual principal and interest payments are recorded in the Debt Service Fund.

Long-term liability activity for the year ended June 30, 2023 was as follows:

	<u>Balance 7/1/2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 6/30/2023</u>
Bonds	\$ 3,055,400	\$ 4,643,800	\$ 1,639,100	\$ 6,060,100
Leases	33,831	-	8,203	25,628
Subscriptions	-	-	-	-
	<u>\$ 3,089,231</u>	<u>\$ 4,643,800</u>	<u>\$ 1,647,303</u>	<u>\$ 6,085,728</u>

Total future cash flow requirements of the District for retirement of principal and interest for all categories of debt obligations are as follows:

## Notes to Financial Statements

Year ending June 30,	<b><u>Total Long-Term Debt</u></b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 423,771	\$ 133,207	\$ 556,978
2025	390,341	192,010	582,351
2026	422,116	179,815	601,931
2027	438,400	166,682	605,082
2028	464,300	152,826	617,126
2029	162,900	138,138	301,038
2030	174,600	132,436	307,036
2031	186,900	126,326	313,226
2032	199,700	119,784	319,484
2033	213,000	112,795	325,795
2034	227,000	105,339	332,339
2035	241,600	97,395	338,995
2036	256,800	88,939	345,739
2037	272,800	79,950	352,750
2038	289,400	70,402	359,802
2039	306,700	60,274	366,974
2040	324,700	49,539	374,239
2041	343,600	38,174	381,774
2042	363,300	26,149	389,449
2043	383,800	13,433	397,233
Total	<u>\$ 6,085,728</u>	<u>\$ 2,083,613</u>	<u>\$ 8,169,341</u>

**(8) Legal Debt Margin**

2022 Equalized assessed valuation		<u>\$ 382,038,830</u>
Statutory debt limitation 6.9% of 2022 equalized assessed valuation		\$ 26,360,679
Less total indebtedness:		
Bonds	\$ 6,060,100	
Leases	25,628	
Subscriptions	-	<u>6,085,728</u>
Legal Debt Margin		<u>\$ 20,274,951</u>

**(9) Interfund Loans**

There were no interfund loans made or repaid during the fiscal year ended June 30, 2023.

Notes to Financial Statements

**(10) Interfund Transfers**

There were no interfund transfers made during the fiscal year ended June 30, 2023.

**(11) Overexpenditure of Budget**

All funds were operated within the legal confines of their budgets during the fiscal year ended June 30, 2023.

**(12) Joint Agreements**

The District is a member of Winnebago County Special Education Cooperative located at 11971 Wagon Wheel Road, Rockton, IL 61072. The District pays Winnebago County Special Education Cooperative for special education services administered to District students. During the year ended June 30, 2023, the District paid Winnebago County Special Education Cooperative \$286,313 for these services.

The District's pupils benefit from programs administered under these joint agreements, and the District benefits from jointly administered grants and programming. The District does not have any equity interest in these joint agreements. The joint agreements are separately audited and are not included in these financial statements. Financial information about the joint agreements can be obtained by contacting them at the addresses given above.

**(13) Other Postemployment Benefits (OPEB)**

**(a) *Teacher Health Insurance Security (THIS) Fund***

The employer 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. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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



Notes to Financial Statements

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

- ***On behalf contributions to the THIS Fund***

The state of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to cover the actuarial costs to the THIS Fund that are not covered by contributions from active members which were .90 percent of pay during the year ended June 30, 2023. State of Illinois contributions were \$65,121 and the employer recognized revenue and expenditures of this amount during the year.

- ***Employer contributions to the THIS Fund***

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2023. For the year ended June 30, 2023, the employer paid \$68,608 to the THIS Fund, which was 100 percent of the required contribution.

**Further information on the THIS Fund**

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

**(b) *Non-certified employees***

The District has evaluated its potential liability for other postemployment benefits. The District provides continued health insurance coverage at the active employer rate to all IMRF eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. For the year ended June 30, 2023, four former employees have chosen to stay in the District’s health insurance plan. Because this would result in an immaterial implicit subsidy, the District has chosen not to calculate this implicit subsidy in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Additionally, the District has no former employees for whom the District is providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the District has not recorded any postemployment benefit liability as of June 30, 2023.

## Notes to Financial Statements

**(14) Illinois Unemployment Compensation**

The District has elected to become self-insured for unemployment compensation. The District is therefore liable to the State for any payments made to any of its former employees claiming unemployment benefits. For the year ended June 30, 2023, the District paid \$7,492 to the Illinois Department of Employment Security for unemployment compensation.

**(15) Risk Management**

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. For all insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

**(16) Contingencies**

The District has received funding from state and federal grants in the current and prior years, which are subject to audits by the granting agencies. The School Board believes any adjustments that may arise from these audits will be insignificant to District operations.

Several local entities within the District's boundaries have applied for reductions in their assessed real property tax values. This was denied by the Winnebago County IL Board of Review. Subsequently, complaints were filed by the entities with the Property Tax Appeal Board. As of June 30, 2023, all but one of the parties reached a settlement that resulted in either a tax refund from the County Treasurer or a reduction in assessments for future tax years. If the remaining complaint is successful, the entity would be entitled to a refund of real estate taxes previously paid on the exempt portion of their property plus interest, a portion of which would apply to the District.

**(17) Self-Insurance Plan**

The District maintains a self-insurance plan which is being used for the payment of dental claims up to a \$1,000 per person. For the year ended June 30, 2023, the District paid out \$59,960 for claims under the self-insurance plan. Claims payable as of June 30, 2023 are not presented due to the cash basis of accounting. As of June 30, 2023, \$5,062 remains in the self-insurance bank account for future dental claim reimbursements.

**(18) Change in Accounting Principle**

During the year ended June 30, 2023, the District adopted new accounting guidance by implementing the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). GASB 96 improves financial reporting for governmental entities by establishing a definition for SBITAs and providing uniform guidance to account for SBITA arrangements. GASB 96 requires recognition of certain intangible assets for transactions that meet the definition of a SBITA and also requires reporting of subscription liabilities for

## Notes to Financial Statements

these arrangements. The implementation of this statement has resulted in changing the presentation of the financial statements by recording SBITA assets in the General Fixed Assets account group along with a corresponding subscription liability in the General Long Term Debt account group. Annual subscription payments are recorded as principal and interest payments in the Debt Service fund. For further information, see Note 1 (h), *General Fixed Assets*, and Note 7, *Long Term Debt – Subscription-Based Information Technology Arrangements*.

Implementation of GASB 96 also requires an adjustment to recognize any SBITA assets and the present value of any corresponding subscription liabilities at the implementation date of July 1, 2022. This adjustment is reflected in Note 4, *Changes in General Fixed Assets, Depreciation, and Amortization*, and Note 7, *Long Term Debt*, as a change to the beginning balances reflected in the schedules of capital assets and long term liability activity, respectively. There is no impact on fund balance from the implementation of GASB 96, since the District uses the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. The District did not have any SBITA arrangements requiring recognition under the new standard as of July 1, 2022, therefore no changes were necessary in Notes 4 and 7 as described above.

**(19) Subsequent Events**

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at the date of the balance sheet but arose after that date (that is, non-recognized subsequent events).

The District has evaluated subsequent events through September 22, 2023, which was the date that these financial statements were available for issuance, and determined that there were no significant non-recognized subsequent events through that date.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Other Information (unaudited)

June 30, 2023

Teachers' Retirement System of the State of Illinois  
Schedule of the Employer's Proportionate Share  
of The Net Pension Liability

	<u>FY22*</u>	<u>FY21*</u>	<u>FY20*</u>	<u>FY19*</u>	<u>FY18*</u>	<u>FY17*</u>	<u>FY16*</u>	<u>FY15*</u>	<u>FY14*</u>
Employer's proportion of the net pension liability	1.1%	1.2%	1.3%	1.4%	1.4%	2.2%	2.2%	2.4%	2.4%
Employer's proportionate share of the net pension liability	\$ 805,206	\$ 841,240	\$ 954,607	\$ 922,889	\$ 952,113	\$ 1,399,117	\$ 1,492,531	\$ 1,254,971	\$ 1,184,179
State's proportionate share of the net pension liability associated with the employer	69,846,293	70,504,826	74,769,813	65,681,028	65,223,711	63,542,041	66,871,433	50,295,080	48,626,750
<b>Total</b>	<u>\$ 70,651,499</u>	<u>\$ 71,346,066</u>	<u>\$ 75,724,420</u>	<u>\$ 66,603,917</u>	<u>\$ 66,175,824</u>	<u>\$ 64,941,158</u>	<u>\$ 68,363,964</u>	<u>\$ 51,550,051</u>	<u>\$ 49,810,929</u>
Employer's covered-employee payroll	\$ 10,240,015	\$ 9,826,454	\$ 9,750,697	\$ 9,306,342	\$ 8,884,488	\$ 8,746,793	\$ 8,582,030	\$ 8,274,379	\$ 7,767,477
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	7.86%	8.56%	9.79%	9.92%	10.72%	16.00%	17.39%	15.17%	15.25%
Plan fiduciary net position as a percentage of the total pension liability	42.8%	45.1%	37.8%	39.6%	40.0%	39.3%	36.4%	41.5%	43.0%

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

Teachers' Retirement System of the State of Illinois  
Schedule of Employer Contributions

Statutorily-required contribution	\$ 990,074	\$ 947,403	\$ 939,087	\$ 896,482	\$ 855,466	\$ 842,278	\$ 847,734	\$ 949,435	\$ 868,404
Contributions in relation to the statutorily-required contribution	990,111	948,026	931,559	896,440	855,474	842,384	847,984	949,474	868,404
Contribution deficiency (excess)	<u>\$ (37)</u>	<u>\$ (623)</u>	<u>\$ 7,528</u>	<u>\$ 42</u>	<u>\$ (8)</u>	<u>\$ (106)</u>	<u>\$ (250)</u>	<u>\$ (39)</u>	<u>\$ -</u>
Employer's covered-employee payroll	\$ 10,240,015	\$ 9,826,454	\$ 9,750,697	\$ 9,306,342	\$ 8,884,488	\$ 8,746,792	\$ 8,582,030	\$ 8,274,379	\$ 7,767,477
Contributions as a percentage of covered-employee payroll	9.67%	9.65%	9.55%	9.63%	9.63%	9.63%	9.88%	11.47%	11.18%

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Other Information (unaudited)

June 30, 2023

Illinois Municipal Retirement Fund  
Schedule of Changes in Net Pension Liability and Related Ratios

Calendar year ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>									
Service cost	\$ 148,297	\$ 153,226	\$ 178,403	\$ 178,164	\$ 175,647	\$ 185,881	\$ 185,364	\$ 179,794	\$ 175,123
Interest on the total pension liability	569,346	553,382	533,923	508,687	480,644	457,672	432,918	404,015	368,810
Differences between expected and actual experience of the total pension liability	296,340	(105,915)	(46,315)	(45,486)	6,923	97,949	(54,032)	7,905	(111,972)
Changes of assumptions	-	-	(48,854)	-	194,811	(188,727)	(7,452)	7,062	223,926
Benefit payments, including refunds of employee contributions	(400,454)	(355,627)	(316,722)	(270,067)	(232,944)	(249,768)	(219,649)	(197,325)	(180,322)
<b>Net change in total pension liability</b>	<u>613,529</u>	<u>245,066</u>	<u>300,435</u>	<u>371,298</u>	<u>625,081</u>	<u>303,007</u>	<u>337,149</u>	<u>401,451</u>	<u>475,565</u>
<b>Total pension liability – beginning</b>	<u>7,979,120</u>	<u>7,734,054</u>	<u>7,433,619</u>	<u>7,062,321</u>	<u>6,437,240</u>	<u>6,134,233</u>	<u>5,797,084</u>	<u>5,395,633</u>	<u>4,920,068</u>
<b>Total pension liability – ending (a)</b>	<u>8,592,649</u>	<u>7,979,120</u>	<u>7,734,054</u>	<u>7,433,619</u>	<u>7,062,321</u>	<u>6,437,240</u>	<u>6,134,233</u>	<u>5,797,084</u>	<u>5,395,633</u>
<b>Plan fiduciary net position</b>									
Contributions – employer	106,710	130,207	132,685	119,646	152,294	155,138	149,827	157,479	146,736
Contributions – employee	76,860	68,773	68,550	72,660	74,736	75,229	75,065	72,312	66,364
Net investment income	(1,171,447)	1,394,920	1,026,237	1,148,930	(322,061)	971,956	362,176	26,718	305,199
Benefit payments, including refunds of employee contributions	(400,454)	(355,627)	(316,722)	(270,067)	(232,944)	(249,768)	(219,649)	(197,325)	(180,322)
Other (net transfer)	71,389	(196,060)	63,499	(2,557)	105,238	(29,596)	6,627	(153,958)	2,576
<b>Net change in plan fiduciary net position</b>	<u>(1,316,942)</u>	<u>1,042,213</u>	<u>974,249</u>	<u>1,068,612</u>	<u>(222,737)</u>	<u>922,959</u>	<u>374,046</u>	<u>(94,774)</u>	<u>340,553</u>
<b>Plan fiduciary net position – beginning</b>	<u>9,391,994</u>	<u>8,349,781</u>	<u>7,375,532</u>	<u>6,306,920</u>	<u>6,529,657</u>	<u>5,606,698</u>	<u>5,232,652</u>	<u>5,327,426</u>	<u>4,986,873</u>
<b>Plan fiduciary net position – ending (b)</b>	<u>8,075,052</u>	<u>9,391,994</u>	<u>8,349,781</u>	<u>7,375,532</u>	<u>6,306,920</u>	<u>6,529,657</u>	<u>5,606,698</u>	<u>5,232,652</u>	<u>5,327,426</u>
<b>Net pension (asset) liability – ending (a)-(b)</b>	<u>\$ 517,597</u>	<u>\$ (1,412,874)</u>	<u>\$ (615,727)</u>	<u>\$ 58,087</u>	<u>\$ 755,401</u>	<u>\$ (92,417)</u>	<u>\$ 527,535</u>	<u>\$ 564,432</u>	<u>\$ 68,207</u>
Plan fiduciary net position as a percentage of the total pension liability	93.98%	117.71%	107.96%	99.22%	89.30%	101.44%	91.40%	90.26%	98.74%
Covered valuation payroll	\$ 1,644,234	\$ 1,528,266	\$ 1,523,590	\$ 1,614,648	\$ 1,660,779	\$ 1,671,739	\$ 1,659,211	\$ 1,606,925	\$ 1,564,405
Net pension liability as a percentage of covered valuation payroll	31.48%	-92.45%	-40.41%	3.60%	45.48%	-5.53%	31.79%	35.12%	4.36%

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Other Information (unaudited)

June 30, 2023

Illinois Municipal Retirement Fund  
Schedule of Contributions

Calendar Year Ending December 31,	Actuarially Determined Contribution (a)	Actual Contribution (b)	(Excess) (a-b)	Covered Valuation Payroll (c)	Actual Contribution as a % of Covered Payroll (b/c)
2014	\$ 155,658	\$ 146,736	\$ 8,922	\$ 1,564,405	9.38%
2015	157,479	157,479	-	1,606,925	9.80%
2016	149,827	149,827	-	1,659,211	9.03%
2017	155,137	155,138	(1)	1,671,739	9.28%
2018	152,293	152,294	(1)	1,660,779	9.17%
2019	119,645	119,646	(1)	1,614,648	7.41%
2020	132,705	132,685	20	1,523,590	8.71%
2021	130,208	130,207	1	1,528,266	8.52%
2022	106,711	106,710	1	1,644,234	6.49%

See notes to other information.

Notes to Other Information

June 30, 2023

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

**(1) Teachers Retirement System of the State of Illinois – Changes of Assumption**

For the 2022 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.50 percent and a real return of 4.50 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated September 30, 2021.

For the 2021-2017 measurement years, the assumed investment rate of return was 7.0, including an inflation rate of 2.25 percent and a real return of 4.75 percent. Salary increases were assumed to vary by service credit. The assumptions used for the 2020-2018 and 2017-2016 measurement years were based on an experience study dated September 18, 2018 and August 13, 2015, respectively.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

**(2) Illinois Municipal Retirement Fund Pension Plan – Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2022 Contribution Rate\***

**(a) Valuation Date**

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

**(b) Methods and Assumptions Used to Determine 2022 Contribution Rates**

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 21-year closed period. Early retirement incentive plan liabilities: a period up to 10 years selected by the Employer upon adoption of early retirement incentive.

Notes to Other Information

Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	2.75%
Price inflation	2.25%
Salary increases	2.85% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020

**(c) Other Information**

There were no benefit changes during the year.

\* Based on valuation assumptions used in the December 31, 2020, actuarial valuation; note two year lag between valuation and rate setting.



KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

District Activity Fund

Schedule of Revenues Received and Expenditures Disbursed  
For the year ended June 30, 2023

Fund	Balance 07/01/22	Revenues Received	Expenditures Disbursed	Balance 06/30/23
Library - LW	\$ 2,599	\$ 6,133	\$ 5,023	\$ 3,709
Library - SC	1,378	3,820	3,736	1,462
Library - KS	962	5,130	4,519	1,573
Library - RMS	5,838	4,661	3,452	7,047
Yearbook - RMS	4,225	795	-	5,020
Choir - SC	2,414	2,220	1,318	3,316
Choir - KS	1,249	4,000	3,361	1,888
Band - RMS	1,922	-	-	1,922
Cheerleading - RMS	4,745	4,929	7,859	1,815
Pom Pons - RMS	2,216	17,196	9,101	10,311
Volleyball - RMS	2,951	1,553	95	4,409
Student Council - RMS	859	6,867	6,329	1,397
Play - RMS	6,973	5,411	5,086	7,298
Coffee Shop - SC	412	-	29	383
Coffee Shop - RMS	855	-	-	855
Miscellaneous	4,594	20,586	17,572	7,608
Fifth Grade Trip	12,465	48,349	52,115	8,699
Girls Basketball	389	-	175	214
Track - RMS	14,425	160	1,649	12,936
Garden - LW	51	-	-	51
National Junior Honor Society	2,713	957	2,828	842
Boys Basketball	947	777	706	1,018
8th Grade Science	698	1,200	1,120	778
KS Character Education	154	-	-	154
RMS Character Education	5,993	1,185	1,250	5,928
	\$ 82,027	\$ 135,929	\$ 127,323	\$ 90,633

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>Grantee Name</b>	Kinnikinnick Community Consolidated School District 131
<b>ID Numbers</b>	AUDIT:39802    Grantee:676960    UEI:LJAWRJLC7VP5    FEIN:366005752
<b>Audit Period</b>	7/1/2022 - 6/30/2023
<b>Submitted</b>	10/06/2023; Keli Freedlund; Superintendent; kfreedlund@kinnschools.org; 815-623-2837
<b>Accepted</b>	
<b>Program Count</b>	17

<b>All Programs Total</b>				
<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Personal Services (Salaries and Wages)	0.00	0.00	0.00	0.00
Fringe Benefits	0.00	0.00	0.00	0.00
Travel	0.00	0.00	0.00	0.00
Equipment	0.00	0.00	0.00	0.00
Supplies	0.00	0.00	0.00	0.00
Contractual Services	0.00	0.00	0.00	0.00
Consultant (Professional Services)	0.00	0.00	0.00	0.00
Construction	0.00	0.00	0.00	0.00
Occupancy - Rent and Utilities	0.00	0.00	0.00	0.00
Research and Development	0.00	0.00	0.00	0.00
Telecommunications	0.00	0.00	0.00	0.00
Training and Education	0.00	0.00	0.00	0.00
Direct Administrative Costs	0.00	0.00	0.00	0.00
Miscellaneous Costs	0.00	207,435.00	24,805,690.00	25,013,125.00
ALN 21.027 CSLFRF	0.00	0.00	0.00	0.00
All Grant Specific Categories	151,443.00	828,594.00	0.00	980,037.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>151,443.00</b>	<b>1,036,029.00</b>	<b>24,805,690.00</b>	<b>25,993,162.00</b>
Indirect Costs	0.00	0.00	0.00	0.00
<b>TOTAL EXPENDITURES</b>	<b>151,443.00</b>	<b>1,036,029.00</b>	<b>24,805,690.00</b>	<b>25,993,162.00</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	Department Of Healthcare And Family Services (478)
<b>Program Name</b>	Medical Assistance Program (478-00-0251)
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
4th Quarter (Apr.-Jun.) Admin. Expenditures	0.00	36,656.00	0.00	36,656.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>0.00</b>	<b>36,656.00</b>	<b>0.00</b>	<b>36,656.00</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	State Board Of Education (586)
<b>Program Name</b>	Early Childhood Block Grant: Preschool for All 3-5 (586-18-0868)
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Expenditure-Grant Projects during the Audit Period	100,572.00	0.00	0.00	100,572.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>100,572.00</b>	<b>0.00</b>	<b>0.00</b>	<b>100,572.00</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	State Board Of Education (586)
<b>Program Name</b>	Fed. - Sp. Ed. - I.D.E.A. - Flow Through (586-64-0417)
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Expenditure-Grant Projects during the Audit Period	0.00	320,718.00	0.00	320,718.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>0.00</b>	<b>320,718.00</b>	<b>0.00</b>	<b>320,718.00</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	State Board Of Education (586)
<b>Program Name</b>	Fed. - Sp. Ed. - Pre-School Flow Through: IDEA Part B - Consolidated Application (586-57-0420)
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Expenditure-Grant Projects during the Audit Period	0.00	20,628.00	0.00	20,628.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>0.00</b>	<b>20,628.00</b>	<b>0.00</b>	<b>20,628.00</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	State Board Of Education (586)
<b>Program Name</b>	Federal Programs: ARP - IDEA Consolidated (586-53-2590) <i>This program was added by the grantee</i>
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Miscellaneous Costs	0.00	86,235.00	0.00	86,235.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>0.00</b>	<b>86,235.00</b>	<b>0.00</b>	<b>86,235.00</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	State Board Of Education (586)
<b>Program Name</b>	Federal Programs: ARP - LEA American Rescue Plan (586-62-2578)
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Miscellaneous Costs	0.00	117,963.00	0.00	117,963.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>0.00</b>	<b>117,963.00</b>	<b>0.00</b>	<b>117,963.00</b>



**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	State Board Of Education (586)
<b>Program Name</b>	Federal Programs: ARP - McKinney-Vento Homeless Grant (586-18-2610)
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Miscellaneous Costs	0.00	3,237.00	0.00	3,237.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>0.00</b>	<b>3,237.00</b>	<b>0.00</b>	<b>3,237.00</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	State Board Of Education (586)
<b>Program Name</b>	Fresh Fruit and Vegetables (586-18-0413) <i>This program was added by the grantee</i>
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Revenues-Grant Projects during the Audit Period	0.00	33,307.00	0.00	33,307.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>0.00</b>	<b>33,307.00</b>	<b>0.00</b>	<b>33,307.00</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	State Board Of Education (586)
<b>Program Name</b>	National School Lunch Program (586-18-0407)
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Revenues-Grant Projects during the Audit Period	0.00	163,571.00	0.00	163,571.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>0.00</b>	<b>163,571.00</b>	<b>0.00</b>	<b>163,571.00</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	State Board Of Education (586)
<b>Program Name</b>	Non-Cash Commodity Value (586-18-2330) <i>This program was added by the grantee</i>
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Revenues-Grant Projects during the Audit Period	0.00	50,936.00	0.00	50,936.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>0.00</b>	<b>50,936.00</b>	<b>0.00</b>	<b>50,936.00</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	State Board Of Education (586)
<b>Program Name</b>	School Breakfast Program (586-18-0406)
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Revenues-Grant Projects during the Audit Period	0.00	19,426.00	0.00	19,426.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>0.00</b>	<b>19,426.00</b>	<b>0.00</b>	<b>19,426.00</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	State Board Of Education (586)
<b>Program Name</b>	School Maintenance Project Grants (586-00-1723) <i>This program was added by the grantee</i>
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Expenditure-Grant Projects during the Audit Period	50,000.00	0.00	0.00	50,000.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>50,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>50,000.00</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	State Board Of Education (586)
<b>Program Name</b>	Special Milk Program (586-18-0408)
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Revenues-Grant Projects during the Audit Period	0.00	1,570.00	0.00	1,570.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>0.00</b>	<b>1,570.00</b>	<b>0.00</b>	<b>1,570.00</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	State Board Of Education (586)
<b>Program Name</b>	State Free Lunch and Breakfast (586-18-0523) <i>This program was added by the grantee</i>
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Expenditure-Grant Projects during the Audit Period	871.00	0.00	0.00	871.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>871.00</b>	<b>0.00</b>	<b>0.00</b>	<b>871.00</b>



**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	State Board Of Education (586)
<b>Program Name</b>	Title I - Low Income: Improving the Academic Achievement of the Disadvantaged (586-62-0414)
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Expenditure-Grant Projects during the Audit Period	0.00	121,398.00	0.00	121,398.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>0.00</b>	<b>121,398.00</b>	<b>0.00</b>	<b>121,398.00</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	State Board Of Education (586)
<b>Program Name</b>	Title II - Teacher Quality: Preparing, Training, and Recruiting High-Quality Teachers, Principals, and Other School Leaders (586-62-0430)
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Expenditure-Grant Projects during the Audit Period	0.00	51,319.00	0.00	51,319.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>0.00</b>	<b>51,319.00</b>	<b>0.00</b>	<b>51,319.00</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	State Board Of Education (586)
<b>Program Name</b>	Title IVA Student Support and Academic Enrichment (586-62-1588)
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Expenditure-Grant Projects during the Audit Period	0.00	9,065.00	0.00	9,065.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>0.00</b>	<b>9,065.00</b>	<b>0.00</b>	<b>9,065.00</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>Program Name</b>	Other grant programs and activities
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<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
	0.00	0.00	0.00	0.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>Program Name</b>	All other costs not allocated
---------------------	-------------------------------

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Miscellaneous Costs	0.00	0.00	24,805,690.00	24,805,690.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>0.00</b>	<b>0.00</b>	<b>24,805,690.00</b>	<b>24,805,690.00</b>

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Schedule of Restricted Local Tax Levies  
 Analysis of Changes in Cash Basis Fund Balance  
 For the year ended June 30, 2023

	<u>Special Education</u>	<u>Facilities Leasing</u>	<u>School Facility Occupation Tax</u>
	<u>Educational</u>	<u>Educational</u>	<u>Capital Projects</u>
Operating Revenues Received			
Ad Valorem Taxes	\$ 72,347	\$ 108,992	\$ -
Facilities Sales Tax	-	-	1,395
Earnings on Investments	-	-	108
Total Operating Revenues Received	<u>72,347</u>	<u>108,992</u>	<u>1,503</u>
Operating Expenditures Disbursed			
Tech Expenses	-	108,992	-
Special Education Expenses	<u>72,347</u>	<u>-</u>	<u>-</u>
Total Operating Expenditures Disbursed	<u>72,347</u>	<u>108,992</u>	<u>-</u>
EXCESS OF OPERATING REVENUES RECEIVED OVER (UNDER) OPERATING EXPENDITURES DISBURSED	<u>-</u>	<u>-</u>	<u>1,503</u>
Fund Balance, Cash Basis July 1, 2022	-	-	1,762
Fund Balance, Cash Basis June 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,265</u>

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Schedule of Assessed Valuations,  
Property Tax Rates, Extensions and Collections (Unaudited)  
June 30, 2023

	Rate	Extension	Received Through 6/30/2022	Received Current Year	Uncollected (Over- collected) Balance
2022 LEVY - Assessed Valuation		\$ 381,845,236			
Educational	2.8500	10,882,589	-	5,914,920	4,967,669
Oper. & maint.	0.5357	2,045,545	-	1,111,703	933,842
Debt service	0.1437	548,712	-	298,211	250,501
Transportation	0.1700	649,137	-	352,829	296,308
Municipal retirement	0.0512	195,505	-	106,293	89,212
Social security	0.0612	233,689	-	127,045	106,644
Special education	0.0195	74,460	-	40,470	33,990
Lease/purchase/rental	0.0295	112,644	-	61,222	51,422
Other	0.0078	29,783	-	15,764	14,019
	<u>3.8686</u>	<u>14,772,064</u>	<u>-</u>	<u>8,028,457</u>	<u>6,743,607</u>
2021 LEVY - Assessed Valuation		\$ 357,548,606			
Educational	2.9095	10,402,877	5,679,642	4,711,867	11,368
Oper. & maint.	0.5408	1,933,623	1,055,700	875,745	2,178
Debt service	0.1502	537,038	293,208	243,232	598
Transportation	0.1555	555,988	303,550	251,812	626
Municipal retirement	0.0500	178,774	97,605	80,972	197
Social security	0.0600	214,529	117,123	97,163	243
Special education	0.0197	70,437	38,460	31,877	100
Lease/purchase/rental	0.0295	105,477	57,587	47,770	120
Other	0.0181	64,716	35,335	29,260	121
	<u>3.9333</u>	<u>14,063,459</u>	<u>7,678,210</u>	<u>6,369,698</u>	<u>15,551</u>
2020 LEVY - Assessed Valuation		\$ 342,990,609			
Educational	3.0009	10,292,805	10,251,584	-	41,221
Oper. & maint.	0.5437	1,864,840	1,857,369	-	7,471
Debt service	0.1537	527,177	525,063	-	2,114
Transportation	0.1500	514,486	512,450	-	2,036
Municipal retirement	0.0500	171,495	170,836	-	659
Social security	0.0600	205,794	204,995	-	799
Special education	0.0198	67,912	67,635	-	277
Lease/purchase/rental	0.0200	68,598	68,403	-	195
	<u>3.9981</u>	<u>13,713,107</u>	<u>13,658,335</u>	<u>-</u>	<u>54,772</u>

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Assessed Valuations, Tax Rates and Extensions (Unaudited)

<u>Year Ended June 30,</u>	<u>Levy Year</u>	<u>Assessed Valuation</u>	<u>Total Tax Rate</u>	<u>Taxes Extended</u>
2016	2014	\$ 289,535,874	3.6812	\$ 10,658,394
2017	2015	295,639,692	4.0729	12,041,112
2018	2016	301,347,404	4.2703	12,868,437
2019	2017	305,250,241	4.2896	13,094,014
2020	2018	315,204,742	4.2513	13,400,299
2021	2019	328,219,782	4.0761	13,378,567
2022	2020	342,990,609	3.9981	13,713,107
2023	2021	347,548,606	3.9333	14,063,459
2024	2022	381,845,236	3.8686	14,772,064



KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Schedule of Average Daily Attendance, Operating Expense per Pupil,  
And Total Operating Expense  
(Unaudited)

<u>Year ended June 30,</u>	<u>Average Daily Attendance</u>	<u>Operating Expense Per Pupil</u>	<u>Total Operating Expense</u>
2016	1680	\$ 9,098	\$ 15,284,343
2017	1634	9,230	15,085,388
2018	1588	9,893	15,707,087
2019	1601	9,780	15,652,558
2020	1742	9,147	15,935,786
2021	1528	11,235	17,164,444
2022	1539	11,663	17,945,020
2023	1561	11,730	18,314,622

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Fund Balances Adjusted for Tax Receipts (Unaudited)

	Total	Educational Fund	Operations & Maintenance Fund	Debt Services Fund	Transportation Fund	Municipal Retirement / Social Security Fund	Capital Projects Fund	Working Cash Fund	Tort Fund	Fire Prev. & Safety Fund
Fund balance, 6-30-17	\$ 14,907,940	\$ 9,017,426	\$ 2,255,775	\$ 968,610	\$ 763,295	\$ 795,564	\$ -	\$ 1,107,270	\$ -	\$ -
Less "early tax distribution"	(6,933,035)	(5,315,483)	(690,010)	(530,092)	(227,299)	(170,151)	-	-	-	-
Adjusted fund balance	<u>\$ 7,974,905</u>	<u>\$ 3,701,943</u>	<u>\$ 1,565,765</u>	<u>\$ 438,518</u>	<u>\$ 535,996</u>	<u>\$ 625,413</u>	<u>\$ -</u>	<u>\$ 1,107,270</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, 6-30-18	\$ 17,314,828	\$ 11,185,792	\$ 2,501,385	\$ 897,763	\$ 804,887	\$ 802,639	\$ -	\$ 1,122,362	\$ -	\$ -
Less "early tax distribution"	(7,126,959)	(5,478,796)	(697,806)	(451,919)	(249,215)	(249,223)	-	-	-	-
Adjusted fund balance	<u>\$ 10,187,869</u>	<u>\$ 5,706,996</u>	<u>\$ 1,803,579</u>	<u>\$ 445,844</u>	<u>\$ 555,672</u>	<u>\$ 553,416</u>	<u>\$ -</u>	<u>\$ 1,122,362</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, 6-30-19	\$ 14,851,607	\$ 9,200,190	\$ 2,601,399	\$ 590,876	\$ 602,829	\$ 709,124	\$ -	\$ 1,147,189	\$ -	\$ -
Less "early tax distribution"	(2,128,226)	(1,650,142)	(213,108)	(130,813)	(78,095)	(56,068)	-	-	-	-
Adjusted fund balance	<u>\$ 12,723,381</u>	<u>\$ 7,550,048</u>	<u>\$ 2,388,291</u>	<u>\$ 460,063</u>	<u>\$ 524,734</u>	<u>\$ 653,056</u>	<u>\$ -</u>	<u>\$ 1,147,189</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, 6-30-20	\$ 23,059,529	\$ 14,133,885	\$ 3,538,198	\$ 690,735	\$ 929,976	\$ 808,636	\$ -	\$ 2,958,099	\$ -	\$ -
Less "early tax distribution"	(5,831,774)	(4,433,237)	(786,898)	(225,342)	(228,915)	(157,382)	-	-	-	-
Adjusted fund balance	<u>\$ 17,227,755</u>	<u>\$ 9,700,648</u>	<u>\$ 2,751,300</u>	<u>\$ 465,393</u>	<u>\$ 701,061</u>	<u>\$ 651,254</u>	<u>\$ -</u>	<u>\$ 2,958,099</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, 6-30-21	\$ 25,221,833	\$ 16,264,111	\$ 3,366,408	\$ 750,084	\$ 1,032,716	\$ 848,497	\$ 496	\$ 2,959,521	\$ -	\$ -
Less "early tax distribution"	(7,421,333)	(5,644,175)	(1,009,213)	(285,296)	(278,442)	(204,207)	-	-	-	-
Adjusted fund balance	<u>\$ 17,800,500</u>	<u>\$ 10,619,936</u>	<u>\$ 2,357,195</u>	<u>\$ 464,788</u>	<u>\$ 754,274</u>	<u>\$ 644,290</u>	<u>\$ 496</u>	<u>\$ 2,959,521</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, 6-30-22	\$ 27,093,568	\$ 18,088,532	\$ 3,262,015	\$ 757,016	\$ 1,125,499	\$ 895,200	\$ 1,762	\$ 2,963,544	\$ -	\$ -
Less "early tax distribution"	(7,678,210)	(5,811,024)	(1,055,700)	(293,208)	(303,550)	(214,728)	-	-	-	-
Adjusted fund balance	<u>\$ 19,415,358</u>	<u>\$ 12,277,508</u>	<u>\$ 2,206,315</u>	<u>\$ 463,808</u>	<u>\$ 821,949</u>	<u>\$ 680,472</u>	<u>\$ 1,762</u>	<u>\$ 2,963,544</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, 6-30-23	\$ 35,473,322	\$ 20,272,343	\$ 5,591,430	\$ 776,538	\$ 1,373,169	\$ 995,376	\$ 3,265	\$ 6,461,201	\$ -	\$ -
Less "early tax distribution"	(8,028,457)	(6,032,376)	(1,111,703)	(298,211)	(352,829)	(233,338)	-	-	-	-
Adjusted fund balance	<u>\$ 27,444,865</u>	<u>\$ 14,239,967</u>	<u>\$ 4,479,727</u>	<u>\$ 478,327</u>	<u>\$ 1,020,340</u>	<u>\$ 762,038</u>	<u>\$ 3,265</u>	<u>\$ 6,461,201</u>	<u>\$ -</u>	<u>\$ -</u>

The fund balances in the basic financial statements reflect all property tax distributions received by the district during each year ended June 30th, in accordance with the cash basis method of accounting used by the district. These balances have been adjusted above to exclude property tax distributions of the current year's levy received prior to June 30th of that year. These adjusted balances should not be construed to reflect the financial position of any fund.



# BENNING GROUP, LLC

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## Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Education  
Kinnikinnick Community Consolidated School District No. 131  
Winnebago County, Illinois

### Report on Compliance for Each Major Federal Program

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

We have audited Kinnikinnick Community Consolidated School District No. 131's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Kinnikinnick Community Consolidated School District No. 131's major federal programs for the year ended June 30, 2023. Kinnikinnick Community Consolidated School District No. 131's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Kinnikinnick Community Consolidated School District No. 131 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, 2023.

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

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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of Kinnikinnick Community Consolidated School District No. 131 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Kinnikinnick Community Consolidated School District No. 131's compliance with the compliance requirements referred to above.

50 W. Douglas Street, Suite 300  
Freeport, Illinois 61032  
(815) 235-3157  
Fax (815) 235-3158

6815 Weaver Road, Suite 300  
Rockford, Illinois 61114  
(815) 316-2375  
Fax (815) 316-2389

1809 10<sup>th</sup> Street  
Monroe, Wisconsin 53566  
(608) 325-5035  
Fax (608) 328-2843

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Kinnikinnick Community Consolidated School District No. 131's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Kinnikinnick Community Consolidated School District No. 131's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Kinnikinnick Community Consolidated School District No. 131's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Kinnikinnick Community Consolidated School District No. 131's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Kinnikinnick Community Consolidated School District No. 131's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Kinnikinnick Community Consolidated School District No. 131's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on Kinnikinnick Community Consolidated School District No. 131's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Kinnikinnick Community Consolidated School District No. 131's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

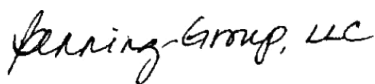
### **Report on Internal Control Over Compliance**

*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 "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Freeport, Illinois  
September 22, 2023

**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)**  
**DISTRICT/JOINT AGREEMENT**  
**Year Ending June 30, 2023**

DISTRICT/JOINT AGREEMENT NAME <b>Kinnikinnick Community Consolidated School District #131</b>	RCDT NUMBER <b>04-101-1310-04</b>	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER <b>065-035281</b>	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable) <b>Ms. Keli Freelund</b>		NAME AND ADDRESS OF AUDIT FIRM <b>Benning Group, LLC 50 W. Douglas Street, Suite 300 Freeport, IL 61032</b>	
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code) <b>5410 Pine Lane Roscoe, IL 61073</b>		E-MAIL ADDRESS: <a href="mailto:jblocker@benninggroup.com">jblocker@benninggroup.com</a>	
		NAME OF AUDIT SUPERVISOR <b>Jenny L Blocker</b>	
		CPA FIRM TELEPHONE NUMBER <b>815-235-3157</b>	FAX NUMBER <b>815-235-3158</b>

**THE FOLLOWING INFORMATION MUST BE INCLUDED IN THE SINGLE AUDIT REPORT:**

- A copy of the CPA firm's most recent peer review report and acceptance letter has been submitted to ISBE (either with the audit or under separate cover).
- Financial Statements including footnotes (Title 2 CFR §200.510 (a))
- Schedule of Expenditures of Federal Awards including footnotes (Title 2 CFR §200.510 (b))
- Independent Auditor's Report on the Financial Statements (Title 2 CFR §200.515 (a))
- Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* (Title 2 CFR §200.515 (b))
- Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance (Title 2 CFR §200.515 (c))
- Schedule of Findings and Questioned Costs (Title 2 CFR §200.515 (d))
- Summary Schedule of Prior Audit Findings (Title 2 CFR §200.511 (b))
- Corrective Action Plan on LEA letterhead (Title 2 CFR §200.511 (c))

**THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:**

- A Copy of the Federal Data Collection Form (Title 2 CFR §200.512 (b))
- A Copy of each Management Letter

**Kinnikinnick Community Consolidated School District #131  
04-101-1310-04**

**RECONCILIATION OF FEDERAL REVENUES  
Year Ending June 30, 2023**

**Annual Financial Report to Schedule of Expenditures of Federal Awards**

**TOTAL FEDERAL REVENUE IN AFR**

Account Summary 7-9, Line 7	Account 4000	\$	1,795,045
Flow-through Federal Revenues			
Revenues 10-15, Line 115	Account 2200		-
Value of Commodities			
ICR Computation 41, Line 11			84,243
Less: Medicaid Fee-for-Service Program			
Revenues 10-15, Line 268	Account 4992		(62,849)
<b>AFR TOTAL FEDERAL REVENUES:</b>		<b>\$</b>	<b>1,816,439</b>

**ADJUSTMENTS TO AFR FEDERAL REVENUE AMOUNTS:**

Reason for Adjustment:

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**ADJUSTED AFR FEDERAL REVENUES** **\$ 1,816,439**

Total Current Year Federal Revenues Reported on SEFA:  
Federal Revenues Column D \$ 1,816,439

**Adjustments to SEFA Federal Revenues:**

Reason for Adjustment:

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**ADJUSTED SEFA FEDERAL REVENUE:** **\$ 1,816,439**

**DIFFERENCE:** **\$ -**

**KINNICKINICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT #131**

**04-101-1310-04**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year ended June 30, 2023**

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	Assistance Listing (A)	ISBE Project Number (B)	Receipts/Revenues		Expenditures/Disbursements		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/21 - 6/30/22	Year 7/1/22- 6/30/23	Year 7/1/21 - 6/30/22	Year 7/1/22 - 6/30/23			
			(C)	(D)	(E)	(F)			
<b>U.S. Department of Agriculture:</b>									
<b>Through Illinois State Board of Education:</b>									
DoD Fresh Fruits and Vegetables Program (non-cash)	10.555	2022	64,284	-	64,284	-	-	64,284	N/A
DoD Fresh Fruits and Vegetables Program (non-cash)	10.555	2023	-	33,307	-	33,307	-	33,307	N/A
Commodities Program (non-cash)	10.555	2022	32,335	-	32,335	-	-	32,335	N/A
Commodities Program (non-cash)	10.555	2023	-	50,936	-	50,936	-	50,936	N/A
COVID-19 ARP Child Nutrition -Nutrition Supply Chain Assistance Funding	10.555	2023	-	28,127	-	28,127	-	28,127	N/A
National School Lunch Program	10.555	21-4210-00	81,333	-	81,333	-	-	81,333	N/A
National School Lunch Program	10.555	22-4210-00	673,109	72,892	326,469	72,892	-	399,361	N/A
National School Lunch Program	10.555	23-4210-00	-	234,891	-	61,924	-	61,924	N/A
Special Milk Program	10.555	23-4215-00	-	1,260	-	1,260	-	1,260	N/A
School Breakfast Program	10.555	23-4220-00	-	14,290	-	14,290	-	14,290	N/A
Subtotal 10.555			<u>851,061</u>	<u>435,703</u>	<u>504,421</u>	<u>262,736</u>	<u>-</u>	<u>767,157</u>	
School Breakfast Program	10.553	21-4220-00	7,870	-	7,870	-	-	7,870	N/A
School Breakfast Program	10.553	22-4220-00	68,649	5,136	68,649	5,136	-	73,785	N/A
Subtotal 10.553			<u>76,519</u>	<u>5,136</u>	<u>76,519</u>	<u>5,136</u>	<u>-</u>	<u>81,655</u>	
Special Milk Program	10.556	21-4215-00	196	-	196	-	-	196	N/A
Special Milk Program	10.556	22-4215-00	1,068	310	1,068	310	-	1,378	N/A
Subtotal 10.556			<u>1,264</u>	<u>310</u>	<u>1,264</u>	<u>310</u>	<u>-</u>	<u>1,574</u>	
Summer Food Service Program	10.559	21-4225-00	67,572	-	67,572	-	-	67,572	N/A
Subtotal 10.559			<u>67,572</u>	<u>-</u>	<u>67,572</u>	<u>-</u>	<u>-</u>	<u>67,572</u>	
Subtotal Child Nutrition Cluster			<u>996,416</u>	<u>441,149</u>	<u>649,776</u>	<u>268,182</u>	<u>-</u>	<u>917,958</u>	
COVID-19 ARP Child Nutrition - Nutrition PEBT Funding	10.649	21-4210-BT	614	-	614	-	-	614	N/A
COVID-19 ARP Child Nutrition - Nutrition PEBT Funding	10.649	22-4210-BT	-	628	-	628	-	628	N/A
Subtotal 10.649			<u>614</u>	<u>628</u>	<u>614</u>	<u>628</u>	<u>-</u>	<u>1,242</u>	
COVID-19 ARP Child Nutrition -Nutrition Supply Chain Assistance Funding	10.560	22-4210-SC	35,109	-	35,109	-	-	35,109	N/A
Subtotal 10.560			<u>35,109</u>	<u>-</u>	<u>35,109</u>	<u>-</u>	<u>-</u>	<u>35,109</u>	
<b>Total Through USDA Programs</b>			<u>1,032,139</u>	<u>441,777</u>	<u>685,499</u>	<u>268,810</u>	<u>-</u>	<u>954,309</u>	

100

See the accompanying notes to the Schedule of Expenditures of Federal Awards.





**KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT #131**

**04-101-1310-04**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year ended June 30, 2023**

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	Assistance Listing (A)	ISBE Project Number (B)	Receipts/Revenues		Expenditures/Disbursements		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/21 - 6/30/22 (C)	Year 7/1/22- 6/30/23 (D)	Year 7/1/21 - 6/30/22 (E)	Year 7/1/22 - 6/30/23 (F)			
COVID 19 Elementary and Secondary School Emergency Relief II	84.425D	21-4998-E2	723,422	-	723,422	-	-	723,422	723,422
(M) COVID 19 Elementary and Secondary School Emergency Relief III	84.425U	22-4998-E3	-	503,231	388,781	117,963	-	506,744	1,697,897
Subtotal 84.425			723,422	509,110	1,114,845	121,200	-	1,236,045	
<b>Total Through USDE Programs</b>			<u>1,394,139</u>	<u>1,339,083</u>	<u>1,992,907</u>	<u>730,563</u>	-	<u>2,723,470</u>	
<b>U.S. Department of Health and Human Services:</b>									
<b>Through Illinois Dept. of Health and Family Services:</b>									
Medicaid Administrative Outreach	93.778	21-4991-00	9,062	-	-	-	-	-	N/A
Medicaid Administrative Outreach	93.778	22-4991-00	17,575	8,808	26,383	-	-	26,383	N/A
Medicaid Administrative Outreach	93.778	23-4991-00	-	26,771	-	36,656	-	36,656	N/A
Subtotal 93.778			26,637	35,579	26,383	36,656	-	63,039	
<b>Total Through USDHHS Programs</b>			<u>26,637</u>	<u>35,579</u>	<u>26,383</u>	<u>36,656</u>	-	<u>63,039</u>	
<b>Total Federal Awards</b>			<u>2,452,915</u>	<u>1,816,439</u>	<u>2,704,789</u>	<u>1,036,029</u>	-	<u>3,740,818</u>	

(M) Program was audited as a major program as defined by Sec. 200.518.

**KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT #131**

**04-101-1310-04**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)**

**Year Ending June 30, 2023**

**Note 1: Basis of Presentation<sup>5</sup>**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of **Kinnikinnick Community Consolidated School District #131** and is presented on the **cash basis of accounting**. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the **general purpose** financial statements.

**Note 2: Indirect Facilities & Administration costs<sup>6</sup>**

Auditee elected to use 10% de minimis cost rate? \_\_\_\_\_ YES \_\_\_\_\_ X \_\_\_\_\_ NO

**Note 3: Subrecipients**

Of the federal expenditures presented in the schedule, **Kinnikinnick Community Consolidated School District No. 131** provided federal awards to subrecipients as follows:

Program Title/Subrecipient Name	Federal CFDA Number	Amount Provided to Subrecipient
None		

**Note 4: Non-Cash Assistance**

The following amounts were expended in the form of non-cash assistance by **Kinnikinnick Community Consolidated School District #131** and **should be** included in the Schedule of Expenditures of Federal Awards:

NON-CASH COMMODITIES (CFDA 10.555)**:	<u>\$50,936</u>	
OTHER NON-CASH ASSISTANCE - DEPT. OF DEFENSE FRUITS & VEGETABLES	<u>\$33,307</u>	Total Non-Cash <span style="border: 1px solid black; padding: 2px;"><b>\$84,243</b></span>

**Note 5: Other Information**

Insurance coverage in effect paid with Federal funds during the fiscal year:

Property	<u>\$0</u>
Auto	<u>\$0</u>
General Liability	<u>\$0</u>
Workers Compensation	<u>\$0</u>
Loans/Loan Guarantees Outstanding at June 30:	<u>\$0</u>
District had Federal grants requiring matching expenditures	<u>No</u>

(Yes/No)

\*\* The amount reported here should match the value reported for non-cash Commodities on the Indirect Cost Rate Computation page.

<sup>5</sup> This note is included to meet the Uniform Guidance requirement that the schedule include notes that describe the significant accounting policies used in preparing the schedule. (§200.510 (b)(6))

<sup>6</sup> The Uniform Guidance requires the Schedule of Expenditures of Federal Awards to note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs. §200.510 (b)(6)

**Kinnikinnick Community Consolidated School District #131**

**04-101-1310-04**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year Ending June 30, 2023**

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

**FINANCIAL STATEMENTS**

Type of auditor's report issued: Adverse - GAAP / Unmodified - Cash Basis  
(Unmodified, Qualified, Adverse, Disclaimer)

**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

- Material weakness(es) identified?            YES       X       None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)?            YES       X       None Reported
- Noncompliance material to the financial statements noted?            YES       X       NO

**FEDERAL AWARDS**

**INTERNAL CONTROL OVER MAJOR PROGRAMS:**

- Material weakness(es) identified?            YES       X       None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)?            YES       X       None Reported

Type of auditor's report issued on compliance for major programs: Unmodified  
(Unmodified, Qualified, Adverse, Disclaimer<sup>7</sup>)

Any audit findings disclosed that are required to be reported in accordance with §200.516 (a)?            YES       X       NO

**IDENTIFICATION OF MAJOR PROGRAMS:**<sup>8</sup>

CFDA NUMBER(S) <sup>9</sup>	NAME OF FEDERAL PROGRAM or CLUSTER <sup>10</sup>	AMOUNT OF FEDERAL PROGRAM
84.027, 84.173	Special Education Cluster	427,581
84.425	COVID-19 Education Stabilization Fund Cluster	121,200
<b>Total Amount Tested as Major</b>		<b>\$548,781</b>

**Total Federal Expenditures for 7/1/22-6/30/23** \$1,036,029

% tested as Major 52.97%

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.00

Auditee qualified as low-risk auditee?            YES       X       NO

<sup>7</sup> If the audit report for one or more major programs is other than unmodified, indicate the type of report issued for each program. Example: "Unmodified for all major programs except for [name of program], which was modified and [name of program], which was a disclaimer."

<sup>8</sup> Major programs should generally be reported in the same order as they appear on the SEFA.

<sup>9</sup> When the CFDA number is not available, include other identifying number, if applicable.

<sup>10</sup> The name of the federal program or cluster should be the same as that listed in the SEFA. For clusters, auditors are only required to list the name of the cluster.

**Kinnikinnick Community Consolidated School District #131**  
**04-101-1310-04**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2023**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

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1. FINDING NUMBER:<sup>11</sup>                      **2023-** \_\_\_\_\_                      2. THIS FINDING IS:                       New                       Repeat from Prior Year?  
Year originally reported? \_\_\_\_\_

---

3. Criteria or specific requirement

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4. Condition

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5. Context<sup>12</sup>

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6. Effect

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7. Cause

---

8. Recommendation

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9. Management's response<sup>13</sup>

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<sup>11</sup> A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2018 would be assigned a reference number of 2018-001, 2018-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

<sup>14</sup> Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

<sup>13</sup> See §200.521 *Management decision* for additional guidance on reporting management's response.

**Kinnikinnick Community Consolidated School District #131**  
**04-101-1310-04**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2023**

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

1. FINDING NUMBER:<sup>14</sup> 2023- 001 2. THIS FINDING IS:  New  Repeat from Prior year?  
Year originally reported? \_\_\_\_\_

3. Federal Program Name and Year: Fed. - Sp. Ed. - I.D.E.A. - Flow Through 2022

4. Project No.: 22-4620-00 5. CFDA No.: 84.027A

6. Passed Through: Illinois State Board of Education

U.S. Department of Education

7. Federal Agency: \_\_\_\_\_

8. Criteria or specific requirement (including statutory, regulatory, or other citation)

The District is required to file an accurate expenditure report.

9. Condition<sup>15</sup>

The August 31, 2022 IDEA Flow Through expenditure report reflects expenditures that were not supported by the District's documentation of the program for fiscal year 2023.

10. Questioned Costs<sup>16</sup>

Expenditures claimed in excess of documented IDEA Flow Through program expenditures total \$100.

11. Context<sup>17</sup>

The District claimed IDEA Flow Through expenditures for payments to other governmental units purchased services of \$160,828, however, District records reflect spending of \$160,728 for allowable payments to other governmental units purchased services. The issue appears to be clerical in nature and is not pervasive or material to the federal program.

12. Effect

The District's August 31, 2022 IDEA Flow Through expenditure report included expenditures which are not supported by District financial records.

13. Cause

Inadequate review of expenditure reports prior to submission.

14. Recommendation

The District should implement procedures to provide for review of expenditure reports and supporting documentation to ensure that

15. Management's response<sup>18</sup>

See corrective action plan.

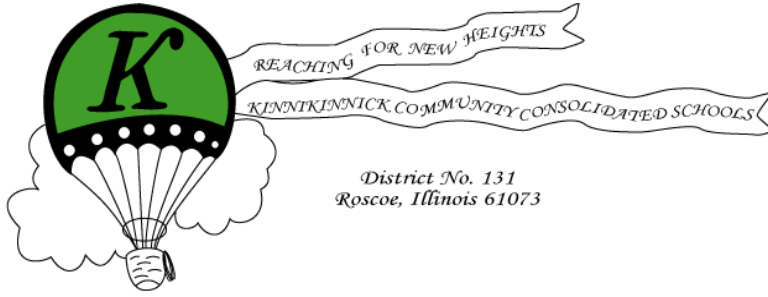
<sup>14</sup> See footnote 11.

<sup>15</sup> Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).

<sup>16</sup> Identify questioned costs as required by §200.516 (a)(3 - 4).

<sup>17</sup> See footnote 12.

<sup>18</sup> To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.



District No. 131  
Roscoe, Illinois 61073

**Kinnickinnick Community Consolidated School District #131**  
**04-101-1310-04**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS<sup>19</sup>**  
**Year Ending June 30, 2023**

[If there are no prior year audit findings, please submit schedule and indicate **NONE**]

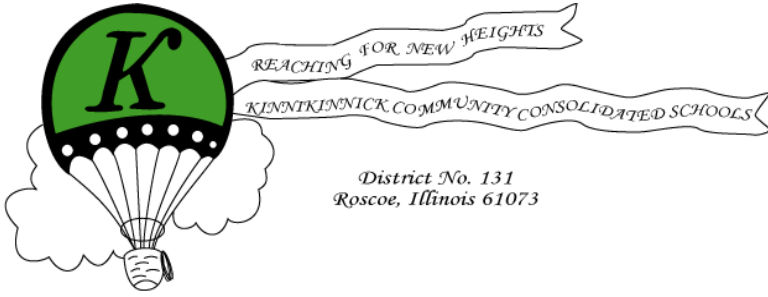
<u>Finding Number</u>	<u>Condition</u>	<u>Current Status<sup>20</sup></u>
2022-001	Material audit adjustments were identified during the fiscal year 2022 financial audit.	Resolved
2022-002	The September 30, 2021 Early Childhood Block Grant expenditure report was not filed within 20 days of the end of the quarter.	Resolved

When possible, all prior findings should be on the same page

<sup>19</sup> Explanation of this schedule - §200.511 (b)

<sup>20</sup> Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.



**CORRECTIVE ACTION PLAN**  
**Year ended June 30, 2023**

**Finding Number: 2023-001**

*Summary of Finding:*

August 31, 2022 IDEA Flow Through expenditure report reflects expenditures that were not supported by the District's documentation of the program for fiscal year 2023.

*District Response and Action Plan:*

The District will endeavor to pay closer attention to detail to avoid this type of error in the future.

*Contact Person:* Brett A. Hruby, CSBO

*Anticipated Completion Date:* Immediately