

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

Annual Financial Report

June 30, 2019

KINNIKINNICK SCHOOL DISTRICT NO. 131

* * * * *

BOARD OF EDUCATION

David Young, President, to April 2023
Craig Carter, Vice-President, to April 2021
Tonya White, Secretary, to April 2021
Jeff Diestelmeier, Member, to April 2021
Scott Meyers, Member, to April 2021
Rick Reese, Member, to April 2023
Lynsey Welch, Member, to April 2023

* * * * *

SECRETARY

Tonya White

* * * * *

TREASURER

Edward Buhlmann

* * * * *

SUPERINTENDENT

Keli Freedlund

* * * * *

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Annual Financial Report
June 30, 2019

Table of Contents

	Page
Independent Auditor's Report	1-3
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 <i>Government Auditing Standards</i>	4-5
Financial Statements	
Statements of Assets and Liabilities Arising From Cash Transactions	6
Statements of Revenue Received, Expenditures Disbursed, Other Financing Sources (Uses) and Changes in Fund Balances	7
Educational Fund	
Statement of Revenue Received – Actual and Budget	8-10
Statement of Expenditures Disbursed – Actual and Budget	11-17
Operations and Maintenance Fund	
Statement of Revenue Received – Actual and Budget	18-19
Statement of Expenditures Disbursed – Actual and Budget	20
Debt Services Fund	
Statement of Revenue Received – Actual and Budget	21
Statement of Expenditures Disbursed – Actual and Budget	22
Transportation Fund	
Statement of Revenue Received – Actual and Budget	23
Statement of Expenditures Disbursed – Actual and Budget	24
Municipal Retirement/Social Security Fund	
Statement of Revenue Received – Actual and Budget	25
Statement of Expenditures Disbursed – Actual and Budget	26-28
Capital Projects Fund	
Statement of Revenue Received – Actual and Budget	29
Statement of Expenditures Disbursed – Actual and Budget	30
Working Cash Fund	
Statement of Revenue Received – Actual and Budget	31
Tort Fund	
Statement of Revenue Received – Actual and Budget	32
Statement of Expenditures Disbursed – Actual and Budget	33
Fire Prevention and Safety Fund	
Statement of Revenue Received – Actual and Budget	34
Statement of Expenditures Disbursed – Actual and Budget	35
Notes to Financial Statements	36-64

Annual Financial Report
June 30, 2019

Table of Contents

Other Information

Teachers' Retirement System of the State of Illinois	
Schedule of the Employer's Proportionate Share of The Net Pension Liability	65
Schedule of Employer Contributions	65
Illinois Municipal Retirement Fund	
Schedule of Changes in Net Pension Liability and Related Ratios	66
Schedule of Contributions	67
Notes to Other Information	68-69

Supplemental Information

Agency Funds	
Activity Funds and Trust Funds – Statement of Assets and Liabilities	
Arising From Cash Transactions	70
Activity Fund	
Statement of Revenues Received and Expenditures Disbursed	71
Schedule of Restricted Local Tax Levies Analysis	
of Changes in Cash Basis Fund Balance	72
Schedule of Assessed Valuations, Property Tax Rates,	
Extensions and Collections	73
Assessed Valuations, Tax Rates and Extensions	74
Schedule of Average Daily Attendance, Operating Expense	
Per Pupil, and Total Operating Expense	75
Fund Balances Adjusted for Tax Receipts	76



BENNING GROUP, LLC

CERTIFIED PUBLIC ACCOUNTANTS

www.BenningGroup.com

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Kinnikinnick Community Consolidated School District No. 131, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting practices 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.

Auditor's Responsibility

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

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

50 W. Douglas Street, Suite 801
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 10th Street
Monroe, Wisconsin 53566
(608) 325-5035
Fax (608) 328-2843

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

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 No. 131 with the financial reporting practices 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 comply with 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.

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” paragraph, 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 No. 131, as of June 30, 2019, or the changes in its financial position for the year then ended.

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 No. 131 as of June 30, 2019, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise Kinnikinnick Community Consolidated School District No. 131’s financial statements. The information listed in the table of contents as “Other Information”, which is the responsibility of management, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements taken as a whole. The schedules listed in the table of contents as “Supplemental Information” are presented for the purposes of additional analysis and are not a required part of the financial statements of Kinnikinnick Community Consolidated School District No. 131. Such information is the responsibility of management and has been derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole on the basis of accounting as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2019, on our consideration of Kinnikinnick Community Consolidated School District No. 131’s internal control over financial reporting and our tests of its compliance with certain provision 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 No. 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 No. 131’s internal control over financial reporting and compliance.



Freeport, Illinois
September 20, 2019



BENNING GROUP, LLC

CERTIFIED PUBLIC ACCOUNTANTS

www.BenningGroup.com

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 No. 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 No. 131 as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Kinnikinnick Community Consolidated School District No. 131's financial statements, and have issued our report thereon dated September 20, 2019. 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Kinnikinnick Community Consolidated School District No. 131's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

50 W. Douglas Street, Suite 801
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 10th Street
Monroe, Wisconsin 53566
(608) 325-5035
Fax (608) 328-2843

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kinnikinnick Community Consolidated School District No. 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we reported to management of Kinnikinnick Community Consolidated School District No. 131 in a separate letter dated September 20, 2019.

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 suited for any other purpose.

A handwritten signature in black ink that reads "Perring Group, LLC". The signature is written in a cursive, flowing style.

Freeport, Illinois
September 20, 2019

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Statements of Assets and Liabilities
Arising from Cash Transactions
June 30, 2019

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety	Agency Funds	Account Groups	
											General Fixed Assets	General Long-Term Debt
ASSETS												
Current Assets												
Cash	\$ 391,217	\$ 37,514	\$ 152,672	\$ 58,559	\$ 15,546	\$ -	\$ 70,834	\$ -	\$ -	\$ 89,000	\$ -	\$ -
Investments	8,808,902	2,563,885	438,204	544,270	693,578	-	1,076,355	-	-	-	-	-
Other receivables	71	-	-	-	-	-	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-	-	-	-	-	-	-
Total current assets	9,200,190	2,601,399	590,876	602,829	709,124	-	1,147,189	-	-	89,000	-	-
Capital Assets												
Land	-	-	-	-	-	-	-	-	-	-	1,146,728	-
Building & building improvements	-	-	-	-	-	-	-	-	-	-	25,394,776	-
Site improvements & infrastructure	-	-	-	-	-	-	-	-	-	-	2,269,827	-
Capitalized equipment	-	-	-	-	-	-	-	-	-	-	4,005,743	-
Amount available in debt service funds	-	-	-	-	-	-	-	-	-	-	-	590,876
Amount to be provided for payment on long-term debt	-	-	-	-	-	-	-	-	-	-	-	2,194,124
Total assets	\$ 9,200,190	\$ 2,601,399	\$ 590,876	\$ 602,829	\$ 709,124	\$ -	\$ 1,147,189	\$ -	\$ -	\$ 89,000	\$ 32,817,074	\$ 2,785,000
LIABILITIES AND FUND BALANCES												
LIABILITIES												
Current Liabilities												
Payroll deductions & withholdings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to activity fund organizations	-	-	-	-	-	-	-	-	-	89,000	-	-
Total current liabilities	-	-	-	-	-	-	-	-	-	89,000	-	-
Long-term Liabilities												
Long-term debt payable	-	-	-	-	-	-	-	-	-	-	-	2,785,000
Total long-term liabilities	-	-	-	-	-	-	-	-	-	-	-	2,785,000
Total liabilities	-	-	-	-	-	-	-	-	-	89,000	-	2,785,000
FUND BALANCES												
Reserved fund balances	-	-	-	-	263,480	-	-	-	-	-	-	-
Unreserved fund balances	9,200,190	2,601,399	590,876	602,829	445,644	-	1,147,189	-	-	-	-	-
Investments in general fixed assets	-	-	-	-	-	-	-	-	-	-	32,817,074	-
Total fund balances	9,200,190	2,601,399	590,876	602,829	709,124	-	1,147,189	-	-	-	32,817,074	-
Total liabilities and fund balances	\$ 9,200,190	\$ 2,601,399	\$ 590,876	\$ 602,829	\$ 709,124	\$ -	\$ 1,147,189	\$ -	\$ -	\$ 89,000	\$ 32,817,074	\$ 2,785,000

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Statements of Revenue Received, Expenditures Disbursed,
Other Sources (Uses) and Changes in Fund Balances
Year ended June 30, 2019

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
REVENUE									
Local sources	\$ 7,292,815	\$ 1,333,392	\$ 523,910	\$ 319,669	\$ 306,079	\$ -	\$ 24,827	\$ -	\$ -
State sources	4,401,045	-	-	465,041	-	-	-	-	-
Federal sources	535,928	-	-	15,250	-	-	-	-	-
Total direct revenue	12,229,788	1,333,392	523,910	799,960	306,079	-	24,827	-	-
Revenue for on-behalf payments	6,235,750	-	-	-	-	-	-	-	-
Total revenue	\$ 18,465,538	\$ 1,333,392	\$ 523,910	\$ 799,960	\$ 306,079	\$ -	\$ 24,827	\$ -	\$ -
EXPENDITURES									
Instruction	\$ 9,988,144	\$ -	\$ -	\$ -	\$ 190,891	\$ -	\$ -	\$ -	\$ -
Support services	3,776,984	1,233,378	-	1,002,018	195,297	-	-	-	-
Community services	134,356	-	-	-	13,406	-	-	-	-
Payments to other districts & gov't units	315,906	-	-	-	-	-	-	-	-
Debt service	-	-	830,797	-	-	-	-	-	-
Total direct expenditures	14,215,390	1,233,378	830,797	1,002,018	399,594	-	-	-	-
Expenditures for on-behalf payments	6,235,750	-	-	-	-	-	-	-	-
Total expenditures	20,451,140	1,233,378	830,797	1,002,018	399,594	-	-	-	-
Excess of direct revenue over (under) direct expenditures	\$ (1,985,602)	\$ 100,014	\$ (306,887)	\$ (202,058)	\$ (93,515)	\$ -	\$ 24,827	\$ -	\$ -
OTHER SOURCES (USES) OF FUNDS									
Abatement of the working cash fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer among funds	-	-	-	-	-	-	-	-	-
Transfer of interest	-	-	-	-	-	-	-	-	-
Sale or compensation for fixed assets	-	-	-	-	-	-	-	-	-
Transfer to debt service to pay principal and interest on capital leases	-	-	-	-	-	-	-	-	-
Other revenues pledged to pay principal on capital leases	-	-	-	-	-	-	-	-	-
Other revenues pledged to pay interest on capital leases	-	-	-	-	-	-	-	-	-
Other sources not classified elsewhere	-	-	-	-	-	-	-	-	-
Total other sources (uses) of funds	-	-	-	-	-	-	-	-	-
Excess of revenues and other sources of funds over (under) expenditures and other uses of funds	(1,985,602)	100,014	(306,887)	(202,058)	(93,515)	-	24,827	-	-
FUND BALANCES - July 1, 2018	11,185,792	2,501,385	897,763	804,887	802,639	-	1,122,362	-	-
FUND BALANCES - June 30, 2019	\$ 9,200,190	\$ 2,601,399	\$ 590,876	\$ 602,829	\$ 709,124	\$ -	\$ 1,147,189	\$ -	\$ -

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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 6,082,659	\$ 9,691,401	\$ (3,608,742)
Leasing purposes levy	93,978	149,080	(55,102)
Special education purposes levy	<u>37,590</u>	<u>59,636</u>	<u>(22,046)</u>
Total ad valorem taxes levied by district	<u>6,214,227</u>	<u>9,900,117</u>	<u>(3,685,890)</u>
Payments in lieu of taxes:			
Payments from local housing authorities	-	-	-
Corporate personal property replacement taxes	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total payments in lieu of taxes	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Tuition:			
Special ed - tuition from other districts (in state)	<u>7,162</u>	<u>7,162</u>	<u>-</u>
Total tuition	<u>7,162</u>	<u>7,162</u>	<u>-</u>
Earnings on investments:			
Interest on investments	<u>234,947</u>	<u>79,410</u>	<u>155,537</u>
Total earnings on investments	<u>234,947</u>	<u>79,410</u>	<u>155,537</u>
Food service:			
Sales to pupils - lunch	276,156	250,000	26,156
Sales to adults	<u>1,721</u>	<u>2,000</u>	<u>(279)</u>
Total food service	<u>277,877</u>	<u>252,000</u>	<u>25,877</u>
District/school activity income:			
Admissions - athletic	5,987	5,000	987
Other district/school activity revenue	<u>423</u>	<u>2,000</u>	<u>(1,577)</u>
Total district/school activity income	<u>6,410</u>	<u>7,000</u>	<u>(590)</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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
REVENUE FROM LOCAL SOURCES (CONTINUED)			
Other revenue from local sources:			
Rentals	1,036	1,200	(164)
Contributions and donations from private services	42,347	43,000	(653)
Refund of prior years' expenditures	48,981	25,000	23,981
Payment from other districts	-	500	(500)
Other local fees	359,828	385,000	(25,172)
	<u>452,192</u>	<u>454,700</u>	<u>(2,508)</u>
Total other revenue from local sources			
	<u>\$ 7,292,815</u>	<u>\$ 10,800,389</u>	<u>\$ (3,507,574)</u>
FLOW-THROUGH RECEIPTS/REVENUE FROM ONE DISTRICT TO ANOTHER DISTRICT			
Flow through revenue from state sources	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total flow-through receipts/revenue from one district to another district			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
REVENUE FROM STATE SOURCES			
Unrestricted grants-in-aid:			
Evidence based funding formula - Sec. 18-8.05	\$ 4,202,844	\$ 4,202,000	\$ 844
	<u>4,202,844</u>	<u>4,202,000</u>	<u>844</u>
Total unrestricted grants-in-aid			
	<u>4,202,844</u>	<u>4,202,000</u>	<u>844</u>
Restricted grants-in-aid:			
Special education			
Private facility tuition	51,752	54,223	(2,471)
Orphanage - individual	23,222	31,145	(7,923)
Orphanage summer school	1,810	-	1,810
	<u>76,784</u>	<u>85,368</u>	<u>(8,584)</u>
Total special education			
	<u>76,784</u>	<u>85,368</u>	<u>(8,584)</u>
State free lunch and breakfast	2,667	115	2,552
	<u>2,667</u>	<u>115</u>	<u>2,552</u>
Early Childhood - Block Grant	118,750	135,000	(16,250)
	<u>118,750</u>	<u>135,000</u>	<u>(16,250)</u>
Total restricted grants-in-aid			
	<u>198,201</u>	<u>220,483</u>	<u>(22,282)</u>
Total revenue from state sources			
	<u>\$ 4,401,045</u>	<u>\$ 4,422,483</u>	<u>\$ (21,438)</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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
REVENUE FROM FEDERAL SOURCES			
Restricted grants-in-aid received from federal government through the state:			
Food service			
National school lunch program	\$ 179,760	\$ 185,000	\$ (5,240)
Special milk program	1,569	1,500	69
School breakfast program	8,479	7,250	1,229
	<u>189,808</u>	<u>193,750</u>	<u>(3,942)</u>
Total food service			
Title I			
Low income	74,962	120,475	(45,513)
	<u>74,962</u>	<u>120,475</u>	<u>(45,513)</u>
Total Title I			
Title IV			
Safe & drug free schools	4,375	11,600	(7,225)
	<u>4,375</u>	<u>11,600</u>	<u>(7,225)</u>
Total Title IV			
Federal - special education			
Preschool - flow through	16,655	15,900	755
IDEA - flow through	148,571	475,000	(326,429)
IDEA - Room & Board	394	-	394
	<u>165,620</u>	<u>490,900</u>	<u>(325,280)</u>
Total federal - special education			
Title II - teacher quality	27,139	33,375	(6,236)
Medicaid matching funds - administrative outreach	32,628	25,000	7,628
Medicaid matching funds - fee-for-service program	41,396	38,250	3,146
	<u>41,396</u>	<u>38,250</u>	<u>3,146</u>
Total revenue from federal sources	<u>\$ 535,928</u>	<u>\$ 913,350</u>	<u>\$ (377,422)</u>
Total direct revenue	<u>\$ 12,229,788</u>	<u>\$ 16,136,222</u>	<u>\$ (3,906,434)</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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
INSTRUCTION			
Regular programs:			
Salaries	\$ 5,938,155	\$ 6,015,000	\$ (76,845)
Employee benefits	947,454	1,135,157	(187,703)
Purchased services	214,396	280,525	(66,129)
Supplies and materials	320,688	471,750	(151,062)
Capital outlay	155,257	150,000	5,257
Other objects	2,747	10,000	(7,253)
	<u>7,578,697</u>	<u>8,062,432</u>	<u>(483,735)</u>
Total regular programs			
Pre-k programs:			
Salaries	91,452	132,450	(40,998)
Employee benefits	6,340	12,885	(6,545)
Purchased services	2,671	8,716	(6,045)
Supplies and materials	18,899	15,000	3,899
Capital outlay	3,382	25,000	(21,618)
Other objects	-	2,500	(2,500)
Non-capitalized Equipment	4,583	-	4,583
	<u>127,327</u>	<u>196,551</u>	<u>(69,224)</u>
Total pre-k programs			
Special education programs:			
Salaries	1,467,903	1,692,000	(224,097)
Employee benefits	192,647	251,674	(59,027)
Purchased services	45,324	21,493	23,831
Supplies and materials	25,075	21,100	3,975
Capital outlay	21,322	8,400	12,922
Other objects	166	500	(334)
	<u>1,752,437</u>	<u>1,995,167</u>	<u>(242,730)</u>
Total special education programs			
Remedial and supplemental programs K-12:			
Salaries	223,635	226,000	(2,365)
Employee benefits	39,326	40,544	(1,218)
Purchased services	7,342	62,560	(55,218)
Supplies and materials	23,660	56,100	(32,440)
Capital outlay	12,821	10,000	2,821
	<u>306,784</u>	<u>395,204</u>	<u>(88,420)</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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
INSTRUCTION (CONTINUED)			
Interscholastic programs:			
Salaries	65,818	-	65,818
Employee benefits	1,441	-	1,441
Purchased services	6,875	6,000	875
Supplies and materials	4,214	5,900	(1,686)
Other objects	915	2,500	(1,585)
	<u>79,263</u>	<u>14,400</u>	<u>64,863</u>
Summer school programs:			
Salaries	3,750	10,000	(6,250)
	<u>3,750</u>	<u>10,000</u>	<u>(6,250)</u>
Special education programs K-12 - private tuition:			
Other objects	139,886	519,250	(379,364)
	<u>139,886</u>	<u>519,250</u>	<u>(379,364)</u>
Total instruction	<u>\$ 9,988,144</u>	<u>\$ 11,193,004</u>	<u>\$ (1,204,860)</u>
SUPPORT SERVICES			
Support services - pupils			
Attendance & social work services:			
Salaries	\$ 275,759	\$ 289,000	\$ (13,241)
Employee benefits	39,548	48,523	(8,975)
Supplies and materials	-	1,000	(1,000)
	<u>315,307</u>	<u>338,523</u>	<u>(23,216)</u>
Health services:			
Salaries	132,313	133,250	(937)
Employee benefits	10,259	22,980	(12,721)
Purchased services	1,434	30,000	(28,566)
Supplies and materials	4,756	4,000	756
Capital outlay	1,755	2,000	(245)
	<u>150,517</u>	<u>192,230</u>	<u>(41,713)</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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
SUPPORT SERVICES (CONTINUED):			
Support services - pupils (continued)			
Psychological services:			
Salaries	57,112	86,000	(28,888)
Employee benefits	10,756	12,148	(1,392)
Purchased services	17,966	15,000	2,966
Supplies and materials	-	500	(500)
	<u>85,834</u>	<u>113,648</u>	<u>(27,814)</u>
Total psychological services			
Speech pathology and audiology services:			
Salaries	365,858	372,000	(6,142)
Employee benefits	54,897	60,107	(5,210)
Purchased services	5,775	2,000	3,775
Supplies and materials	220	1,500	(1,280)
	<u>426,750</u>	<u>435,607</u>	<u>(8,857)</u>
Total speech pathology and audiology services			
Other support services - pupils:			
Salaries	62,119	79,000	(16,881)
	<u>62,119</u>	<u>79,000</u>	<u>(16,881)</u>
Total other support services			
	<u>\$ 1,040,527</u>	<u>\$ 1,159,008</u>	<u>\$ (118,481)</u>
Total support services - pupils			
Support services - instructional staff			
Improvement of instruction services:			
Salaries	\$ 95,720	\$ 105,960	\$ (10,240)
Employee benefits	37,523	23,496	14,027
Purchased services	30,309	41,250	(10,941)
Supplies and materials	9,660	5,000	4,660
Capital outlay	1,348	6,150	(4,802)
	<u>174,560</u>	<u>181,856</u>	<u>(7,296)</u>
Total improvement of instruction services			
Educational media services:			
Salaries	39,730	41,000	(1,270)
Purchased services	5,119	6,500	(1,381)
	<u>44,849</u>	<u>47,500</u>	<u>(2,651)</u>
Total educational media services			

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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
SUPPORT SERVICES (CONTINUED):			
Support services - instructional staff (continued)			
Assessment and testing:			
Purchased services	13,623	20,000	(6,377)
Supplies and materials	766	10,000	(9,234)
	<u>14,389</u>	<u>30,000</u>	<u>(15,611)</u>
Total assessment and testing			
	<u>14,389</u>	<u>30,000</u>	<u>(15,611)</u>
	<u>\$ 233,798</u>	<u>\$ 259,356</u>	<u>\$ (25,558)</u>
Support services - general administration			
Board of education services:			
Salaries	\$ 2,400	\$ 2,460	\$ (60)
Purchased services	225,772	292,250	(66,478)
Supplies and materials	1,003	2,500	(1,497)
Other objects	4,997	10,000	(5,003)
	<u>234,172</u>	<u>307,210</u>	<u>(73,038)</u>
Total board of education services			
	<u>234,172</u>	<u>307,210</u>	<u>(73,038)</u>
Executive administration services:			
Salaries	206,398	206,400	(2)
Employee benefits	55,939	57,350	(1,411)
Purchased services	41,449	44,000	(2,551)
Supplies and materials	3,148	8,000	(4,852)
Capital outlay	959	8,000	(7,041)
Other objects	3,518	7,500	(3,982)
	<u>311,411</u>	<u>331,250</u>	<u>(19,839)</u>
Total executive administration services			
	<u>311,411</u>	<u>331,250</u>	<u>(19,839)</u>
Special area administration services:			
Salaries	84,235	84,407	(172)
Employee benefits	37,669	39,271	(1,602)
Purchased services	500	3,000	(2,500)
Supplies and materials	-	5,000	(5,000)
Capital outlay	959	7,500	(6,541)
Other objects	-	2,000	(2,000)
	<u>123,363</u>	<u>141,178</u>	<u>(17,815)</u>
Total special area administration services			
	<u>123,363</u>	<u>141,178</u>	<u>(17,815)</u>
	<u>\$ 668,946</u>	<u>\$ 779,638</u>	<u>\$ (110,692)</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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
SUPPORT SERVICES (CONTINUED):			
Support services - school administration			
Office of the principal services:			
Salaries	\$ 569,613	\$ 565,515	\$ 4,098
Employee benefits	227,930	238,028	(10,098)
Purchased services	403	5,500	(5,097)
Supplies and materials	4,870	6,000	(1,130)
Capital outlay	734	2,000	(1,266)
Other objects	2,292	3,000	(708)
	<u>805,842</u>	<u>820,043</u>	<u>(14,201)</u>
Total office of the principal services			
	<u>\$ 805,842</u>	<u>\$ 820,043</u>	<u>\$ (14,201)</u>
Support services - business			
Direction of business support services:			
Salaries	\$ 117,860	\$ 115,636	\$ 2,224
Employee benefits	42,258	44,852	(2,594)
Purchased services	61,972	58,000	3,972
Supplies and materials	9,635	7,500	2,135
Capital outlay	6,102	8,000	(1,898)
Other objects	7,088	7,500	(412)
	<u>244,915</u>	<u>241,488</u>	<u>3,427</u>
Total direction of business support services			
Fiscal services:			
Salaries	35,458	40,400	(4,942)
Employee benefits	9,706	10,440	(734)
Purchased services	-	7,750	(7,750)
Supplies and materials	-	500	(500)
Other objects	366	250	116
	<u>45,530</u>	<u>59,340</u>	<u>(13,810)</u>
Total fiscal services			

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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
SUPPORT SERVICES (CONTINUED):			
Support services - business (continued)			
Operation & maintenance of plant services:			
Employee benefits	72,488	93,960	(21,472)
Total operation & maintenance of plant services	<u>72,488</u>	<u>93,960</u>	<u>(21,472)</u>
Food services:			
Salaries	189,564	205,000	(15,436)
Employee benefits	29,662	31,320	(1,658)
Purchased services	7,185	17,700	(10,515)
Supplies and materials	175,410	206,000	(30,590)
Capital outlay	13,576	15,000	(1,424)
Other objects	970	3,000	(2,030)
Total food services	<u>416,367</u>	<u>478,020</u>	<u>(61,653)</u>
Total support services - business	<u>\$ 779,300</u>	<u>\$ 872,808</u>	<u>\$ (93,508)</u>
Support services - central			
Data processing services			
Salaries	\$ 196,543	\$ 209,655	\$ (13,112)
Employee benefits	36,503	41,760	(5,257)
Purchased services	12,780	16,200	(3,420)
Supplies and materials	735	6,000	(5,265)
Capital outlay	1,860	12,500	(10,640)
Other objects	150	250	(100)
Total data processing services	<u>248,571</u>	<u>286,365</u>	<u>(37,794)</u>
Other support services:			
Purchased services	\$ -	\$ -	\$ -
Supplies and materials	-	-	-
Total other support services	<u>-</u>	<u>-</u>	<u>-</u>
Total support services	<u>\$ 3,776,984</u>	<u>\$ 4,177,218</u>	<u>\$ (400,234)</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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
COMMUNITY SERVICES			
Salaries	\$ 110,911	\$ 114,276	(3,365)
Employee benefits	9,578	11,107	(1,529)
Purchased services	790	3,500	(2,710)
Supplies and materials	10,784	12,500	(1,716)
Capital outlay	-	2,500	(2,500)
Other objects	2,293	3,000	(707)
Total community services	<u>\$ 134,356</u>	<u>\$ 146,883</u>	<u>\$ (12,527)</u>
PAYMENTS TO OTHER DISTRICTS & GOV'T UNITS			
Payments to other gov't units (in-state)			
Payments for special education programs:			
Purchased services	\$ 315,906	\$ 555,000	\$ (239,094)
Other objects	-	2,500	(2,500)
Total payments for special education programs	<u>315,906</u>	<u>557,500</u>	<u>(241,594)</u>
Total payments to other gov't units (in-state)	<u>315,906</u>	<u>557,500</u>	<u>(241,594)</u>
Total payments to other districts & gov't units	<u>\$ 315,906</u>	<u>\$ 557,500</u>	<u>\$ (241,594)</u>
PROVISION FOR CONTINGENCIES			
Provision for contingencies			
Other objects	\$ -	\$ 25,000	\$ (25,000)
Total provision for contingencies	<u>-</u>	<u>25,000</u>	<u>(25,000)</u>
Total direct expenditures	<u>\$ 14,215,390</u>	<u>\$ 16,099,605</u>	<u>\$ (1,884,215)</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (1,985,602)</u>	<u>\$ 36,617</u>	<u>\$ (2,022,219)</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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 794,413	\$ 1,268,321	\$ (473,908)
Total ad valorem taxes levied by district	<u>794,413</u>	<u>1,268,321</u>	<u>(473,908)</u>
Payments in lieu of taxes			
Corporate personal property replacement taxes	467,757	500,000	(32,243)
Total payments in lieu of taxes	<u>467,757</u>	<u>500,000</u>	<u>(32,243)</u>
Earnings on investments:			
Interest on investments	55,350	23,100	32,250
Total earnings on investments	<u>55,350</u>	<u>23,100</u>	<u>32,250</u>
Other revenue from local sources:			
Rentals	14,349	10,000	4,349
Contributions and donations from private sources	1,508	-	1,508
Refund of prior years' expenditures	15	-	15
Total other revenue from local sources	<u>15,872</u>	<u>10,000</u>	<u>5,872</u>
Total revenue from local sources	<u>\$ 1,333,392</u>	<u>\$ 1,801,421</u>	<u>\$ (468,029)</u>
REVENUE FROM STATE SOURCES			
Unrestricted grants-in-aid:			
Evidence based funding formula - Sec. 18-8.05	\$ -	\$ -	\$ -
Total unrestricted grants-in-aid	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue from state sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
REVENUE FROM FEDERAL SOURCES			
Restricted grants-in-aid received directly from federal gov't:			
Other restricted grants-in-aid	\$ -	\$ -	\$ -
	<u>-</u>	<u>-</u>	<u>-</u>
Total restricted grants-in-aid received directly from federal gov't	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue from federal sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 1,333,392</u>	<u>\$ 1,801,421</u>	<u>\$ (468,029)</u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Operations and Maintenance Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
SUPPORT SERVICES			
Support services - business:			
Facilities acquisition & construction Services			
Purchased services	\$ 86,897	\$ 30,000	\$ 56,897
Capital outlay	<u>341,993</u>	<u>770,000</u>	<u>(428,007)</u>
Total facilities & construction services	<u>428,890</u>	<u>800,000</u>	<u>(371,110)</u>
Operation & maintenance of plant services			
Salaries	314,745	427,000	(112,255)
Purchased services	142,758	167,000	(24,242)
Supplies and materials	337,047	372,000	(34,953)
Capital outlay	<u>9,938</u>	<u>10,000</u>	<u>(62)</u>
Total operation & maintenance of plant services	<u>804,488</u>	<u>976,000</u>	<u>(171,512)</u>
Total support services	<u>\$ 1,233,378</u>	<u>\$ 1,776,000</u>	<u>\$ (542,622)</u>
PAYMENTS TO OTHER DISTRICTS & GOV'T UNITS			
Payments to other governmental units (in-state):			
Payments for CTE programs			
Other objects	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total payments to other districts & gov't units	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
PROVISION FOR CONTINGENCIES			
Provision for contingencies			
Other objects	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ (15,000)</u>
Total direct expenditures	<u>\$ 1,233,378</u>	<u>\$ 1,791,000</u>	<u>\$ (557,622)</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 100,014</u>	<u>\$ 10,421</u>	<u>\$ 89,593</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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	<u>\$ 507,278</u>	<u>\$ 838,918</u>	<u>\$ (331,640)</u>
Total ad valorem taxes levied by district	<u>507,278</u>	<u>838,918</u>	<u>(331,640)</u>
Earnings on investments:			
Interest on investments	<u>16,632</u>	<u>9,000</u>	<u>7,632</u>
Total earnings on investments	<u>16,632</u>	<u>9,000</u>	<u>7,632</u>
Total revenue from local sources	<u>\$ 523,910</u>	<u>\$ 847,918</u>	<u>\$ (324,008)</u>
REVENUE FROM STATE SOURCES			
Unrestricted grants-in-aid:			
Evidence based funding formula - Sec. 18-8.05	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total unrestricted grants-in-aid	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue from state sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total direct revenue	<u><u>\$ 523,910</u></u>	<u><u>\$ 847,918</u></u>	<u><u>\$ (324,008)</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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
DEBT SERVICES			
Debt services - interest on long-term debt:			
Other objects	<u>\$ 109,994</u>	<u>\$ 110,000</u>	<u>\$ (6)</u>
Debt services - payments of principal on long-term debt:			
Other objects	<u>720,000</u>	<u>720,000</u>	<u>-</u>
Debt services - other			
Other objects	<u>803</u>	<u>900</u>	<u>(97)</u>
PROVISION FOR CONTINGENCIES			
Provision for contingencies			
Other objects	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ (5,000)</u>
Total debt services	<u>\$ 830,797</u>	<u>\$ 835,900</u>	<u>\$ (5,103)</u>
Total direct expenditures	<u>\$ 830,797</u>	<u>\$ 835,900</u>	<u>\$ (5,103)</u>
Excess (deficiency) of revenue over expenditures	<u><u>\$ (306,887)</u></u>	<u><u>\$ 12,018</u></u>	<u><u>\$ (318,905)</u></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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 285,703	\$ 527,528	\$ (241,825)
Total ad valorem taxes levied by district	<u>285,703</u>	<u>527,528</u>	<u>(241,825)</u>
Transportation fees:			
Co-curricular activities	17,142	16,250	892
Total transportation fees	<u>17,142</u>	<u>16,250</u>	<u>892</u>
Earnings on investments:			
Interest on investments	16,824	9,800	7,024
Total earnings on investments	<u>16,824</u>	<u>9,800</u>	<u>7,024</u>
Total revenue from local sources	<u>\$ 319,669</u>	<u>\$ 553,578</u>	<u>\$ (233,909)</u>
REVENUE FROM STATE SOURCES			
Restricted grants-in-aid:			
Transportation			
Regular/vocational	\$ 261,982	\$ 239,500	\$ 22,482
Special education	203,059	166,000	37,059
Total restricted grants-in-aid	<u>465,041</u>	<u>405,500</u>	<u>59,541</u>
Total revenue from state sources	<u>\$ 465,041</u>	<u>\$ 405,500</u>	<u>\$ 59,541</u>
REVENUE FROM FEDERAL SOURCES			
Restricted grants-in-aid:			
Medicaid matching funds fee for service program	\$ 15,250	\$ 17,000	\$ (1,750)
Other restricted revenue from federal sources	<u>-</u>	<u>-</u>	<u>-</u>
Total restricted grants-in-aid	<u>15,250</u>	<u>17,000</u>	<u>(1,750)</u>
Total revenue from federal sources	<u>\$ 15,250</u>	<u>\$ 17,000</u>	<u>\$ (1,750)</u>
Total direct revenue	<u>\$ 799,960</u>	<u>\$ 976,078</u>	<u>\$ (176,118)</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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
SUPPORT SERVICES			
Support services - business:			
Pupil transportation services			
Purchased services	<u>\$ 1,002,018</u>	<u>\$ 1,003,000</u>	<u>\$ (982)</u>
Total pupil transportation services	<u>1,002,018</u>	<u>1,003,000</u>	<u>(982)</u>
Other support services			
Other objects	<u>-</u>	<u>-</u>	<u>-</u>
Total other support services	<u>-</u>	<u>-</u>	<u>-</u>
Total support services	<u>\$ 1,002,018</u>	<u>\$ 1,003,000</u>	<u>\$ (982)</u>
PAYMENTS TO OTHER DISTRICTS & GOV'T UNITS			
Payments to other gov't units (in-state):			
Payment for special education programs			
Other objects	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ (1,000)</u>
Total payment for special education programs	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ (1,000)</u>
Total payments to other districts & gov't units	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ (1,000)</u>
PROVISION FOR CONTINGENCIES			
Provision for contingencies			
Other objects	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ (20,000)</u>
Total direct expenditures	<u>\$ 1,002,018</u>	<u>\$ 1,024,000</u>	<u>\$ (21,982)</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (202,058)</u>	<u>\$ (47,922)</u>	<u>\$ (154,136)</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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 121,917	\$ 209,511	\$ (87,594)
FICA/Medicare only purposes levies	<u>141,764</u>	<u>243,342</u>	<u>(101,578)</u>
Total ad valorem taxes levied by district	<u>263,681</u>	<u>452,853</u>	<u>(189,172)</u>
Payments in lieu of taxes:			
Corporate personal property replacement taxes	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total payments in lieu of taxes	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Earnings on investments:			
Interest on investments	<u>17,398</u>	<u>8,125</u>	<u>9,273</u>
Total earnings on investments	<u>17,398</u>	<u>8,125</u>	<u>9,273</u>
Total revenue from local sources	<u>\$ 306,079</u>	<u>\$ 485,978</u>	<u>\$ (179,899)</u>
REVENUE FROM STATE SOURCES			
Unrestricted grants-in-aid:			
General state aid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total unrestricted grants-in-aid	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue from state sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total direct revenue	<u><u>\$ 306,079</u></u>	<u><u>\$ 485,978</u></u>	<u><u>\$ (179,899)</u></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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
INSTRUCTION			
Regular programs:			
Employee benefits	<u>\$ 82,482</u>	<u>\$ 87,218</u>	<u>\$ (4,736)</u>
Pre-k programs:			
Employee benefits	<u>5,312</u>	<u>8,350</u>	<u>\$ (3,038)</u>
Special education programs:			
Employee benefits	<u>98,501</u>	<u>137,260</u>	<u>(38,759)</u>
Remedial and supplemental programs K-12:			
Employee benefits	<u>3,243</u>	<u>3,277</u>	<u>(34)</u>
Interscholastic programs:			
Employee benefits	<u>1,301</u>	<u>-</u>	<u>1,301</u>
Summer school programs:			
Employee benefits	<u>52</u>	<u>145</u>	<u>(93)</u>
Total instruction	<u>\$ 190,891</u>	<u>\$ 236,250</u>	<u>\$ (45,359)</u>
SUPPORT SERVICES			
Support services - pupils:			
Attendance & social work services			
Employee benefits	<u>\$ 3,987</u>	<u>\$ 4,191</u>	<u>\$ (204)</u>
Health services			
Employee benefits	<u>20,335</u>	<u>22,853</u>	<u>(2,518)</u>
Psychological services			
Employee benefits	<u>827</u>	<u>3,100</u>	<u>(2,273)</u>
Speech pathology & audiology services			
Employee benefits	<u>5,209</u>	<u>5,394</u>	<u>(185)</u>
Other support services			
Employee benefits	<u>4,892</u>	<u>7,374</u>	<u>(2,482)</u>
Total support services - pupils	<u>35,250</u>	<u>42,912</u>	<u>(7,662)</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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
SUPPORT SERVICES (CONTINUED)			
Support services - instructional staff:			
Improvement of instruction services			
Employee benefits	<u>1,524</u>	<u>1,536</u>	<u>(12)</u>
Educational media services			
Employee benefits	<u>6,330</u>	<u>7,032</u>	<u>(702)</u>
Total support services - instructional staff	<u>7,854</u>	<u>8,568</u>	<u>(714)</u>
Support services - general administration:			
Executive administration services			
Employee benefits	<u>10,826</u>	<u>11,542</u>	<u>(716)</u>
Service area administration services			
Employee benefits	<u>1,341</u>	<u>1,224</u>	<u>117</u>
Total support services - general administration	<u>12,167</u>	<u>12,766</u>	<u>(599)</u>
Support services - school administration:			
Office of the principal services			
Employee benefits	<u>25,560</u>	<u>25,952</u>	<u>(392)</u>
Total support services - school administration	<u>25,560</u>	<u>25,952</u>	<u>(392)</u>
Support services - business:			
Direction of business support services			
Employee benefits	<u>1,804</u>	<u>1,843</u>	<u>(39)</u>
Fiscal services			
Employee benefits	<u>5,653</u>	<u>6,929</u>	<u>(1,276)</u>
Operation & maintenance of plant services			
Employee benefits	<u>48,388</u>	<u>70,381</u>	<u>(21,993)</u>
Food services			
Employee benefits	<u>27,790</u>	<u>34,683</u>	<u>(6,893)</u>
Total support services - business	<u>83,635</u>	<u>113,836</u>	<u>(30,201)</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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
SUPPORT SERVICES (CONTINUED)			
Support services - central			
Data processing services			
Employee benefits	<u>30,831</u>	<u>36,038</u>	<u>(5,207)</u>
Total support services	<u>\$ 195,297</u>	<u>\$ 240,072</u>	<u>\$ (44,775)</u>
COMMUNITY SERVICES			
Community services			
Employee benefits	<u>\$ 13,406</u>	<u>\$ 18,535</u>	<u>\$ (5,129)</u>
Total community service	<u>\$ 13,406</u>	<u>\$ 18,535</u>	<u>\$ (5,129)</u>
PROVISION FOR CONTINGENCIES			
Provision for contingencies			
Other objects	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ (15,000)</u>
Total direct expenditures	<u>\$ 399,594</u>	<u>\$ 509,857</u>	<u>\$ (110,263)</u>
Excess (deficiency) of revenue over expenditures	<u><u>\$ (93,515)</u></u>	<u><u>\$ (23,879)</u></u>	<u><u>\$ (69,636)</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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
REVENUE FROM LOCAL SOURCES			
Earnings on investments:			
Interest on investments	\$ -	\$ -	\$ -
Total earnings on investments	<u>-</u>	<u>-</u>	<u>-</u>
Other revenue from local sources:			
Other local revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total other local revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total direct revenue	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
SUPPORT SERVICES			
Support services - business:			
Facilities acquisition and construction services			
Purchased services	\$ -	\$ -	\$ -
Supplies	-	-	-
Capital outlay	-	-	-
Other objects	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total support services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total direct expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenue over expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></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, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ -	\$ -	\$ -
Total ad valorem taxes levied by district	<u>-</u>	<u>-</u>	<u>-</u>
Earnings on investments:			
Interest on investments	24,827	14,500	10,327
Total earnings on investments	<u>24,827</u>	<u>14,500</u>	<u>10,327</u>
Total revenue from local sources	<u>\$ 24,827</u>	<u>\$ 14,500</u>	<u>\$ 10,327</u>
Total direct revenue	<u><u>\$ 24,827</u></u>	<u><u>\$ 14,500</u></u>	<u><u>\$ 10,327</u></u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Tort Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ -	\$ -	\$ -
	<u>-</u>	<u>-</u>	<u>-</u>
Total ad valorem taxes levied by district	-	-	-
Earnings on investments:			
Interest on investments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total earnings on investments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Total direct revenue	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Tort Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
SUPPORT SERVICES			
Support services - general administration:			
Workers' compensation or workers' occupation disease acts payments			
Purchased services	\$ -	\$ -	\$ -
Insurance payments (regular or self-insured)			
Purchased services	-	-	-
Total support services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total direct expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenue over expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Fire Prevention and Safety Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ -	\$ -	\$ -
	<u>-</u>	<u>-</u>	<u>-</u>
Total ad valorem taxes levied by district	-	-	-
Earnings on investments:			
Interest on investments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total earnings on investments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
REVENUE FROM STATE SOURCES			
Unrestricted grants-in-aid:			
Evidence based funding formula - Sec. 18-8.05	\$ -	\$ -	\$ -
	<u>-</u>	<u>-</u>	<u>-</u>
Total unrestricted grants-in-aid	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total direct revenue	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Fire Prevention and Safety Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
SUPPORT SERVICES			
Support services - business:			
Facilities acquisition & construction services			
Purchased services	\$ -	\$ -	\$ -
Supplies and materials	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total facilities acquisition & construction services	<u>-</u>	<u>-</u>	<u>-</u>
Operation & maintenance of plant services			
Purchased services	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total operation & maintenance of plant services	<u>-</u>	<u>-</u>	<u>-</u>
Total support services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total direct expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenue over expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

Notes to Financial Statements

June 30, 2019

(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.

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.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

Notes to Financial Statements

Agency Funds – Agency funds include Student Activity Funds. Student Activity Funds are those that are owned, operated and managed generally for educational, recreational and cultural purposes by the student body under the guidance and direction of adults or a staff member. Although the Board of Education has the ultimate responsibility for Student Activity Funds, they are not local education funds.

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 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.

Notes to Financial Statements

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 25, 2018. 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.

(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.

Notes to Financial Statements

(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.

(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.

(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 27, 2018. 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 2018, 2017, 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:

Notes to Financial Statements

	- 2018 Levy Year -		- 2017 Levy Year -	
	Limit	Actual	Limit	Actual
Educational	As Needed	3.2270	As Needed	3.2276
Oper. & maint.	0.5500	0.4257	0.5500	0.4200
Bond and interest	As Needed	0.2613	As Needed	0.2720
Transportation	As Needed	0.1560	As Needed	0.1500
Municipal retirement	As Needed	0.0500	As Needed	0.0700
Social security	As Needed	0.0620	As Needed	0.0800
Working cash	0.0500	0.0000	0.0500	0.0000
Tort Immunity	As Needed	0.0000	As Needed	0.0000
Special education	0.4000	0.0198	0.4000	0.0200
Fire prevention and safety	As Needed	0.0000	As Needed	0.0000
Leasing/purchase/rental	0.1000	0.0495	0.1000	0.0500
		<u>4.2513</u>		<u>4.2896</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, 2019 are classified in the accompanying financial statements as follows:

Statement of Assets and Liabilities Arising from Cash Transactions

Cash	\$ 815,342
Investments	14,125,194
Total cash and investments	<u>\$ 14,940,536</u>

Cash and investments as of June 30, 2019 consist of the following:

Cash on hand	\$ -
Deposits with financial institutions	
District	726,342
Agency	89,000
Investments	
District	14,125,194
Agency	-
Total cash and investments	<u>\$ 14,940,536</u>

Notes to Financial Statements

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, 2019, \$1,541,009 of the District’s bank balance of \$1,791,009 were exposed to custodial credit risk as follows:

Uninsured and collateralized by FHLB Letters of credit	<u>\$ 1,541,009</u>
--	---------------------

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.

As of June 30, 2019, the District had the following investments:

<u>Investment</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Liquid Asset Fund Plus (ISDLAF+)	<u>\$ 14,125,194</u>	<u>\$ 14,125,194</u>

Notes to Financial Statements

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, 2019, Max Class funds of \$14,125,194 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 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.

Notes to Financial Statements

(4) Changes in General Fixed Assets & Depreciation

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

Assets at Cost

	Balance <u>7/1/18</u>	Additions	Deletions	Balance <u>6/30/19</u>	Life in <u>Years</u>
Land	\$ 1,146,728	\$ -	\$ -	\$ 1,146,728	0
Buildings and improvements	25,118,400	269,370	-	25,387,770	50
Temporary buildings	7,006	-	-	7,006	20
Land improvements	2,247,490	22,337	-	2,269,827	20
Other equipment	3,319,961	268,723	-	3,588,684	10
Other equipment	489,922	-	120,531	369,391	5
Food service equipment	34,092	13,576	-	47,668	10
Total general fixed assets	<u>\$ 32,363,599</u>	<u>\$ 574,006</u>	<u>\$ 120,531</u>	<u>\$ 32,817,074</u>	

Accumulated Depreciation

	Balance <u>7/1/18</u>	Depreciation for Year	Deletions	Balance <u>6/30/19</u>	Undepreciated Cost <u>6/30/19</u>
Land	\$ -	\$ -	\$ -	\$ -	\$ 1,146,728
Buildings and improvements	8,484,250	506,016	-	8,990,266	16,397,504
Temporary buildings	1,120	350	-	1,470	5,536
Land improvements	1,130,091	112,375	-	1,242,466	1,027,361
Other equipment	3,038,721	36,988	-	3,075,709	512,975
Other equipment	447,812	42,110	120,531	369,391	-
Food service equipment	3,435	3,839	-	7,274	40,394
Total general fixed assets	<u>\$ 13,105,429</u>	<u>\$ 701,678</u>	<u>\$ 120,531</u>	<u>\$ 13,686,576</u>	<u>\$ 19,130,498</u>

Notes to Financial Statements

(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, 2019, the District recorded a total of \$545,176 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.

(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/cafrs/fy2018> 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 years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

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 last 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.

Notes to Financial Statements

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. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for 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 will be 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, 2018, 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, 2019, the District reported expenditures of \$89,716 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, 2019, state of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$6,125,582 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

Notes to Financial Statements

ended June 30, 2019, were \$51,531, and are deferred because they were paid after the June 30, 2018 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.

For the year ended June 30, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$43,977 were paid from federal and special trust funds that required employer contributions of \$4,332. These contributions are deferred because they were paid after the June 30, 2018 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. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contribution for salary increases over 3 percent if members are not exempted by current collective bargaining agreements or contracts.

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, 2019, the employer paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, \$0 for salary increases in excess of 3 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, 2019, 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

Notes to Financial Statements

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	\$ 952,113
State's proportionate share of the net pension liability associated with the employer	<u>65,223,711</u>
Total	<u><u>\$ 66,175,824</u></u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. 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, 2018, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2018, the employer's proportion was .0012215212 percent, which was a decrease of .0006098282 from its proportion measured as of June 30, 2017.

At June 30, 2019, the employer had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,136	\$ 208
Net difference between projected and actual earnings on pension plan investments	-	2,915
Changes of assumptions	41,759	26,985
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	404,893
Employer contributions subsequent to the measurement date	-	-
Total	<u><u>\$ 60,895</u></u>	<u><u>\$ 435,001</u></u>

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

Notes to Financial Statements

Year ended June 30,

2020	\$ (80,522)
2021	(76,034)
2022	(97,358)
2023	(83,408)
2024	(36,784)

Actuarial assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 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, 2018 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2017 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014

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 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:

Notes to Financial Statements

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	15.0%	6.70%
U.S. equities small/mid cap	2.0%	7.90%
International equities developed	13.6%	7.00%
Emerging market equities	3.4%	9.40%
U.S. bonds core	8.0%	2.20%
U.S. bonds high yield	4.2%	4.40%
International debt developed	2.2%	1.30%
Emerging international debt	2.6%	4.50%
Real estate	16.0%	5.40%
Real return	4.0%	1.80%
Absolute return	14.0%	3.90%
Private equity	15.0%	10.20%
Total	100%	

Discount rate

At June 30, 2018, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2017 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, 2018 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.

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.

Notes to Financial Statements

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	\$ 1,167,676	\$ 952,113	\$ 778,519

TRS fiduciary net position

Detailed information about the TRS's fiduciary net position as of June 30, 2018 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.

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

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

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

Notes to Financial Statements

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, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	48
Inactive plan members entitled to but not yet receiving benefits	104
Active members	93
Total	245

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 2018 was 9.17%. For the fiscal year ended June 30, 2019, the District contributed \$136,142 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, 2018. 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, 2018:

- 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 2.50%.
- Salary increases were expected to be 3.39% to 14.25%, 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 2017 valuation pursuant to an experience study from years 2014 to 2016.

Notes to Financial Statements

- For non-disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience..
- For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	37%	7.39%
International Equity	18%	7.59%
Fixed Income	28%	3.00%
Real Estate	9%	6.00%
Alternative Investments	7%	2.75-8.15%
Cash Equivalents	1%	2.25%
	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:

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

Notes to Financial Statements

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 3.71%, 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, 2017	\$ 6,437,240	\$ 6,529,657	\$ (92,417)
Changes for the year:			
Service cost	175,647	-	175,647
Interest on the total pension liability	480,644	-	480,644
Difference between expected and actual experience of the total pension liability	6,923	-	6,923
Changes of benefit terms	-	-	-
Changes of assumptions	194,811	-	194,811
Contributions - employer	-	152,294	(152,294)
Contributions - employee	-	74,736	(74,736)
Net investment income	-	(322,061)	322,061
Benefit payments, including refunds of employee contributions	(232,944)	(232,944)	-
Other (net transfer)	-	105,238	(105,238)
Net changes	625,081	(222,737)	847,818
Balances at December 31, 2018	\$ 7,062,321	\$ 6,306,920	\$ 755,401

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	\$ 7,939,631	\$ 7,062,321	\$ 6,333,127
Plan fiduciary net position	6,306,920	6,306,920	6,306,920
Net pension (asset) liability	\$ 1,632,711	\$ 755,401	\$ 26,207

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, 2019 was \$136,142. At December 31, 2018, the District had

Notes to Financial Statements

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	\$ 54,639	\$ 16,082
Changes of assumptions	141,065	96,678
Net difference between projected and actual earnings on pension plan investments	<u>738,349</u>	<u>331,975</u>
Total deferred amounts to be recognized in pension expense in future periods	934,053	444,735
Pension contributions made subsequent to the measurement date	-	-
Total deferred amounts related to pensions	<u><u>\$ 934,053</u></u>	<u><u>\$ 444,735</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>
2019	\$ 152,582
2020	88,241
2021	85,393
2022	163,102
2023	-
	<u><u>\$ 489,318</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	\$ 952,113	\$ 755,401	\$ 1,707,514
Net Pension Assets	-	-	-
Deferred Outflows of Resources	60,895	934,053	994,948
Deferred Inflows of Resources	435,001	444,735	879,736
Pension expenditures for the year ended June 30, 2019	145,579	136,142	281,721

(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 \$111,917 the total required contribution for the current fiscal year.

(e) Medicare

All employees, except certificated 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 \$151,538 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

Notes to Financial Statements

imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by 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 the Educational, Transportation, and Municipal Retirement/Social Security Funds. At June 30, 2019, 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 the Educational, Transportation, and Municipal Retirement/Social Security Funds. At June 30, 2019, expenditures disbursed exceeded revenue received from federal grants, resulting in no restricted balances.
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 \$709,124. For purposes of Regulatory reporting, the Social Security portion of the fund balance, \$263,480, will be classified as Reserved, and the Municipal Retirement portion of the tax levies, \$445,644, will be classified as Unreserved.

(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.

Notes to Financial Statements

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, 2019 the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2019 amounted to \$936,016. 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, 2020, the District budgets property tax based on the 2018 tax levy of which \$2,128,226 was received by the District prior to June 30, 2019 and is therefore included as revenue under the cash method of accounting, in this fiscal year. Under the assigned fund balance definition, \$1,825,563 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 \$8,936 has been established for self-insurance costs for employee dental benefits in the Education 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 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.

Notes to Financial Statements

(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	-	-	936,016	1,624,391	6,639,783	-	9,200,190
Operations & Maintenance	-	-	-	213,108	2,388,291	-	2,601,399
Debt Service	-	590,876	-	-	-	-	590,876
Transportation	-	602,829	-	-	-	-	602,829
Municipal Retirement	-	709,124	-	-	-	263,480	445,644
Capital Projects	-	-	-	-	-	-	-
Working Cash	-	-	-	-	1,147,189	-	1,147,189
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, 2019, the District had long-term debt outstanding in the amount of \$2,785,000. The long-term debt is reported in the General Long-Term Debt Group and consists of the following.

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:

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Notes to Financial Statements

General Obligation Refunding School Bonds Series 2010B

Original Issue	\$4,210,000
Issue Date	November 17, 2010
Rate	2.75% to 3.375%
Interest Date	February 1, August 1

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 735,000	\$ 88,394	\$ 823,394
2021	750,000	66,344	816,344
2022	775,000	42,906	817,906
2023	525,000	17,719	542,719
Total	<u>\$ 2,785,000</u>	<u>\$ 215,363</u>	<u>\$ 3,000,363</u>

Long-term liability activity for the year ended June 30, 2019 was as follows:

	<u>Balance 7/1/2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 6/30/2019</u>
Lease/Purchase contracts	\$ -	\$ -	\$ -	\$ -
General obligation bonds	3,505,000	-	720,000	2,785,000
	<u>\$ 3,505,000</u>	<u>\$ -</u>	<u>\$ 720,000</u>	<u>\$ 2,785,000</u>

Future cash flow requirements of the District for retirement of principal and interest by fiscal year follow:

Total Long-Term Debt

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Net Debt Service</u>
2020	\$ 735,000	\$ 88,394	\$ 823,394
2021	750,000	66,344	816,344
2022	775,000	42,906	817,906
2023	525,000	17,719	542,719
Total	<u>\$ 2,785,000</u>	<u>\$ 215,363</u>	<u>\$ 3,000,363</u>

Notes to Financial Statements

(8) Legal Debt Margin

2018 Equalized assessed valuation		<u>\$ 315,299,623</u>
Statutory debt limitation		
6.9% of 2018 equalized assessed valuation		\$ 21,755,674
Less total indebtedness:		
Bonds	\$ 2,785,000	
Lease/Purchase Contracts	<u>-</u>	<u>2,785,000</u>
Legal Debt Margin		<u>\$ 18,970,674</u>

(9) Interfund Loans

There were no interfund loans made or repaid during the fiscal year ended June 30, 2019.

(10) Interfund Transfers

There were no interfund transfers made during the fiscal year ended June 30, 2019.

(11) Overexpenditure of Budget

All funds were operated within the legal confines of their budgets during the fiscal year ended June 30, 2019.

(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, 2019, the District paid Winnebago County Special Education Cooperative \$332,561 for these services. The District also began receiving IDEA grant funding that flows through Winnebago County Special Education Cooperative. During the year ended June 30, 2019, the District received \$165,226 in grant revenues.

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.

Notes to Financial Statements

(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.

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 match contributions to the THIS Fund from active members which were 1.24 percent of pay during the year ended June 30, 2019. State of Illinois contributions were \$110,168 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 0.92 percent during the year ended June 30, 2019. For the year ended June 30, 2019, the employer paid \$81,737 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->

Notes to Financial Statements

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, 2019, two 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, 2019.

(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, 2019, the District paid \$2,870 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, 2019, all but two of the parties reached a settlement that resulted in

Notes to Financial Statements

either a tax refund from the County Treasurer or a reduction in assessments for future tax years through 2025. If the remaining complaints are 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, 2019, the District paid out \$50,631 for claims under the self-insurance plan. Claims payable as of June 30, 2019 are not presented due to the cash basis of accounting. As of June 30, 2019, \$8,936 remains in the self-insurance bank account for future dental claim reimbursements.

(18) Operating Lease

The District entered into a five year lease agreement with Xerox Financial Services LLC for 5 Xerox copiers and printers and one Xerox WorkCentre, effective July 6, 2016. The original amount of the lease is \$84,869. The lease requires monthly payments of \$1,414, beginning July 6, 2016.

The future lease payments are as follows:

Year ended June 30,	<u>Total</u>
2020	\$ 16,974
2021	<u>16,974</u>
	<u>\$ 33,948</u>

The current year lease payments totaling \$16,974 were accounted for in the Educational Fund.

(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 20, 2019, 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, 2019

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

	<u>FY18*</u>	<u>FY17*</u>	<u>FY16*</u>	<u>FY15*</u>	<u>FY14*</u>
Employer's proportion of the net pension liability	1.4%	2.2%	2.2%	2.4%	2.4%
Employer's proportionate share of the net pension liability	\$ 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	65,223,711	63,542,041	66,871,433	50,295,080	48,626,750
Total	<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	\$ 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	10.72%	16.00%	17.39%	15.17%	15.25%
Plan fiduciary net position as a percentage of the total pension liability	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	\$ 855,466	\$ 842,278	\$ 847,734	\$ 949,435	\$ 868,404
Contributions in relation to the statutorily-required contribution	855,474	842,384	847,984	949,474	868,404
Contribution deficiency (excess)	<u>\$ (8)</u>	<u>\$ (106)</u>	<u>\$ (250)</u>	<u>\$ (39)</u>	<u>\$ -</u>
Employer's covered-employee payroll	\$ 8,884,488	\$ 8,746,792	\$ 8,582,030	\$ 8,274,379	\$ 7,767,477
Contributions as a percentage of covered-employee payroll	9.63%	9.63%	9.88%	11.47%	11.18%

See notes to other information.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Other Information (unaudited)

June 30, 2019

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

Calendar year ending December 31,	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 175,647	\$ 185,881	\$ 185,364	\$ 179,794	\$ 175,123
Interest on the total pension liability	480,644	457,672	432,918	404,015	368,810
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience of the total pension liability	6,923	97,949	(54,032)	7,905	(111,972)
Changes of assumptions	194,811	(188,727)	(7,452)	7,062	223,926
Benefit payments, including refunds of employee contributions	(232,944)	(249,768)	(219,649)	(197,325)	(180,322)
Net change in total pension liability	<u>625,081</u>	<u>303,007</u>	<u>337,149</u>	<u>401,451</u>	<u>475,565</u>
Total pension liability – beginning	<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>
Total pension liability – ending (a)	<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>
Plan fiduciary net position					
Contributions – employer	152,294	155,138	149,827	157,479	146,736
Contributions – employee	74,736	75,229	75,065	72,312	66,364
Net investment income	(322,061)	971,956	362,176	26,718	305,199
Benefit payments, including refunds of employee contributions	(232,944)	(249,768)	(219,649)	(197,325)	(180,322)
Other (net transfer)	105,238	(29,596)	6,627	(153,958)	2,576
Net change in plan fiduciary net position	<u>(222,737)</u>	<u>922,959</u>	<u>374,046</u>	<u>(94,774)</u>	<u>340,553</u>
Plan fiduciary net position – beginning	<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>
Plan fiduciary net position – ending (b)	<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>
Net pension (asset) liability – ending (a)-(b)	<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	89.30%	101.44%	91.40%	90.26%	98.74%
Covered valuation payroll	\$ 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	45.48%	-5.53%	31.79%	35.12%	4.36%

See notes to other information.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Other Information (unaudited)

June 30, 2019

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%

See notes to other information.

Notes to Other Information

June 30, 2019

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 2018, 2017, and 2016 measurement years, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit, but the rates of increase in the 2018 measurement year were slightly higher.

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.

For the 2014 measurement year, the assumed investment rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and real return of 4.5 percent. However, salary increases were assumed to vary by age.

(2) Illinois Municipal Retirement Fund Pension Plan – Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2018 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 2018 Contribution Rates

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization Period	Taxing bodies (Regular, SLEP, and ECO groups): 25-year closed period. Early retirement incentive plan liabilities: a period up to 10 years selected by the District upon adoption of early retirement incentive.
Asset valuation method	5-year smoothed market; 20% corridor

Notes to Other Information

Wage growth	3.50%
Price inflation	2.75%
Salary increases	3.75% to 14.50%, including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

(c) Other Information

There were no benefit changes during the year.

* Based on valuation assumptions used in the December 31, 2016, actuarial valuation; note two year lag between valuation and rate setting.

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT #131

Agency Funds

Activity Funds and Trust Funds
Statement of Assets and Liabilities
Arising from Cash Transactions
June 30, 2019

	<u>Balance 07/01/18</u>	<u>Revenues Received</u>	<u>Expenditures Disbursed</u>	<u>Balance 06/30/19</u>
Cash				
District Activity Account	\$ 74,154	\$ 132,397	\$ 117,551	\$ 89,000
Total	<u>\$ 74,154</u>	<u>\$ 132,397</u>	<u>\$ 117,551</u>	<u>\$ 89,000</u>
LIABILITIES				
Amounts due to activity fund organizations	<u>\$ 74,154</u>	<u>\$ 132,397</u>	<u>\$ 117,551</u>	<u>\$ 89,000</u>

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT #131

District Activity Fund

Statement of Revenues Received and Expenditures Disbursed
For the year ended June 30, 2019

Fund	Balance 07/01/18	Revenues Received	Expenditures Disbursed	Balance 06/30/19
Library - LW	\$ 3,639	\$ 2,918	\$ 2,838	\$ 3,719
Library - SC	4,629	2,978	4,161	3,446
Library - KS	489	11,670	7,260	4,899
Library - RMS	359	7,640	5,616	2,383
Yearbook - KS	2,964	-	2,964	-
Yearbook - RMS	4,055	2,585	912	5,728
Choir - SC	3,551	3,336	3,043	3,844
Band - KS	182	70	252	-
Band - RMS	2,193	200	145	2,248
Cheerleading - RMS	1,956	10,300	9,484	2,772
Pom Pons - RMS	5,828	8,803	8,892	5,739
Volleyball - RMS	2,278	756	83	2,951
Student Council - RMS	4,869	8,969	9,063	4,775
Play - RMS	6,924	1,735	933	7,726
Coffee Shop - SC	4	1,938	1,129	813
Coffee Shop - RMS	465	3,172	2,667	970
TMH Community Outings - KS	1,181	-	1,181	-
Miscellaneous	1,803	2,298	641	3,460
Fifth Grade Trip	9,112	47,554	45,978	10,688
Girls Basketball	1,158	152	537	773
Track - RMS	11,075	3,414	-	14,489
Garden - LW	51	-	-	51
National Junior Honor Society	1,217	3,446	3,906	757
Boys Basketball	786	203	240	749
8th Grade Science	428	652	936	144
8th Grade Incentive	248	-	248	-
KS Character Education	12	4,412	3,780	644
RMS Character Education	2,698	3,196	662	5,232
	\$ 74,154	\$ 132,397	\$ 117,551	\$ 89,000

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, 2019

	<u>Special Education</u>	<u>Facilities Leasing</u>
	<u>Educational</u>	<u>Educational</u>
Operating Revenues Received		
Ad Valorem Taxes	\$ 9,911	\$ 24,776
CPPR tax allocation to IMRF	27,679	69,202
Earnings on Investments	-	-
Total Operating Revenues Received	<u>37,590</u>	<u>93,978</u>
Operating Expenditures Disbursed		
Payroll Taxes - Employer Share	-	-
Tech Expenses	-	177,050
Special Education Expenses	<u>37,590</u>	<u>-</u>
Total Operating Expenditures Disbursed	<u>37,590</u>	<u>177,050</u>
EXCESS OF OPERATING REVENUES RECEIVED OVER (UNDER) OPERATING EXPENDITURES DISBURSED	<u>-</u>	<u>(83,072)</u>
Fund Balance, Cash Basis July 1, 2018	-	83,072
Transfer Adjustment	<u>-</u>	<u>-</u>
Fund Balance, Cash Basis June 30, 2019	<u>\$ -</u>	<u>\$ -</u>

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Schedule of Assessed Valuations,
Property Tax Rates, Extensions and Collections
June 30, 2019

	Rate	Extension	Received Through 6/30/2018	Received Current Year	Uncollected (Over- collected) Balance
2018 LEVY - Assessed Valuation		\$ 315,204,742			
Educational	3.2270	10,171,657	-	1,615,455	8,556,202
Oper. & maint.	0.4257	1,341,827	-	213,108	1,128,719
Debt service	0.2613	823,630	-	130,813	692,817
Transportation	0.1560	491,719	-	78,095	413,624
Municipal retirement	0.0500	157,602	-	25,030	132,572
Social security	0.0620	195,427	-	31,038	164,389
Working cash	0.0000	-	-	-	-
Tort immunity	0.0000	-	-	-	-
Special education	0.0198	62,411	-	9,911	52,500
Lease/purchase/rental	0.0495	156,026	-	24,776	131,250
Fire prev. & safety	0.0000	-	-	-	-
	<u>4.2513</u>	<u>13,400,299</u>	<u>-</u>	<u>2,128,226</u>	<u>11,272,073</u>
2017 LEVY - Assessed Valuation		\$ 305,250,241			
Educational	3.2276	9,852,257	5,362,498	4,467,204	22,555
Oper. & maint.	0.4200	1,282,051	697,806	581,305	2,940
Debt service	0.2720	830,281	451,919	376,465	1,897
Transportation	0.1500	457,875	249,215	207,608	1,052
Municipal retirement	0.0700	213,675	116,305	96,887	483
Social security	0.0800	244,200	132,918	110,726	556
Working cash	0.0000	-	-	-	-
Tort immunity	0.0000	-	-	-	-
Special education	0.0200	61,050	33,226	27,679	145
Lease/purchase/rental	0.0500	152,625	83,072	69,202	351
Fire prev. & safety	0.0000	-	-	-	-
	<u>4.2896</u>	<u>13,094,014</u>	<u>7,126,959</u>	<u>5,937,076</u>	<u>29,979</u>
2016 LEVY - Assessed Valuation		\$ 301,347,404			
Educational	3.2540	9,805,845	9,785,565	-	20,280
Oper. & maint.	0.4250	1,280,726	1,278,086	-	2,640
Debt service	0.3265	983,899	981,871	-	2,028
Transportation	0.1400	421,886	421,020	-	866
Municipal retirement	0.0474	142,839	142,544	-	295
Social security	0.0574	172,973	172,620	-	353
Working cash	0.0000	-	-	-	-
Tort immunity	0.0000	-	-	-	-
Special education	0.0200	60,269	60,150	-	119
Fire prev. & safety	0.0000	-	-	-	-
	<u>4.2703</u>	<u>12,868,437</u>	<u>12,841,856</u>	<u>-</u>	<u>26,581</u>

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Assessed Valuations, Tax Rates and Extensions

<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

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

KINNIKINNICK COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 131

Fund Balances Adjusted for Tax Receipts

	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, 6-30-16	\$ 12,351,512	\$ 6,775,297	\$ 2,071,992	\$ 586,797	\$ 943,278	\$ 869,502	\$ 2,348	\$ 1,102,298	\$ -	\$ -
Less "early tax distribution"	(6,347,949)	(5,143,316)	(670,191)	(149,312)	(218,204)	(166,926)	-	-	-	-
Adjusted fund balance	<u>\$ 6,003,563</u>	<u>\$ 1,631,981</u>	<u>\$ 1,401,801</u>	<u>\$ 437,485</u>	<u>\$ 725,074</u>	<u>\$ 702,576</u>	<u>\$ 2,348</u>	<u>\$ 1,102,298</u>	<u>\$ -</u>	<u>\$ -</u>
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>

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.