

Morrison Community Unit School District No. 6

Morrison, Illinois

*Annual Financial Report
and Other Financial Information*

June 30, 2022

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6

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Gorenz and Associates, Ltd.

Certified Public Accountants

Tim C. Custis, CPA
Jason A. Hobulin, CPA

Russell J. Rumbold II, CPA
Cory S. Cowan, CPA

Independent Auditor's Report

To the Board of Education
Morrison Community Unit School District No. 6
Morrison, Illinois

Opinions

We have audited the accompanying financial statements of Morrison Community Unit School District No. 6 (the District) which comprise the Statement of Assets and Liabilities Arising from Cash Transactions of each fund and account group as of June 30, 2022, and the related Statement of Revenues Received, Expenditures Disbursed, Other Sources (Uses) and Changes in Fund Balances (All Funds), the Statement of Revenues Received (All Funds), and the Statements of Expenditures Disbursed - Budget to Actual for the year then ended and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of each fund and account group of the District as of June 30, 2022, and each fund's respective revenues received, expenditures disbursed, other sources (uses) and changes in fund balances, revenues received, and expenditures disbursed -budget to actual, for the year then ended in accordance with the financial reporting provisions of the Illinois State Board of Education as described in Note #1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2022, or changes in net position or cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Illinois State Board of Education, as described in Note #1. 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 for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District 's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The "Supplemental Information" listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the "Supplemental Information" as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2022, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’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 the District’s internal control over financial reporting and compliance.

Gorenz and Associates, Ltd.

Peoria, Illinois
October 24, 2022

Gorenz and Associates, Ltd.

Certified Public Accountants

Tim C. Custis, CPA
Jason A. Hobulin, CPA

Russell J. Rumbold II, CPA
Cory S. Cowan, CPA

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*

To the Board of Education
Morrison Community Unit School District No. 6
Morrison, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Statement of Assets and Liabilities Arising from Cash Transactions of each fund and each account group as of June 30, 2022, and the related Statement of Revenues Received, Expenditures Disbursed, Other Sources (Uses) and Changes in Fund Balances (All Funds), the Statement of Revenues Received (All Funds), and the Statements of Expenditures Disbursed - Budget to Actual for the year then ended and the related notes to the financial statements of Morrison Community Unit School District No. 6 which collectively comprise the District's, basic financial statements, and have issued our report thereon dated October 24, 2022. Our opinions were adverse due to the financial statements not being prepared in accordance with accounting principles generally accepted in the United States of America. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with financial reporting provisions of the Illinois State Board of Education as described in Note #1.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, deficiencies described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2022-002.

The District's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Gorenz and Associates, Ltd.

Peoria, Illinois
October 24, 2022

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
 STATEMENT OF ASSETS AND LIABILITIES
 ARISING FROM CASH TRANSACTIONS
JUNE 30, 2022

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Trust and Agency Funds	Account Groups		Total (Memorandum Only)	
											General Fixed Assets	General Long Term Debt		
<u>Assets</u>														
<u>Current Assets</u>														
Cash and Cash Equivalents	4,043,965	404,128	1,265,464	659,768	357,582	2,253,475	407,138	421,230	180,980	14,112			10,007,842	
<u>Capital Assets</u>														
Land											241,825		241,825	
Buildings & Building Improvements											26,159,541		26,159,541	
Site Improvements & Infrastructure											2,193,437		2,193,437	
Capitalized Equipment											1,790,307		1,790,307	
Construction in Progress											123,094		123,094	
Amounts Available in Debt Service Funds												1,265,464	1,265,464	
Amounts to be Provided for Payment of Debt												7,198,536	7,198,536	
Total Assets	4,043,965	404,128	1,265,464	659,768	357,582	2,253,475	407,138	421,230	180,980	14,112	30,508,204	8,464,000	48,980,046	
<u>Liabilities and Fund Balances</u>														
<u>Liabilities:</u>														
Long Term Debt Payable													8,464,000	8,464,000
Total Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	8,464,000	8,464,000
<u>Fund Balances:</u>														
Reserved	63,466		409,100		112,644	386,972				14,112			986,294	
Unreserved	3,980,499	404,128	856,364	659,768	244,938	1,866,503	407,138	421,230	180,980				9,021,548	
Investments in General Fixed Assets											30,508,204		30,508,204	
Total Fund Balances	4,043,965	404,128	1,265,464	659,768	357,582	2,253,475	407,138	421,230	180,980	14,112	30,508,204	0	40,516,046	
Total Liabilities and Fund Balances	4,043,965	404,128	1,265,464	659,768	357,582	2,253,475	407,138	421,230	180,980	14,112	30,508,204	8,464,000	48,980,046	

The accompanying notes are an integral part of these financial statements.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
 STATEMENT OF ASSETS AND LIABILITIES
 ARISING FROM CASH TRANSACTIONS
JUNE 30, 2022

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Trust and Agency Funds	Account Groups		Total (Memorandum Only)	
											General Fixed Assets	General Long Term Debt		
Assets/Liabilities for Student Activity Funds														
<u>Current Assets</u>														
Student Activity Fund Cash and Investments		216,144												216,144
Total Current Assets for Student Activity Funds		<u>216,144</u>												<u>216,144</u>
<u>Current Liabilities</u>														
Fund Balance Reserved for Student Activity Funds		216,144												216,144
Total Liabilities and Fund Balance for Student Activity Funds		<u>216,144</u>												<u>216,144</u>
Total Assets/Liabilities District and Student Activity Funds														
Total Current Assets and Student Activity Funds	4,260,109	404,128	1,265,464	659,768	357,582	2,253,475	407,138	421,230	180,980	14,112				10,223,986
Total Capital Assets and Student Activity Funds											30,508,204	8,464,000		<u>38,972,204</u>
Total Assets with Student Activity Funds (Memorandum Only)														<u>49,196,190</u>
Long-Term Liabilities and Student Activity Funds														
Reserved Fund Balance and Student Activity Funds	279,610	0	409,100	0	112,644	386,972	0	0	0	14,112		8,464,000		8,464,000
Unreserved Fund Balance and Student Activity Funds	3,980,499	404,128	856,364	659,768	244,938	1,866,503	407,138	421,230	180,980	0				1,202,438
Investments in General Fixed Assets											30,508,204			9,021,548
Total Liabilities and Fund Balance and Student Activity Funds	<u>4,260,109</u>	<u>404,128</u>	<u>1,265,464</u>	<u>659,768</u>	<u>357,582</u>	<u>2,253,475</u>	<u>407,138</u>	<u>421,230</u>	<u>180,980</u>	<u>14,112</u>	<u>30,508,204</u>	<u>8,464,000</u>		<u>49,196,190</u>

The accompanying notes are an integral part of these financial statements.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
OTHER SOURCES (USES) AND CHANGES IN FUND BALANCES (ALL FUNDS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Receipts:										
Local Sources	5,039,647	741,904	1,466,426	277,678	165,795	267,920	71,033	358,276	69,298	8,457,977
State Sources	3,587,566			268,375						3,855,941
Federal Sources	1,417,561			9,553						1,427,114
Total Direct Receipts	10,044,774	741,904	1,466,426	555,606	165,795	267,920	71,033	358,276	69,298	13,741,032
Receipts for On-Behalf Payments	2,928,579									2,928,579
Total Receipts	12,973,353	741,904	1,466,426	555,606	165,795	267,920	71,033	358,276	69,298	16,669,611
Disbursements:										
Instruction	6,624,985				101,023					6,726,008
Support Services	2,617,151	906,250		535,246	123,024	567,272		296,543		5,045,486
Community Services	5,482	4,546			124					10,152
Payments to Other Governmental Units	610,709	24,210								634,919
Debt Services			1,434,620							1,434,620
Total Direct Disbursements	9,858,327	935,006	1,434,620	535,246	224,171	567,272	0	296,543	0	13,851,185
Disbursements for On-Behalf Payments	2,928,579									2,928,579
Total Disbursements	12,786,906	935,006	1,434,620	535,246	224,171	567,272	0	296,543	0	16,779,764
Excess of Direct Receipts Over (Under) Direct Disbursements	186,447	(193,102)	31,806	20,360	(58,376)	(299,352)	71,033	61,733	69,298	(110,153)
Other Sources of Funds:										
Permanent Transfers - Abolishment or Abatement of the Working Cash Fund		200,000								200,000
Other (Uses) of Funds:										
Permanent Transfers - Abolishment or Abatement of the Working Cash Fund							(200,000)			(200,000)
Total Other Sources and (Uses) of Funds	0	200,000	0	0	0	0	(200,000)	0	0	0
Excess of Receipts and Other Sources of Funds Over (Under) Disbursements and Other Uses of Funds	186,447	6,898	31,806	20,360	(58,376)	(299,352)	(128,967)	61,733	69,298	(110,153)
Fund Balances without Student Activity Funds - July 1, 2021	3,857,518	397,230	1,233,658	639,408	415,958	2,552,827	536,105	359,497	111,682	10,103,883
Fund Balances without Student Activity Funds - June 30, 2022	4,043,965	404,128	1,265,464	659,768	357,582	2,253,475	407,138	421,230	180,980	9,993,730

The accompanying notes are an integral part of these financial statements.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
OTHER SOURCES (USES) AND CHANGES IN FUND BALANCES (ALL FUNDS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Student Activity Fund Balance - July 1, 2021	238,347									238,347
Receipts - Student Activity Funds										
Total Student Activity Direct Receipts	176,232									176,232
Disbursements - Student Activity Funds										
Total Student Activity Fund Disbursements	<u>198,435</u>									<u>198,435</u>
Excess Direct Receipts Over(Under) Direct Disbursements	<u>(22,203)</u>									<u>(22,203)</u>
Student Activity Fund Balance - June 30, 2022	<u>216,144</u>									<u>216,144</u>
Receipts (with Student Activity Funds):										
Local Sources	5,215,879	741,904	1,466,426	277,678	165,795	267,920	71,033	358,276	69,298	8,634,209
State Sources	3,587,566			268,375						3,855,941
Federal Sources	1,417,561			9,553						1,427,114
Total Direct Receipts	<u>10,221,006</u>	<u>741,904</u>	<u>1,466,426</u>	<u>555,606</u>	<u>165,795</u>	<u>267,920</u>	<u>71,033</u>	<u>358,276</u>	<u>69,298</u>	<u>13,917,264</u>
Receipts for On-Behalf Payments	<u>2,928,579</u>									<u>2,928,579</u>
Total Receipts (with Student Activity Funds)	<u>13,149,585</u>	<u>741,904</u>	<u>1,466,426</u>	<u>555,606</u>	<u>165,795</u>	<u>267,920</u>	<u>71,033</u>	<u>358,276</u>	<u>69,298</u>	<u>16,845,843</u>
Disbursements (with Student Activity Funds):										
Instruction	6,823,420				101,023					6,924,443
Support Services	2,617,151	906,250		535,246	123,024	567,272		296,543		5,045,486
Community Services	5,482	4,546			124					10,152
Payments to Other Governmental Units	610,709	24,210								634,919
Debt Services			1,434,620							1,434,620
Total Direct Disbursements	<u>10,056,762</u>	<u>935,006</u>	<u>1,434,620</u>	<u>535,246</u>	<u>224,171</u>	<u>567,272</u>	<u>0</u>	<u>296,543</u>	<u>0</u>	<u>14,049,620</u>
Disbursements for On-Behalf Payments	<u>2,928,579</u>									<u>2,928,579</u>
Total Disbursements (with Student Activity Funds)	<u>12,985,341</u>	<u>935,006</u>	<u>1,434,620</u>	<u>535,246</u>	<u>224,171</u>	<u>567,272</u>	<u>0</u>	<u>296,543</u>	<u>0</u>	<u>16,978,199</u>
Excess of Direct Receipts Over (Under) Direct Disbursements	<u>164,244</u>	<u>(193,102)</u>	<u>31,806</u>	<u>20,360</u>	<u>(58,376)</u>	<u>(299,352)</u>	<u>71,033</u>	<u>61,733</u>	<u>69,298</u>	<u>(132,356)</u>

The accompanying notes are an integral part of these financial statements.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
 STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
 OTHER SOURCES (USES) AND CHANGES IN FUND BALANCES (ALL FUNDS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Other Sources/Uses of Funds (with Student Activity Funds):										
Other Sources of Funds:										
Total Other Sources of Funds	0	200,000	0	0	0	0	0	0	0	200,000
Other (Uses) of Funds:										
Total Other Uses of Funds	0	0	0	0	0	0	(200,000)	0	0	(200,000)
Total Other Sources and (Uses) of Funds	0	200,000	0	0	0	0	(200,000)	0	0	0
Fund Balances (All sources) - June 30, 2022	4,260,109	404,128	1,265,464	659,768	357,582	2,253,475	407,138	421,230	180,980	10,209,874

The accompanying notes are an integral part of these financial statements.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES RECEIVED (ALL FUNDS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Receipts From Local Sources:										
Ad Valorem Taxes Levied By Local Education Agency:										
Designated Purposes Levies	3,625,949	686,733	1,057,459	274,693	93,812		68,673	356,833	68,673	6,232,825
Leasing Levy	68,673									68,673
Special Education Levy	54,938									54,938
Social Security/Medicare Levy					58,603					58,603
Payments in Lieu of Taxes:										
Mobile Home Privilege Tax	666	122	188	49	27		12	64	12	1,140
Corporate Personal Property Replacement Taxes	962,183				11,725					973,908
Other Payments in Lieu of Taxes	50,000									50,000
Interest on Investments	13,353	1,210	4,779	2,936	1,628	10,388	2,348	1,379	613	38,634
Food Services:										
Sales to Pupils - Lunch	26,668									26,668
Sales to Adults	3,470									3,470
Other Food Services	911									911
District/School Activity Income:										
Admissions - Athletic	22,241									22,241
Fees	2,175									2,175
Other Pupil Activity Revenue	63,163									63,163
Student Activity Fund Revenues	176,232									
Textbook Income:										
Rentals - Regular Textbooks	67,956									67,956
Rentals - Summer School Textbooks	3,620									3,620
Other Receipts from Local Sources:										
Rentals		32,273								32,273
Contributions from Private Sources	2,847									2,847
Refund of Prior Years' Expenditures	16	21,566								21,582
Drivers' Education Fees	9,945									9,945
School Facility Occupation Tax Proceeds			404,000			257,532				661,532
Other Local Revenue	60,873									60,873
Total Receipts from Local Sources (without Student Activity Funds)	<u>5,039,647</u>	<u>741,904</u>	<u>1,466,426</u>	<u>277,678</u>	<u>165,795</u>	<u>267,920</u>	<u>71,033</u>	<u>358,276</u>	<u>69,298</u>	<u>8,457,977</u>
Total Receipts from Local Sources (with Student Activity Funds)	<u>5,215,879</u>									

The accompanying notes are an integral part of these financial statements.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES RECEIVED (ALL FUNDS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Receipts From State Sources:										
Unrestricted Grants-in-Aid:										
Evidence Based Funding Formula - Sec. 18-8.15	3,226,532									3,226,532
Restricted Grants-in-Aid:										
Special Education:										
Private Facilities Tuition	207,289									207,289
Career and Technical Education (CTE):										
CTE - Agriculture Education	8,510									8,510
CTE - Other	13,076									13,076
State Free Lunch and Breakfast	8,569									8,569
Driver Education	16,235									16,235
Transportation:										
Transportation - Regular / Vocational				117,962						117,962
Transportation - Special Education				124,464						124,464
Early Childhood - Block Grant	106,402			25,949						132,351
Other Restricted Revenues from State Funds	953									953
Total Receipts from State Sources	3,587,566	0	0	268,375	0	0	0	0	0	3,855,941
Receipts From Federal Sources:										
Restricted Grants-in-Aid Received Directly from the Federal Government Through the State:										
Food Service										
National School Lunch Program	519,275									519,275
School Breakfast Program	30,831									30,831
Title 1:										
Low Income	149,972									149,972
Title IV -										
Student Support & Academic Enrichment	10,365									10,365
Federal - Special Education:										
Pre-School Flow Through	5,330									5,330
I.D.E.A.-Flow Through	231,533									231,533
Title II - Teacher Quality	25,519									25,519
Medicaid Matching - Administrative Outreach	21,736									21,736
Medicaid Matching - Fee for Service Program	4,041									4,041
Other Federal	418,959			9,553						428,512
Total Receipts from Federal Sources	1,417,561	0	0	9,553	0	0	0	0	0	1,427,114
Total Direct Receipts (without Student Activity Funds)	10,044,774	741,904	1,466,426	555,606	165,795	267,920	71,033	358,276	69,298	13,741,032
Total Direct Receipts (with Student Activity Funds)	10,221,006									

The accompanying notes are an integral part of these financial statements.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Salaries	3,605,573	3,602,250	(3,323)
Employee Benefits	942,741	947,335	4,594
Purchased Services	66,967	69,400	2,433
Supplies and Materials	72,184	74,714	2,530
Other Objects	330	900	570
Total Regular Programs	<u>4,687,795</u>	<u>4,694,599</u>	<u>6,804</u>
Pre-K Programs:			
Salaries	79,308	79,308	0
Employee Benefits	24,591	24,620	29
Purchased Services	1,236	1,290	54
Supplies and Materials	2,099	2,100	1
Total Pre-K Programs	<u>107,234</u>	<u>107,318</u>	<u>84</u>
Special Education Programs:			
Salaries	658,241	659,600	1,359
Employee Benefits	218,665	219,113	448
Total Special Education Programs	<u>876,906</u>	<u>878,713</u>	<u>1,807</u>
Special Education Programs Pre-K:			
Other Objects	122	150	28
Total Special Education Programs Pre-K	<u>122</u>	<u>150</u>	<u>28</u>
Remedial and Supplemental Programs K-12:			
Salaries	79,827	80,000	173
Purchased Services	39,930	39,972	42
Supplies and Materials	7,905	7,950	45
Total Remedial and Supplemental Programs K-12	<u>127,662</u>	<u>127,922</u>	<u>260</u>
CTE Programs:			
Salaries	83,673	85,568	1,895
Employee Benefits	27,539	27,970	431
Supplies and Materials	1,721	1,721	0
Total CTE Programs	<u>112,933</u>	<u>115,259</u>	<u>2,326</u>
Interscholastic Programs:			
Salaries	176,691	178,400	1,709
Employee Benefits	15,480	16,052	572
Purchased Services	21,977	25,070	3,093
Supplies and Materials	23,227	22,250	(977)
Other Objects	5,583	6,175	592
Total Interscholastic Programs	<u>242,958</u>	<u>247,947</u>	<u>4,989</u>

The accompanying notes are an integral part of these financial statements.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Actual	Budget	Variance with Budget
Driver's Education Programs:			
Salaries	51,809	50,550	(1,259)
Employee Benefits	14,814	14,695	(119)
Supplies and Materials	4,986	5,600	614
Total Drivers Education Programs	<u>71,609</u>	<u>70,845</u>	<u>(764)</u>
Truants' Alternative & Optional Programs:			
Salaries	50,868	50,868	0
Employee Benefits	12,762	12,595	(167)
Total Truants' Alternative Programs	<u>63,630</u>	<u>63,463</u>	<u>(167)</u>
Special Education Programs K-12 - Private Tuition	333,136	350,000	16,864
CTE Programs - Private Tuition	1,000	1,800	800
Student Activity Fund Expenditures	198,435	197,000	(1,435)
Total Instruction (Without Student Activity Funds)	<u>6,624,985</u>	<u>6,658,016</u>	<u>33,031</u>
Total Instruction (With Student Activity Funds)	<u>6,823,420</u>	<u>6,855,016</u>	<u>31,596</u>
Supporting Services:			
Support Services - Pupils:			
Guidance Services:			
Salaries	193,313	193,410	97
Employee Benefits	61,104	61,195	91
Supplies and Materials	94	100	6
Total Guidance Services	<u>254,511</u>	<u>254,705</u>	<u>194</u>
Health Services:			
Salaries	107,992	107,500	(492)
Employee Benefits	23,817	23,885	68
Purchased Services	4,365	560	(3,805)
Supplies and Materials	4,142	4,300	158
Total Health Services	<u>140,316</u>	<u>136,245</u>	<u>(4,071)</u>
Speech Pathology and Audiology Services:			
Salaries	47,862	47,862	0
Employee Benefits	14,262	14,266	4
Total Speech Pathology and Audiology Services:	<u>62,124</u>	<u>62,128</u>	<u>4</u>
Other Support Services-Pupils:			
Salaries	8,650	9,000	350
Employee Benefits	852	880	28
Total Other Support Services-Pupils	<u>9,502</u>	<u>9,880</u>	<u>378</u>
Total Support Services-Pupils	<u>466,453</u>	<u>462,958</u>	<u>(3,495)</u>

The accompanying notes are an integral part of these financial statements.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Actual	Budget	Variance with Budget
Support Services-Instructional Staff:			
Improvement of Instruction Services:			
Salaries	50,014	51,305	1,291
Employee Benefits	14,428	14,836	408
Purchased Services	9,910	9,960	50
Total Improvement of Instructional Services	<u>74,352</u>	<u>76,101</u>	<u>1,749</u>
Educational Media Services:			
Salaries	79,289	79,347	58
Employee Benefits	15,114	15,120	6
Purchased Services	43,173	44,000	827
Supplies and Materials	65,306	65,560	254
Capital Outlay	74,715	74,715	0
Other Objects	217	225	8
Total Educational Media Services	<u>277,814</u>	<u>278,967</u>	<u>1,153</u>
Assessment and Testing:			
Purchased Services	23,626	23,630	4
Supplies and Materials	26,272	26,273	1
Total Assessment and Testing	<u>49,898</u>	<u>49,903</u>	<u>5</u>
Total Support Services-Instructional Staff	<u>402,064</u>	<u>404,971</u>	<u>2,907</u>
Support Services-General Administration:			
Board of Education Services:			
Purchased Services	18,058	19,200	1,142
Other Objects	35,307	37,500	2,193
Total Board of Education Services	<u>53,365</u>	<u>56,700</u>	<u>3,335</u>
Executive Administration Services:			
Salaries	143,701	143,703	2
Employee Benefits	48,136	48,139	3
Purchased Services	6,962	7,520	558
Supplies and Materials	1,362	1,500	138
Other Objects	6,359	7,000	641
Total Executive Administration Services	<u>206,520</u>	<u>207,862</u>	<u>1,342</u>
Total Support Services-General Administration	<u>259,885</u>	<u>264,562</u>	<u>4,677</u>
Support Services-School Administration:			
Office of the Principal Services:			
Salaries	420,187	420,334	147
Employee Benefits	161,821	161,920	99
Purchased Services	1,046	1,050	4
Other Objects	2,131	2,135	4
Total Office of the Principal Service	<u>585,185</u>	<u>585,439</u>	<u>254</u>
Total Support Services-School Administration	<u>585,185</u>	<u>585,439</u>	<u>254</u>

The accompanying notes are an integral part of these financial statements.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Actual	Budget	Variance with Budget
Support Services-Business:			
Fiscal Services:			
Salaries	81,086	81,100	14
Employee Benefits	8,869	8,870	1
Purchased Services	16,923	16,926	3
Supplies and Materials	579	750	171
Total Fiscal Services	<u>107,457</u>	<u>107,646</u>	<u>189</u>
Operation and Maintenance of Plant Services:			
Supplies and Materials	8,293	8,300	7
Total Operation and Maintenance of Plant Services	<u>8,293</u>	<u>8,300</u>	<u>7</u>
Food Services:			
Salaries	179,413	179,425	12
Employee Benefits	8,872	8,875	3
Supplies and Materials	344,104	346,325	2,221
Capital Outlay	8,454	20,000	11,546
Other Objects	764	725	(39)
Total Food Services	<u>541,607</u>	<u>555,350</u>	<u>13,743</u>
Total Support Services-Business	<u>657,357</u>	<u>671,296</u>	<u>13,939</u>
Support Services-Central:			
Data Processing Services:			
Salaries	138,204	138,200	(4)
Employee Benefits	26,175	26,180	5
Purchased Services	17,609	17,925	316
Supplies and Materials	61,696	67,000	5,304
Capital Outlay	2,523	3,000	477
Total Data Processing Services	<u>246,207</u>	<u>252,305</u>	<u>6,098</u>
Total Support Service-Central	<u>246,207</u>	<u>252,305</u>	<u>6,098</u>
Other Support Services:			
Supplies and Materials	0	50	50
Total Other Supporting Services	<u>0</u>	<u>50</u>	<u>50</u>
Total Supporting Services	<u>2,617,151</u>	<u>2,641,581</u>	<u>24,430</u>
Community Services:			
Salaries	4,812	4,825	13
Employee Benefits	517	367	(150)
Purchased Services	103	50	(53)
Supplies and Materials	50	220	170
Total Community Services	<u>5,482</u>	<u>5,462</u>	<u>(20)</u>

The accompanying notes are an integral part of these financial statements.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Payments to Other Governmental Units (In-State):			
Other Payments to Governmental Units:			
Purchased Services	3,351	3,351	0
Total Other Payments to Governmental Units	<u>3,351</u>	<u>3,351</u>	<u>0</u>
 Total Payments to Other Governmental Units (In-State)	 <u>3,351</u>	 <u>3,351</u>	 <u>0</u>
 Payments to Other Governmental Units - Tuition (In-State):			
Special Education Programs - Tuition	567,866	556,000	(11,866)
CTE Programs - Tuition	<u>39,492</u>	<u>38,700</u>	<u>(792)</u>
Total Payments to Other Governmental Units - Tuition (In-State)	<u>607,358</u>	<u>594,700</u>	<u>(12,658)</u>
 Total Payments to Other Governmental Units	 <u>610,709</u>	 <u>598,051</u>	 <u>(12,658)</u>
 Total Direct Disbursements (without Student Activity Funds)	 <u>9,858,327</u>	 <u>9,903,110</u>	 <u>44,783</u>
Total Direct Disbursements (with Student Activity Funds)	<u>10,056,762</u>	<u>10,100,110</u>	<u>43,348</u>

The accompanying notes are an integral part of these financial statements.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
OPERATIONS AND MAINTENANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Supporting Services:			
Support Services-Business:			
Operation and Maintenance of			
Plant Services:			
Salaries	305,114	306,200	1,086
Employee Benefits	53,780	54,080	300
Purchased Services	153,792	161,500	7,708
Supplies and Materials	393,564	402,500	8,936
	906,250	924,280	18,030
Total Support Services			
Community Services:			
Purchased Services	4,546	5,000	454
Total Community Services	4,546	5,000	454
Payments to Other Governmental Units			
(In-State):			
Payments for CTE Programs:			
Other Objects	8,744	9,000	256
Total Payments for CTE Programs	8,744	9,000	256
Other Payments to Governmental Units:			
Other Objects	15,466	0	(15,466)
Total Other Payments to Govt'l Units	15,466	0	(15,466)
Total Payments to Other Governmental Units	24,210	9,000	(15,210)
Total Direct Disbursements	935,006	938,280	3,274

The accompanying notes are an integral part of these financial statements.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
DEBT SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Interest on Long-Term Debt	<u>342,970</u>	<u>342,971</u>	<u>1</u>
Payments of Principal on Long-Term Debt	<u>1,091,000</u>	<u>1,091,000</u>	<u>0</u>
Debt Service-Other:			
Other Objects	<u>650</u>	<u>650</u>	<u>0</u>
Total Direct Disbursements	<u><u>1,434,620</u></u>	<u><u>1,434,621</u></u>	<u><u>1</u></u>

The accompanying notes are an integral part of these financial statements.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
TRANSPORTATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Supporting Services:			
Support Services-Business:			
Pupil Transportation Services:			
Salaries	7,161	7,183	22
Purchased Services	468,376	468,949	573
Supplies and Materials	57,671	58,010	339
Other Objects	2,038	2,500	462
Total Direct Disbursements	535,246	536,642	1,396

The accompanying notes are an integral part of these financial statements.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Employee Benefits	66,558	67,200	642
Pre-K Programs:			
Employee Benefits	2,715	2,750	35
Special Education Programs:			
Employee Benefits	18,948	19,360	412
Remedial and Supplemental Programs K-12:			
Employee Benefits	3,315	3,650	335
CTE Programs:			
Employee Benefits	1,184	1,250	66
Interscholastic Programs:			
Employee Benefits	6,376	6,595	219
Driver's Education Programs:			
Employee Benefits	740	725	(15)
Truants' Alternative Programs:			
Employee Benefits	1,187	1,250	63
Total Instruction	<u>101,023</u>	<u>102,780</u>	<u>1,757</u>
Supporting Services:			
Support Services-Pupils:			
Guidance Services:			
Employee Benefits	3,675	3,740	65
Health Services:			
Employee Benefits	13,487	13,590	103
Speech Pathology and Audiology:			
Employee Benefits	682	700	18
Other Support Services-Pupils:			
Employee Benefits	123	125	2
Total Support Services-Pupils	<u>17,967</u>	<u>18,155</u>	<u>188</u>
Support Services-Instructional Staff:			
Improvement of Instruction Services:			
Employee Benefits	1,778	1,845	67
Educational Media Services:			
Employee Benefits	3,529	3,575	46
Total Support Services-Instructional Staff	<u>5,307</u>	<u>5,420</u>	<u>113</u>

The accompanying notes are an integral part of these financial statements.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Support Services-General Administration:			
Executive Administration Services:			
Employee Benefits	5,694	5,760	66
Total Support Services-General Administration	<u>5,694</u>	<u>5,760</u>	<u>66</u>
Support Services-School Administration:			
Office of the Principal Services:			
Employee Benefits	16,957	17,175	218
Total Support Services-School Administration	<u>16,957</u>	<u>17,175</u>	<u>218</u>
Support Services-Business:			
Fiscal Services:			
Employee Benefits	9,002	9,000	(2)
Operation and Maintenance of Plant Services:			
Employee Benefits	34,624	35,175	551
Pupil Transportation Services:			
Employee Benefits	100	100	0
Food Services:			
Employee Benefits	18,187	18,295	108
Total Support Services-Business	<u>61,913</u>	<u>62,570</u>	<u>657</u>
Support Services-Central:			
Data Processing Services:			
Employee Benefits	15,186	15,225	39
Total Support Service-Central	<u>15,186</u>	<u>15,225</u>	<u>39</u>
Total Support Services	<u>123,024</u>	<u>124,305</u>	<u>1,281</u>
Community Services:			
Employee Benefits	124	135	11
Total Direct Disbursements	<u><u>224,171</u></u>	<u><u>227,220</u></u>	<u><u>3,049</u></u>

The accompanying notes are an integral part of these financial statements.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
 STATEMENT OF EXPENDITURES DISBURSED
 BUDGET TO ACTUAL
 CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Support Services:			
Support Services-Business:			
Facilities Acquisition & Construction:			
Purchased Services	0	415,000	415,000
Capital Outlay	<u>567,272</u>	<u>175,584</u>	<u>(391,688)</u>
Total Direct Disbursements	<u><u>567,272</u></u>	<u><u>590,584</u></u>	<u><u>23,312</u></u>

The accompanying notes are an integral part of these financial statements.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
TORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Support Services:			
Support Services - Pupils:			
Health Services:			
Salaries	12,616	14,000	1,384
Total Health Services	<u>12,616</u>	<u>14,000</u>	<u>1,384</u>
Other Support Services-Pupils:			
Purchased Services	52,433	53,000	567
Total Other Support Services-Pupils	<u>52,433</u>	<u>53,000</u>	<u>567</u>
Total Support Services-Pupils	<u>65,049</u>	<u>67,000</u>	<u>1,951</u>
Support Services-General Administration:			
Executive Administration Services:			
Salaries	20,799	20,800	1
Total Executive Administration Services	<u>20,799</u>	<u>20,800</u>	<u>1</u>
Risk Management and Claims Services Payments:			
Purchased Services	50,156	53,000	2,844
Total Risk Management and Claims Payments	<u>50,156</u>	<u>53,000</u>	<u>2,844</u>
Total Support Services-General Administration	<u>70,955</u>	<u>73,800</u>	<u>2,845</u>
Support Services-School Administration:			
Office of the Principal Services:			
Salaries	54,906	55,000	94
Total Office of the Principal Service	<u>54,906</u>	<u>55,000</u>	<u>94</u>
Support Services-Business:			
Operation and Maintenance of Plant Services:			
Salaries	5,075	5,100	25
Total Operation and Maintenance of Plant Services	<u>5,075</u>	<u>5,100</u>	<u>25</u>
Other Support Services:			
Purchased Services	100,558	101,000	442
Total Other Supporting Services	<u>100,558</u>	<u>101,000</u>	<u>442</u>
Total Direct Disbursements	<u><u>296,543</u></u>	<u><u>301,900</u></u>	<u><u>5,357</u></u>

The accompanying notes are an integral part of these financial statements.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #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 Audit Guide.

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.

Component Units

The District has developed criteria to determine whether outside agencies with activities that 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 includes, but is 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

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 disbursed. The District maintains individual funds required by the State of Illinois. The various funds are summarized by type in the financial statements. These funds are grouped 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 funds and account groups are used by the District:

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.

The Educational 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.

The Educational Fund includes the Student Activity Funds. These funds are used to account for financial resources used for student programs.

The Operations and Maintenance Fund is used to account for cash received from specific sources (other than those accounted for in the Fiduciary Funds) that are legally restricted to cash disbursements for specified purposes.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #1 - Summary of Significant Accounting Policies (cont'd.)

B. Basis of Presentation – Fund Accounting (cont'd.)

The Debt Services Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The Transportation Fund is used to account for cash received from specific sources (other than those accounted for in the Fiduciary Funds) that are legally restricted to cash disbursements for specified purposes.

The Municipal Retirement/Social Security Fund is used to account for cash received from specific sources (other than those accounted for in the Fiduciary Funds) that are legally restricted to cash disbursements for specified purposes.

The Working Cash Fund accounts for financial resources held by the District to be used for temporary interfund loans to other funds.

The Tort Fund accounts for financial resources held by the District to be used for tort immunity and tort judgment purposes.

The Fire Prevention and Safety Fund and Capital Projects Fund are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Trust Funds).

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.

The Flexible Benefit Plan Fund is a Trust and Agency Fund and is used to account for funds held by the District as an agent for health claim disbursements.

These funds are custodial in nature and do not involve the measurement of results of operations. The net assets available for benefits are shown as a reserved fund balance in these financial statements.

Governmental and Expendable Trust Funds - Measurement Focus

The financial statements of all Governmental Funds and Expendable Trust 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.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #1 - Summary of Significant Accounting Policies (cont'd.)

B. Basis of Presentation – Fund Accounting (cont'd.)

General Fixed Assets and General Long-Term Debt Account Group

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets valued at their estimated fair value on the date donated. The District records purchases of property and equipment as expenditures of various funds when paid. The District maintains a detailed list of property and equipment purchased for insurance purposes.

The District does not have a formal capitalization policy, but follows grant guidelines when applicable.

No depreciation has been provided on fixed assets in these financial statements. Current depreciation of \$766,163 has been utilized for the calculation of the per capita tuition charge, and accumulated depreciation totaling \$12,665,714 has been reported on the Illinois Local Education Agency annual financial report (ISBE Form 50-35). Depreciation has been computed over the estimated useful lives of the assets using the straight-line method.

The estimated useful lives are as follows:

Depreciable Land	50 years
Buildings	
Permanent	50 years
Temporary	20 years
Infrastructure Improvements other than Building	20 years
Capitalized Equipment	3-10 years

Long-term liabilities expected to be financed from Debt Services Funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. Proceeds from sales of bonds are included as receipts in the appropriate fund on the date received. Related principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

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

C. Basis of Accounting

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the account and how they are reported in 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, revenues are 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 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.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #1 - Summary of Significant Accounting Policies (cont'd.)

C. Basis of Accounting (cont'd.)

Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related 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 Funds and for the Expendable Trust Fund 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 Chapter 105, Section 5, Paragraph 17.1 of the Illinois Compiled Statutes. The budget was passed on September 20, 2021 and amended on June 20, 2022. The budget lapses at the end of each fiscal year.

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

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures disbursed and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
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 (in other ways) by the same procedures required of its original adoption.

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits and time deposit (savings) accounts. Cash equivalents include amounts in time deposits and other investments with original maturities of less than 90 days.

F. Investments

Investments are stated at cost or amortized cost, which approximates market. The District, under 30 ILCS 235/2, may legally invest in all securities guaranteed by the full faith and credit of the United States, as well as interest-bearing savings accounts, certificates of deposit, or time deposits constituting direct obligations of banks insured by FDIC and savings and loan associates insured by FSLIC. The District may also invest in short-term obligations of the Federal National Mortgage Association, the Public Treasurer's Investment Pool, and all interest-bearing obligations of the State of Illinois.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #1 - Summary of Significant Accounting Policies (cont'd.)

G. Inventories

Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure disbursed at the time the individual inventory items are purchased.

H. Fund Balances

In accordance with Government Accounting Standards, fund balances are classified into five major classifications: Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

Nonspendable - 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. As of June 30, 2022, the District did not classify any amount as nonspendable.

Restricted - The restricted fund balance classification refers to amounts that are subject to outside restrictions not controlled by the entity, such as restrictions imposed by creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The District has certain funds that are, by definition, restricted for specified purposes. These funds consist of the reserved amounts in the Educational Fund as identified in Note #3, the Operations and Maintenance, Debt Services, Transportation, Municipal Retirement/Social Security, Capital Projects, Tort, and the Fire Prevention and Safety funds.

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

The School Board commits fund balance by making motions or passing resolutions to adopt policies 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. As of June 30, 2022, the District did not classify any amount as committed.

Assigned - 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 the School Board itself by assigning amounts to be used for specific purposes. As of June 30, 2022, the District did not classify any amount as assigned.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #1 - Summary of Significant Accounting Policies (cont'd.)

H. Fund Balances (cont'd.)

Unassigned - The unassigned fund balance classification is the residual classification for amounts in the general funds (Educational and Working Cash) for amounts that have not been restricted, committed, or assigned to specific purposes within the general funds.

It is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e. committed, assigned or unassigned fund balances) are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

The District follows the regulatory basis of reporting fund balances under guidelines prescribed by the Illinois State Board of Education, which is a special purpose reporting framework. The regulatory basis reports Reserved and Unreserved fund balance. See Note #3 for more detail.

I. Leases

The District accounts for leases as follows:

Lease contracts that transfer ownership – lease expenditures are recognized in the individual funds as capital outlay and included in the General Fixed Assets Account Group when paid.

All other lease contracts – lease expenditures are recognized in the individual funds as purchased services when paid.

The future minimum lease payments for all lease contracts are not included in the General Long-Term Debt Account Group. Future lease commitments are disclosed in Note #16. GASB No. 87 - *Leases* is effective for financial statement periods ending after June 15, 2022. This pronouncement did not impact the preparation of these financial statements due to the basis of accounting as previously described in Note #1.

J. Total Memorandum Only

The "Total Memorandum Only" column represents the aggregation (by addition) of the line-item amounts reported for each fund type and account group. No consolidations or other eliminations were made in arriving at the totals; thus, they do not present consolidated information. These totals are presented only to facilitate financial analysis and are not intended to reflect the financial position or results of operations of the District as a whole.

Note #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. Taxes are levied in Whiteside County. The 2021 levy was passed by the board on December 13, 2021. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments in June and September. The District receives significant distributions of tax receipts approximately one month after these due dates. The District received \$3,952,564 from the 2021 tax levy prior to June 30, 2022. The balance of taxes shown in these financial statements are from the 2020 and prior tax levies.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
 NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #2 - Property Taxes (cont'd.)

The following are the tax rates applicable to the various levies per \$100 of assessed valuation:

	Maximum <u>Rate</u>	Actual <u>2021 Rate</u>	Actual <u>2020 Rate</u>	Actual <u>2019 Rate</u>
Educational	2.6400	2.6400	2.6400	2.6400
Operations and Maintenance	0.5000	0.5000	0.5000	0.5000
Transportation	0.2000	0.2000	0.2000	0.2000
Debt Services	None	0.7706	0.7688	0.7850
Municipal Retirement	None	0.1107	0.0000	0.1147
Social Security	None	0.0000	0.1114	0.0000
Tort Immunity	None	0.2581	0.2625	0.2875
Leasing	0.0500	0.0500	0.0500	0.0500
Special Education	0.0400	0.0400	0.0400	0.0400
Fire Prevention and Safety	0.0500	0.0500	0.0500	0.0500
Working Cash	0.0500	<u>0.0500</u>	<u>0.0500</u>	<u>0.0500</u>
Total		<u>4.6694</u>	<u>4.6727</u>	<u>4.7172</u>

Note #3 - Regulatory Fund Balances

The District follows the regulatory basis of reporting fund balances under guidelines prescribed by the Illinois State Board of Education, which consists of Reserved and Unreserved Fund Balances. Reserved Fund Balances results when constraints placed on fund balance use is either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation. Unreserved Fund Balances consists of fund balance that does not meet the criteria of the preceding category.

The District has the following categories of reserved fund balances:

1. Special Education 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 reserved fund balance.

2. Leasing Levy

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Educational Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a reserved fund balance of \$63,466.

3. Social Security Levy

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a reserved fund balance of \$112,644.

4. School Facility Occupation Tax

Proceeds from the school facility occupation tax have been included in the Debt Services and Capital Projects Funds. Revenue received exceeded expenditures disbursed for this purpose, resulting in a reserved fund balance of \$409,100 in the Debt Services Fund and \$386,972 in the Capital Projects Fund.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #3 - Regulatory Fund Balances (cont'd.)

5. Trust and Agency Funds

The District had a trust account for the flex plan during the fiscal year totaling \$14,112. This balance is included in the financial statements as reserved in the Trust and Agency Fund.

6. Student Activity Funds

The District maintains several Student Activity Funds included in the Educational Fund balance. As of June 30, 2022, net of revenues received exceeded expenditures disbursed, resulting in a reserved fund balance of \$216,144.

7. State Grants

Proceeds from state grants and the related expenditures have been included in the Educational and Transportation Funds. Expenditures disbursed exceeded revenue received for those specific purposes, resulting in no reserved fund balance.

8. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the Educational Fund. Expenditures disbursed exceeded revenue received for those specific purposes, resulting in no reserved fund balance.

When both reserved and unreserved resources are available for use, it is the District's policy to use reserved resources first to finance qualifying activities, then unreserved resources as they are needed.

Note #4 – Deposits and Investments

The District is allowed to invest in securities as authorized by the District's investment policy, Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235), and Section 8-7 of the School Code of Illinois (105 ILCS 5). These include the following items:

- (1) in bonds, notes, certificates of indebtedness, treasury bills, or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
- (2) in interest-bearing savings accounts, interest-bearing certificates of deposits, interest-bearing time deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act;
- (3) in short term obligations of corporations organized in the United States with assets exceeding \$500,000,000;
- (4) in money market mutual funds registered under the Investment Company Act of 1940;
- (5) in short term discount obligations of the Federal National Mortgage Association;
- (6) in dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union chartered under the laws of this State or the laws of the United States and is located within the State of Illinois;
- (7) in a Public Treasurer's Investment Pool created under Section 17 of the State Treasurer Act;
- (8) in the Illinois School District Liquid Asset Fund Plus;

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
 NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #4 – Deposits and Investments (cont'd.)

- (9) in repurchase agreements of government securities;
- (10) in any investment as authorized by the Public Funds Investment Act, and Acts amendatory thereto.

Custodial Credit Risk Related to Deposits with Financial Institutions

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's general investment policy requires all amounts deposited or invested with financial institutions in excess of any insurance limit shall be collateralized by 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. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization.

The District's investment policy states the preferred method for safekeeping of collateral 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's Statement III, Category I, the highest recognized safekeeping procedures.

As of June 30, 2022, \$10,066,187 of the District's bank balances were exposed to custodial credit risk. These balances are collateralized by securities held by the pledging financial institution, but not in the District's name.

Investments

The District had no investments during the year ended June 30, 2022.

Note #5 – General Fixed Asset Account Group

A summary of changes in general fixed assets follows:

	Balance			Balance
	<u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2022</u>
Non-Depreciable Land	241,825	0	0	241,825
Permanent Buildings	26,140,511	17,430	0	26,157,941
Temporary Buildings	0	1,600	0	1,600
Improvements Other than Buildings	1,768,289	425,148	0	2,193,437
10-Year Equipment	1,834,593	85,692	293,055	1,627,230
5-Year Equipment	163,077	0	0	163,077
Construction in Progress	<u>0</u>	<u>123,094</u>	<u>0</u>	<u>123,094</u>
Totals	<u>30,148,295</u>	<u>652,964</u>	<u>293,055</u>	<u>30,508,204</u>

Note #6 – Pension Disclosures

The District contributes to two defined benefit pension plans: the Teachers Retirement System (TRS), and the Illinois Municipal Retirement Fund (IMRF). TRS is administered by the TRS board of trustees and is a cost sharing multiple employer plan. IMRF is administered by IMRF board of trustees and is an agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions and employer contributions for both plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The aggregate employer recognized pension expense on a cash basis for the year ended June 30, 2022, was \$112,654.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #6 – Pension Disclosures (cont'd.)

A. Teacher's 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. The District employed 113 TRS members during the current fiscal year.

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/acfrs/fy2021>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling 888-678-3675, option 2.

Benefits provided

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. One program allows retiring Tier 1 members to receive a partial lumpsum 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 began in 2019 and are funded by bonds issued by the state of Illinois.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #6 – Pension Disclosures (cont'd.)

A. Teacher's Retirement System of the State of Illinois (cont'd.)

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 June 30, 2022, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On behalf contributions to TRS. The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2022, state of Illinois contributions recognized by the employer were based on the state's proportionate share of with the pension expense associated with the employer, and the employer recognized revenue and expenditures of \$2,877,942 in pension contributions from the state of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2022, were calculated to be \$33,298. \$33,298 was actually paid during the year ended June 30, 2022.

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, 2022, the employer pension contribution was 10.31 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2022, salaries totaling \$296,056 were paid from federal and special trust funds that required employer contributions of \$30,523. \$30,523 was actually paid during the year ended June 30, 2022. Additionally, the District paid \$2,746 to complete the prior year's required contribution.

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2022, the employer paid \$-0- to TRS for employer contributions due on salary increases in excess of 6 percent and \$-0- for sick leave days granted in excess of the normal annual allotment.

Pension Expense

For the year ended June 30, 2022, the employer recognized TRS pension expense of \$66,567 on a cash basis under this plan.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #6 – Pension Disclosures (cont'd.)

B. Illinois Municipal Retirement Fund

Plan Description.

The District's defined benefit pension plan for non-certified 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, for the plan as a whole, but not for individual employers. That report is available for download at <https://www.imrf.org/en/publications-and-archive/annual-financial-reports>.

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. Tier 2 benefits are lower than Tier 1, and cost about 40% less to provide. All IMRF members initially hired on or after January 1, 2011, are in Tier 2.

Both the member and the employer contribute toward retirement benefits. Members contribute a percentage of their salary as established by the Pension Code. The percentage depends on the plan in which the member participates. Regular members contribute 4.5%. SLEP and ECO members contribute 7.5%. Members also have the option of making voluntary after-tax contributions up to 10% of their salary. Employer contribution rates are actuarially calculated annually for each employer. Employers pay most of the cost for member and survivor pensions and all of the cost for supplemental retirement, death, and disability benefits. All contributions are pooled for investment purposes.

Since 1982, investment returns account for 65% of IMRF revenue.

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

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

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #6 – Pension Disclosures (cont’d.)

B. Illinois Municipal Retirement Fund (cont’d.)

Employees covered by benefit terms.

At December 31, 2021, the following employees were covered by the benefit terms:

Retirees or Beneficiaries currently receiving benefits	64
Inactive employees entitled to but not yet receiving benefits	78
Active employees	<u>58</u>
Total Members	200

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 2021 was 3.62%. The total employer contribution paid for 2021 was \$42,658. The District’s contribution rate for the calendar year 2022 is 3.71%. The actual contributions paid during the fiscal year ended June 30, 2022 were \$46,087. 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.

Note #7 – Other Post-Employment Benefits

The District participates in two Post Employment benefit plans Other than Pensions. The two plans are the Teacher’s Health Insurance Security (THIS) Fund and their own health insurance plan. All IMRF employers are required by State statutes to allow retirees to continue on their health plans.

A. Teacher Health Insurance Security

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.

On behalf contributions to the THIS Fund

The state of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to cover the actuarial costs to the THIS Fund that are not covered by contributions from active members which were 0.90 percent of pay for the year ended June 30, 2022. State of Illinois contributions were \$50,637, and the employer recognized revenue and expenditures of this amount during the year.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #7 – Other Post-Employment Benefits (cont'd.)

A. Teacher Health Insurance Security (cont'd.)

Employer contributions to the THIS Fund

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2022. For the year ended June 30, 2022, the employer paid \$38,465 to the THIS Fund, which was 100 percent of the required contribution.

Further information on the THIS Fund

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General (<http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>). The current reports are listed under “Central Management Services” (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Reports prior to FY2013 are available under “Healthcare and Family Services” (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

B. Post-Retirement Health Care Plan

The District provides post-retirement health care benefits for the retirees and their dependents. All retirees are eligible to continue their health coverage under the District’s self-funded health insurance plan. The retirees are responsible for a portion of the entire premium payment to secure coverage. The District finances the plan on a pay-as-you-go basis. The Unfunded Actuarial Liability has not been determined as of June 30, 2022.

Plan Description. The District administers a single-employer defined benefit healthcare plan. The Educational support employees who contribute to IMRF are eligible for post-retirement medical coverage. The plan does not have a trust fund and therefore does not issue a separate publicly available financial report.

Funding Policy. The contribution requirements of the District may be amended by the School Board. Current policy is for the District to pay for post-retirement medical insurance benefits or premiums as they occur. The District requires retirees to contribute 100% of the premium for their desired coverage. The premiums are established for the employee/retiree group, which currently range from \$647 per month for individual coverage to \$2,673 per month for family coverage. Although, with regard to retirees, this amount contains an implied rate subsidy by the District through the blended premium covering all current employees and retirees, there is no actuarial valuation performed to determine the amount of such subsidy.

Contributions Made. Because the retiree premium established is paid entirely by retiree contributions, there is no net cash outflow by the District related to these benefits when paid. Therefore, there are no cash-basis expenditures reported by the District in regard to the plan benefits for retirees.

Note #8 – General Long-Term Debt Account Group

Long-term debt at June 30, 2022, is comprised of the following:

Bonded Indebtedness –

Bonded indebtedness is reflected in the General Long-Term Debt Account Group. Current requirements for principal and interest expenditures are payable solely from future revenues of the Debt Services Fund, which consists principally of property taxes collected by the District and interest earnings.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
 NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #8 – General Long-Term Debt Account Group (cont'd.)

The following is a summary of long-term debt activity of the District for the year ended June 30, 2022:

<u>Description</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2022</u>	<u>Due In Less Than One Year</u>
G.O. Working Cash, 2017A	7,915,000	7/11/17	12/1/29	4.00%	7,510,000	0	(745,000)	6,765,000	785,000
G.O. Alternate Revenue Bond Series 2019	2,499,000	5/09/19	12/1/27	3.07%	<u>2,045,000</u>	<u>0</u>	<u>(346,000)</u>	<u>1,699,000</u>	<u>357,000</u>
Total					<u>9,555,000</u>	<u>0</u>	<u>(1,091,000)</u>	<u>8,464,000</u>	<u>1,142,000</u>

The annual debt service requirements of general obligation bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	1,142,000	301,579	1,443,579
2024	1,198,000	258,151	1,456,151
2025	1,255,000	212,569	1,467,569
2026	1,311,000	164,834	1,475,834
2027	1,173,000	117,916	1,290,916
2028	1,020,000	75,000	1,095,000
2029	1,070,000	33,200	1,103,200
2030	<u>295,000</u>	<u>5,900</u>	<u>300,900</u>
	<u>8,464,000</u>	<u>1,169,149</u>	<u>9,633,149</u>

Debt Services Fund Balance –

At June 30, 2022, the excess of assets over liabilities of the Debt Services Fund was attributable to the following issues:

Working Cash Bonds – Series 2017A	856,364
G.O. Alternate Revenue Bond – Series 2019	<u>409,100</u>
	<u>1,265,464</u>

Legal Debt Limit –

Section 5/19-1 of the Illinois School Code limits the amount of qualifying debt of the District to 13.8% of the latest equalized assessed value. The latest equalized assessed value was \$135,616,875 as of January 1, 2021.

The estimated legal debt margin of the District at June 30, 2022, was calculated as follows:

Legal Debt Limit	18,715,129
Less Qualifying Debt	<u>(6,765,000)</u>
Legal Debt Margin	<u>11,950,129</u>

Note #9 - Tax Anticipation Warrants

There were no tax anticipation warrants issued, retired, or outstanding during the fiscal year ended June 30, 2022.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #10 - Interfund Loans and Transfers

There were no interfund loans during the year ended June 30, 2022. There following permanent transfers were made during the year ended June 30, 2022:

<u>To</u>	<u>From</u>	<u>Amount</u>
Operations and Maintenance Fund	Working Cash Fund	200,000

The permanent transfer to the Operations and Maintenance Fund was for operational expenditures.

Note #11 - Common Bank Accounts

Separate bank accounts are not maintained for all District funds; instead, certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Note #12 - Disbursements and Transfers in Excess of Budget

For the year ended June 30, 2022, the District had no disbursements in excess of amounts budgeted.

Note #13 - Deficit Fund Balances

As of June 30, 2022, the District did not have deficit fund balances in any fund.

Note #14 - Self-Insurance Plan

All employees of the district are covered under the State of Illinois Unemployment Insurance Act. The district elected to be self-insured, and therefore, is liable to the State for any payments made to an unemployed worker claiming benefits.

Note #15 - Contingencies

The District has received funding from state and federal grants in the current and prior years that 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.

Note #16 - Commitments

As of June 30, 2022, the District had the following commitments:

Leases -

The District leases copiers with monthly lease payments ranging from \$102 - \$3,207 under 60 month lease agreements. These lease payments have been recorded in the Educational Fund as purchased services.

The District leases the District office building with monthly lease payments of \$1,538 under a 5-year lease agreement. These lease payments have been recorded in the Educational Fund as purchased services.

The District leases computer and IT equipment with annual lease payments ranging from \$11,315 - \$30,575 under 5-year lease agreements with rotating end dates. These lease payments have been recorded in the Educational Fund as purchased services.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
 NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #16 – Commitments (cont'd.)

Leases – (cont'd.)

The total amount paid for leases during the fiscal year was \$98,524, of which \$98,524 was paid from the Educational Fund. As of June 30, 2022, the future minimum lease payments are as follows:

<u>Fiscal Year</u>	<u>Fund</u> <u>Educational</u>	<u>Total Lease Payments</u>
2023	99,349	99,349
2024	18,461	18,461
2025	18,461	18,461
2026	<u>16,923</u>	<u>16,923</u>
Total	<u>\$ 153,194</u>	<u>\$ 153,194</u>

Unpaid Teacher's Contracts – Teacher's contracts for services rendered during the school year for teachers electing twelve-month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. At June 30, 2022, the total amount of unpaid teacher's contracts for services performed during the year ended June 30, 2022, amounted to \$813,332.

Vacation Pay – Vacation pay is considered to be an expenditure in the year paid. Eligible administrators and support staff receive vacation pay. At June 30, 2022, the estimated unused vacation pay liability is \$8,741.

Sick Pay – Sick pay is considered to be an expenditure in the year paid. Accumulated sick pay benefits are available to eligible employees to use in future years. Sick pay does not vest if not used during the term of employment with the District.

Termination Benefits – The District has negotiated a retirement incentive plan for teachers who provide advance notification of their impending retirement. This commitment represents the difference between a 6% annual raise over what the normal raise would have been for the period of the retirement incentive plan. As of June 30, 2022, the known future payments under this incentive program totaled \$33,216.

Construction Commitments –

<u>Contractor</u>	<u>Project</u>	<u>Fund to be Paid Out Of</u>	<u>Outstanding</u> <u>Contract Amount</u>
Sjostrom & Sons, Inc	Football Stadium	Capital Projects	381,796
Bray Associates Architects	Football Stadium	Capital Projects	4,580
Bray Associates Architects	JH/NS HVAC Project	Capital Projects	145,980

Note #17 - Joint Agreements

The District is a member of the Bi-County Special Education Cooperative. The Cooperative was created to provide special education services to the fourteen participating school districts located within Whiteside and Carroll Counties. The Cooperative is governed by a sixteen member board composed of the superintendents from each school district and one representative from each County's regional superintendent's office. Each district is required to pay an annual assessment to the Cooperative based on the District's overall enrollment. The District does not have an equity interest in the joint agreement. The joint agreement is separately audited and is not included in these financial statements. Financial information can be obtained from the Cooperative's office located at 506 W. 4th St., Suite B, Sterling, Illinois, 61081. The District paid \$553,679 to Bi-County Special Education Cooperative during the fiscal year ended June 30, 2022 for tuition and assessments.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #18 – Settlement Agreement

The District has entered into a settlement agreement with a taxpayer in which the district will receive \$50,000 per year in lieu of tax payments. The payments are for duration of 20 years beginning on or before January 31, 2004.

Note #19 - Risk Management - Claims and Judgments

Significant losses are covered by commercial insurance for all major programs: property, liability, and worker's compensation. During the year ended June 30, 2022, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage.

The District is insured under a guaranteed cost plan for worker's compensation coverage. During the year ended June 30, 2022, there were no significant adjustments in premiums based on actual experience.

Note #20 – Tax Abatements

During the year ended June 30, 2022, the District abated the 2019 Bonds property tax levy through resolutions filed with the Whiteside County Clerks. The District, which is a taxing entity, is eligible to issue tax abatements per the Illinois State Statute Property Tax Code 35 ILCS200/18-165 Sec. 18165 Abatement of Taxes. There were excess funds in the Debt Services Fund, as a result of the School Facilities Occupation Sales Tax. It was determined that \$403,471 (Alternate Revenue Source Bonds, 2019) was abated in relation to these surplus funds through a reduction in the amount levied for the Bonds portion of the property tax levy.

Note #21 – COVID-19 Impact

The District is monitoring the global outbreak of the novel coronavirus (COVID-19). During the fiscal year, certain operations of the district were affected by the pandemic. The District received and will continue to receive additional federal funding provided by legislation brought on by the coronavirus. The District believes the ultimate impact of the COVID-19 pandemic is likely to be determined by factors which are uncertain, unpredictable and outside of the District's control. The situation surrounding COVID-19 remains fluid, and if disruptions do arise, they could materially impact the District.

Note #22 – Subsequent Events

The District evaluates events and transactions that occur subsequent to year-end for potential recognition or disclosure in the financial statements through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

SUPPLEMENTAL INFORMATION

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
 COMBINING SCHEDULE OF REVENUES RECEIVED,
 EXPENDITURES DISBURSED, AND FUND BALANCE
 ALL STUDENT ACTIVITY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	High School Activity Fund	Junior High Activity Fund	Elementary School Activity Fund	Total
Beginning Activity Fund Balance, July 1, 2021	185,473	32,472	20,402	238,347
Revenues Received	119,291	47,019	9,922	176,232
Expenditures Disbursed	(133,245)	(56,076)	(9,114)	(198,435)
Ending Activity Fund Balances, June 30, 2022	<u>171,519</u>	<u>23,415</u>	<u>21,210</u>	<u>216,144</u>

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
SCHEDULE OF FUND BALANCE, REVENUES RECEIVED AND EXPENDITURES DISBURSED
HIGH SCHOOL ACTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Activities	Beginning Fund Balance	Revenues Received	Expenditures Disbursed	Ending Fund Balance
Advanced Placement	975.70	812.00	1,018.40	769.30
Art Field Trips	210.71	0.00	0.00	210.71
Athletic Assistance Fund	4,332.60	0.00	318.75	4,013.85
Blind	1,571.10	1,000.00	1,615.11	955.99
Broadcasting	4,293.12	2,346.59	2,823.67	3,816.04
Cheer	4,703.56	5,318.30	2,503.78	7,518.08
Caring Closet	4,828.49	1,470.00	1,189.04	5,109.45
Class of 2021	2,642.80	0.00	2,642.80	0.00
Class of 2022	1,449.61	0.00	654.25	795.36
Class of 2023	603.32	7,672.83	6,391.65	1,884.50
Class of 2024	1,220.01	1,051.20	0.00	2,271.21
Class of 2025	0.00	1,296.90	0.00	1,296.90
Concession	20,310.86	2,847.25	225.00	22,933.11
Cross Country	300.00	522.00	322.00	500.00
Donations - School Gift	5,206.14	892.00	689.51	5,408.63
ESports	1,003.95	0.00	0.00	1,003.95
F.F.A.	12,083.39	13,004.39	17,115.85	7,971.93
Faculty Fund	35.33	0.00	0.00	35.33
Fillics PE	1,407.19	1,825.00	2,284.02	948.17
Fillics Basketball	4,102.34	6,973.80	5,925.75	5,150.39
Golf	1,952.17	550.00	1,598.24	903.93
H.S. Music	7,813.31	355.00	3,526.91	4,641.40
Hall Of Fame	3,115.62	0.00	216.49	2,899.13
Interest Account	3,164.10	470.38	0.00	3,634.48
Key Club	3,298.36	5,494.98	4,873.59	3,919.75
Mustang Football	19,810.42	13,982.64	26,002.69	7,790.37
Musicals	6,828.75	1,580.00	1,618.29	6,790.46
Music Trip	100.00	0.00	0.00	100.00
Athletic Department	4,649.25	937.50	2,020.95	3,565.80
Mustang Basketball	3,533.46	850.00	2,725.00	1,658.46
Mustang Track	3,787.90	1,886.34	1,205.29	4,468.95
Mustang Baseball	313.56	3,823.20	4,058.30	78.46
Pom Poms	4,059.31	10,872.90	13,241.71	1,690.50
Post Prom	1,412.84	4,085.00	4,926.45	571.39
School Assistance	920.86	322.00	804.27	438.59
Scholastic Bowl	3,894.34	905.00	735.00	4,064.34
Softball	8,447.45	7,981.38	4,487.33	11,941.50
Student Council	8,155.04	8,821.64	6,146.76	10,829.92
Swim Team	691.35	0.00	298.04	393.31
Theater	2,241.11	0.00	175.71	2,065.40
Trap Shooting	335.50	1,340.00	0.00	1,675.50
Vending Machines	6,624.64	1,748.00	1,296.00	7,076.64
Wrestling	648.79	2,551.21	941.00	2,259.00
Volleyball	3,312.90	2,996.00	2,324.01	3,984.89
Yearbook	15,081.76	705.00	4,303.33	11,483.43
Total	<u>185,473.01</u>	<u>119,290.43</u>	<u>133,244.94</u>	<u>171,518.50</u>

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
SCHEDULE OF FUND BALANCE, REVENUES RECEIVED AND EXPENDITURES DISBURSED
JUNIOR HIGH SCHOOL ACTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Activities	Beginning Fund Balance	Revenues Received	Expenditures Disbursed	Ending Fund Balance
Art field trips	3,897.84	0.00	0.00	3,897.84
Basketball	263.81	1,346.00	1,515.74	94.07
Bowling/PE	1,384.44	5,243.00	5,067.00	1,560.44
Cheerleading/Builder's Club	216.13	0.00	0.00	216.13
Concessions	6,798.27	10,017.11	10,154.68	6,660.70
Colts Club	50.00	0.00	0.00	50.00
Wrestling	1,463.58	2,796.00	1,942.30	2,317.28
Fines-Damages	160.57	0.00	0.00	160.57
Grant - Special Ed	765.60	600.00	496.36	869.24
General	1,400.51	1,699.98	1,699.98	1,400.51
Interest	93.33	29.87	0.00	123.20
Library/Media	101.80	1,395.09	1,395.09	101.80
Music	24.29	0.00	0.00	24.29
Pop/lounge	32.59	0.00	48.00	(15.41)
Student rewards	8,249.54	18,443.65	25,937.96	755.23
Sunshine fund	122.54	60.00	0.00	182.54
Track	2,773.08	2,482.00	2,701.67	2,553.41
PTO/Sullivan receipts (Technology)	31.70	0.00	0.00	31.70
Yearbook	2,587.80	2,659.00	4,822.80	424.00
Volleyball	2,054.89	247.00	294.06	2,007.83
Total	<u>32,472.31</u>	<u>47,018.70</u>	<u>56,075.64</u>	<u>23,415.37</u>

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
 SCHEDULE OF FUND BALANCE, REVENUES RECEIVED AND EXPENDITURES DISBURSED
 ELEMENTARY SCHOOL ACTIVITY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Activities	Beginning Fund Balance	Revenues Received	Expenditures Disbursed	Ending Fund Balance
Pop Machine	683.63	1,751.05	1,560.00	874.68
Northside account	14,831.59	1,596.06	236.06	16,191.59
Field trip	498.17	2,349.00	2,141.38	705.79
Interest	1,109.16	20.94	0.00	1,130.10
Southside account	3,279.07	4,205.84	5,176.69	2,308.22
Total	<u>20,401.62</u>	<u>9,922.89</u>	<u>9,114.13</u>	<u>21,210.38</u>

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
SCHEDULE OF REVENUE RECEIVED, EXPENDITURES DISBURSED, OTHER
SOURCES (USES) AND CHANGES IN FUND BALANCE BEFORE ADVANCE TAXES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Revenue Received Before Advance Taxes:										
Local Sources										
Real Estate Taxes (1)	3,654,330	669,292	1,029,118	267,717	149,121		66,929	351,401	66,929	6,254,837
Other Local Revenue	1,290,087	55,171	408,967	2,985	13,380	267,920	2,360	1,443	625	2,042,938
Evidence Based Funding	3,226,532									3,226,532
Other State Sources	361,034			268,375						629,409
Federal Sources	1,417,561			9,553						1,427,114
Total Direct Receipts	9,949,544	724,463	1,438,085	548,630	162,501	267,920	69,289	352,844	67,554	13,580,830
Expenditures Disbursed:										
Instruction	6,624,985				101,023					6,726,008
Support Services	2,617,151	906,250		535,246	123,024	567,272		296,543		5,045,486
Community Services	5,482	4,546			124					10,152
Payments to Other Governmental Units	610,709	24,210								634,919
Debt Services			1,434,620							1,434,620
Total Direct Disbursements	9,858,327	935,006	1,434,620	535,246	224,171	567,272	0	296,543	0	13,851,185
Excess of Receipts Over (Under) Disbursements										
	91,217	(210,543)	3,465	13,384	(61,670)	(299,352)	69,289	56,301	67,554	(270,355)
Other Sources	0	200,000	0	0	0	0	0	0	0	200,000
Other Uses	0	0	0	0	0	0	(200,000)	0	0	(200,000)
Total Other Sources (Uses)	0	200,000	0	0	0	0	(200,000)	0	0	0
Excess of Receipts Over (Under) Disbursements and Other Sources (Uses)										
	91,217	(10,543)	3,465	13,384	(61,670)	(299,352)	(130,711)	56,301	67,554	(270,355)
Fund Balance Before Advanced Taxes, July 1, 2021	1,641,851	(8,570)	609,700	477,088	325,546	2,552,827	495,525	146,452	71,102	6,311,521
Fund Balance Before Advanced Taxes, June 30, 2022	1,733,068	(19,113)	613,165	490,472	263,876	2,253,475	364,814	202,753	138,656	6,041,166
Advanced Taxes Received Prior to June 30, 2022	2,310,897	423,241	652,299	169,296	93,706	0	42,324	218,477	42,324	3,952,564
Fund Balance After Advanced Taxes, June 30, 2022	4,043,965	404,128	1,265,464	659,768	357,582	2,253,475	407,138	421,230	180,980	9,993,730

(1) Real Estate Receipts have been reduced by the 2021 Levy received prior to June 30, 2022, and increased by the 2020 Levy received prior to June 30, 2021.

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
SCHEDULE OF BONDED INDEBTEDNESS
JUNE 30, 2022

Morrison Community Unit School District No. 6
General Obligation School Bonds, Series 2017A
Dated: July 11, 2017
Principal Due: December 1
Interest Due: June 1 and December 1
Interest Rate: 4.00%
Paying Agent/Registrar: BOK Financial

Fiscal Year of Maturity	Interest	Principal	December	June	Total
	Rate		Interest	Interest	
2022-23	4.00%	785,000	135,300	119,600	1,039,900
2023-24	4.00%	830,000	119,600	103,000	1,052,600
2024-25	4.00%	875,000	103,000	85,500	1,063,500
2025-26	4.00%	920,000	85,500	67,100	1,072,600
2026-27	4.00%	970,000	67,100	47,700	1,084,800
2027-28	4.00%	1,020,000	47,700	27,300	1,095,000
2028-29	4.00%	1,070,000	27,300	5,900	1,103,200
2029-30	4.00%	295,000	5,900	-	300,900
		<u>6,765,000</u>	<u>591,400</u>	<u>456,100</u>	<u>7,812,500</u>

Morrison Community Unit School District No. 6
General Obligation Bonds (Alternative Revenue Source), Series 2019
Dated: May 9, 2019
Principal Due: December 1
Interest Due: June 1 and December 1
Interest Rate: 3.07%
Paying Agent/Registrar: BOK Financial

Fiscal Year of Maturity	Interest	Principal	December	June	Total
	Rate		Interest	Interest	
2022-23	3.07%	357,000	26,079	20,600	403,679
2023-24	3.07%	368,000	20,600	14,951	403,551
2024-25	3.07%	380,000	14,951	9,118	404,069
2025-26	3.07%	391,000	9,118	3,116	403,234
2026-27	3.07%	203,000	3,116	-	206,116
		<u>1,699,000</u>	<u>73,864</u>	<u>47,785</u>	<u>1,820,649</u>

MORRISON COMMUNITY UNIT SCHOOL DISTRICT NO. 6
SCHEDULE OF TAXES EXTENDED AND COLLECTED
JUNE 30, 2022

	Educational Levy	Special Education Levy	Leasing Levy	Operation & Maintenance Levy	Debt Services Levy	Trans- portation Levy	Municipal Retirement Levy	Social Security Levy	Working Cash Levy	Tort Immunity Levy	Fire Safety Levy	Total All Levies	
<u>2019 Levy</u>													
Taxable Assessed Valuation	130,787,963												
Tax Rate per \$100.00	<u>2.64000</u>	<u>0.04000</u>	<u>0.05000</u>	<u>0.50000</u>	<u>0.78500</u>	<u>0.20000</u>	<u>0.11470</u>	<u>0.00000</u>	<u>0.05000</u>	<u>0.28750</u>	<u>0.05000</u>	<u>4.71720</u>	
Taxes Extended	<u>3,452,802</u>	<u>52,315</u>	<u>65,394</u>	<u>653,940</u>	<u>1,026,686</u>	<u>261,576</u>	<u>150,014</u>	<u>-</u>	<u>65,394</u>	<u>376,015</u>	<u>65,394</u>	<u>6,169,530</u>	
Taxes Collected	99.79%	<u>3,445,423</u>	<u>52,204</u>	<u>65,254</u>	<u>652,542</u>	<u>1,024,491</u>	<u>261,017</u>	<u>149,693</u>	<u>-</u>	<u>65,254</u>	<u>375,211</u>	<u>65,254</u>	<u>6,156,343</u>
<u>2020 Levy</u>													
Taxable Assessed Valuation	134,707,078												
Tax Rate per \$100.00	<u>2.64000</u>	<u>0.04000</u>	<u>0.05000</u>	<u>0.50000</u>	<u>0.76880</u>	<u>0.20000</u>	<u>0.00000</u>	<u>0.11140</u>	<u>0.05000</u>	<u>0.26250</u>	<u>0.05000</u>	<u>4.67270</u>	
Taxes Extended	<u>3,556,267</u>	<u>53,883</u>	<u>67,354</u>	<u>673,535</u>	<u>1,035,628</u>	<u>269,414</u>	<u>-</u>	<u>150,064</u>	<u>67,354</u>	<u>353,606</u>	<u>67,354</u>	<u>6,294,459</u>	
Advance Taxes Received Prior to June 30, 2021	2,142,623	32,464	40,580	405,800	623,958	162,320	-	90,412	40,580	213,045	40,580	3,792,362	
Taxes received July 1, 2021 thru June 30, 2022	<u>1,388,797</u>	<u>21,042</u>	<u>26,303</u>	<u>263,030</u>	<u>404,435</u>	<u>105,212</u>	<u>-</u>	<u>58,603</u>	<u>26,303</u>	<u>138,091</u>	<u>26,303</u>	<u>2,458,119</u>	
Taxes Collected	99.30%	<u>3,531,420</u>	<u>53,506</u>	<u>66,883</u>	<u>668,830</u>	<u>1,028,393</u>	<u>267,532</u>	<u>149,015</u>	<u>66,883</u>	<u>351,136</u>	<u>66,883</u>	<u>6,250,481</u>	
<u>2021 Levy</u>													
Taxable Assessed Valuation	135,616,875												
Tax Rate per \$100.00	<u>2.64000</u>	<u>0.04000</u>	<u>0.05000</u>	<u>0.50000</u>	<u>0.77060</u>	<u>0.20000</u>	<u>0.11070</u>	<u>0.00000</u>	<u>0.05000</u>	<u>0.25810</u>	<u>0.05000</u>	<u>4.66940</u>	
Taxes Extended	<u>3,580,286</u>	<u>54,247</u>	<u>67,808</u>	<u>678,084</u>	<u>1,045,064</u>	<u>271,234</u>	<u>150,128</u>	<u>-</u>	<u>67,808</u>	<u>350,027</u>	<u>67,808</u>	<u>6,332,494</u>	
Advance Taxes Received Prior to June 30, 2022	<u>2,234,714</u>	<u>33,859</u>	<u>42,324</u>	<u>423,241</u>	<u>652,299</u>	<u>169,296</u>	<u>93,706</u>	<u>-</u>	<u>42,324</u>	<u>218,477</u>	<u>42,324</u>	<u>3,952,564</u>	
Taxes Receivable	<u>1,345,572</u>	<u>20,388</u>	<u>25,484</u>	<u>254,843</u>	<u>392,765</u>	<u>101,938</u>	<u>56,422</u>	<u>-</u>	<u>25,484</u>	<u>131,550</u>	<u>25,484</u>	<u>2,379,930</u>	

Morrison Community Unit School District No. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER: 2022- 001 **2. THIS FINDING IS:** New **Repeat from Prior Year?**
Year originally reported? 2003

3. Criteria or specific requirement

Internal controls are designed to allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements and safeguard assets. A concept in a goof system of internal control is adequate segregation of duties.

4. Condition

Two individuals have the primary responsibility for performing most of the accounting and financial duties including key functions of recording, reconciling, and reporting cash transactions. The treasurer of the District is also employed by the District as Director of Fiscal Management and Personnel.

5. Context

All District accounting and financial records are primarily maintained by two individuals.

6. Effect

Certain individuals have the ability to complete and record accounting functions which ideally would be segregated.

7. Cause

The District is a small governmental entity which makes segregation of duties difficult.

8. Recommendation

Segregation of duties is normally difficult to accomplish within a small governmental entity. Management should be ever mindful of areas that could be improved including, but not limited to, hiring additional personnel.

9. Management's response

The Board of Education currently believes the cost of additional staff outweighs any benefits that may be realized.

Morrison Community Unit School District No. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER: 2022- 002 **2. THIS FINDING IS:** New Repeat from Prior Year?
Year originally reported? _____

3. Criteria or specific requirement
105 ILCS 5/10-20.21 - Contracts. This statute requires to award all contracts for purchase of supplies and materials or work involving an expenditure in excess of \$25,000 to the lowest responsible bidder. A higher limit of \$50,000 is provided for contracts involving repairs, maintenance, remodeling, renovation or construction or a single project.

4. Condition
During the fiscal year, the District had a construction project that exceeded \$50,000 and equipment purchase that exceeded \$25,000 in which no bids were obtained.

5. Context
Noncompliance with bid requirements occurred once during the fiscal year.

6. Effect
The District did not comply with the bidding process described in the IL School Code.

7. Cause
The District completed a project without soliciting bids due to the timing of procuring the supplies and materials.

8. Recommendation
We recommend that the District secure bids for expenditures exceeding the statutory limits or less if the board of education has a policy that further lowers the statutory limit.

9. Management's response
The District will follow bidding requirements in the future.



MORRISON COMMUNITY UNIT SCHOOL DISTRICT #6

100 E. Knox St.
Morrison, Illinois 61270
(815) 772-2064

Scott Vance
SUPERINTENDENT

Kyla Hanson
FISCAL DIRECTOR

Morrison Community Unit School District No. 6
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ending June 30, 2022

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
2021-001	Segregation of Duties	Unresolved - see Finding 2022-001 The District reviews assigned duties and functions annually and makes changes when possible.

OTHER INFORMATION



MORRISON COMMUNITY UNIT SCHOOL DISTRICT #6

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Scott Vance
SUPERINTENDENT

Kyla Hanson
FISCAL DIRECTOR

Morrison Community Unit School District No. 6
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ending June 30, 2022

Corrective Action Plan

Finding No.: **2022** 001

Condition:

Two individuals have the primary responsibility for performing most of the accounting and financial duties, which significantly reduces certain aspects of the internal control structure which rely on adequate segregation of duties.

Plan:

The assignment of tasks and responsibilities among employees is reviewed on an annual basis.

Anticipated Date of Completion: 6/30/2023

Name of Contact Person: Scott Vance, Superintendent

Management Response: We understand that our staff size will not allow for complete segregation of duties. We do have mitigating controls such as review of monthly financial statements and budget oversight by management and the Board of Education.



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**Morrison Community Unit School District No. 6
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ending June 30, 2022**

Corrective Action Plan

Finding No.: **2022** **002**

Condition:

During the fiscal year, the District had a construction project that exceeded \$50,000 and equipment purchase that exceeded \$25,000 that did not go through the bidding process.

Plan:

Bids will be secured for expenditures that exceed the statutory limits or less if the board of education further lowers the statutory limit.

Anticipated Date of Completion: 6/30/2023

Name of Contact Person: Scott Vance, Superintendent

Management Response: In the future bids will be secured when required.