

# Pecatonica Community Unit School District No. 321

Pecatonica, Illinois

## Annual Financial Report

Year Ended June 30, 2018

# Pecatonica Community Unit School District No. 321

Year Ended June 30, 2018

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## **Independent Auditor's Report**

To the Board of Education  
Pecatonica Community Unit School  
District No. 321  
Pecatonica, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Pecatonica Community Unit School District No. 321, Illinois, which comprise the Statement of Assets and Liabilities Arising from Cash Transactions as of June 30, 2018, and the related Statement of Revenues Received, Expenditures Disbursed, Other Sources (Uses) and Changes in Fund Balance, the Statement of Revenues Received, and the Statement of Expenditures Disbursed-Budget to Actual for the year then ended, and the related notes to the financial statements.

### ***Management Responsibility 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. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 Pecatonica Community Unit School District No. 321, Illinois, 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.

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Pecatonica Community Unit School District No. 321, Illinois as of June 30, 2018, and the respective changes in financial position for the year then ended.

### ***Basis for Qualified Opinion on Regulatory Basis of Accounting***

We were unable to obtain sufficient appropriate audit evidence about the carrying amount of Pecatonica Community Unit School District No. 321, Illinois' capital assets and related investment in general fixed assets on the regulatory basis as of June 30, 2018 because management has not maintained detailed records to support the historical costs. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of Pecatonica Community Unit School District No. 321, Illinois, as of June 30, 2018, and the respective changes in regulatory basis financial position, and budgetary results for the year then ended in accordance with the basis of accounting prescribed by the Illinois State Board of Education, as described in Note 1.

### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, the District adopted new accounting guidance GASB Statement No 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pecatonica Community Unit School District No. 321, Illinois' financial statements. The Introductory Section on pages 6-10 and the other information on pages 61-71, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated December 3, 2018 on our consideration of Pecatonica Community Unit School District No. 321, Illinois' internal control over financial reporting and 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 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 Pecatonica Community Unit School District No. 321, Illinois' internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Rockford, Illinois  
December 3, 2018



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

Board of Education  
Pecatonica Community Unit  
School District No. 321  
Pecatonica, 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 financial statements of the Pecatonica Community Unit School District No. 321, Illinois which comprise the Statement of Assets and Liabilities Arising from Cash Transactions as of June 30, 2018, and the related Statement of Revenues Received, Expenditures Disbursed, Other Sources (Uses) and Changes in Fund Balance, the Statement of Revenues Received, and the Statement of Expenditures Disbursed-budget to actual for the year then ended, and the related notes to the financial statements, which collectively comprise Pecatonica Community Unit School District No. 321, Illinois' basic financial statements and have issued our report thereon dated December 3, 2018. Our report contains an adverse opinion on the financial statements because the financial statements are presented 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. Our report also contains a qualified opinion on the regulatory basis of accounting as we were unable to obtain sufficient appropriate audit evidence about the carrying amount of Pecatonica Community Unit School District No. 321, Illinois' capital assets and related investment in general fixed assets on the regulatory basis as of June 30, 2018 because management has not maintained detailed records to support the historical costs.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Pecatonica Community Unit School District No. 321, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pecatonica Community Unit School District No. 321, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of Pecatonica Community Unit School District No. 321, Illinois' internal control over financial reporting.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control that we consider to be significant deficiencies, which are described in the accompanying schedule of findings and responses as items 2018-001 and 2018-002.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Pecatonica Community Unit School District No. 321, Illinois' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under Government Auditing Standards described in the accompanying schedule of findings and responses as item 2018-003.

### **Pecatonica Community Unit School District No. 321, Illinois' Responses to Findings**

Pecatonica Community Unit School District No. 321, Illinois' responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Pecatonica Community Unit School District No. 321, Illinois' responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **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.



Rockford, Illinois  
December 3, 2018

Due to ROE on Monday, October 15th  
Due to ISBE on Thursday, November 15th  
SD/JA18

☐ School District  
☐ Joint Agreement

ILLINOIS STATE BOARD OF EDUCATION  
School Business Services Division  
100 North First Street, Springfield, Illinois 62777-0001  
217/785-8779  
**Illinois School District/Joint Agreement  
Annual Financial Report \***  
**June 30, 2018**

<u><b>School District/Joint Agreement Information</b></u> <i>(See instructions on inside of this page.)</i>		<u><b>Accounting Basis:</b></u>		<u><b>Certified Public Accountant Information</b></u>	
School District/Joint Agreement Number: <b>04-101-3210-26</b>		<input checked="" type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL		Name of Auditing Firm: <b>Wipfli LLP</b>	
County Name: <b>Winnebago</b>				Name of Audit Manager: <b>Matthew J. Schueler</b>	
Name of School District/Joint Agreement: <b>Pecatonica Community Unit School District</b>				Address: <b>403 East 3rd Street</b>	
Address: <b>1300 Main Street</b>				City: <b>Sterling</b>	State: <b>IL</b>
City: <b>Pecatonica</b>				Zip Code: <b>61081</b>	
Email Address: <a href="mailto:billfaller@pecschools.com">billfaller@pecschools.com</a>				Phone Number: <b>815-626-1277</b>	Fax Number: <b>815-626-9118</b>
Zip Code:				IL License Number (9 digit): <b>066-004023</b>	Expiration Date: <b>11/30/2018</b>
				Email Address: <a href="mailto:mschueler@wipfli.com">mschueler@wipfli.com</a>	
<u><b>Annual Financial Report</b></u> Type of Auditor's Report Issued: <input checked="" type="checkbox"/> Qualified <input type="checkbox"/> Unqualified <input checked="" type="checkbox"/> Adverse <input type="checkbox"/> Disclaimer		<u><b>Single Audit Status:</b></u> <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO Are Federal expenditures greater than \$750,000? <input type="checkbox"/> YES <input type="checkbox"/> NO Is all Single Audit Information completed and attached? <input type="checkbox"/> YES <input type="checkbox"/> NO Were any financial statement or federal award findings issued?		ISBE Use Only	
<input checked="" type="checkbox"/> Reviewed by District Superintendent/Administrator		<input type="checkbox"/> Reviewed by Township Treasurer (Cook County only) Name of Township: _____		<input type="checkbox"/> Reviewed by Regional Superintendent/Cook ISC	
District Superintendent/Administrator Name (Type or Print): <b>William Faller</b>		Township Treasurer Name (type or print)		Regional Superintendent/Cook ISC Name (Type or Print):	
Email Address: <a href="mailto:billfaller@pecschools.com">billfaller@pecschools.com</a>		Email Address:		Email Address:	
Telephone: <b>815-239-1639</b>	Fax Number: <b>815-236-2125</b>	Telephone:	Fax Number:	Telephone:	Fax Number:
Signature & Date:		Signature & Date:		Signature & Date:	

\* This form is based on 23 Illinois Administrative Code 100, Subtitle A, Chapter I, Subchapter C (Part 100).  
**ISBE Form SD50-35/JA50-60 (05/18)**

This form is based on 23 Illinois Administrative Code, Subtitle A, Chapter I, Subchapter C, Part 100.  
In some instances, use of open account codes (cells) may not be authorized by statute or administrative rule.  
Each school district or joint agreement is responsible for obtaining the concurring legal opinion and/or other supporting authorization/documentation, as necessary, to use the applicable account code (cell).

## AUDITOR'S QUESTIONNAIRE

**INSTRUCTIONS:** If your review and testing of State, Local, and Federal Programs revealed any of the following statements to be true, then check the box on the left and attach the appropriate findings/comments.

### PART A - FINDINGS

- ☐ 1. One or more school board members, administrators, certified school business officials, or other qualifying district employees failed to file economic interested statements pursuant to the *Illinois Government Ethics Act*. [5 ILCS 420/4A-101]
- ☐ 2. One or more custodians of funds failed to comply with the bonding requirements pursuant to *Illinois School Code* [105 ILCS 5/8-2; 10-20.19; 19-6].
- ☐ 3. One or more contracts were executed or purchases made contrary to the provisions of the *Illinois School Code* [105 ILCS 5/10-20.21].
- ☐ 4. One or more violations of the Public Funds Deposit Act or the Public Funds Investment Act were noted [30 ILCS 225/1 et. seq. and 30 ILCS 235/1 et. seq.].
- ☐ 5. Restricted funds were commingled in the accounting records or used for other than the purpose for which they were restricted.
- ☐ 6. One or more short-term loans or short-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory Authority.
- ☐ 7. One or more long-term loans or long-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory Authority.
- ☐ 8. Corporate Personal Property Replacement Tax monies were deposited and/or used without first satisfying the lien imposed pursuant to the *Illinois State Revenue Sharing Act* [30 ILCS 115/12].
- ☐ 9. One or more interfund loans were made in non-conformity with the applicable authorizing statute or without statutory authorization per *Illinois School Code* [105 ILCS 5/10-22.33, 20-4 and 20-5].
- ☐ 10. One or more interfund loans were outstanding beyond the term provided by statute *Illinois School Code* [105 ILCS 5/10-22.33, 20-4, 20-5].
- ☐ 11. One or more permanent transfers were made in non-conformity with the applicable authorizing statute/regulation or without statutory/regulatory authorization per *Illinois School Code* [105 ILCS 5/17-2A].
- ☐ 12. Substantial, or systematic misclassification of budgetary items such as, but not limited to, revenues, receipts, expenditures, disbursements or expenses were observed.
- ☐ 13. The Chart of Accounts used to define and control budget and accounting records does not conform to the minimum requirements imposed by ISBE rules pursuant to *Illinois School Code* [105 ILCS 5/2-3.27; 2-3.28].
- ☐ 14. At least one of the following forms was filed with ISBE late: The FY17 AFR (ISBE FORM 50-35), FY17 Annual Statement of Affairs (ISBE Form 50-37) and FY18 Budget (ISBE FORM 50-36). Explain in the comments box below in pursuant to *Illinois School Code* [105 ILCS 5/3-15.1; 5/10-17; 5/17-1].

### PART B - FINANCIAL DIFFICULTIES/CERTIFICATION Criteria pursuant to the Illinois School Code [105 ILCS 5/1A-8] .

- ☐ 15. The district has issued tax anticipation warrants or tax anticipation notes in anticipation of a second year's taxes when warrants or notes in anticipation of current year taxes are still outstanding, as authorized by *Illinois School Code* [105 ILCS 5/17-16 or 34-23 through 34-27].
- ☐ 16. The district has issued short-term debt against two future revenue sources, such as, but not limited to, tax anticipation warrants and General State Aid certificates or tax anticipation warrants and revenue anticipation notes.
- ☐ 17. The district has issued school or teacher orders for wages as permitted in *Illinois School Code* [105 ILCS 5/8-16, 32-7.2 and 34-76] or issued funding bonds for this purpose pursuant to *Illinois School Code* [105 ILCS 5/8-6; 32-7.2; 34-76; and 19-8].
- ☐ 18. The district has for two consecutive years shown an excess of expenditures/other uses over revenues/other sources and beginning fund balances on its annual financial report for the aggregate totals of the Educational, Operations & Maintenance, Transportation, and Working Cash Funds.

### PART C - OTHER ISSUES

- ☐ 19. Student Activity Funds, Imprest Funds, or other funds maintained by the district were excluded from the audit.
- ☐ 20. Findings, other than those listed in Part A (above), were reported (e.g. student activity findings). These findings may be described extensively in the financial notes.
- ☐ 21. Federal Stimulus Funds were not maintained and expended in accordance with the American Recovery and Reinvestment Act (ARRA) of 2009. If checked, an explanation must be provided.
- ☐ 22. Check this box if the district is subject to the Property Tax Extension Limitation Law. Effective Date: \_\_\_\_\_ (Ex: 00/00/0000)
- ☒ 23. If the type of Auditor Report designated on the cover page is other than an unqualified opinion and is due to reason(s) other than solely Cash Basis Accounting, please check and explain the reason(s) in the box below.

23. Qualified opinion for not maintaining detailed historical cost of fixed assets for the General Fixed Asset Account Group and adverse for not adopting GASB 34

PART D - EXPLANATION OF ACCOUNTING PRACTICES FOR LATE MANDATED CATEGORICAL PAYMENTS

(For School Districts who report on an Accrual/Modified Accrual Accounting Basis only)

School districts that report on the accrual/modified accrual basis of accounting must identify where late mandated categorical payments (Acct Codes 3100, 3105, 3110, 3500, 3510, 3120, 3950) are recorded. Depending on the accounting procedure these amounts will be used to adjust the Direct Receipts/Revenues in calculation 1 and 2 of the Financial Profile Score. In FY2018, identify those late payments recorded as Intergovernmental Receivables, Other Recievables, or Deferred Revenue & Other Current Liabilities or Direct Receipts/Revenue. Payments should only be listed once.

24. Enter the date that the district used to accrue mandated categorical payments
- Date:
25. For the listed mandated categorical (Revenue Code (3110, 3500, 3510, 3100, 3105) that were vouchered prior to June 30th, but not released until after year end as reported in ISBE FRIS system, enter the amounts that were accrued in the chart below.

Account Name	3110	3500	3510	3100	3105	Total
Deferred Revenues (490)						
Mandated Categoricals Payments (3100, 3105, 3110, 3120, 3500, 3510, 3950)		1				1
Direct Receipts/Revenue						
Mandated Categoricals Payments (3100, 3105, 3110, 3120, 3500, 3510, 3950)						0
Total						1

- Revenue Code (3110-Sp Ed Personnel, 3510-Sp Ed Transportation, 3500-Regular/Vocational Transportation, 3105-Sp Ed Funding for Children Requiring Services, 3100-Sp Ed Private Facilities, 3120-Sp Ed Regular Orphanage Individual, 3950-Regual Orphans & Foster Children)

PART E - QUALIFICATIONS OF AUDITING FIRM

- School District/Joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current peer review report and the corresponding acceptance letter from the approved peer review program for the current peer review.
- A school district/joint agreement who engages with an auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school district's/joint agreement's expense.

Comments Applicable to the Auditor's Questionnaire:

Wipfli LLP

Name of Audit Firm (print)

The undersigned affirms that this audit was conducted by a qualified auditing firm and in accordance with the applicable standards [23 Illinois Administrative Code Part 100] and the scope of the audit conformed to the requirements of subsection (a) or (b) of 23 Illinois Administrative Code Part 100 Section 110, as applicable.

Wipfli LLP

Signature

12/3/2018

mm/dd/yyyy

Note: A PDF with signature is acceptable for this page. Enter the location on signature line e.g. PDF in Opinion Page with signature

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	<b>FINANCIAL PROFILE INFORMATION</b>												
2													
3	<i>Required to be completed for School Districts only.</i>												
4													
5	<b>A. Tax Rates</b> (Enter the tax rate - ex: .0150 for \$1.50)												
6													
7	Tax Year <u>2017</u>			Equalized Assessed Valuation (EAV):			92,025,478						
8													
9	Educational		Operations & Maintenance		Transportation		Combined Total		Working Cash				
10	Rate(s): 0.042000		+ 0.007500		+ 0.003668		= 0.053170		0.000394				
11													
12													
13	<b>B. Results of Operations *</b>												
14													
15	Receipts/Revenues		Disbursements/Expenditures		Excess/ (Deficiency)		Fund Balance						
16	9,686,733		10,168,458		(481,725)		10,000,297						
17	* The numbers shown are the sum of entries on Pages 7 & 8, lines 8, 17, 20, and 81 for the Educational, Operations & Maintenance, Transportation and Working Cash Funds.												
18													
19													
20	<b>C. Short-Term Debt **</b>												
21	CPPRT Notes		TAWs		TANs		TO/EMP. Orders		GSA Certificates				
22	0		0		0		0		0				
23	Other		Total										
24	0		0										
25	** The numbers shown are the sum of entries on page 25.												
26													
27													
28	<b>D. Long-Term Debt</b>												
29	Check the applicable box for long-term debt allowance by type of district.												
30													
31	<input type="checkbox"/> a. 6.9% for elementary and high school districts,		12,699,516										
32	<input checked="" type="checkbox"/> b. 13.8% for unit districts.												
33													
34	Long-Term Debt Outstanding:												
35													
36	c. Long-Term Debt (Principal only)		Acct										
37	Outstanding:.....		511		1,085,212								
38													
39													
40	<b>E. Material Impact on Financial Position</b>												
41	If applicable, check any of the following items that may have a material impact on the entity's financial position during future reporting periods.												
42	Attach sheets as needed explaining each item checked.												
43													
44	<input type="checkbox"/> Pending Litigation												
45	<input type="checkbox"/> Material Decrease in EAV												
46	<input type="checkbox"/> Material Increase/Decrease in Enrollment												
47	<input type="checkbox"/> Adverse Arbitration Ruling												
48	<input type="checkbox"/> Passage of Referendum												
49	<input type="checkbox"/> Taxes Filed Under Protest												
50	<input type="checkbox"/> Decisions By Local Board of Review or Illinois Property Tax Appeal Board (PTAB)												
51	<input type="checkbox"/> Other Ongoing Concerns (Describe & Itemize)												
52													
53	Comments:												
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	A	B	C	D	E	F	G	H	I	K	L	M	N	O	P	Q	R
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**ESTIMATED FINANCIAL PROFILE SUMMARY**  
 (Go to the following website for reference to the Financial Profile)  
<https://www.isbe.net/Pages/School-District-Financial-Profile.aspx>

<b>District Name:</b>	Pecatonica Community Unit School District
<b>District Code:</b>	04-101-3210-26
<b>County Name:</b>	Winnebago

<b>1. Fund Balance to Revenue Ratio:</b>		<b>Total</b>	<b>Ratio</b>	<b>Score</b>	<b>4</b>
Total Sum of Fund Balance (P8, Cells C81, D81, F81 & I81)	Funds 10, 20, 40, 70 + (50 & 80 if negative)	10,000,297.00	1.032	<b>Weight</b>	0.35
Total Sum of Direct Revenues (P7, Cell C8, D8, F8 & I8)	Funds 10, 20, 40, & 70,	9,686,733.00		<b>Value</b>	1.40
Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)	Minus Funds 10 & 20	0.00			
(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)					
<b>2. Expenditures to Revenue Ratio:</b>		<b>Total</b>	<b>Ratio</b>	<b>Score</b>	<b>3</b>
Total Sum of Direct Expenditures (P7, Cell C17, D17, F17, I17)	Funds 10, 20 & 40	10,168,458.00	1.050	<b>Adjustment</b>	0
Total Sum of Direct Revenues (P7, Cell C8, D8, F8, & I8)	Funds 10, 20, 40 & 70,	9,686,733.00		<b>Weight</b>	0.35
Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)	Minus Funds 10 & 20	0.00			
(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)				<b>Value</b>	1.05
Possible Adjustment:					
<b>3. Days Cash on Hand:</b>		<b>Total</b>	<b>Days</b>	<b>Score</b>	<b>4</b>
Total Sum of Cash & Investments (P5, Cell C4, D4, F4, I4 & C5, D5, F5 & I5)	Funds 10, 20 40 & 70	10,107,332.00	357.83	<b>Weight</b>	0.10
Total Sum of Direct Expenditures (P7, Cell C17, D17, F17 & I17)	Funds 10, 20, 40 divided by 360	28,245.72		<b>Value</b>	0.40
<b>4. Percent of Short-Term Borrowing Maximum Remaining:</b>		<b>Total</b>	<b>Percent</b>	<b>Score</b>	<b>4</b>
Tax Anticipation Warrants Borrowed (P24, Cell F6-7 & F11)	Funds 10, 20 & 40	0.00	100.00	<b>Weight</b>	0.10
EAV x 85% x Combined Tax Rates (P3, Cell J7 and J10)	(.85 x EAV) x Sum of Combined Tax Rates	4,159,045.47		<b>Value</b>	0.40
<b>5. Percent of Long-Term Debt Margin Remaining:</b>		<b>Total</b>	<b>Percent</b>	<b>Score</b>	<b>4</b>
Long-Term Debt Outstanding (P3, Cell H37)		1,085,212.00	91.45	<b>Weight</b>	0.10
Total Long-Term Debt Allowed (P3, Cell H31)		12,699,515.96		<b>Value</b>	0.40

**Total Profile Score: 3.65 \***

**Estimated 2019 Financial Profile Designation: RECOGNITION**

\* Total Profile Score may change based on data provided on the Financial Profile Information, page 3 and by the timing of mandated categorical payments. Final score will be calculated by ISBE.

## **Financial Statements**

**BASIC FINANCIAL STATEMENTS**  
**STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS**  
**AS OF JUNE 30, 2018**

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	<b>ASSETS</b> <b>(Enter Whole Dollars)</b>	<b>Acct. #</b>	<b>Educational</b>	<b>Operations &amp; Maintenance</b>	<b>Debt Services</b>	<b>Transportation</b>	<b>Municipal Retirement/Social Security</b>	<b>Capital Projects</b>	<b>Working Cash</b>	<b>Tort</b>	<b>Fire Prevention &amp; Safety</b>
3	<b>CURRENT ASSETS (100)</b>										
4	Cash (Accounts 111 through 115) <sup>1</sup>		120,296	10,488	200	2,588	642			290	140,517
5	Investments	120	7,330,024	1,075,950	856,051	802,727	794,809		765,259	21,048	95,857
6	Taxes Receivable	130									
7	Interfund Receivables	140									
8	Intergovernmental Accounts Receivable	150									
9	Other Receivables	160									
10	Inventory	170									
11	Prepaid Items	180									
12	Other Current Assets (Describe & Itemize)	190									
13	<b>Total Current Assets</b>		<b>7,450,320</b>	<b>1,086,438</b>	<b>856,251</b>	<b>805,315</b>	<b>795,451</b>	<b>0</b>	<b>765,259</b>	<b>21,338</b>	<b>236,374</b>
14	<b>CAPITAL ASSETS (200)</b>										
15	Works of Art & Historical Treasures	210									
16	Land	220									
17	Building & Building Improvements	230									
18	Site Improvements & Infrastructure	240									
19	Capitalized Equipment	250									
20	Construction in Progress	260									
21	Amount Available in Debt Service Funds	340									
22	Amount to be Provided for Payment on Long-Term Debt	350									
23	<b>Total Capital Assets</b>										
24	<b>CURRENT LIABILITIES (400)</b>										
25	Interfund Payables	410									
26	Intergovernmental Accounts Payable	420									
27	Other Payables	430									
28	Contracts Payable	440									
29	Loans Payable	460									
30	Salaries & Benefits Payable	470									
31	Payroll Deductions & Withholdings	480	103,916	2,374	0	745	3,930				
32	Deferred Revenues & Other Current Liabilities	490									
33	Due to Activity Fund Organizations	493									
34	<b>Total Current Liabilities</b>		<b>103,916</b>	<b>2,374</b>	<b>0</b>	<b>745</b>	<b>3,930</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
35	<b>LONG-TERM LIABILITIES (500)</b>										
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511									
37	<b>Total Long-Term Liabilities</b>										
38	Reserved Fund Balance	714	55,775								
39	Unreserved Fund Balance	730	7,290,629	1,084,064	856,251	804,570	791,521		765,259	21,338	236,374
40	Investment in General Fixed Assets										
41	<b>Total Liabilities and Fund Balance</b>		<b>7,450,320</b>	<b>1,086,438</b>	<b>856,251</b>	<b>805,315</b>	<b>795,451</b>	<b>0</b>	<b>765,259</b>	<b>21,338</b>	<b>236,374</b>

**BASIC FINANCIAL STATEMENTS**  
**STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS**  
**AS OF JUNE 30, 2018**

	A	B	L	M	N		
1	ASSETS (Enter Whole Dollars)	Acct. #	Agency Fund	Account Groups			
2				General Fixed Assets	General Long-Term Debt		
3				CURRENT ASSETS (100)			
4				Cash (Accounts 111 through 115) <sup>1</sup>	157,826		
5				Investments	120		
6				Taxes Receivable	130		
7				Interfund Receivables	140		
8				Intergovernmental Accounts Receivable	150		
9				Other Receivables	160		
10				Inventory	170		
11				Prepaid Items	180		
12				Other Current Assets (Describe & Itemize)	190		
13				Total Current Assets	157,826		
14	CAPITAL ASSETS (200)						
15	Works of Art & Historical Treasures	210					
16	Land	220			215,049		
17	Building & Building Improvements	230			21,020,631		
18	Site Improvements & Infrastructure	240					
19	Capitalized Equipment	250			1,474,617		
20	Construction in Progress	260					
21	Amount Available in Debt Service Funds	340				856,251	
22	Amount to be Provided for Payment on Long-Term Debt	350				228,961	
23	Total Capital Assets		22,710,297	1,085,212			
24	CURRENT LIABILITIES (400)						
25	Interfund Payables	410					
26	Intergovernmental Accounts Payable	420					
27	Other Payables	430					
28	Contracts Payable	440					
29	Loans Payable	460					
30	Salaries & Benefits Payable	470					
31	Payroll Deductions & Withholdings	480					
32	Deferred Revenues & Other Current Liabilities	490					
33	Due to Activity Fund Organizations	493			157,826		
34	Total Current Liabilities				157,826		
35	LONG-TERM LIABILITIES (500)						
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511			1,085,212		
37	Total Long-Term Liabilities				1,085,212		
38	Reserved Fund Balance	714					
39	Unreserved Fund Balance	730					
40	Investment in General Fixed Assets					22,710,297	
41	Total Liabilities and Fund Balance		157,826	22,710,297	1,085,212		

**BASIC FINANCIAL STATEMENT**  
**STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, OTHER**  
**SOURCES (USES) AND CHANGES IN FUND BALANCE**  
**ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2018**

	A	B	C	D	E	F	G	H	I	J	K
1	Description	Acct #	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	(Enter Whole Dollars)		Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
3	<b>RECEIPTS/REVENUES</b>										
4	LOCAL SOURCES	1000	4,739,057	793,088	1,497,779	348,926	388,185	0	42,562	10,644	84,421
5	FLOW-THROUGH RECEIPTS/REVENUES FROM ONE DISTRICT TO ANOTHER DISTRICT	2000	0	0		0	0				
6	STATE SOURCES	3000	2,992,520	0	0	339,533	0	0	0	0	0
7	FEDERAL SOURCES	4000	431,047	0	0	0	0	0	0	0	0
8	<b>Total Direct Receipts/Revenues</b>		8,162,624	793,088	1,497,779	688,459	388,185	0	42,562	10,644	84,421
9	Receipts/Revenues for "On Behalf" Payments <sup>2</sup>	3998	3,242,398								
10	<b>Total Receipts/Revenues</b>		11,405,022	793,088	1,497,779	688,459	388,185	0	42,562	10,644	84,421
11	<b>DISBURSEMENTS/EXPENDITURES</b>										
12	Instruction	1000	5,271,372				131,156				
13	Support Services	2000	2,714,003	902,858		559,775	205,470	0		10,000	32,794
14	Community Services	3000	0	0		0	0				
15	Payments to Other Districts & Governmental Units	4000	720,450	0	0	0	0	0		0	0
16	Debt Service	5000	0	0	1,429,999	0	0			0	0
17	<b>Total Direct Disbursements/Expenditures</b>		8,705,825	902,858	1,429,999	559,775	336,626	0		10,000	32,794
18	Disbursements/Expenditures for "On Behalf" Payments <sup>2</sup>	4180	3,242,398	0	0	0	0	0		0	0
19	<b>Total Disbursements/Expenditures</b>		11,948,223	902,858	1,429,999	559,775	336,626	0		10,000	32,794
20	<b>Excess of Direct Receipts/Revenues Over (Under) Direct Disbursements/Expenditures <sup>3</sup></b>		(543,201)	(109,770)	67,780	128,684	51,559	0	42,562	644	51,627
21	<b>OTHER SOURCES/USES OF FUNDS</b>										
22	<b>OTHER SOURCES OF FUNDS (7000)</b>										
23	<b>PERMANENT TRANSFER FROM VARIOUS FUNDS</b>										
24	Abolishment of the Working Cash Fund <sup>12</sup>	7110									
25	Abatement of the Working Cash Fund <sup>12</sup>	7110									
26	Transfer of Working Cash Fund Interest	7120									
27	Transfer Among Funds	7130									
28	Transfer of Interest	7140									
29	Transfer from Capital Project Fund to O&M Fund	7150									
30	Transfer of Excess Fire Prevention & Safety Tax and Interest Proceeds to O&M Fund <sup>4</sup>	7160									
31	Transfer to Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund <sup>5</sup>	7170									
32	<b>SALE OF BONDS (7200)</b>										
33	Principal on Bonds Sold	7210									
34	Premium on Bonds Sold	7220									
35	Accrued Interest on Bonds Sold	7230									
36	Sale or Compensation for Fixed Assets <sup>6</sup>	7300									
37	Transfer to Debt Service to Pay Principal on Capital Leases	7400			0						
38	Transfer to Debt Service to Pay Interest on Capital Leases	7500			0						
39	Transfer to Debt Service to Pay Principal on Revenue Bonds	7600			0						
40	Transfer to Debt Service Fund to Pay Interest on Revenue Bonds	7700			0						
41	Transfer to Capital Projects Fund	7800						0			
42	ISBE Loan Proceeds	7900									
43	Other Sources Not Classified Elsewhere	7990									
44	<b>Total Other Sources of Funds</b>		0	0	0	0	0	0	0	0	0
45	<b>OTHER USES OF FUNDS (8000)</b>										

**BASIC FINANCIAL STATEMENT**  
**STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, OTHER**  
**SOURCES (USES) AND CHANGES IN FUND BALANCE**  
**ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2018**

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description (Enter Whole Dollars)	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
46	PERMANENT TRANSFER TO VARIOUS OTHER FUNDS (8100)										
47	Abolishment or Abatement of the Working Cash Fund <sup>12</sup>	8110							0		
48	Transfer of Working Cash Fund Interest <sup>12</sup>	8120							0		
49	Transfer Among Funds	8130									
50	Transfer of Interest	8140									
51	Transfer from Capital Project Fund to O&M Fund	8150						0			
52	Transfer of Excess Fire Prevention & Safety Tax & Interest Proceeds to O&M Fund <sup>4</sup>	8160									0
53	Transfer of Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund <sup>5</sup>	8170									0
54	Taxes Pledged to Pay Principal on Capital Leases	8410									
55	Grants/Reimbursements Pledged to Pay Principal on Capital Leases	8420									
56	Other Revenues Pledged to Pay Principal on Capital Leases	8430									
57	Fund Balance Transfers Pledged to Pay Principal on Capital Leases	8440									
58	Taxes Pledged to Pay Interest on Capital Leases	8510									
59	Grants/Reimbursements Pledged to Pay Interest on Capital Leases	8520									
60	Other Revenues Pledged to Pay Interest on Capital Leases	8530									
61	Fund Balance Transfers Pledged to Pay Interest on Capital Leases	8540									
62	Taxes Pledged to Pay Principal on Revenue Bonds	8610									
63	Grants/Reimbursements Pledged to Pay Principal on Revenue Bonds	8620									
64	Other Revenues Pledged to Pay Principal on Revenue Bonds	8630									
65	Fund Balance Transfers Pledged to Pay Principal on Revenue Bonds	8640									
66	Taxes Pledged to Pay Interest on Revenue Bonds	8710									
67	Grants/Reimbursements Pledged to Pay Interest on Revenue Bonds	8720									
68	Other Revenues Pledged to Pay Interest on Revenue Bonds	8730									
69	Fund Balance Transfers Pledged to Pay Interest on Revenue Bonds	8740									
70	Taxes Transferred to Pay for Capital Projects	8810									
71	Grants/Reimbursements Pledged to Pay for Capital Projects	8820									
72	Other Revenues Pledged to Pay for Capital Projects	8830									
73	Fund Balance Transfers Pledged to Pay for Capital Projects	8840									
74	Transfer to Debt Service Fund to Pay Principal on ISBE Loans	8910									
75	Other Uses Not Classified Elsewhere	8990									
76	Total Other Uses of Funds		0	0	0	0	0	0	0	0	0
77	Total Other Sources/Uses of Funds		0	0	0	0	0	0	0	0	0
78	Excess of Receipts/Revenues and Other Sources of Funds (Over/Under) Expenditures/Disbursements and Other Uses of Funds		(543,201)	(109,770)	67,780	128,684	51,559	0	42,562	644	51,627
79	Fund Balances - July 1, 2017		7,889,605	1,193,834	788,471	675,886	739,962		722,697	20,694	184,747
80	Other Changes in Fund Balances - Increases (Decreases) (Describe & Itemize)										
81	Fund Balances - June 30, 2018		7,346,404	1,084,064	856,251	804,570	791,521	0	765,259	21,338	236,374

**STATEMENT OF REVENUES RECEIVED  
FOR THE YEAR ENDING JUNE 30, 2018**

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description (Enter Whole Dollars)	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
3	<b>RECEIPTS/REVENUES FROM LOCAL SOURCES (1000)</b>										
4	<b>AD VALOREM TAXES LEVIED BY LOCAL EDUCATION AGENCY</b>	<b>1100</b>									
5	Designated Purposes Levies (1110-1120) <sup>7</sup>		3,845,143	686,636	1,490,836	335,980	182,990		36,031	10,303	81,520
6	Leasing Purposes Levy <sup>8</sup>	1130									
7	Special Education Purposes Levy	1140	34,107								
8	FICA/Medicare Only Purposes Levies	1150					170,957				
9	Area Vocational Construction Purposes Levy	1160									
10	Summer School Purposes Levy	1170									
11	Other Tax Levies (Describe & Itemize)	1190									
12	<b>Total Ad Valorem Taxes Levied By District</b>		<b>3,879,250</b>	<b>686,636</b>	<b>1,490,836</b>	<b>335,980</b>	<b>353,947</b>	<b>0</b>	<b>36,031</b>	<b>10,303</b>	<b>81,520</b>
13	<b>PAYMENTS IN LIEU OF TAXES</b>	<b>1200</b>									
14	Mobile Home Privilege Tax	1210									
15	Payments from Local Housing Authorities	1220									
16	Corporate Personal Property Replacement Taxes <sup>9</sup>	1230	264,714				24,055				
17	Other Payments in Lieu of Taxes (Describe & Itemize)	1290									
18	<b>Total Payments in Lieu of Taxes</b>		<b>264,714</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24,055</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
19	<b>TUITION</b>	<b>1300</b>									
20	Regular - Tuition from Pupils or Parents (In State)	1311									
21	Regular - Tuition from Other Districts (In State)	1312									
22	Regular - Tuition from Other Sources (In State)	1313									
23	Regular - Tuition from Other Sources (Out of State)	1314									
24	Summer Sch - Tuition from Pupils or Parents (In State)	1321	3,310								
25	Summer Sch - Tuition from Other Districts (In State)	1322									
26	Summer Sch - Tuition from Other Sources (In State)	1323									
27	Summer Sch - Tuition from Other Sources (Out of State)	1324									
28	CTE - Tuition from Pupils or Parents (In State)	1331									
29	CTE - Tuition from Other Districts (In State)	1332									
30	CTE - Tuition from Other Sources (In State)	1333									
31	CTE - Tuition from Other Sources (Out of State)	1334									
32	Special Ed - Tuition from Pupils or Parents (In State)	1341									
33	Special Ed - Tuition from Other Districts (In State)	1342									
34	Special Ed - Tuition from Other Sources (In State)	1343									
35	Special Ed - Tuition from Other Sources (Out of State)	1344									
36	Adult - Tuition from Pupils or Parents (In State)	1351									
37	Adult - Tuition from Other Districts (In State)	1352									
38	Adult - Tuition from Other Sources (In State)	1353									
39	Adult - Tuition from Other Sources (Out of State)	1354									
40	<b>Total Tuition</b>		<b>3,310</b>								
41	<b>TRANSPORTATION FEES</b>	<b>1400</b>									
42	Regular - Transp Fees from Pupils or Parents (In State)	1411									
43	Regular - Transp Fees from Other Districts (In State)	1412									
44	Regular - Transp Fees from Other Sources (In State)	1413									
45	Regular - Transp Fees from Co-curricular Activities (In State)	1415									
46	Regular Transp Fees from Other Sources (Out of State)	1416									
47	Summer Sch - Transp. Fees from Pupils or Parents (In State)	1421									
48	Summer Sch - Transp. Fees from Other Districts (In State)	1422									
49	Summer Sch - Transp. Fees from Other Sources (In State)	1423									
50	Summer Sch - Transp. Fees from Other Sources (Out of State)	1424									
51	CTE - Transp Fees from Pupils or Parents (In State)	1431									
52	CTE - Transp Fees from Other Districts (In State)	1432									
53	CTE - Transp Fees from Other Sources (In State)	1433									

**STATEMENT OF REVENUES RECEIVED  
FOR THE YEAR ENDING JUNE 30, 2018**

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description (Enter Whole Dollars)	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
54	CTE - Transp Fees from Other Sources (Out of State)	1434									
55	Special Ed - Transp Fees from Pupils or Parents (In State)	1441									
56	Special Ed - Transp Fees from Other Districts (In State)	1442									
57	Special Ed - Transp Fees from Other Sources (In State)	1443									
58	Special Ed - Transp Fees from Other Sources (Out of State)	1444									
59	Adult - Transp Fees from Pupils or Parents (In State)	1451									
60	Adult - Transp Fees from Other Districts (In State)	1452									
61	Adult - Transp Fees from Other Sources (In State)	1453									
62	Adult - Transp Fees from Other Sources (Out of State)	1454									
63	<b>Total Transportation Fees</b>					0					
64	<b>EARNINGS ON INVESTMENTS</b>	<b>1500</b>									
65	Interest on Investments	1510	68,657	10,088	6,943	8,276	10,183		6,531	341	2,901
66	Gain or Loss on Sale of Investments	1520									
67	<b>Total Earnings on Investments</b>		68,657	10,088	6,943	8,276	10,183	0	6,531	341	2,901
68	<b>FOOD SERVICE</b>	<b>1600</b>									
69	Sales to Pupils - Lunch	1611	185,576								
70	Sales to Pupils - Breakfast	1612									
71	Sales to Pupils - A la Carte	1613	12,165								
72	Sales to Pupils - Other (Describe & Itemize)	1614									
73	Sales to Adults	1620									
74	Other Food Service (Describe & Itemize)	1690									
75	<b>Total Food Service</b>		197,741								
76	<b>DISTRICT/SCHOOL ACTIVITY INCOME</b>	<b>1700</b>									
77	Admissions - Athletic	1711	30,963								
78	Admissions - Other (Describe & Itemize)	1719									
79	Fees	1720	28,730								
80	Book Store Sales	1730									
81	Other District/School Activity Revenue (Describe & Itemize)	1790									
82	<b>Total District/School Activity Income</b>		59,693	0							
83	<b>TEXTBOOK INCOME</b>	<b>1800</b>									
84	Rentals - Regular Textbooks	1811	79,557								
85	Rentals - Summer School Textbooks	1812									
86	Rentals - Adult/Continuing Education Textbooks	1813									
87	Rentals - Other (Describe & Itemize)	1819									
88	Sales - Regular Textbooks	1821	29								
89	Sales - Summer School Textbooks	1822									
90	Sales - Adult/Continuing Education Textbooks	1823									
91	Sales - Other (Describe & Itemize)	1829									
92	Other (Describe & Itemize)	1890									
93	<b>Total Textbook Income</b>		79,586								
94	<b>OTHER REVENUE FROM LOCAL SOURCES</b>	<b>1900</b>									
95	Rentals	1910		9,040							
96	Contributions and Donations from Private Sources	1920									
97	Impact Fees from Municipal or County Governments	1930									
98	Services Provided Other Districts	1940									
99	Refund of Prior Years' Expenditures	1950									
100	Payments of Surplus Moneys from TIF Districts	1960									
101	Drivers' Education Fees	1970									
102	Proceeds from Vendors' Contracts	1980									
103	School Facility Occupation Tax Proceeds	1983									
104	Payment from Other Districts	1991									
105	Sale of Vocational Projects	1992									

**STATEMENT OF REVENUES RECEIVED  
FOR THE YEAR ENDING JUNE 30, 2018**

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description (Enter Whole Dollars)	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
106	Other Local Fees (Describe & Itemize)	1993									
107	Other Local Revenues (Describe & Itemize)	1999	186,106	87,324		4,670					
108	<b>Total Other Revenue from Local Sources</b>		186,106	96,364	0	4,670	0	0	0	0	0
109	<b>Total Receipts/Revenues from Local Sources</b>	<b>1000</b>	4,739,057	793,088	1,497,779	348,926	388,185	0	42,562	10,644	84,421
110	<b>FLOW-THROUGH RECEIPTS/REVENUES FROM ONE DISTRICT TO ANOTHER DISTRICT (2000)</b>										
111	Flow-through Revenue from State Sources	2100									
112	Flow-through Revenue from Federal Sources	2200									
113	Other Flow-Through (Describe & Itemize)	2300									
114	<b>Total Flow-Through Receipts/Revenues from One District to Another District</b>	<b>2000</b>	0	0		0	0				
115	<b>RECEIPTS/REVENUES FROM STATE SOURCES (3000)</b>										
116	<b>UNRESTRICTED GRANTS-IN-AID (3001-3099)</b>										
117	Evidence Based Funding Formula (Section 18-8.15)	3001	2,784,407								
118	General State Aid - Hold Harmless/Supplemental	3002									
119	Reorganization Incentives (Accounts 3005-3021)	3005									
120	Other Unrestricted Grants-In-Aid from State Sources (Describe & Itemize)	3099									
121	<b>Total Unrestricted Grants-In-Aid</b>		2,784,407	0	0	0	0	0		0	0
122	<b>RESTRICTED GRANTS-IN-AID (3100 - 3900)</b>										
123	<b>SPECIAL EDUCATION</b>										
124	Special Education - Private Facility Tuition	3100	58,632								
125	Special Education - Funding for Children Requiring Sp ED Services	3105	58,041								
126	Special Education - Personnel	3110	80,797								
127	Special Education - Orphanage - Individual	3120									
128	Special Education - Orphanage - Summer Individual	3130									
129	Special Education - Summer School	3145									
130	Special Education - Other (Describe & Itemize)	3199									
131	<b>Total Special Education</b>		197,470	0		0					
132	<b>CAREER AND TECHNICAL EDUCATION (CTE)</b>										
133	CTE - Technical Education - Tech Prep	3200									
134	CTE - Secondary Program Improvement (CTEI)	3220	7,035								
135	CTE - WECEP	3225									
136	CTE - Agriculture Education	3235	789								
137	CTE - Instructor Practicum	3240									
138	CTE - Student Organizations	3270									
139	CTE - Other (Describe & Itemize)	3299									
140	<b>Total Career and Technical Education</b>		7,824	0			0				
141	<b>BILINGUAL EDUCATION</b>										
142	Bilingual Ed - Downstate - TPI and TBE	3305									
143	Bilingual Education Downstate - Transitional Bilingual Education	3310									
144	<b>Total Bilingual Ed</b>		0				0				

**STATEMENT OF REVENUES RECEIVED  
FOR THE YEAR ENDING JUNE 30, 2018**

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description (Enter Whole Dollars)	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
145	State Free Lunch & Breakfast	3360	1,319								
146	School Breakfast Initiative	3365									
147	Driver Education	3370									
148	Adult Ed (from ICCB)	3410									
149	Adult Ed - Other (Describe & Itemize)	3499									
150	<b>TRANSPORTATION</b>										
151	Transportation - Regular and Vocational	3500				208,572					
152	Transportation - Special Education	3510				130,961					
153	Transportation - Other (Describe & Itemize)	3599									
154	<b>Total Transportation</b>		0	0		339,533	0				
155	Learning Improvement - Change Grants	3610									
156	Scientific Literacy	3660									
157	Truant Alternative/Optional Education	3695									
158	Early Childhood - Block Grant	3705									
159	Reading Improvement Block Grant	3715	1,500								
160	Reading Improvement Block Grant - Reading Recovery	3720									
161	Continued Reading Improvement Block Grant	3725									
162	Continued Reading Improvement Block Grant (2% Set Aside)	3726									
163	Chicago General Education Block Grant	3766									
164	Chicago Educational Services Block Grant	3767									
165	School Safety & Educational Improvement Block Grant	3775									
166	Technology - Technology for Success	3780									
167	State Charter Schools	3815									
168	Extended Learning Opportunities - Summer Bridges	3825									
169	Infrastructure Improvements - Planning/Construction	3920									
170	School Infrastructure - Maintenance Projects	3925									
171	Other Restricted Revenue from State Sources (Describe & Itemize)	3999									
172	<b>Total Restricted Grants-In-Aid</b>		208,113	0	0	339,533	0	0	0	0	0
173	<b>Total Receipts from State Sources</b>	3000	2,992,520	0	0	339,533	0	0	0	0	0
174	<b>RECEIPTS/REVENUES FROM FEDERAL SOURCES (4000)</b>										
175	<b>UNRESTRICTED GRANTS-IN-AID RECEIVED DIRECTLY FROM FEDERAL GOVT (4001-4009)</b>										
176	Federal Impact Aid	4001									
177	Other Unrestricted Grants-In-Aid Received Directly from the Fed Govt (Describe & Itemize)	4009									
178	<b>Total Unrestricted Grants-In-Aid Received Directly from the Federal Govt</b>		0	0	0	0	0	0	0	0	0
179	<b>RESTRICTED GRANTS-IN-AID RECEIVED DIRECTLY FROM FEDERAL GOVT (4045-4090)</b>										
180	Head Start	4045									
181	Construction (Impact Aid)	4050									
182	MAGNET	4060									
183	Other Restricted Grants-In-Aid Received Directly from the Federal Govt (Describe & Itemize)	4090									
184	<b>Total Restricted Grants-In-Aid Received Directly from Federal Govt</b>		0	0		0	0	0			0
185	<b>RESTRICTED GRANTS-IN-AID RECEIVED FROM FEDERAL GOVT THRU THE STATE (4100-4999)</b>										
186	<b>TITLE V</b>										
187	Title V - Innovation and Flexibility Formula	4100									
188	Title V - District Projects	4105									

**STATEMENT OF REVENUES RECEIVED  
FOR THE YEAR ENDING JUNE 30, 2018**

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description (Enter Whole Dollars)	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
189	Title V - Rural Education Initiative (REI)	4107									
190	Title V - Other (Describe & Itemize)	4199									
191	<b>Total Title V</b>		0	0		0	0				
192	<b>FOOD SERVICE</b>										
193	Breakfast Start-Up Expansion	4200									
194	National School Lunch Program	4210	103,619								
195	Special Milk Program	4215									
196	School Breakfast Program	4220									
197	Summer Food Service Program	4225									
198	Child Adult Care Food Program	4226									
199	Fresh Fruits & Vegetables	4240									
200	Food Service - Other (Describe & Itemize)	4299									
201	<b>Total Food Service</b>		103,619				0				
202	<b>TITLE I</b>										
203	Title I - Low Income	4300	62,945								
204	Title I - Low Income - Neglected, Private	4305									
205	Title I - Comprehensive School Reform	4332									
206	Title I - Reading First	4334									
207	Title I - Even Start	4335									
208	Title I - Reading First SEA Funds	4337									
209	Title I - Migrant Education	4340									
210	Title I - Other (Describe & Itemize)	4399									
211	<b>Total Title I</b>		62,945	0		0	0				
212	<b>TITLE IV</b>										
213	Title IV - Safe & Drug Free Schools - Formula	4400									
214	Title IV - 21st Century Comm Learning Centers	4421									
215	Title IV - Other (Describe & Itemize)	4499									
216	<b>Total Title IV</b>		0	0		0	0				
217	<b>FEDERAL - SPECIAL EDUCATION</b>										
218	Fed - Spec Education - Preschool Flow-Through	4600									
219	Fed - Spec Education - Preschool Discretionary	4605									
220	Fed - Spec Education - IDEA - Flow Through	4620	199,145								
221	Fed - Spec Education - IDEA - Room & Board	4625									
222	Fed - Spec Education - IDEA - Discretionary	4630									
223	Fed - Spec Education - IDEA - Other (Describe & Itemize)	4699									
224	<b>Total Federal - Special Education</b>		199,145	0		0	0				
225	<b>CTE - PERKINS</b>										
226	CTE - Perkins - Title III E - Tech Prep	4770	306								
227	CTE - Other (Describe & Itemize)	4799									
228	<b>Total CTE - Perkins</b>		306	0			0				
229	Federal - Adult Education	4810									
230	ARRA - General State Aid - Education Stabilization	4850									
231	ARRA - Title I - Low Income	4851									
232	ARRA - Title I - Neglected, Private	4852									
233	ARRA - Title I - Delinquent, Private	4853									
234	ARRA - Title I - School Improvement (Part A)	4854									
235	ARRA - Title I - School Improvement (Section 1003g)	4855									
236	ARRA - IDEA - Part B - Preschool	4856									
237	ARRA - IDEA - Part B - Flow-Through	4857									
238	ARRA - Title IID - Technology-Formula	4860									
239	ARRA - Title IID - Technology-Competitive	4861									
240	ARRA - McKinney - Vento Homeless Education	4862									

**STATEMENT OF REVENUES RECEIVED  
FOR THE YEAR ENDING JUNE 30, 2018**

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description (Enter Whole Dollars)	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
241	ARRA - Child Nutrition Equipment Assistance	4863									
242	Impact Aid Formula Grants	4864									
243	Impact Aid Competitive Grants	4865									
244	Qualified Zone Academy Bond Tax Credits	4866									
245	Qualified School Construction Bond Credits	4867									
246	Build America Bond Tax Credits	4868									
247	Build America Bond Interest Reimbursement	4869									
248	ARRA - General State Aid - Other Govt Services Stabilization	4870									
249	Other ARRA Funds - II	4871									
250	Other ARRA Funds - III	4872									
251	Other ARRA Funds - IV	4873									
252	Other ARRA Funds - V	4874									
253	ARRA - Early Childhood	4875									
254	Other ARRA Funds VII	4876									
255	Other ARRA Funds VIII	4877									
256	Other ARRA Funds IX	4878									
257	Other ARRA Funds X	4879									
258	Other ARRA Funds Ed Job Fund Program	4880									
259	<b>Total Stimulus Programs</b>		0	0	0	0	0	0		0	0
260	Race to the Top Program	4901									
261	Race to the Top - Preschool Expansion Grant	4902									
262	Advanced Placement Fee/International Baccalaureate	4904									
263	Title III - Immigrant Education Program (IEP)	4905									
264	Title III - Language Inst Program - Limited Eng (LIPLEP)	4909									
265	Learn & Serve America	4910									
266	McKinney Education for Homeless Children	4920									
267	Title II - Eisenhower Professional Development Formula	4930									
268	Title II - Teacher Quality	4932									
269	Federal Charter Schools	4960									
270	Medicaid Matching Funds - Administrative Outreach	4991	13,821								
271	Medicaid Matching Funds - Fee-for-Service Program	4992	51,211								
272	Other Restricted Revenue from Federal Sources (Describe & Itemize)	4999									
273	<b>Total Restricted Grants-In-Aid Received from the Federal Govt Thru the State</b>		431,047	0	0	0	0	0		0	0
274	<b>Total Receipts/Revenues from Federal Sources</b>	4000	431,047	0	0	0	0	0	0	0	0
275	<b>Total Direct Receipts/Revenues</b>		8,162,624	793,088	1,497,779	688,459	388,185	0	42,562	10,644	84,421

**STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2018**

	A	B	C	D	E	F	G	H	I	J	K	L
1			(100)	(200)	(300)	(400)	(500)	(600)	(700)	(800)	(900)	
2	Description (Enter Whole Dollars)	Funct #	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
3	<b>10 - EDUCATIONAL FUND (ED)</b>											
4	<b>INSTRUCTION (ED)</b>	<b>1000</b>										
5	Regular Programs	1100	2,703,837	957,697	33,577	64,286	8,792	2,278			3,770,467	3,705,000
6	Tuition Payment to Charter Schools	1115									0	0
7	Pre-K Programs	1125									0	0
8	Special Education Programs (Functions 1200-1220)	1200	858,027	104,384	32,902	4,172	1,050				1,000,535	937,000
9	Special Education Programs Pre-K	1225									0	0
10	Remedial and Supplemental Programs K-12	1250	28,373	11,588	16,374	14,525					70,860	71,000
11	Remedial and Supplemental Programs Pre-K	1275									0	0
12	Adult/Continuing Education Programs	1300									0	0
13	CTE Programs	1400	127,584	24,315	412	9,072					161,383	153,000
14	Interscholastic Programs	1500	176,424	11,816	48,257	11,202	3,363	7,125			258,187	195,200
15	Summer School Programs	1600	8,700	1,114							9,814	6,300
16	Gifted Programs	1650									0	0
17	Driver's Education Programs	1700	1					125			126	0
18	Bilingual Programs	1800									0	0
19	Truant Alternative & Optional Programs	1900									0	0
20	Pre-K Programs - Private Tuition	1910									0	0
21	Regular K-12 Programs - Private Tuition	1911									0	0
22	Special Education Programs K-12 - Private Tuition	1912									0	0
23	Special Education Programs Pre-K - Tuition	1913									0	0
24	Remedial/Supplemental Programs K-12 - Private Tuition	1914									0	0
25	Remedial/Supplemental Programs Pre-K - Private Tuition	1915									0	0
26	Adult/Continuing Education Programs - Private Tuition	1916									0	0
27	CTE Programs - Private Tuition	1917									0	0
28	Interscholastic Programs - Private Tuition	1918									0	0
29	Summer School Programs - Private Tuition	1919									0	0
30	Gifted Programs - Private Tuition	1920									0	0
31	Bilingual Programs - Private Tuition	1921									0	0
32	Truants Alternative/Optional Ed Progrms - Private Tuition	1922									0	0
33	<b>Total Instruction <sup>10</sup></b>	<b>1000</b>	<b>3,902,946</b>	<b>1,110,914</b>	<b>131,522</b>	<b>103,257</b>	<b>13,205</b>	<b>9,528</b>	<b>0</b>	<b>0</b>	<b>5,271,372</b>	<b>5,067,500</b>
34	<b>SUPPORT SERVICES (ED)</b>	<b>2000</b>										
35	<b>SUPPORT SERVICES - PUPILS</b>											
36	Attendance & Social Work Services	2110	67,932	26,344	894						95,170	87,788
37	Guidance Services	2120	132,316	32,692	4,742	635					170,385	161,500
38	Health Services	2130	53,407	16,986	167	2,099		60			72,719	68,300
39	Psychological Services	2140	63,877	15,788	5,381	1,235	329	210			86,820	85,400
40	Speech Pathology & Audiology Services	2150	66,099	16,246							82,345	79,000
41	Other Support Services - Pupils ( <i>Describe &amp; Itemize</i> )	2190									0	0
42	<b>Total Support Services - Pupils</b>	<b>2100</b>	<b>383,631</b>	<b>108,056</b>	<b>11,184</b>	<b>3,969</b>	<b>329</b>	<b>270</b>	<b>0</b>	<b>0</b>	<b>507,439</b>	<b>481,988</b>
43	<b>SUPPORT SERVICES - INSTRUCTIONAL STAFF</b>											
44	Improvement of Instruction Services	2210	87,337	33,388	43,600	12,354		28,082			204,761	189,600
45	Educational Media Services	2220	58,747		25	4,651		4,999			68,422	74,900
46	Assessment & Testing	2230									0	0
47	<b>Total Support Services - Instructional Staff</b>	<b>2200</b>	<b>146,084</b>	<b>33,388</b>	<b>43,625</b>	<b>17,005</b>	<b>0</b>	<b>33,081</b>	<b>0</b>	<b>0</b>	<b>273,183</b>	<b>264,500</b>
48	<b>SUPPORT SERVICES - GENERAL ADMINISTRATION</b>											
49	Board of Education Services	2310	138,331	29,031	213,261	134,283	45,641	9,902			570,449	593,900
50	Executive Administration Services	2320	189,807	28,192	23,662	17,502	4,905	9,754			273,822	274,000
51	Special Area Administration Services	2330									0	0
52	Tort Immunity Services	2360 - 2370									0	0
53	<b>Total Support Services - General Administration</b>	<b>2300</b>	<b>328,138</b>	<b>57,223</b>	<b>236,923</b>	<b>151,785</b>	<b>50,546</b>	<b>19,656</b>	<b>0</b>	<b>0</b>	<b>844,271</b>	<b>867,900</b>

**STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2018**

	A	B	C	D	E	F	G	H	I	J	K	L
1			(100)	(200)	(300)	(400)	(500)	(600)	(700)	(800)	(900)	
2	Description (Enter Whole Dollars)	Funct #	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
54	<b>SUPPORT SERVICES - SCHOOL ADMINISTRATION</b>											
55	Office of the Principal Services	2410	395,324	116,513	4,026	8,461	29,204				553,528	574,225
56	Other Support Services - School Admin (Describe & Itemize)	2490									0	0
57	<b>Total Support Services - School Administration</b>	<b>2400</b>	<b>395,324</b>	<b>116,513</b>	<b>4,026</b>	<b>8,461</b>	<b>29,204</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>553,528</b>	<b>574,225</b>
58	<b>SUPPORT SERVICES - BUSINESS</b>											
59	Direction of Business Support Services	2510									0	0
60	Fiscal Services	2520	41,365	17,620	12,313						71,298	71,300
61	Operation & Maintenance of Plant Services	2540			37,963	120,144					158,107	147,000
62	Pupil Transportation Services	2550	13,413								13,413	15,000
63	Food Services	2560	130,892	15,779	4,164	140,278		1,651			292,764	316,000
64	Internal Services	2570									0	0
65	<b>Total Support Services - Business</b>	<b>2500</b>	<b>185,670</b>	<b>33,399</b>	<b>54,440</b>	<b>260,422</b>	<b>0</b>	<b>1,651</b>	<b>0</b>	<b>0</b>	<b>535,582</b>	<b>549,300</b>
66	<b>SUPPORT SERVICES - CENTRAL</b>											
67	Direction of Central Support Services	2610									0	0
68	Planning, Research, Development, & Evaluation Services	2620									0	0
69	Information Services	2630									0	0
70	Staff Services	2640									0	0
71	Data Processing Services	2660									0	0
72	<b>Total Support Services - Central</b>	<b>2600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
73	Other Support Services (Describe & Itemize)	2900									0	0
74	<b>Total Support Services</b>	<b>2000</b>	<b>1,438,847</b>	<b>348,579</b>	<b>350,198</b>	<b>441,642</b>	<b>80,079</b>	<b>54,658</b>	<b>0</b>	<b>0</b>	<b>2,714,003</b>	<b>2,737,913</b>
75	<b>COMMUNITY SERVICES (ED)</b>	<b>3000</b>									0	0
76	<b>PAYMENTS TO OTHER DISTRICTS &amp; GOVT UNITS (ED)</b>	<b>4000</b>										
77	<b>PAYMENTS TO OTHER GOVT UNITS (IN-STATE)</b>											
78	Payments for Regular Programs	4110						315			315	1,000
79	Payments for Special Education Programs	4120						603,370			603,370	485,000
80	Payments for Adult/Continuing Education Programs	4130									0	0
81	Payments for CTE Programs	4140						89,265			89,265	61,000
82	Payments for Community College Programs	4170						27,500			27,500	0
83	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	0
84	<b>Total Payments to Other Govt Units (In-State)</b>	<b>4100</b>			<b>0</b>			<b>720,450</b>			<b>720,450</b>	<b>547,000</b>
85	Payments for Regular Programs - Tuition	4210									0	0
86	Payments for Special Education Programs - Tuition	4220									0	0
87	Payments for Adult/Continuing Education Programs - Tuition	4230									0	0
88	Payments for CTE Programs - Tuition	4240									0	0
89	Payments for Community College Programs - Tuition	4270									0	0
90	Payments for Other Programs - Tuition	4280									0	0
91	Other Payments to In-State Govt Units	4290									0	0
92	<b>Total Payments to Other Govt Units - Tuition (In State)</b>	<b>4200</b>						<b>0</b>			<b>0</b>	<b>0</b>
93	Payments for Regular Programs - Transfers	4310									0	0
94	Payments for Special Education Programs - Transfers	4320									0	0
95	Payments for Adult/Continuing Ed Programs - Transfers	4330									0	0
96	Payments for CTE Programs - Transfers	4340									0	0
97	Payments for Community College Program - Transfers	4370									0	0
98	Payments for Other Programs - Transfers	4380									0	0
99	Other Payments to In-State Govt Units - Transfers	4390									0	0
100	<b>Total Payments to Other Govt Units - Transfers (In-State)</b>	<b>4300</b>			<b>0</b>			<b>0</b>			<b>0</b>	<b>0</b>
101	Payments to Other Govt Units (Out-of-State)	4400									0	0
102	<b>Total Payments to Other Govt Units</b>	<b>4000</b>			<b>0</b>			<b>720,450</b>			<b>720,450</b>	<b>547,000</b>
103	<b>DEBT SERVICES (ED)</b>	<b>5000</b>										
104	<b>DEBT SERVICES - INTEREST ON SHORT-TERM DEBT</b>											
105	Tax Anticipation Warrants	5110									0	0

**STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2018**

	A	B	C	D	E	F	G	H	I	J	K	L
1			(100)	(200)	(300)	(400)	(500)	(600)	(700)	(800)	(900)	
2	Description (Enter Whole Dollars)	Funct #	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
106	Tax Anticipation Notes	5120									0	0
107	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	0
108	State Aid Anticipation Certificates	5140									0	0
109	Other Interest on Short-Term Debt	5150									0	0
110	<b>Total Interest on Short-Term Debt</b>	<b>5100</b>						0			0	0
111	Debt Services - Interest on Long-Term Debt	5200									0	0
112	<b>Total Debt Services</b>	<b>5000</b>						0			0	0
113	<b>PROVISIONS FOR CONTINGENCIES (ED)</b>	<b>6000</b>										0
114	<b>Total Direct Disbursements/Expenditures</b>		5,341,793	1,459,493	481,720	544,899	93,284	784,636	0	0	8,705,825	8,352,413
115	<b>Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>										(543,201)	
116												
117	<b>20 - OPERATIONS &amp; MAINTENANCE FUND (O&amp;M)</b>											
118	<b>SUPPORT SERVICES (O&amp;M)</b>	<b>2000</b>										
119	<b>SUPPORT SERVICES - PUPILS</b>											
120	Other Support Services - Pupils (Describe & Itemize)	2190									0	0
121	<b>SUPPORT SERVICES - BUSINESS</b>											
122	Direction of Business Support Services	2510									0	0
123	Facilities Acquisition & Construction Services	2530					56,396				56,396	65,000
124	Operation & Maintenance of Plant Services	2540	330,824	101,432	120,578	277,706	15,492	430			846,462	798,000
125	Pupil Transportation Services	2550									0	0
126	Food Services	2560									0	0
127	<b>Total Support Services - Business</b>	<b>2500</b>	330,824	101,432	120,578	277,706	71,888	430	0	0	902,858	863,000
128	Other Support Services (Describe & Itemize)	2900									0	0
129	<b>Total Support Services</b>	<b>2000</b>	330,824	101,432	120,578	277,706	71,888	430	0	0	902,858	863,000
130	<b>COMMUNITY SERVICES (O&amp;M)</b>	<b>3000</b>									0	0
131	<b>PAYMENTS TO OTHER DIST &amp; GOVT UNITS (O&amp;M)</b>	<b>4000</b>										
132	<b>PAYMENTS TO OTHER GOVT UNITS (IN-STATE)</b>											
133	Payments for Regular Programs	4110									0	0
134	Payments for Special Education Programs	4120									0	0
135	Payments for CTE Programs	4140									0	0
136	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	0
137	<b>Total Payments to Other Govt. Units (In-State)</b>	<b>4100</b>			0			0			0	0
138	Payments to Other Govt. Units (Out of State)	4400									0	0
139	<b>Total Payments to Other Govt Units</b>	<b>4000</b>			0			0			0	0
140	<b>DEBT SERVICES (O&amp;M)</b>	<b>5000</b>										
141	<b>DEBT SERVICES - INTEREST ON SHORT-TERM DEBT</b>											
142	Tax Anticipation Warrants	5110									0	0
143	Tax Anticipation Notes	5120									0	0
144	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	0
145	State Aid Anticipation Certificates	5140									0	0
146	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	0
147	<b>Total Debt Service - Interest on Short-Term Debt</b>	<b>5100</b>						0			0	0
148	<b>DEBT SERVICE - INTERST ON LONG-TERM DEBT</b>	<b>5200</b>									0	0
149	<b>Total Debt Services</b>	<b>5000</b>						0			0	0
150	<b>PROVISIONS FOR CONTINGENCIES (O&amp;M)</b>	<b>6000</b>										0
151	<b>Total Direct Disbursements/Expenditures</b>		330,824	101,432	120,578	277,706	71,888	430	0	0	902,858	863,000
152	<b>Excess (Deficiency) of Receipts/Revenues/Over Disbursements/ Expenditures</b>										(109,770)	
153												

**STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2018**

	A	B	C	D	E	F	G	H	I	J	K	L
1	Description (Enter Whole Dollars)	Funct #	(100)	(200)	(300)	(400)	(500)	(600)	(700)	(800)	(900)	Budget
2			Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	
154	<b>30 - DEBT SERVICES (DS)</b>											
155	PAYMENTS TO OTHER DIST & GOVT UNITS (DS)	4000										
156	PAYMENTS TO OTHER DIST & GOVT UNITS (In-State)											
157	Payments for Regular Programs	4110									0	0
158	Payments for Special Education Programs	4120									0	0
159	Other Payments to In-State Govt Units (Describe & Itemize)	4190									0	0
160	Total Payments to Other Districts & Govt Units (In-State)	4000						0			0	0
161	DEBT SERVICES (DS)	5000										
162	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
163	Tax Anticipation Warrants	5110									0	0
164	Tax Anticipation Notes	5120									0	0
165	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	0
166	State Aid Anticipation Certificates	5140						1,054,538			1,054,538	1,054,539
167	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	0
168	Total Debt Services - Interest On Short-Term Debt	5100						1,054,538			1,054,538	1,054,539
169	DEBT SERVICES - INTEREST ON LONG-TERM DEBT	5200									0	
	DEBT SERVICES - PAYMENTS OF PRINCIPAL ON LONG-TERM DEBT (Lease/Purchase Principal Retired) <sup>11</sup>	5300										
170								375,461			375,461	375,461
171	DEBT SERVICES - OTHER (Describe & Itemize)	5400									0	0
172	Total Debt Services	5000			0			1,429,999			1,429,999	1,430,000
173	PROVISION FOR CONTINGENCIES (DS)	6000										0
174	Total Disbursements/ Expenditures				0			1,429,999			1,429,999	1,430,000
175	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										67,780	
176												
177	<b>40 - TRANSPORTATION FUND (TR)</b>											
178	SUPPORT SERVICES (TR)											
179	SUPPORT SERVICES - PUPILS											
180	Other Support Services - Pupils (Describe & Itemize)	2190									0	25,000
181	SUPPORT SERVICES - BUSINESS											
182	Pupil Transportation Services	2550	271,073		211,867	49,127	27,693		15		559,775	516,300
183	Other Support Services (Describe & Itemize)	2900									0	0
184	Total Support Services	2000	271,073	0	211,867	49,127	27,693	0	15	0	559,775	541,300
185	COMMUNITY SERVICES (TR)	3000									0	0
186	PAYMENTS TO OTHER DIST & GOVT UNITS (TR)	4000										
187	PAYMENTS TO OTHER GOVT UNITS (IN-STATE)											
188	Payments for Regular Programs	4110									0	0
189	Payments for Special Education Programs	4120									0	0
190	Payments for Adult/Continuing Education Programs	4130									0	0
191	Payments for CTE Programs	4140									0	0
192	Payments for Community College Programs	4170									0	0
193	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	0
194	Total Payments to Other Govt. Units (In-State)	4100			0			0			0	0
195	PAYMENTS TO OTHER GOVT UNITS (OUT-OF-STATE)	4400									0	0
196	Total Payments to Other Govt Units	4000			0			0			0	0
197	DEBT SERVICES (TR)	5000										
198	DEBT SERVICE - INTEREST ON SHORT-TERM DEBT											
199	Tax Anticipation Warrants	5110									0	0
200	Tax Anticipation Notes	5120									0	0
201	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	0
202	State Aid Anticipation Certificates	5140									0	0

**STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2018**

	A	B	C	D	E	F	G	H	I	J	K	L
1			(100)	(200)	(300)	(400)	(500)	(600)	(700)	(800)	(900)	
2	Description (Enter Whole Dollars)	Funct #	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
205	DEBT SERVICES - INTEREST ON LONG-TERM DEBT	5200									0	0
206	DEBT SERVICE - PAYMENTS OF PRINCIPAL ON LONG-TERM DEBT (Lease/Purchase Principal Retired) <sup>11</sup>	5300									0	0
207	DEBT SERVICES - OTHER (Describe & Itemize)	5400									0	0
208	Total Debt Services	5000						0			0	0
209	PROVISION FOR CONTINGENCIES (TR)	6000										0
210	Total Disbursements/ Expenditures		271,073	0	211,867	49,127	27,693	0	15	0	559,775	541,300
211	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										128,684	
212												
213	<b>50 - MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND (MR/SS)</b>											
214	INSTRUCTION (MR/SS)	1000										
215	Regular Programs	1100		29,032							29,032	29,400
216	Pre-K Programs	1125		12,194							12,194	12,000
217	Special Education Programs (Functions 1200-1220)	1200		73,627							73,627	75,200
218	Special Education Programs - Pre-K	1225									0	0
219	Remedial and Supplemental Programs - K-12	1250		5,089							5,089	2,800
220	Remedial and Supplemental Programs - Pre-K	1275									0	0
221	Adult/Continuing Education Programs	1300									0	0
222	CTE Programs	1400		1,814							1,814	1,600
223	Interscholastic Programs	1500		9,279							9,279	6,900
224	Summer School Programs	1600		121							121	0
225	Gifted Programs	1650									0	0
226	Driver's Education Programs	1700									0	0
227	Bilingual Programs	1800									0	0
228	Truants' Alternative & Optional Programs	1900									0	0
229	Total Instruction	1000		131,156							131,156	127,900
230	SUPPORT SERVICES (MR/SS)	2000										
231	SUPPORT SERVICES - PUPILS											
232	Attendance & Social Work Services	2110		880							880	0
233	Guidance Services	2120		1,856							1,856	2,200
234	Health Services	2130		8,601							8,601	10,200
235	Psychological Services	2140		819							819	0
236	Speech Pathology & Audiology Services	2150		902							902	900
237	Other Support Services - Pupils (Describe & Itemize)	2190									0	0
238	Total Support Services - Pupils	2100		13,058							13,058	13,300
239	SUPPORT SERVICES - INSTRUCTIONAL STAFF											
240	Improvement of Instruction Services	2210		33							33	250
241	Educational Media Services	2220		10,319							10,319	11,150
242	Assessment & Testing	2230									0	0
243	Total Support Services - Instructional Staff	2200		10,352							10,352	11,400
244	SUPPORT SERVICES - GENERAL ADMINISTRATION											
245	Board of Education Services	2310		23,688							23,688	25,000
246	Executive Administration Services	2320		10,301							10,301	10,500
247	Service Area Administrative Services	2330									0	0
248	Claims Paid from Self Insurance Fund	2361									0	0
249	Workers' Compensation or Workers' Occupation Disease Acts Pymts	2362									0	0
250	Unemployment Insurance Pymts	2363									0	0
251	Insurance Payments (Regular or Self-Insurance)	2364									0	0
252	Risk Management and Claims Services Payments	2365									0	0

**STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2018**

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description (Enter Whole Dollars)	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
253	Judgment and Settlements	2366									0	0
254	Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction	2367									0	0
255	Reciprocal Insurance Payments	2368									0	0
256	Legal Services	2369									0	0
257	<b>Total Support Services - General Administration</b>	<b>2300</b>		33,989							33,989	35,500
258	<b>SUPPORT SERVICES - SCHOOL ADMINISTRATION</b>											
259	Office of the Principal Services	2410		23,287							23,287	22,400
260	Other Support Services - School Administration (Describe & Itemize)	2490									0	0
261	<b>Total Support Services - School Administration</b>	<b>2400</b>		23,287							23,287	22,400
262	<b>SUPPORT SERVICES - BUSINESS</b>											
263	Direction of Business Support Services	2510									0	0
264	Fiscal Services	2520		6,714							6,714	7,400
265	Facilities Acquisition & Construction Services	2530									0	0
266	Operation & Maintenance of Plant Services	2540		55,310							55,310	56,200
267	Pupil Transportation Services	2550		40,699							40,699	38,700
268	Food Services	2560		22,061							22,061	24,500
269	Internal Services	2570									0	0
270	<b>Total Support Services - Business</b>	<b>2500</b>		124,784							124,784	126,800
271	<b>SUPPORT SERVICES - CENTRAL</b>											
272	Direction of Central Support Services	2610									0	0
273	Planning, Research, Development, & Evaluation Services	2620									0	0
274	Information Services	2630									0	0
275	Staff Services	2640									0	0
276	Data Processing Services	2660									0	0
277	<b>Total Support Services - Central</b>	<b>2600</b>		0							0	0
278	Other Support Services (Describe & Itemize)	2900									0	0
279	<b>Total Support Services</b>	<b>2000</b>		205,470							205,470	209,400
280	<b>COMMUNITY SERVICES (MR/SS)</b>	<b>3000</b>									0	0
281	<b>PAYMENTS TO OTHER DIST &amp; GOVT UNITS (MR/SS)</b>	<b>4000</b>										
282	Payments for Regular Programs	4110									0	0
283	Payments for Special Education Programs	4120									0	0
284	Payments for CTE Programs	4140									0	0
285	<b>Total Payments to Other Govt Units</b>	<b>4000</b>		0							0	0
286	<b>DEBT SERVICES (MR/SS)</b>	<b>5000</b>										
287	<b>DEBT SERVICE - INTEREST ON SHORT-TERM DEBT</b>											
288	Tax Anticipation Warrants	5110									0	0
289	Tax Anticipation Notes	5120									0	0
290	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	0
291	State Aid Anticipation Certificates	5140									0	0
292	Other (Describe & Itemize)	5150									0	0
293	<b>Total Debt Services - Interest</b>	<b>5000</b>						0			0	0
294	<b>PROVISION FOR CONTINGENCIES (MR/SS)</b>	<b>6000</b>										0
295	<b>Total Disbursements/Expenditures</b>			336,626				0			336,626	337,300
296	<b>Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>										51,559	
297												

**STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2018**

	A	B	C	D	E	F	G	H	I	J	K	L
1	Description (Enter Whole Dollars)	Funct #	(100)	(200)	(300)	(400)	(500)	(600)	(700)	(800)	(900)	Budget
2			Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	
298	<b>60 - CAPITAL PROJECTS (CP)</b>											
299	<b>SUPPORT SERVICES (CP)</b>	<b>2000</b>										
300	<b>SUPPORT SERVICES - BUSINESS</b>											
301	Facilities Acquisition and Construction Services	2530									0	0
302	Other Support Services (Describe & Itemize)	2900									0	0
303	<b>Total Support Services</b>	<b>2000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
304	<b>PAYMENTS TO OTHER DIST &amp; GOVT UNITS (CP)</b>	<b>4000</b>										
305	<b>PAYMENTS TO OTHER GOVT UNITS (In-State)</b>											
306	Payments to Regular Programs (In-State)	4110									0	0
307	Payments for Special Education Programs	4120									0	0
308	Payments for CTE Programs	4140									0	0
309	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	0
310	<b>Total Payments to Other Govt Units</b>	<b>4000</b>			<b>0</b>			<b>0</b>			<b>0</b>	<b>0</b>
311	<b>PROVISION FOR CONTINGENCIES (S&amp;C/CI)</b>	<b>6000</b>										0
312	<b>Total Disbursements/ Expenditures</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
313	<b>Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>										<b>0</b>	
314												
315	<b>70 - WORKING CASH (WC)</b>											
316												
317	<b>80 - TORT FUND (TF)</b>											
318	<b>SUPPORT SERVICES - GENERAL ADMINISTRATION</b>											
319	Claims Paid from Self Insurance Fund	2361									0	0
320	Workers' Compensation or Workers' Occupation Disease Acts Pymts	2362			10,000						10,000	10,000
321	Unemployment Insurance Payments	2363									0	0
322	Insurance Payments (Regular or Self-Insurance)	2364									0	0
323	Risk Management and Claims Services Payments	2365									0	0
324	Judgment and Settlements	2366									0	0
325	Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction	2367									0	0
326	Reciprocal Insurance Payments	2368									0	0
327	Legal Services	2369									0	0
328	Property Insurance (Buildings & Grounds)	2371									0	0
329	Vehicle Insurance (Transportation)	2372									0	0
330	<b>Total Support Services - General Administration</b>	<b>2000</b>	<b>0</b>	<b>0</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,000</b>	<b>10,000</b>
331	<b>PAYMENTS TO OTHER DIST &amp; GOVT UNITS (TF)</b>	<b>4000</b>										
332	Payments for Regular Programs	4110									0	0
333	Payments for Special Education Programs	4120									0	0
334	<b>Total Payments to Other Dist &amp; Govt Units</b>	<b>4000</b>						<b>0</b>			<b>0</b>	<b>0</b>
335	<b>DEBT SERVICES (TF)</b>	<b>5000</b>										
336	<b>DEBT SERVICES - INTEREST ON SHORT-TERM DEBT</b>											
337	Tax Anticipation Warrants	5110									0	0
338	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	0
339	Other Interest or Short-Term Debt	5150									0	0
340	<b>Total Debt Services - Interest on Short-Term Debt</b>	<b>5000</b>						<b>0</b>			<b>0</b>	<b>0</b>
341	<b>PROVISIONS FOR CONTINGENCIES (TF)</b>	<b>6000</b>										0
342	<b>Total Disbursements/Expenditures</b>		<b>0</b>	<b>0</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,000</b>	<b>10,000</b>
343	<b>Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>										<b>644</b>	

**STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2018**

	A	B	C	D	E	F	G	H	I	J	K	L
1	Description (Enter Whole Dollars)	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
345	<b>90 - FIRE PREVENTION &amp; SAFETY FUND (FP&amp;S)</b>											
346	<b>SUPPORT SERVICES (FP&amp;S)</b>	<b>2000</b>										
347	<b>SUPPORT SERVICES - BUSINESS</b>											
348	Facilities Acquisition & Construction Services	2530									0	0
349	Operation & Maintenance of Plant Services	2540			32,794						32,794	200,000
350	<b>Total Support Services - Business</b>	<b>2500</b>	0	0	32,794	0	0	0	0	0	32,794	200,000
351	Other Support Services (Describe & Itemize)	2900									0	0
352	<b>Total Support Services</b>	<b>2000</b>	0	0	32,794	0	0	0	0	0	32,794	200,000
353	<b>PAYMENTS TO OTHER DIST &amp; GOVT UNITS (FP&amp;S)</b>	<b>4000</b>										
354	Payments to Regular Programs	4110									0	0
355	Payments to Special Education Programs	4120									0	0
356	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	0
357	<b>Total Payments to Other Govt Units</b>	<b>4000</b>						0			0	0
358	<b>DEBT SERVICES (FP&amp;S)</b>	<b>5000</b>										
359	<b>DEBT SERVICES- INTEREST ON SHORT-TERM DEBT</b>											
360	Tax Anticipation Warrants	5110									0	0
361	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	0
362	<b>Total Debt Service - Interest on Short-Term Debt</b>	<b>5100</b>						0			0	0
363	<b>DEBT SERVICES - INTEREST ON LONG-TERM DEBT</b>	<b>5200</b>									0	0
364	Debt Service - Payments of Principal on Long-Term Debt <sup>15</sup> (Lease/Purchase Principal Retired)	5300									0	0
365	<b>Total Debt Service</b>	<b>5000</b>						0			0	0
366	<b>PROVISION FOR CONTINGENCIES (FP&amp;S)</b>	<b>6000</b>										0
367	<b>Total Disbursements/Expenditures</b>		0	0	32,794	0	0	0	0	0	32,794	200,000
368	<b>Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>										51,627	

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### **Note 1 Nature of Entity and Summary of Significant Accounting Policies**

The Board of Education (Board), a seven member group, is the level of government which has the governing responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Pecatonica Community Unit School District No. 321 ("the District"). The District receives funding from local, state and federal sources and must comply with the requirements established by these funding source entities. However, the District is not included in any other governmental "reporting entity" as to result in the District being considered a component unit of the entity since Board members are elected by the public and have decision making authority, the power to designate management, and the responsibility to significantly influence operations and primary accountability for fiscal matters.

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

The District is a member of the Winnebago County Special Education Cooperative. The Cooperative provides special education services to member districts. The member districts are jointly and severally liable as members of the Cooperative. The Cooperative is required by the Illinois Compiled Statutes to have an annual audit of their financial statements. These financial statements are available through the Winnebago County Special Education Cooperative offices at 329 School Street, Rockton, Illinois. The District is also a member of Career Tech, a vocational cooperative. Career Tech provides vocational training services to member districts and bills the districts for the costs of these services based upon number of students enrolled from the specific district. The member districts are jointly and severally liable as members of Career Tech. The Career Tech is required by the Illinois Compiled Statutes to have an annual audit of their financial statements. These financial statements are available through the Career Tech offices at 2037 West Galena Ave, Freeport, Illinois. The District paid \$512,568 to the Winnebago County Special Education Cooperative and \$89,265 to Career Tech for the fiscal year ended June 30, 2018. The 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 relationship criteria. The joint agreements 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 the District would exercise such oversight as to result in the District having any component units.

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### **Note 1 Nature of Entity and Summary of Significant Accounting Policies (Continued)**

The District is considered to be a primary government since it is legally separate and financially independent. This report includes all of the funds and account groups of the District. It includes all activities considered to be part (controlled by or dependent on) the District as set forth under the above criteria.

Following is a summary of the District's more significant accounting policies:

#### **1. Basis of Presentation – Fund Accounting**

These financial statements are issued to comply with the regulatory provisions prescribed by the Illinois State Board of Education, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities arising from cash transactions, fund balance, revenue received and expenditures paid. The District maintains individual funds required by the State of Illinois. 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:

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

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

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

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

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

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### **Note 1 Nature of Entity and Summary of Significant Accounting Policies (Continued)**

#### **1. Basis of Presentation – Fund Accounting (Continued)**

**Capital Projects Fund** - Proceeds of construction bond issues and the capital improvement tax levy are accounted for in this fund. The District does not currently use this fund.

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

**Tort Fund** - Proceeds of the Insurance tax levy are accounted for in this fund.

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

**Agency Funds** - Agency funds (Activity Funds) include Student Activity Funds and Convenience Accounts. They account for assets held by the District as agent for the students, teachers and other organizations. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the activity fund organizations are equal to the assets.

#### **Account Groups**

**General Fixed Asset Account Group** - This group is used to account for general fixed assets acquired for general governmental purposes.

**General Long-Term Debt Account Group** - This group is used to account for the outstanding balances of general long-term obligations

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.

#### **2. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The District maintains its accounting records for all funds and account groups on the regulatory basis, and specifically the modified cash basis as described in the "Illinois Program Accounting Manual for Local School Systems".

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### **Note 1 Nature of Entity and Summary of Significant Accounting Policies (Continued)**

#### **2. Basis of Accounting (Continued)**

Accordingly, revenue is recorded when cash is received and expenditures are recorded when checks are written. Only assets representing a right to receive cash arising from a previous payment of cash are recorded as assets of a fund. In the same manner, only liabilities resulting from previous cash transactions (other than proceeds from a bond issue) are recorded as liabilities of a particular fund.

That regulatory basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do arise from previous cash transactions. Unpaid teacher contracts for services rendered during the school year for teachers on a twelve month pay schedule are recorded as expenditures in the fiscal year in which checks are written.

#### **3. Cash and Investments**

Cash and cash equivalents consist of demand deposits. Investments as of June 30, 2018 consist of certificates of deposit, money market accounts and savings accounts. Deposits are stated at cost which approximates market. The District's cash and investments are authorized in Illinois Compiled Statutes 30 ILCS 235 under the Public Funds Investment Act.

#### **4. Budgets and Budgetary Accounting**

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

- a) Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them. It is prepared on the regulatory basis of accounting which is the same basis that is used in financial reporting.
- b) A public hearing is conducted at a public meeting to obtain taxpayer comments.
- c) Prior to October 1, the budget is legally adopted through passage of a resolution.
- d) The Board of Education is authorized to transfer up to 10% of the total budget between line items within any fund; however, any revisions that alter the total disbursements of any fund must be approved by the Board of Education after a public hearing.

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### **Note 1    Nature of Entity and Summary of Significant Accounting Policies (Continued)**

- e)    Formal budgetary integration is employed as a management control device during the year for the Education fund, Operations and Maintenance fund, Debt Service fund, Transportation fund, IMRF/Social Security fund, Capital Projects fund, Working Cash fund, Tort Fund and the Fire Prevention and Safety fund.
- f)    Budgeted amounts presented are those as originally adopted, or as amended by the Board of Education. Individual amendments were not material in relation to the original appropriations which were amended. For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. Unexpended budgeted amounts lapse at the end of each year.

#### **5.    Student Activity Funds**

Student activity funds, also called extracurricular or co-curricular funds, are unique to school districts. The funds are formed for educational, recreational and cultural purposes and are usually intended to provide a learning experience for students. The funds are organized in the form of clubs and are used for activities such as athletic events, senior yearbooks, music clubs, and student government. These funds are owned, operated and managed generally by the student body under the guidance and direction of an adult or staff member and are financed partly or entirely by student fund-raising activities. Although the Board of Education has the ultimate responsibility for the funds, they are not local education agency funds.

##### **a)    Fixed Assets**

Purchases of fixed asset property and equipment are recorded as disbursements of the various funds when paid. There are no formal activity fund cumulative property and equipment records with which to maintain internal accounting control over the Activity Funds' fixed assets.

##### **b)    Investments are valued at cost, which approximates market.**

##### **c)    State Regulations**

The Illinois State Board of Education (ISBE) has prescribed accounting guidelines for Activity Funds in a publication entitled Rules and Regulations and Fiscal Procedures for the Operations of Local Education Agencies' Student Activity Funds, Convenience Accounts, and Trust and Agency Funds.

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### **Note 1 Nature of Entity and Summary of Significant Accounting Policies (Continued)**

#### **5. Student Activity Funds (Continued)**

##### **d) Activity Fund Treasurer**

Activity Fund accounting records are maintained in the respective building offices. The Treasurer and building principals have been appointed as Activity Fund Treasurer's and have been charged with depositing all Activity Fund monies into a designated depository and with maintaining accounts to show each funds' share of the total cash.

#### **6. Property Taxes**

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The 2016 levy was passed by the Board on December 19, 2016 and the 2017 levy was passed by the Board on December 18, 2017. Property taxes attach as an enforceable lien on property as of January 1 and may be in two equal installments. The first installment is due on or before approximately June 1 and the second installment is due on or before approximately September 1. Interest at the rate of 1% for farmland and 1-1/2% for all others is charged per month on delinquent payments. The District receives significant distributions of tax receipts approximately one month after these due dates. Property tax revenue received primarily represents receipts on the 2016 and 2017 tax levies. Prior to June 30, the District received \$3,692,176 of the 2017 tax levy. In accordance with modified cash basis reporting, this amount has been included as property tax revenue received in the financial statements.

#### **7. Estimates**

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

#### **8. Fixed Assets and Long Term Debt Account Group**

The accounting and reporting treatment applied to the fixed assets and long term liabilities associated with a fund are determined by its measurement focus. Purchases of fixed asset property and equipment are recorded as disbursements of the various funds when paid. The District has not maintained detailed records reflecting its investment in general fixed assets at historical costs. Supplementary records have been maintained, however, based on the Guideline for Fixed Assets Accounting in Local School Systems, issued by the Illinois Office of Education, which reflect summary information and are presented on page 64 of this report. For purposes of the Illinois School District Annual Financial Report (AFR), the

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### **Note 1 Nature of Entity and Summary of Significant Accounting Policies (Continued)**

#### **8. Fixed Assets and Long Term Debt Account Group (Continued)**

District is recognizing straight line depreciation on its' fixed assets over 5-50 years for purposes of the per capita tuition calculation. The amount of depreciation reported on the AFR for the fiscal year ended June 30, 2018 was \$572,701.

Long-term liabilities expected to be financed from any of the funds, except Working Cash and Student Activity Funds, are accounted for in the General Long-Term Debt Account Group, not in the funds themselves. Proceeds from sales of bonds are included as another financing source in the appropriate fund on the date received. Related bond principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group. The account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

#### **9. Fund Balance**

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. The Educational Fund contains \$55,775 that has been reserved for self-insurance purposes. When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District first applies restricted resources.

#### **10. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF) and additions to/deductions from TRS's and IMRF's fiduciary net position have been determined on the same basis as they are reported by TRS and IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. These amounts are not recorded on the financial statements since the District reports on the regulatory basis. The amounts are for note disclosure purposes only.

#### **11. Other Post-Employment ("OPEB")**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB expense, information about the fiduciary net position of the Teachers' Health Insurance Security Fund ("THISF") and additions to/deductions from THISF's fiduciary net position have been determined on the same basis as they are reported by THISF. For this purpose, OPEB payments (including refunds of employee contributions) are recognized

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### **Note 1 Nature of Entity and Summary of Significant Accounting Policies (Continued)**

#### **11. Other Post-Employment (“OPEB”) (Continued)**

when due and payable in accordance with the OPEB terms. Investments are reported at fair value.

#### **12. New Accounting Pronouncement**

Management adopted new accounting guidance GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. GASB Statement No. 75 replaces the requirements of GASB Statements No. 45 on accounting and financial reporting by employers for postemployment benefits other than pensions.

### **Note 2 Deposits and Investments**

**Deposits.** At year-end, the carrying amount of the District's deposits in checking, money market accounts, savings accounts and certificates of deposit was \$12,174,572 and the bank balance was \$12,451,373.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. As of June 30, 2018, \$90,138 of the District's balance was exposed to custodial credit risk and was uninsured and uncollateralized.

For financial statement purposes, the District classifies certificates of deposits as investments.

**Investments.** For purposes of this note disclosure only, the District does not hold any investments.

### **Note 3 Common Bank Account**

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

Occasionally certain funds participating in the common bank accounts will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the School Board. A deficit in one fund limits the cash available for use by other funds in the same common account.

As of June 30, 2018, no funds had a net deficit balance in the common account.

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### Note 4 Expenditures in Excess of Budget

The District over expended its budget in the following funds during the fiscal year ended June 30, 2018: Education Fund, Operations and Maintenance Fund and Transportation Fund. All other funds were operated within the confines of their budgets for the year ended June 30, 2018.

### Note 5 Changes in General Fixed Assets

Below is a summary of the changes in general fixed assets for the year ended June 30, 2018. As mentioned in Note (1), the District has not maintained detailed records reflecting its investment in general fixed assets at historical costs as required by generally accepted accounting principles. Supplementary records have been maintained, however, based on the Guideline for Fixed Assets Accounting in Local School Systems, issued by the Illinois Office of Education, which reflect summary information.

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Land	\$ 158,653	\$ 56,396	\$ -	\$ 215,049
Buildings and Improvements	21,020,631	-	-	21,020,631
Equipment- 10 year	1,317,527	108,776	-	1,426,303
Equipment- 5 year	<u>20,621</u>	<u>27,693</u>	<u>-</u>	<u>48,314</u>
Total	<u>\$22,517,432</u>	<u>\$192,865</u>	<u>\$ -</u>	<u>\$22,710,297</u>
Accumulated Depreciation	<u>\$ 7,883,622</u>	<u>\$572,701</u>	<u>\$ -</u>	<u>\$ 8,456,323</u>

### Note 6 Long-Term Debt

General Obligation Bonds. The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities, to defease (refinance) outstanding debt and for fire, life, safety issues. General obligation bonds are direct obligations of the District and pledge the full faith and credit of the District.

Bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
2001 Capital Appreciation Building Bonds dated June 19, 2001 to be used for building construction and alterations. Interest is payable on January, with annual retirements of principal through January 1, 2021, the bonds are not subject to redemption prior to their stated maturities	6.43%	<u>\$1,085,212</u>
Total bonds payable		<u>\$1,085,212</u>

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### Note 6 Long-Term Debt (Continued)

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Annual Debt Service Requirements</u>
2019	\$ 368,068	\$1,151,932	\$1,520,000
2020	361,811	1,258,189	1,620,000
2021	<u>355,333</u>	<u>1,369,667</u>	<u>1,725,000</u>
	<u>\$1,085,212</u>	<u>\$3,779,788</u>	<u>\$4,865,000</u>

Changes in Long-Term Liabilities. During the year ended June 30, 2018, the following changes occurred in long-term liability accounts:

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
General long-term debt payable:				
Building Bonds	<u>\$1,460,673</u>	<u>\$ -</u>	<u>\$375,461</u>	<u>\$1,085,212</u>

### Note 7 Legal Debt Limit

The Illinois School Code limits the amount of indebtedness to 13.8% of \$92,025,478, the most recent available equalized assessed valuation of the District, or \$12,699,516. As of June 30, 2018, the District has \$11,614,304 remaining of its' debt margin.

### Note 8 Fund Balance Reporting

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

#### A. Nonspendable Fund Balance

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

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### **Note 8 Fund Balance Reporting (Continued)**

#### **B. Restricted Fund Balance**

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The Educational Fund contains \$55,775 that has been reserved for self-insurance purposes (see note 11). The District has several revenue sources received within different funds that also fall into these categories –

##### **1. Special Education**

Revenue received and the related expenditures disbursed of this restricted tax levy are accounted for in the Educational Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

##### **2. State Grants**

Proceeds from state grants and the expenditures disbursed have been included in the Educational and Transportation Funds. At June 30, 2018, expenditures disbursed exceeded revenue received from state grants, resulting in no restricted balances.

##### **3. Federal Grants**

Proceeds from federal grants and the expenditures disbursed have been included in the Educational Fund. At June 30, 2018, expenditures disbursed exceeded revenue received from federal grants, resulting in no restricted balances.

#### **C. Committed Fund Balance**

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

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

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### **Note 8      Fund Balance Reporting (Continued)**

The District has no committed fund balances at year end.

#### **D. Assigned Fund Balance**

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

The District has no balances that are assigned at year end.

#### **E. Unassigned Fund Balance**

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds. Unassigned Fund Balance amounts are shown in the financial statements as Unreserved Fund Balances in the Educational and Working Cash Funds.

#### **F. Regulatory – Fund Balance Definitions**

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

#### **G. Reconciliation of Fund Balance Reporting**

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

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

### Note 8 Fund Balance Reporting (Continued)

Fund	Generally Accepted Accounting Principles		Regulatory Basis	
	Restricted	Unassigned	Financial Statements-Reserved	Financial Statements-Unreserved
Educational Operations & Maintenance	\$ 55,775	\$7,290,629	\$55,775	\$7,290,629
Debt Service	1,084,064	-	-	1,084,064
Transportation	856,251	-	-	856,251
Municipal Retirement	804,570	-	-	804,570
Working Cash	791,521	-	-	791,521
Tort Liability	-	765,259	-	765,259
Capital Projects	21,338	-	-	21,338
Fire Protection & Safety	-	-	-	-
	236,374	-	-	236,374

#### H. Expenditures of Fund Balance

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

### Note 9 Pensions

The school district participates in two retirement systems: The Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF).

#### Teachers' Retirement System of the State of Illinois

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

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888)877-0890, option 2.

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### **Note 9 Pensions (Continued)**

#### **Teachers' Retirement System of the State of Illinois (Continued)**

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016, 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, 2018, State of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective NPL associated with the District, and the District recognized revenue and expenditures of \$3,242,398 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

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### **Note 9 Pensions (Continued)**

#### **Teachers' Retirement System of the State of Illinois (Continued)**

ended June 30, 2018 were \$26,403 and are deferred because they were paid after the June 30, 2017 measurement date.

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

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

For the year ended June 30, 2018, the employer pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$3,489 were paid from federal and special trust funds that required employer contributions of \$352. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

**Employer retirement cost contributions.** Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2018, the employer paid \$-0- to TRS for employer ERO contributions.

The employer is also 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, 2018, 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 Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions -**

At June 30, 2018, the employer had a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount allocated to the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows:

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

### Note 9 Pensions (Continued)

#### Teachers' Retirement System of the State of Illinois (Continued)

Employer's proportionate share of the net pension liability	\$ 821,020
State's proportionate share of the net pension liability associated with the employer	32,946,105
<b>Total</b>	<b>\$33,767,125</b>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2017, the employer's proportion was .001075 percent, which was a decrease of .00011 from its proportion measured as of June 30, 2016.

Due to the District preparing its financial statements on the regulatory basis, pension liabilities and deferred inflows and outflows referred to throughout this note disclosure are not recognized in the actual financial statements.

For the year ended June 30, 2018, the employer recognized pension expense of \$430,629 and revenue of \$3,242,398 for support provided by the state. At June 30, 2018, the employer had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources, which are not reported due to regulatory basis reporting:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 8,917	\$ 379
Net difference between projected and actual earnings on pension plan investments	563	-
Changes of assumptions	54,797	23,592
Changes in proportion and differences between employer contributions and proportionate share of contributions	48,004	146,946
Employer contributions subsequent to the measurement date	26,403	-
<b>Total</b>	<b>\$138,684</b>	<b>\$170,917</b>

\$26,403 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2019. Other amounts reported as deferred

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### Note 9 Pensions (Continued)

#### Teachers' Retirement System of the State of Illinois (Continued)

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

Year ended June 30:	Net Deferred Outflows (Inflows) of Resources
2019	(\$24,387)
2020	3,741
2021	(22,023)
2022	(15,110)
2023	(857)

**Actuarial assumptions** - The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<b>Inflation</b>	2.50 percent
<b>Salary increases</b>	Varies by amount of service credit
<b>Investment rate of return</b>	7.00 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. These rates are used on a fully-generational basis using projection table MP-2014. The same assumptions were used in the June 30, 2016 actuarial valuation.

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

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

### Note 9 Pensions (Continued)

#### Teachers' Retirement System of the State of Illinois (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	14.4%	6.94%
U.S. equities small/mid-cap	3.6	8.09
International equities developed	14.4	7.46
Emerging market equities	3.6	10.15
U.S. bonds ore	10.7	2.44
International debt developed	5.3	1.70
Real estate	15.0	5.44
Commodities (real return)	11.0	4.28
Hedge funds (absolute return)	8.0	4.16
Private equity	14.0	10.63
Total	100%	

**Discount rate** - At June 30, 2017, the discount rate used to measure the total pension liability was a blended rate of 7.00 percent, which was a change from the June 30, 2016 rate of 6.83 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2016 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2016, the discount rate used to measure the total pension liability was 7.0 percent. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

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

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### Note 9 Pensions (Continued)

#### Teachers' Retirement System of the State of Illinois (Continued)

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Employer's proportionate share of the net pension liability	\$1,008,730	\$821,020	\$667,270

**TRS fiduciary net position** - Detailed information about the TRS's fiduciary net position as of June 30, 2017 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

#### Illinois Municipal Retirement Fund

##### IMRF Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent 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. The report is available for download at [www.imrf.org](http://www.imrf.org).

##### Benefits Provided

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

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

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### Note 9 Pensions (Continued)

#### Illinois Municipal Retirement Fund (Continued)

##### Benefits Provided (Continued)

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

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

##### Employees Covered by Benefit Terms

As of December 31, 2017, the following employees were covered by the benefit terms:

	IMRF
Retirees and beneficiaries currently receiving benefits	46
Inactive plan members entitled to but not yet receiving benefits	41
Active plan members	77
Total	164

##### 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 2017 was 9.82%. For the fiscal year ended June 30, 2018, the District contributed \$152,439 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### Note 9 Pensions (Continued)

#### Illinois Municipal Retirement Fund (Continued)

##### Net Pension Liability

The District's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

##### Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### **Note 9 Pensions (Continued)**

#### **Illinois Municipal Retirement Fund (Continued)**

#### **Actuarial Assumptions (Continued)**

<b>Asset Class</b>	<b>Portfolio Target Percentage</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65-7.35%
Cash Equivalents	1%	2.25%
Total	100%	

#### **Single Discount Rate**

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

### Note 9 Pensions (Continued)

#### Illinois Municipal Retirement Fund (Continued)

#### Changes in the Net Pension Liability

	Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2016	\$5,134,891	\$4,454,486	\$680,405
<b>Changes for the year:</b>			
Service cost	159,562		159,562
Interest on the total pension liability	381,502		381,502
Changes of benefit terms			
Differences between expected & actual experience of the total pension liability	(3,038)		(3,038)
Changes of assumptions	(176,654)		(176,654)
Contributions – employer		146,275	(146,275)
Contributions – employees		65,758	(65,758)
Net investment income		797,924	(797,924)
Benefit payments, including refunds of employee contributions	(255,952)	(255,952)	
Other (net transfer)		(105,246)	(105,246)
Net changes	105,420	648,759	(543,339)
Balances at December 31, 2017	\$5,240,311	\$5,103,245	\$137,066

Due to the District preparing its financial statements on the regulatory basis of accounting, pension liabilities and deferred inflows and outflows referred to throughout the note disclosure are not recognized in the actual financial statements.

#### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.50%)	Current Discount (7.50%)	1% Higher (8.50%)
Net pension liability/(asset)	\$783,804	\$137,066	\$(400,842)

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

### Note 9 Pensions (Continued)

#### Illinois Municipal Retirement Fund (Continued)

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

For the year ended June 30, 2018, the District recognized pension expense of \$152,439. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Amounts Related to Pensions</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<i>Deferred amounts to be recognized in pension expense in future periods:</i>		
Differences between expected and actual experience	\$ 24,030	\$7,548
Changes of assumptions	32,129	142,205
Net difference between projected and actual earnings on pension plan investments	141,935	375,545
Total deferred amounts to be recognized in pension expense in future periods	198,094	525,298
Pension contributions made subsequent to the measurement date	77,334	-
Total deferred amounts related to pensions	\$275,428	\$525,298

\$77,334 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2019. Other reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<b>Year Ending June 30</b>	<b>Net Deferred Inflows of Resources</b>
2019	\$(23,899)
2020	(65,942)
2021	(130,752)
2022	(106,611)
2023	-
Total	\$(327,204)

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### **Note 10 Post-Employment Benefits**

#### **Teachers Health Insurance Security Fund (“THISF”)**

##### **Plan Description**

The Teacher Health Insurance Security Fund (THISF) (also known as The Teacher Retirement Insurance Program, “TRIP”) is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. TRIP is a cost-sharing multiple-employer defined benefit post-employment healthcare plan with a special funding situation that covers retired employees of participating school districts throughout the State of Illinois, excluding the Chicago Public School System. TRIP health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor’s Executive Order 12-01, the responsibilities in relation to TRIP were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the Teachers’ Retirement System (TRS).

Based upon the required criteria, the THISF has no component units and is not a component unit of any other entity. However, because the THISF is not legally separate from the State of Illinois, the financial statements of the THISF are included in the financial statements of the State of Illinois as a pension (and other employee benefit) trust fund. The State of Illinois’ Comprehensive Annual Financial Report may be obtained by writing to the State Comptroller’s Office, Division of Financial Reporting, 325 West Adams Street, Springfield, Illinois, 62704-1871.

##### **Benefits Provided**

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) requires that the Department’s Director determine the rates and premiums of annuitants and dependent beneficiaries and establish the cost-sharing parameters, as well as funding. Member premiums are set by this statute, which provides for a subsidy of either 50% or 75%, depending upon member benefit choices. Dependents are eligible for coverage, at a rate of 100% of the cost of coverage.

##### **Contributions**

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the TRS, who are not employees of a department, make contributions to the plan at a rate of 1.12% of salary and for every employer of a teacher to contribute an amount equal to .84% of each teacher’s salary. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the THISF, an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year.

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### **Note 10 Post-Employment Benefits (Continued)**

#### **Teachers Health Insurance Security Fund ("THISF")**

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) requires that the Department's Director determine the rates and premiums of annuitants and dependent beneficiaries and establish the cost-sharing parameters, as well as funding. Member premiums are set by this statute, which provides for a subsidy of either 50% or 75%, depending upon member benefit choices. Dependents are eligible for coverage, at a rate of 100% of the cost of coverage.

For the year ended June 30, 2017, member required contributions ranged from \$92.87 to \$220.21, per month per retiree, and from \$414.60 to \$660.63, per month per retiree and spouse (assuming Medicare eligibility). For non-Medicare eligible members, required contributions ranged from \$75.65 to \$833.43, per month per retiree, and from \$378.37 to \$2,500.29, per month per retiree plus dependents. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires active teachers contribute 1.12% of salaries; they contributed \$111.734 million, or approximately 34.68% of total premiums. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) also requires participating school districts contribute .84% of salaries; they contributed \$100.763 million, or approximately 31.27% of total premiums. In addition, the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires the State contribute 1.12% of salaries; they contributed \$109.7 million or approximately 34.05% of total premiums. The fund received \$2.053 million in Medicare Part D subsidy payments from the federal government. Retiree contributions are netted with the related liability.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - At June 30, 2018, the employer reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for state OPEB support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the employer were as follows:

District's proportionate share of the net OPEB liability	\$5,019,697
State's proportionate share of the net OPEB liability associated with the employer	6,592,109
<hr/>	
Total	\$11,611,806

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. The District's proportion of the net OPEB liability was based on the District's share of contributions to THISF for the measurement year ended June 30, 2017, relative to the contributions of all participating THISF employers and the state during that period. At June 30, 2017, the District's proportion was 0.019344 percent, which was an increase of 0.000672 from its proportion measured as of June 30, 2016.

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

### Note 10 Post-Employment Benefits (Continued)

Due to the District preparing its financial statements on the modified cash basis/regulatory basis, OPEB liabilities and deferred inflows and outflows referred to throughout this note disclosure are not recognized in the actual financial statements.

#### Teachers Health Insurance Security Fund ("THISF")

For the year ended June 30, 2018, the District recognized OPEB expense of \$37,380. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources related to OPEB, which are not reported due to the modified cash basis/regulatory basis of accounting, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,843
Net difference between projected and actual earnings on OPEB plan investments	-	55
Changes of assumptions	-	597,661
Changes in proportion and differences between employer contributions and proportionate share of contributions	156,446	-
Employer contributions subsequent to the measurement date	39,524	-
Total	\$195,970	\$600,559

\$39,524 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows, which are not recorded due to the modified cash basis/regulatory basis of accounting:

Year ended June 30:	Net Deferred Inflows of Resources
2019	\$(59,136)
2020	\$(59,136)
2021	\$(59,136)
2022	\$(59,136)
2023	\$(59,136)
Thereafter	\$(148,433)

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### **Note 10 Post-Employment Benefits (Continued)**

#### **Teachers Health Insurance Security Fund ("THISF")**

##### **Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

Inflation	2.75%
Salary increases	Depends on service and ranges from 9.25% at less than 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.5%. Additional trend rate of 0.59% is added to non-Medicare cost on and after 2020 to account for the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### **Note 10 Post-Employment Benefits (Continued)**

#### **Teachers Health Insurance Security Fund ("THISF")**

average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since TRIP is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 2.85% as of June 30, 2016, and 3.56% as of June 30, 2017. The increase in the single discount rate from 2.85% to 3.56% caused the total OPEB liability to decrease by approximately \$3.564 billion from 2016 to 2017.

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

During the plan year ending June 30, 2017, the trust earned \$357,000 in interest and due to a significant benefit payable, the market value of assets at June 30, 2017, is a negative \$43 million. Given the significant benefit payable, negative asset value and pay-as-you-go funding policy, the long-term expected rate of return assumption was set to zero.

#### **Sensitivity of Net OPEB Liability to Changes in the Single Discount Rate**

The following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 3.56%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher (4.56%) or lower (2.56%) than the current rate:

<b>Sensitivity of Net OPEB Liability as of June 30, 2017 to the Single Discount Rate Assumption</b>			
	<b>1% Decrease (2.56%)</b>	<b>Current Single Discount Rate Assumption (3.56%)</b>	<b>1% Increase (4.56%)</b>
Net OPEB liability	\$6,023,610	\$5,019,697	\$4,216,407

#### **Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The following presents the entire plan's net OPEB liability (not just the District's portion), calculated using the healthcare cost trend rates of well as what the plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.00% in 2018 decreasing to an ultimate trend rate of 5.09% in 2025, for non-Medicare coverage, and 9.00% in 2018 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### **Note 10 Post-Employment Benefits (Continued)**

#### **Teachers Health Insurance Security Fund ("THISF")**

##### **Sensitivity of Net OPEB Liability as of June 30, 2017 to the Healthcare Cost Trend Rate Assumption**

	<b>Healthcare Cost Trend</b>		
	<b>1% Decrease (a)</b>	<b>Rates Assumption</b>	<b>1% Increase (b)</b>
Net OPEB liability	\$4,051,410	\$5,019,697	\$6,409,510

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 4.02% in 2025, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.
- (b) One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.09% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

### **Note 11 Self Insurance Plan**

The District has elected to become partially self-insured for employee health and self-insured for unemployment insurance. The District is therefore liable to the State for any payments made to any of its former employees claiming unemployment benefits. For the year ended June 30, 2018, there were payments made in the amount of \$-0- for unemployment benefit claims. The District paid \$-0- and \$-0- for the years ended June 30, 2016 and 2015, respectively, for unemployment benefit claims.

The District is liable for annual employee and/or dependent health claims up to \$25,000 per person after which costs were covered by an insurance carrier. For the year ended June 30, 2018, \$1,262,465 was paid out for health claims under the self-insurance plan. The District paid \$951,840 and \$591,713 for the years ended June 30, 2017 and 2016, respectively, for health claims. The District estimates as of June 30, 2018, there were \$105,000 claims incurred prior to year end which were paid subsequent to year end. As of June 30, 2018, a portion, \$55,775, of the education fund balance has been reserved for health insurance purposes.

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### **Note 12 Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to handle such risks of loss, the District purchases commercial insurance coverage and self insures for unemployment insurance and partially for employee health purposes (see Note 11). The deductibles in effect for these policies as of June 30, 2018 ranged from \$-0- to \$1,000. The amounts of settlements have not exceeded insurance coverage for any of the past three years.

### **Note 13 Sick and Vacation Pay**

The District follows the policy of allowing unused sick days to accumulate to a maximum of 355 days. However, if the employee does not use the accumulated sick days, the benefit is lost upon any termination of employment other than retirement. If an employee enrolled in IMRF and TRS should retire with accumulated sick days, the number of days accumulated is added to their years of credited service in determining their retirement benefit.

Unused vacation days are not allowed to accumulate.

As a result, no accrued liability for accumulated unpaid vacation or sick pay has been reflected in the financial statements.

### **Note 14 Lease Income**

The District leases four EBS channels under a long term DeFacto Transfer Lease with an initial term of ten years and automatic renewal for up to two additional terms of ten years each unless notified six months prior to the end of the term that the leasee declines to renew the agreement.

The following is a schedule by years of future minimum rentals under the lease at June 30, 2018:

Year ending June 30:	
2019	\$ 258,032
2020	265,773
2021	273,746
2022	281,958
2023	290,417
2024-2028	1,588,121

### **Note 15 Operating Lease**

On May 5, 2017, the District entered into a two year operating lease agreement for its buses. The initial payment of \$7,500 was paid in the prior fiscal year. The lease required payments of \$151,874 on July 15, 2017 and \$159,374 on July 15, 2018.

# Pecatonica Community Unit School District No. 321

## Notes to Financial Statements

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### **Note 16    Impact of Pending Standards**

GASB Statement No. 83, *Certain Asset Retirement Obligations* establishes criteria for determining the timing and pattern recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations, and requires the current value of a government's asset retirement obligations to be adjusted for the effects of general inflation or deflation at least annually. The requirements of this Statement are effective for reporting period in which the measurement date of the pension liability is after June 15, 2018. The District has not determined the effect of this Statement.

GASB Statement No. 84, *Fiduciary Activities* establishes criteria for identifying fiduciary activities of all state and local governments. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The District has not determined the effect of this Statement.

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The District has not determined the effect of this Statement.

GASB Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements, clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The District has not determined the effect of this Statement.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The District has not determined the effect of this Statement.

## **Other Information**

	A	B	C	D	E	F
1	<b>SCHEDULE OF AD VALOREM TAX RECEIPTS</b>					
2	<b>Description (Enter Whole Dollars)</b>	<b>Taxes Received 7-1-17 thru 6-30-18 (from 2016 Levy &amp; Prior Levies) *</b>	<b>Taxes Received (from the 2017 Levy)</b>	<b>Taxes Received (from 2016 &amp; Prior Levies)</b>	<b>Total Estimated Taxes (from the 2017 Levy)</b>	<b>Estimated Taxes Due (from the 2017 Levy)</b>
3				<b>(Column B - C)</b>		<b>(Column E - C)</b>
4	Educational	3,845,143	2,061,485	1,783,658	3,865,070	1,803,585
5	Operations & Maintenance	686,636	368,125	318,511	690,191	322,066
6	Debt Services **	1,490,836	810,753	680,083	1,520,077	709,324
7	Transportation	335,980	180,037	155,943	337,549	157,512
8	Municipal Retirement	182,990	98,068	84,922	183,867	85,799
9	Capital Improvements	0		0		0
10	Working Cash	36,031	19,340	16,691	36,258	16,918
11	Tort Immunity	10,303	5,546	4,757	10,399	4,853
12	Fire Prevention & Safety	81,520	43,683	37,837	81,903	38,220
13	Leasing Levy	0		0		0
14	Special Education	34,107	18,310	15,797	34,326	16,016
15	Area Vocational Construction	0		0		0
16	Social Security/Medicare Only	170,957	86,829	84,128	162,793	75,964
17	Summer School	0		0		0
18	Other (Describe & Itemize)	0		0		0
19	<b>Totals</b>	6,874,503	3,692,176	3,182,327	6,922,433	3,230,257
20						
21	* The formulas in column B are unprotected to be overridden when reporting on a ACCRUAL basis.					
22	** All tax receipts for debt service payments on bonds must be recorded on line 6 (Debt Services).					

	A	B	C	D	E	F	G	H	I	J
1	<b>SCHEDULE OF SHORT-TERM DEBT</b>									
2	<b>Description (Enter Whole Dollars)</b>		<b>Outstanding July 1, 2017</b>	<b>Beginning</b>	<b>Issued July 1, 2017 thru June 30, 2018</b>	<b>Retired July 1, 2017 thru June 30, 2018</b>	<b>Outstanding Ending June 30, 2018</b>			
3	CORPORATE PERSONAL PROPERTY REPLACEMENT TAX ANTICIPATION NOTES (CPPRT)									
4	Total CPPRT Notes						0			
5	TAX ANTICIPATION WARRANTS (TAW)									
6	Educational Fund						0			
7	Operations & Maintenance Fund						0			
8	Debt Services - Construction						0			
9	Debt Services - Working Cash						0			
10	Debt Services - Refunding Bonds						0			
11	Transportation Fund						0			
12	Municipal Retirement/Social Security Fund						0			
13	Fire Prevention & Safety Fund						0			
14	Other - (Describe & Itemize)						0			
15	Total TAWs		0		0	0	0			
16	TAX ANTICIPATION NOTES (TAN)									
17	Educational Fund						0			
18	Operations & Maintenance Fund						0			
19	Fire Prevention & Safety Fund						0			
20	Other - (Describe & Itemize)						0			
21	Total TANS		0		0	0	0			
22	TEACHERS'/EMPLOYEES' ORDERS (T/EO)									
23	Total T/EOs (Educational, Operations & Maintenance, & Transportation Funds)						0			
24	GENERAL STATE-AID ANTICIPATION CERTIFICATES (GSAAC)									
25	Total GSAACs (All Funds)						0			
26	OTHER SHORT-TERM BORROWING									
27	Total Other Short-Term Borrowing (Describe & Itemize)						0			
28										
29	<b>SCHEDULE OF LONG-TERM DEBT</b>									
30	<b>Identification or Name of Issue</b>	<b>Date of Issue (mm/dd/yy)</b>	<b>Amount of Original Issue</b>	<b>Type of Issue *</b>	<b>Outstanding Beginning July 1, 2017</b>	<b>Issued July 1, 2017 thru June 30, 2018</b>	<b>Any differences (Described and Itemize)</b>	<b>Retired July 1, 2017 thru June 30, 2018</b>	<b>Outstanding Ending June 30, 2018</b>	<b>Amount to be Provided for Payment on Long- Term Debt</b>
31	Capital appreciation building bonds	06/19/01	6,999,972	6	1,460,673			375,461	1,085,212	228,961
32									0	
33									0	
34									0	
35									0	
36									0	
37									0	
38									0	
39									0	
40									0	
41									0	
42									0	
43									0	
44									0	
45									0	
46									0	
47									0	
48									0	
49			6,999,972		1,460,673	0	0	375,461	1,085,212	228,961
50										
51	* Each type of debt issued must be identified separately with the amount:									
52	1. Working Cash Fund Bonds	4. Fire Prevent, Safety, Environmental and Energy Bonds				7. Other _____				
53	2. Funding Bonds	5. Tort Judgment Bonds				8. Other _____				
54	3. Refunding Bonds	6. Building Bonds				9. Other _____				
55										

**Schedule of Restricted Local Tax Levies and Selected Revenues Sources**  
**Schedule of Tort Immunity Expenditures**

	A	B	C	D	E	F	G	H	I	J	K
1	<b>SCHEDULE OF RESTRICTED LOCAL TAX LEVIES AND SELECTED REVENUE SOURCES</b>										
2	<b>Description (Enter Whole Dollars)</b>					<b>Account No</b>	<b>Tort Immunity <sup>a</sup></b>	<b>Special Education</b>	<b>Area Vocational Construction</b>	<b>School Facility Occupation Taxes <sup>b</sup></b>	<b>Driver Education</b>
3	<b>Cash Basis Fund Balance as of July 1, 2017</b>										
4	<b>RECEIPTS:</b>										
5	Ad Valorem Taxes Received by District					10, 20, 40 or 50-1100		34,107			
6	Earnings on Investments					10, 20, 40, 50 or 60-1500					
7	Drivers' Education Fees					10-1970					
8	School Facility Occupation Tax Proceeds					30 or 60-1983					
9	Driver Education					10 or 20-3370					
10	Other Receipts (Describe & Itemize)					--					
11	Sale of Bonds					10, 20, 40 or 60-7200					
12	<b>Total Receipts</b>						0	34,107	0	0	0
13	<b>DISBURSEMENTS:</b>										
14	Instruction					10 or 50-1000		34,107			
15	Facilities Acquisition & Construction Services					20 or 60-2530					
16	Tort Immunity Services					10, 20, 40-2360-2370					
17	<b>DEBT SERVICE</b>										
18	Debt Services - Interest on Long-Term Debt					30-5200					
19	Debt Services - Principal Payments on Long-Term Debt (Lease/Purchase Principal Retired)					30-5300					
20	Debt Services Other (Describe & Itemize)					30-5400					
21	<b>Total Debt Services</b>									0	
22	Other Disbursements (Describe & Itemize)					--					
23	<b>Total Disbursements</b>						0	34,107	0	0	0
24	<b>Ending Cash Basis Fund Balance as of June 30, 2018</b>						0	0	0	0	0
25	<b>Reserved Fund Balance</b>					714					
26	<b>Unreserved Fund Balance</b>					730	0	0	0	0	0
28	<b>SCHEDULE OF TORT IMMUNITY EXPENDITURES <sup>a</sup></b>										
29											
30	<b>Yes</b> <input type="checkbox"/> <b>No</b> <input type="checkbox"/> Has the entity established an insurance reserve pursuant to 745 ILCS 10/9-103?										
31	If yes, list in the aggregate the following: <div style="float: right;"> Total Claims Payments: <input type="text"/>  Total Reserve Remaining: <input type="text"/> </div>										
32											
34	In the following categories, list all other Tort Immunity expenditures not included in line 30 above. Enter total dollar amount for each category.										
35	<b>Expenditures:</b>										
36	Workers' Compensation Act and/or Workers' Occupational Disease Act										
37	Unemployment Insurance Act										
38	Insurance (Regular or Self-Insurance)										
39	Risk Management and Claims Service										
40	Judgments/Settlements										
41	Educational, Inspectional, Supervisory Services Related to Loss Prevention and/or Reduction										
42	Reciprocal Insurance Payments (Insurance Code 72, 76, and 81)										
43	Legal Services										
44	Principal and Interest on Tort Bonds										
46	<sup>a</sup> Schedules for Tort Immunity are to be completed <u>only if</u> expenditures have been reported in any fund other than the Tort Immunity Fund (80) during the fiscal year as a result of existing (restricted) fund balances in those other funds that are being spent down. Cell G6 above should include interest earnings only from these restricted tort immunity monies and only if reported in a fund <u>other</u> than Tort Immunity Fund (80).										
47											
48	<sup>b</sup> 55 ILCS 5/5-1006.7										

	A	B	C	D	E	F	G	H	I	J	K	L
1	<b>SCHEDULE OF CAPITAL OUTLAY AND DEPRECIATION</b>											
2	<b>Description of Assets</b> (Enter Whole Dollars)	<b>Acct #</b>	<b>Cost Beginning July 1, 2017</b>	<b>Add: Additions July 1, 2017 thru June 30, 2018</b>	<b>Less: Deletions July 1, 2017 thru June 30 2018</b>	<b>Cost Ending June 30, 2018</b>	<b>Life In Years</b>	<b>Accumulated Depreciation Beginning July 1, 2017</b>	<b>Add: Depreciation Allowable July 1, 2017 thru June 30, 2018</b>	<b>Less: Depreciation Deletions July 1, 2017 thru June 30, 2018</b>	<b>Accumulated Depreciation Ending June 30, 2018</b>	<b>Ending Balance Undepreciated June 30, 2018</b>
3	Works of Art & Historical Treasures	210				0	50				0	0
4	Land	220										
5	Non-Depreciable Land	221	158,653	56,396		215,049						215,049
6	Depreciable Land	222				0					0	0
7	Buildings	230										
8	Permanent Buildings	231	21,020,631			21,020,631	50	7,206,114	420,413		7,626,527	13,394,104
9	Temporary Buildings	232				0	20				0	0
10	Improvements Other than Buildings (Infrastructure)	240				0	20				0	0
11	Capitalized Equipment	250					10					
12	10 Yr Schedule	251	1,317,527	108,776		1,426,303		661,012	142,625		803,637	622,666
13	5 Yr Schedule	252	20,621	27,693		48,314		16,496	9,663		26,159	22,155
14	3 Yr Schedule	253				0					0	0
15	Construction in Progress	260				0						0
16	<b>Total Capital Assets</b>	<b>200</b>	<b>22,517,432</b>	<b>192,865</b>	<b>0</b>	<b>22,710,297</b>		<b>7,883,622</b>	<b>572,701</b>	<b>0</b>	<b>8,456,323</b>	<b>14,253,974</b>
17	Non-Capitalized Equipment	700				15	10		2			
18	Allowable Depreciation								572,703			

	A	B	C	D	E	F
1	ESTIMATED OPERATING EXPENSE PER PUPIL (OEPP)/PER CAPITA TUITION CHARGE (PCTC) COMPUTATIONS (2017-2018)					
2	This schedule is completed for school districts only.					
4	Fund	Sheet, Row	ACCOUNT NO - TITLE	Amount		
6	OPERATING EXPENSE PER PUPIL					
7	EXPENDITURES:					
8	ED	Expenditures 15-22, L114	Total Expenditures	\$	8,705,825	
9	O&M	Expenditures 15-22, L151	Total Expenditures		902,858	
10	DS	Expenditures 15-22, L174	Total Expenditures		1,429,999	
11	TR	Expenditures 15-22, L210	Total Expenditures		559,775	
12	MR/SS	Expenditures 15-22, L295	Total Expenditures		336,626	
13	TORT	Expenditures 15-22, L342	Total Expenditures		10,000	
14	Total Expenditures				\$	11,945,083
16	LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:					
18	TR	Revenues 9-14, L43, Col F	1412 Regular - Transp Fees from Other Districts (In State)	\$	0	
19	TR	Revenues 9-14, L47, Col F	1421 Summer Sch - Transp. Fees from Pupils or Parents (In State)		0	
20	TR	Revenues 9-14, L48, Col F	1422 Summer Sch - Transp. Fees from Other Districts (In State)		0	
21	TR	Revenues 9-14, L49, Col F	1423 Summer Sch - Transp. Fees from Other Sources (In State)		0	
22	TR	Revenues 9-14, L50 Col F	1424 Summer Sch - Transp. Fees from Other Sources (Out of State)		0	
23	TR	Revenues 9-14, L52, Col F	1432 CTE - Transp Fees from Other Districts (In State)		0	
24	TR	Revenues 9-14, L56, Col F	1442 Special Ed - Transp Fees from Other Districts (In State)		0	
25	TR	Revenues 9-14, L59, Col F	1451 Adult - Transp Fees from Pupils or Parents (In State)		0	
26	TR	Revenues 9-14, L60, Col F	1452 Adult - Transp Fees from Other Districts (In State)		0	
27	TR	Revenues 9-14, L61, Col F	1453 Adult - Transp Fees from Other Sources (In State)		0	
28	TR	Revenues 9-14, L62, Col F	1454 Adult - Transp Fees from Other Sources (Out of State)		0	
29	O&M-TR	Revenues 9-14, L148, Col D & F	3410 Adult Ed (from ICCB)		0	
30	O&M-TR	Revenues 9-14, L149, Col D & F	3499 Adult Ed - Other (Describe & Itemize)		0	
31	O&M-TR	Revenues 9-14, L218, Col D,F	4600 Fed - Spec Education - Preschool Flow-Through		0	
32	O&M-TR	Revenues 9-14, L219, Col D,F	4605 Fed - Spec Education - Preschool Discretionary		0	
33	O&M	Revenues 9-14, L229, Col D	4810 Federal - Adult Education		0	
34	ED	Expenditures 15-22, L7, Col K - (G+I)	1125 Pre-K Programs		0	
35	ED	Expenditures 15-22, L9, Col K - (G+I)	1225 Special Education Programs Pre-K		0	
36	ED	Expenditures 15-22, L11, Col K - (G+I)	1275 Remedial and Supplemental Programs Pre-K		0	
37	ED	Expenditures 15-22, L12, Col K - (G+I)	1300 Adult/Continuing Education Programs		0	
38	ED	Expenditures 15-22, L15, Col K - (G+I)	1600 Summer School Programs		9,814	
39	ED	Expenditures 15-22, L20, Col K	1910 Pre-K Programs - Private Tuition		0	
40	ED	Expenditures 15-22, L21, Col K	1911 Regular K-12 Programs - Private Tuition		0	
41	ED	Expenditures 15-22, L22, Col K	1912 Special Education Programs K-12 - Private Tuition		0	
42	ED	Expenditures 15-22, L23, Col K	1913 Special Education Programs Pre-K - Tuition		0	
43	ED	Expenditures 15-22, L24, Col K	1914 Remedial/Supplemental Programs K-12 - Private Tuition		0	
44	ED	Expenditures 15-22, L25, Col K	1915 Remedial/Supplemental Programs Pre-K - Private Tuition		0	
45	ED	Expenditures 15-22, L26, Col K	1916 Adult/Continuing Education Programs - Private Tuition		0	
46	ED	Expenditures 15-22, L27, Col K	1917 CTE Programs - Private Tuition		0	
47	ED	Expenditures 15-22, L28, Col K	1918 Interscholastic Programs - Private Tuition		0	
48	ED	Expenditures 15-22, L29, Col K	1919 Summer School Programs - Private Tuition		0	
49	ED	Expenditures 15-22, L30, Col K	1920 Gifted Programs - Private Tuition		0	
50	ED	Expenditures 15-22, L31, Col K	1921 Bilingual Programs - Private Tuition		0	
51	ED	Expenditures 15-22, L32, Col K	1922 Truants Alternative/Optional Ed Progrms - Private Tuition		0	
52	ED	Expenditures 15-22, L75, Col K - (G+I)	3000 Community Services		0	
53	ED	Expenditures 15-22, L102, Col K	4000 Total Payments to Other Govt Units		720,450	
54	ED	Expenditures 15-22, L114, Col G	- Capital Outlay		93,284	
55	ED	Expenditures 15-22, L114, Col I	- Non-Capitalized Equipment		0	
56	O&M	Expenditures 15-22, L130, Col K - (G+I)	3000 Community Services		0	
57	O&M	Expenditures 15-22, L139, Col K	4000 Total Payments to Other Govt Units		0	
58	O&M	Expenditures 15-22, L151, Col G	- Capital Outlay		71,888	
59	O&M	Expenditures 15-22, L151, Col I	- Non-Capitalized Equipment		0	
60	DS	Expenditures 15-22, L160, Col K	4000 Payments to Other Dist & Govt Units		0	
61	DS	Expenditures 15-22, L170, Col K	5300 Debt Service - Payments of Principal on Long-Term Debt		375,461	
62	TR	Expenditures 15-22, L185, Col K - (G+I)	3000 Community Services		0	
63	TR	Expenditures 15-22, L196, Col K	4000 Total Payments to Other Govt Units		0	
64	TR	Expenditures 15-22, L206, Col K	5300 Debt Service - Payments of Principal on Long-Term Debt		0	
65	TR	Expenditures 15-22, L210, Col G	- Capital Outlay		27,693	
66	TR	Expenditures 15-22, L210, Col I	- Non-Capitalized Equipment		15	
67	MR/SS	Expenditures 15-22, L216, Col K	1125 Pre-K Programs		12,194	
68	MR/SS	Expenditures 15-22, L218, Col K	1225 Special Education Programs - Pre-K		0	
69	MR/SS	Expenditures 15-22, L220, Col K	1275 Remedial and Supplemental Programs - Pre-K		0	
70	MR/SS	Expenditures 15-22, L221, Col K	1300 Adult/Continuing Education Programs		0	
71	MR/SS	Expenditures 15-22, L224, Col K	1600 Summer School Programs		121	
72	MR/SS	Expenditures 15-22, L280, Col K	3000 Community Services		0	
73	MR/SS	Expenditures 15-22, L285, Col K	4000 Total Payments to Other Govt Units		0	
74	Tort	Expenditures 15-22, L334, Col K	4000 Total Payments to Other Govt Units		0	
76	Total Deductions for OEPP Computation (Sum of Lines 18 - 74)				\$	1,310,920
77	Total Operating Expenses Regular K-12 (Line 14 minus Line 76)					10,634,163
78	9 Month ADA from District Average Daily Attendance/Prior General State Aid Inquiry 2017-2018					833.92
79	Estimated OEPP (Line 77 divided by Line 78)				\$	12,752.02
80						

	A	B	C	D	E	F
1	ESTIMATED OPERATING EXPENSE PER PUPIL (OEPP)/PER CAPITA TUITION CHARGE (PCTC) COMPUTATIONS (2017-2018)					
2	This schedule is completed for school districts only.					
4	Fund	Sheet, Row	ACCOUNT NO - TITLE	Amount		
81	PER CAPITA TUITION CHARGE					
83	LESS OFFSETTING RECEIPTS/REVENUES:					
84	TR	Revenues 9-14, L42, Col F	1411 Regular -Transp Fees from Pupils or Parents (In State)	\$		0
85	TR	Revenues 9-14, L44, Col F	1413 Regular - Transp Fees from Other Sources (In State)			0
86	TR	Revenues 9-14, L45, Col F	1415 Regular - Transp Fees from Co-curricular Activities (In State)			0
87	TR	Revenues 9-14, L46, Col F	1416 Regular Transp Fees from Other Sources (Out of State)			0
88	TR	Revenues 9-14, L51, Col F	1431 CTE - Transp Fees from Pupils or Parents (In State)			0
89	TR	Revenues 9-14, L53, Col F	1433 CTE - Transp Fees from Other Sources (In State)			0
90	TR	Revenues 9-14, L54, Col F	1434 CTE - Transp Fees from Other Sources (Out of State)			0
91	TR	Revenues 9-14, L55, Col F	1441 Special Ed - Transp Fees from Pupils or Parents (In State)			0
92	TR	Revenues 9-14, L57, Col F	1443 Special Ed - Transp Fees from Other Sources (In State)			0
93	TR	Revenues 9-14, L58, Col F	1444 Special Ed - Transp Fees from Other Sources (Out of State)			0
94	ED	Revenues 9-14, L75, Col C	1600 Total Food Service			197,741
95	ED-O&M	Revenues 9-14, L82, Col C,D	1700 Total District/School Activity Income			59,693
96	ED	Revenues 9-14, L84, Col C	1811 Rentals - Regular Textbooks			79,557
97	ED	Revenues 9-14, L87, Col C	1819 Rentals - Other (Describe & Itemize)			0
98	ED	Revenues 9-14, L88, Col C	1821 Sales - Regular Textbooks			29
99	ED	Revenues 9-14, L91, Col C	1829 Sales - Other (Describe & Itemize)			0
100	ED	Revenues 9-14, L92, Col C	1890 Other (Describe & Itemize)			0
101	ED-O&M	Revenues 9-14, L95, Col C,D	1910 Rentals			9,040
102	ED-O&M-TR	Revenues 9-14, L98, Col C,D,F	1940 Services Provided Other Districts			0
103	ED-O&M-DS-TR-MR/SS	Revenues 9-14, L104, Col C,D,E,F,G	1991 Payment from Other Districts			0
104	ED	Revenues 9-14, L106, Col C	1993 Other Local Fees (Describe & Itemize)			0
105	ED-O&M-TR	Revenues 9-14, L131, Col C,D,F	3100 Total Special Education			197,470
106	ED-O&M-MR/SS	Revenues 9-14, L140, Col C,D,G	3200 Total Career and Technical Education			7,824
107	ED-MR/SS	Revenues 9-14, L144, Col C,G	3300 Total Bilingual Ed			0
108	ED	Revenues 9-14, L145, Col C	3360 State Free Lunch & Breakfast			1,319
109	ED-O&M-MR/SS	Revenues 9-14, L146, Col C,D,G	3365 School Breakfast Initiative			0
110	ED-O&M	Revenues 9-14, L147,Col C,D	3370 Driver Education			0
111	ED-O&M-TR-MR/SS	Revenues 9-14, L154, Col C,D,F,G	3500 Total Transportation			339,533
112	ED	Revenues 9-14, L155, Col C	3610 Learning Improvement - Change Grants			0
113	ED-O&M-TR-MR/SS	Revenues 9-14, L156, Col C,D,F,G	3660 Scientific Literacy			0
114	ED-TR-MR/SS	Revenues 9-14, L157, Col C,F,G	3695 Truant Alternative/Optional Education			0
115	ED-TR-MR/SS	Revenues 9-14, L159, Col C,F,G	3715 Reading Improvement Block Grant			1,500
116	ED-TR-MR/SS	Revenues 9-14, L160, Col C,F,G	3720 Reading Improvement Block Grant - Reading Recovery			0
117	ED-TR-MR/SS	Revenues 9-14, L161, Col C,F,G	3725 Continued Reading Improvement Block Grant			0
118	ED-TR-MR/SS	Revenues 9-14, L162, Col C,F,G	3726 Continued Reading Improvement Block Grant (2% Set Aside)			0
119	ED-O&M-TR-MR/SS	Revenues 9-14, L163, Col C,D,F,G	3766 Chicago General Education Block Grant			0
120	ED-O&M-TR-MR/SS	Revenues 9-14, L164, Col C,D,F,G	3767 Chicago Educational Services Block Grant			0
121	ED-O&M-DS-TR-MR/SS	Revenues 9-14, L165, Col C,D,E,F,G	3775 School Safety & Educational Improvement Block Grant			0
122	ED-O&M-DS-TR-MR/SS	Revenues 9-14, L166, Col C,D,E,F,G	3780 Technology - Technology for Success			0
123	ED-TR	Revenues 9-14, L167, Col C,F	3815 State Charter Schools			0
124	O&M	Revenues 9-14, L170, Col D	3925 School Infrastructure - Maintenance Projects			0
125	ED-O&M-DS-TR-MR/SS-Tort	Revenues 9-14, L171, Col C-G,J	3999 Other Restricted Revenue from State Sources			0
126	ED	Revenues 9-14, L180, Col C	4045 Head Start (Subtract)			0
127	ED-O&M-TR-MR/SS	Revenues 9-14, L184, Col C,D,F,G	- Total Restricted Grants-In-Aid Received Directly from Federal Govt			0
128	ED-O&M-TR-MR/SS	Revenues 9-14, L191, Col C,D,F,G	4100 Total Title V			0
129	ED-MR/SS	Revenues 9-14, L201, Col C,G	4200 Total Food Service			103,619
130	ED-O&M-TR-MR/SS	Revenues 9-14, L211, Col C,D,F,G	4300 Total Title I			62,945
131	ED-O&M-TR-MR/SS	Revenues 9-14, L216, Col C,D,F,G	4400 Total Title IV			0
132	ED-O&M-TR-MR/SS	Revenues 9-14, L220, Col C,D,F,G	4620 Fed - Spec Education - IDEA - Flow Through			199,145
133	ED-O&M-TR-MR/SS	Revenues 9-14, L221, Col C,D,F,G	4625 Fed - Spec Education - IDEA - Room & Board			0
134	ED-O&M-TR-MR/SS	Revenues 9-14, L222, Col C,D,F,G	4630 Fed - Spec Education - IDEA - Discretionary			0
135	ED-O&M-TR-MR/SS	Revenues 9-14, L223, Col C,D,F,G	4699 Fed - Spec Education - IDEA - Other (Describe & Itemize)			0
136	ED-O&M-MR/SS	Revenues 9-14, L228, Col C,D,G	4700 Total CTE - Perkins			306
161	ED-O&M-DS-TR-MR/SS-Tort	Revenue Adjustments (C231 thru J258)	4800 Total ARRA Program Adjustments			0
162	ED	Revenues 9-14, L260, Col C	4901 Race to the Top			0
163	ED-O&M-DS-TR-MR/SS-Tort	Revenues 9-14, L261, Col C-G,J	4902 Race to the Top-Preschool Expansion Grant			0
164	ED,O&M,M/SS	Revenues 9-14, L262, Col C,D,G	4904 Advanced Placement Fee/International Baccalaureate			0
165	ED-TR-MR/SS	Revenues 9-14, L263, Col C,F,G	4905 Title III - Immigrant Education Program (IEP)			0
166	ED-TR-MR/SS	Revenues 9-14, L264, Col C,F,G	4909 Title III - Language Inst Program - Limited Eng (LIPLEP)			0
167	ED-TR-MR/SS	Revenues 9-14, L265, Col C,F,G	4910 Learn & Serve America			0
168	ED-O&M-TR-MR/SS	Revenues 9-14, L266, Col C,D,F,G	4920 McKinney Education for Homeless Children			0
169	ED-O&M-TR-MR/SS	Revenues 9-14, L267, Col C,D,F,G	4930 Title II - Eisenhower Professional Development Formula			0
170	ED-O&M-TR-MR/SS	Revenues 9-14, L268, Col C,D,F,G	4932 Title II - Teacher Quality			0
171	ED-O&M-TR-MR/SS	Revenues 9-14, L269, Col C,D,F,G	4960 Federal Charter Schools			0
172	ED-O&M-TR-MR/SS	Revenues 9-14, L270, Col C,D,F,G	4991 Medicaid Matching Funds - Administrative Outreach			13,821
173	ED-O&M-TR-MR/SS	Revenues 9-14, L271, Col C,D,F,G	4992 Medicaid Matching Funds - Fee-for-Service Program			51,211
174	ED-O&M-TR-MR/SS	Revenues 9-14, L272, Col C,D,F,G	4999 Other Restricted Revenue from Federal Sources (Describe & Itemize)			0
175	ED-TR-MR/SS	Revenues (Part of EBF Payment)	3100 Special Education Contributions from EBF Funds **			
176	ED-MR/SS	Revenues (Part of EBF Payment)	3300 English Learning (Bilingual) Contributions from EBF Funds ***			
177						
178			Total Deductions for PCTC Computation Line 84 through Line 174	\$		1,324,753
179			Net Operating Expense for Tuition Computation (Line 77 minus Line 176)			9,309,410
180			Total Depreciation Allowance (from page 26, Line 18, Col I)			572,703
181			Total Allowance for PCTC Computation (Line 177 plus Line 178)			9,882,113
182			9 Month ADA from District Average Daily Attendance/Prior General State Aid Inquiry 2017-2018			833.92
183			Total Estimated PCTC (Line 179 divided by Line 180) *	\$		11,850.19
184						
185	* The total OEPP/PCTC may change based on the data provided. The final amounts will be calculated by ISBE					
186	** Go to the link below: Under "What's New!" select "FY 2018 Special Education Funding Allocation Calculation Details." Open excel file and use the amount in column W for the selected district.					
187	*** Follow the same instructions as above except under What's New, select "FY 2018 English Learner Education Funding Allocation Calculation Details", and use column U for the selected district.					
188						
189	Evidence Based Funding Link: <a href="https://www.isbe.net/Pages/ebfdistribution.aspx">https://www.isbe.net/Pages/ebfdistribution.aspx</a>					


### Current Year Payment on Contracts For Indirect Cost Rate Computation

1. In column (A) enter the name of the **Fund-Function-Object of the account** where the payment was made on each contract in the current year.
2. In column (B) enter the number of the **Fund-Function-Object (use this format [00-0000-000])** of the account where the payment was made on each contract for the current year. Use only the functions listed on page 30.
3. In Column (C) enter the name of the Company that is listed on the contract.
4. In column (D) enter the total amount **paid** in the AFR for the contract. The amount must be equal to the amount reported in the AFR's "Expenditures 15-22" tab.
5. Column (E) and (F) are calculated automatically based on the information provided in Columns (A through D).
6. The amount in column (E) is the amount allowed on each contract in the Indirect Cost Rate calculation. The amount in column (F) is the amount that will be deducted from the base in the indirect cost rate (page 30) for Program Year 2020.
7. Do not include contracts for Capital Outlay (500) or Non-Capitalized Equipment (700) on this form, they are excluded from the Indirect Cost Rate calculation.

[illegible]

# ESTIMATED INDIRECT COST DATA

	A	B	C	D	E	F	G	H
1	<b>ESTIMATED INDIRECT COST RATE DATA</b>							
2	<b>SECTION I</b>							
3	<b>Financial Data To Assist Indirect Cost Rate Determination</b>							
4	<i>(Source document for the computation of the Indirect Cost Rate is found in the "Expenditures 15-22" tab.)</i>							
5	<b>ALL OBJECTS EXCLUDE CAPITAL OUTLAY.</b> With the exception of line 11, enter the disbursements/expenditures included within the following functions charged directly to and reimbursed from federal grant programs. Also, include all amounts paid to or for other employees within each function that work with specific federal grant programs in the same capacity as those charged to and reimbursed from the same federal grant programs. For example, if a district received funding for a Title I clerk, all other salaries for Title I clerks performing like duties in that function must be included. Include any benefits and/or purchased services paid on or to persons whose salaries are classified as direct costs in the function listed.							
6	<b>Support Services - Direct Costs (1-2000) and (5-2000)</b>							
7	Direction of Business Support Services (1-2510) and (5-2510)							
8	Fiscal Services (1-2520) and (5-2520)							
9	Operation and Maintenance of Plant Services (1, 2, and 5-2540)							
10	Food Services (1-2560) <i>Must be less than (P16, Col E-F, L63)</i>							
11	Value of Commodities Received for Fiscal Year 2018 <i>(Include the value of commodities when determining if a Single Audit is required)</i> .				22,109			
12	Internal Services (1-2570) and (5-2570)							
13	Staff Services (1-2640) and (5-2640)							
14	Data Processing Services (1-2660) and (5-2660)							
15	<b>SECTION II</b>							
16	<b>Estimated Indirect Cost Rate for Federal Programs</b>							
17				<b>Restricted Program</b>		<b>Unrestricted Program</b>		
18		<b>Function</b>		<b>Indirect Costs</b>	<b>Direct Costs</b>	<b>Indirect Costs</b>	<b>Direct Costs</b>	
19	<b>Instruction</b>	1000			5,389,323		5,389,323	
20	<b>Support Services:</b>							
21	Pupil	2100			520,168		520,168	
22	Instructional Staff	2200			283,535		283,535	
23	General Admin.	2300			837,714		837,714	
24	School Admin	2400			547,611		547,611	
25	<b>Business:</b>							
26	Direction of Business Spt. Srv.	2510	0	0	0	0	0	
27	Fiscal Services	2520	78,012	0	78,012	0	0	
28	Oper. & Maint. Plant Services	2540		1,044,387	1,044,387		0	
29	Pupil Transportation	2550		586,179			586,179	
30	Food Services	2560		314,825			314,825	
31	Internal Services	2570	0	0	0	0	0	
32	<b>Central:</b>							
33	Direction of Central Spt. Srv.	2610		0			0	
34	Plan, Rsrch, Dvlp, Eval. Srv.	2620		0			0	
35	Information Services	2630		0			0	
36	Staff Services	2640	0	0	0	0	0	
37	Data Processing Services	2660	0	0	0	0	0	
38	<b>Other:</b>	2900		0			0	
39	<b>Community Services</b>	3000		0			0	
40	<b>Contracts Paid in CY over the allowed amount for ICR calculation (from page 29)</b>				0		0	
41	<b>Total</b>			78,012	9,523,742	1,122,399	8,479,355	
42				<b>Restricted Rate</b>		<b>Unrestricted Rate</b>		
43				Total Indirect Costs:	78,012	Total Indirect costs:	1,122,399	
44				Total Direct Costs:	9,523,742	Total Direct Costs:	8,479,355	
45				=	0.82%	=	13.24%	
46								

	A	B	C	D	E	F
1	<b>REPORT ON SHARED SERVICES OR OUTSOURCING</b> School Code, Section 17-1.1 ( <i>Public Act 97-0357</i> ) Fiscal Year Ending June 30, 2018					
2						
3						
5	Complete the following for attempts to improve fiscal efficiency through shared services or outsourcing in the prior, current and next fiscal years.					
6	Pecatonica Community Unit School 04-101-3210-26					
7						
8	<i>Check box if this schedule is not applicable.....</i> <input type="checkbox"/>	Prior Fiscal Year	Current Fiscal Year	Next Fiscal Year	Name of the Local Education Agency (LEA) Participating in the Joint Agreement, Cooperative or Shared Service.	
9	Indicate with an (X) If Deficit Reduction Plan Is Required in the Budget 					
10	Service or Function ( <i>Check all that apply</i> )			Barriers to Implementation	(Limit text to 200 characters, for additional space use line 33 and 38)	
11	Curriculum Planning					
12	Custodial Services					
13	Educational Shared Programs					
14	Employee Benefits					
15	Energy Purchasing					
16	Food Services					
17	Grant Writing					
18	Grounds Maintenance Services					
19	Insurance					
20	Investment Pools					
21	Legal Services					
22	Maintenance Services					
23	Personnel Recruitment					
24	Professional Development					
25	Shared Personnel					
26	Special Education Cooperatives	X	X		winnebago county special education cooperative	
27	STEM (science, technology, engineering and math) Program Offerings					
28	Supply & Equipment Purchasing					
29	Technology Services					
30	Transportation					
31	Vocational Education Cooperatives	X	X		career tech	
32	All Other Joint/Cooperative Agreements					
33	Other					
34						
35	Additional space for Column (D) - Barriers to Implementation:					
36						
37						
38						
40	Additional space for Column (E) - Name of LEA :					
41						
42						
43						

**ILLINOIS STATE BOARD OF EDUCATION**  
School Business Services Division (N-330)  
100 North First Street  
Springfield, IL 62777-0001

**LIMITATION OF ADMINISTRATIVE COSTS WORKSHEET**  
(Section 17-1.5 of the School Code)

School District Name: Pecatonica Community Unit School District  
RCDT Number: 04-101-3210-26

Description	Funct. No.	Actual Expenditures, Fiscal Year 2018			Budgeted Expenditures, Fiscal Year 2019		
		(10) Educational Fund	(20) Operations & Maintenance Fund	Total	(10) Educational Fund	(20) Operations & Maintenance Fund	Total
1. Executive Administration Services	2320	273,822		273,822	286,000		286,000
2. Special Area Administration Services	2330	0		0			0
3. Other Support Services - School Administration	2490	0		0			0
4. Direction of Business Support Services	2510	0	0	0			0
5. Internal Services	2570	0		0			0
6. Direction of Central Support Services	2610	0		0			0
7. Deduct - Early Retirement or other pension obligations required by state law and included above.				0			0
8. Totals		273,822	0	273,822	286,000	0	286,000
9. Percent Increase (Decrease) for FY2019 (Budgeted) over FY2018 (Actual)							4%

**CERTIFICATION**

I certify that the amounts shown above as "Actual Expenditures, Fiscal Year 2018" agree with the amounts on the district's Annual Financial Report for Fiscal Year 2018.

I also certify that the amounts shown above as "Budgeted Expenditures, Fiscal Year 2019" agree with the amounts on the budget adopted by the Board of Education.

\_\_\_\_\_  
Signature of Superintendent

\_\_\_\_\_  
Date

\_\_\_\_\_  
Contact Name (for questions)

\_\_\_\_\_  
Contact Telephone Number

**If line 9 is greater than 5% please check one box below.**

- ☐ The District is ranked by ISBE in the lowest 25th percentile of like districts in administrative expenditures per student (4th quartile) and will waive the limitation by board action, subsequent to a public hearing. Waiver resolution must be adopted no later than June 30.
- ☐ The district is unable to waive the limitation by board action and will be requesting a waiver from the General Assembly pursuant to the procedures in Chapter 105 ILCS 5/2-3.25g. Waiver applications must be postmarked by August 15, 2018 to ensure inclusion in the Fall 2018 report or postmarked by January 15, 2019 to ensure inclusion in the Spring 2019 report. Information on the waiver process can be found at <https://www.isbe.net/Pages/Waivers.aspx>
- ☐ The district will amend their budget to become in compliance with the limitation. Budget amendments must be adopted no later than June 30.

**This page is provided for detailed itemizations as requested within the body of the report.**  
Type Below.

- 1. function 1999, line 107, education, o&m & transportation- lease income and miscellaneous income
- 2.
- 3.
- 4.

## **Compliance Section**

# Pecatonica Community Unit School District No. 321

## Schedule of Findings and Responses

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### **Finding #2018-001**

Criteria – Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements including the related disclosures, in conformity the ISBE regulatory basis of accounting.

Condition – The District does not have an internal control policy in place over annual financial reporting that would enable management to prepare its annual financial statements and ensure related footnote disclosures are complete and presented in accordance with the ISBE regulatory basis of accounting.

Cause – The District relies on the audit firm to prepare the annual financial statements and related footnote disclosures. However, they have reviewed and approved the annual financial statements and the related footnote disclosures.

Effects or Potential Effects – The completeness of the financial statement disclosures and the accuracy of the overall financial presentation is negatively impacted as external auditors do not have the same comprehensive understanding of the District as its internal staff.

Auditor's Recommendation - Management should continue to review and approve the annual financial statements and the related footnote disclosures.

View of responsible officials – The District will continue to review the financial statements and required footnotes prepared by the external auditors. The District believes this process to be the most economical and appropriate to help ensure complete and proper financial reporting.

### **Finding #2018-002**

Criteria – The District lacks proper segregation of duties.

Condition and Cause – District has limited number of personnel to permit adequate segregation of duties.

Effects or Potential Effects – Inadequate segregation of duties.

Auditor's Recommendation - The District will continue to have a finding for segregation of duties due to the small size of the organization.

View of responsible officials – Agree with the auditor recommendation. The District is not able to hire the appropriate amount of personnel to eliminate segregation of duties.

### **Finding #2018-003**

Criteria – The District had excess expenditures over budget in the Education, Operations and Maintenance and Transportation Funds.

Condition and Cause – The District had an excess of expenditures over budget.

Effects or Potential Effects – The District was not in compliance with 105 ILCS 5 School Code.

Auditor's Recommendation - The District should amend its budget when it is anticipated that expenditures will exceed budget for the fiscal year.

View of responsible officials and planned corrective actions – Agree with the auditor recommendation. The District will consider amending its budget in the future.