

**EARLVILLE COMMUNITY  
UNIT SCHOOL DISTRICT 9**

**EARLVILLE, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2019**

**EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9**

**Table of Contents**

---

	PAGE
<b>INDEPENDENT AUDITORS' REPORT .....</b>	<b>1-3</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Position- Modified Cash Basis (Statement A).....	4
Statement of Activities-Modified Cash Basis (Statement B) .....	5
<b>Fund Financial Statements:</b>	
Statement of Assets, Liabilities and Fund Balances- Modified Cash Basis - Governmental Funds (Statement C) .....	6
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances – Governmental Funds (Statement D).....	7-8
Statement of Fiduciary Net Position – Agency Funds (Statement E) .....	9
<b>NOTES TO BASIC FINANCIAL STATEMENTS.....</b>	<b>10-40</b>
<b>OTHER INFORMATION</b>	
<b>General Fund:</b>	
Combining Statement of Assets, Liabilities, and Fund Balance Arising from Cash Transactions (Schedule A-1) .....	41
Combining Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance (Schedule A-2) .....	42
<b>Educational Fund:</b>	
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance – Budget & Actual (Schedule A-3) .....	43-47
<b>Operations &amp; Maintenance Fund:</b>	
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance – Budget & Actual (Schedule A-4) .....	48

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Table of Contents

---

PAGE

#### OTHER INFORMATION – (Continued)

##### General Fund (continued):

###### Working Cash Fund:

Statement of Revenues Received, Expenditures Disbursed,  
and Changes in Fund Balance – Budget & Actual (Schedule A-5) .....49

##### Major Special Revenue Funds:

###### Transportation Fund:

Statement of Assets, Liabilities, and Fund  
Balance Arising from Cash Transactions (Schedule B-1) .....50

Statement of Revenues Received, Expenditures  
Disbursed, and Changes in Fund Balance – Budget & Actual (Schedule B-2) .....50

###### Social Security and IMRF Fund:

Statement of Assets, Liabilities, and Fund  
Balance Arising from Cash Transactions (Schedule B-3) .....51

Statement of Revenues Received, Expenditures  
Disbursed, and Changes in Fund Balance – Budget & Actual (Schedule B-4) .....51

###### Tort Fund:

Statement of Assets, Liabilities, and Fund  
Balance Arising from Cash Transactions (Schedule B-5) .....52

Statement of Revenues Received, Expenditures  
Disbursed, and Changes in Fund Balance – Budget & Actual (Schedule B-6) .....52

###### Life Safety Fund:

Statement of Assets, Liabilities, and Fund  
Balance Arising from Cash Transactions (Schedule B-7) .....53

Statement of Revenues Received, Expenditures  
Disbursed, and Changes in Fund Balance – Budget & Actual (Schedule B-8) .....53

**EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9**

**Table of Contents**

	PAGE
<b>OTHER INFORMATION – (Continued)</b>	
<b>Debt Service Fund:</b>	
<b>Bond and Interest Fund:</b>	
Statement of Assets, Liabilities, and Fund Balance Arising from Cash Transactions (Schedule B-9) .....	54
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance – Budget & Actual (Schedule B-10) .....	54
<b>Illinois Municipal Retirement Fund:</b>	
Schedule of Contributions (Schedule C-1) .....	55
Schedule of Changes in Net Pension Liability and Related Ratios (Schedule C-2) .....	56
<b>Teachers’ Retirement System of the State of Illinois:</b>	
Schedule of District’s Share of Net Pension Liability (Schedule C-3) .....	57
Schedule of Contributions (Schedule C-4) .....	57
<b>Teachers’ Health Insurance Security Fund of the State of Illinois:</b>	
Schedule of District’s Share of OPEB Liability (Schedule C-5) .....	58
Schedule of Contributions (Schedule C-6) .....	58
<b>NOTES TO OTHER INFORMATION .....</b>	<b>59-60</b>
<b>SUPPLEMENTAL INFORMATION</b>	
Agency Fund:	
Statement of Changes in Assets and Liabilities (Schedule D) .....	61
Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections (Schedule 1) .....	62
<b>OTHER REPORTS:</b>	
Independent Auditors’ Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	63-64

## **INDEPENDENT AUDITORS' REPORT**



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### **Independent Auditors' Report**

To the Board of Education  
Earlville Community Unit School  
District 9  
Earlville, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Earlville Community Unit School District 9, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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 error or fraud.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Unmodified Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Earlville Community Unit School District 9 as of June 30, 2019, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

## **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The governmental activities, each major fund, and the aggregate remaining fund information are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Earlville Community Unit School District 9's basic financial statements. The combining and individual fund financial statements on pages 41-54, IMRF, TRS and THIS supplementary schedules on pages 55-58, notes to other information on pages 59-60, and other supplemental information on pages 61-62, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The notes to other information, IMRF, TRS and THIS supplementary schedules, and other supplemental information have 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 them.

### *Comparative Information*

We previously audited in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Earlville Community Unit School District 9, for the year ended June 30, 2018, which are presented in summary for comparative purposes with the accompanying financial statements. In our report dated September 24, 2018, we expressed a qualified opinion on the payroll liabilities of the Educational, Operations & Maintenance, Transportation, and Tort Funds, and an unmodified opinion on the respective financial statements of governmental activities and each major fund, other than the payroll liabilities.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2019, on our consideration of the Earlville Community Unit School District 9's internal control over financial reporting and our tests of its compliance with provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Mack & Associates, P.C.*  
Mack & Associates, P.C.  
Certified Public Accountants

Morris, Illinois  
September 23, 2019



## **BASIC FINANCIAL STATEMENTS**

**Government-wide Financial Statement- Statement of Net Position-**  
**Modified Cash Basis**  
**June 30, 2019**

	Governmental Activities	
	Total	
	2019	2018
<u>Assets</u>		
Cash and Cash Equivalents	\$ 2,308,526	2,102,021
Investments	2,900,386	2,537,451
Capital Assets		
Land	160,300	160,300
Land Improvements	76,673	76,673
Building	8,234,156	8,220,506
Equipment	1,196,898	1,144,930
Transportation Equipment	431,115	431,115
Cafeteria Equipment	34,723	34,723
Accumulated Depreciation	(5,322,410)	(5,043,446)
Total Assets	10,020,367	9,664,273
<u>Liabilities</u>		
Current Liabilities:		
Payroll Liabilities	491	490
Long Term Liabilities:		
Due Within One Year	365,000	345,000
Due in More Than One Year	2,835,000	3,200,000
Total Liabilities	3,200,491	3,545,490
<u>Net Position</u>		
Net Investment in Capital Assets	1,611,455	1,479,801
Restricted	474,811	495,888
Unrestricted	4,733,610	4,143,094
Total Net Position	\$ 6,819,876	6,118,783

The Notes to Basic Financial Statements are an integral part of this statement.

**Government-wide Financial Statement- Statement of Activities-**  
**Modified Cash Basis**  
**For the Year Ended June 30, 2019**

Program Activities	Expenses	Program Revenues			Net Expense and Changes in Net Position	
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
					2019	2018
Governmental Activities						
Instruction	\$ 2,712,997	58,572	250,166	-	(2,404,259)	(1,249,092)
Support Services	2,294,018	69,982	277,018	-	(1,947,018)	(2,593,377)
Community Services	22,720	-	-	-	(22,720)	(8,280)
Payments to Other Schools	172,166	-	-	-	(172,166)	(195,749)
On-Behalf Payments	253,261	-	253,261	-	-	-
Unallocated Interest	82,478	-	-	-	(82,478)	(88,177)
Total Governmental Activities	\$ 5,537,640	128,554	780,445	-	(4,628,641)	(4,134,675)
General Revenues						
Taxes:						
Property Taxes				\$ 3,495,875	3,328,903	
Special Education Taxes				22,862	21,335	
Lease Taxes				28,577	27,391	
Replacement Taxes				149,716	138,393	
TIF Receipts				111,636	20,779	
Evidence Based Funding Formula				1,367,363	1,348,028	
Special Education Tuition				72,384	71,023	
Unrestricted Contributions and Donations				1,351	500	
Refund of Prior Years' Expenditures				1,153	1,328	
Interest on Investments				75,999	40,840	
Miscellaneous				2,818	5,770	
Total General Revenues				5,329,734	5,004,290	
Change in Net Position				701,093	869,615	
Net Position Beginning of Year, as Originally Reported				6,118,783	5,298,484	
Prior Period Adjustment				-	(49,316)	
Net Position, Beginning of Year, as Restated				6,118,783	5,249,168	
Net Position, End of Year				\$ 6,819,876	6,118,783	

The Notes to Basic Financial Statements are an integral part of this statement.

**Statement of Assets, Liabilities and Fund Balances-  
Modified Cash Basis- Governmental Funds  
June 30, 2019**

		Special Revenue Funds:				Debt Service Fund:	Total Governmental Funds	
	General Fund	Transportation Fund	SS/IMRF Fund	Tort Fund	Life Safety Fund	Bond & Interest Fund	2019	2018
<u>Assets</u>								
Cash and Cash Equivalents	\$ 1,926,667	137,369	146,089	34,578	53,763	10,060	2,308,526	2,138,764
Investments	2,243,159	426,415	87,804	110,437	26,863	5,708	2,900,386	2,537,451
Total Assets	<u>\$ 4,169,826</u>	<u>563,784</u>	<u>233,893</u>	<u>145,015</u>	<u>80,626</u>	<u>15,768</u>	<u>5,208,912</u>	<u>4,676,215</u>
<u>Liabilities &amp; Fund Balances</u>								
Liabilities:								
Payroll Liabilities (Refund Due)	\$ -	-	491	-	-	-	491	490
Overdraft Payable	-	-	-	-	-	-	-	36,743
Total Liabilities	-	-	491	-	-	-	491	37,233
Fund Balance:								
Restricted	-	-	233,402	145,015	80,626	15,768	474,811	495,888
Committed	309,092	-	-	-	-	-	309,092	268,136
Assigned	-	563,784	-	-	-	-	563,784	507,867
Unassigned	3,860,734	-	-	-	-	-	3,860,734	3,367,091
Total Fund Balances	<u>4,169,826</u>	<u>563,784</u>	<u>233,402</u>	<u>145,015</u>	<u>80,626</u>	<u>15,768</u>	<u>5,208,421</u>	<u>4,638,982</u>
Total Liabilities & Fund Balances	<u>\$ 4,169,826</u>	<u>563,784</u>	<u>233,893</u>	<u>145,015</u>	<u>80,626</u>	<u>15,768</u>	<u>5,208,912</u>	<u>4,676,215</u>

**Reconciliation to Statement of Net Position:**

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

Capital assets used in governmental activities of \$10,133,865 (net of accumulated depreciation of \$5,322,410), are not financial resources and therefore are not reported in the funds.

\$ 4,811,455 5,024,801

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

General Obligation Bonds

(3,200,000) (3,545,000)

Net Position of Governmental Activities

\$ 6,819,876 6,118,783

The Notes to Basic Financial Statements are an integral part of this statement.

**Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances-  
Governmental Funds  
For the Year Ended June 30, 2019**

	General Fund	Special Revenue Funds:	Debt Service Fund:	Total				
		Transportation Fund	SS/IMRF Fund	Tort Fund	Life Safety Fund	Bond & Interest Fund	Governmental Funds	
							2019	2018
Revenues Received:								
Local Sources	\$ 3,289,010	120,073	136,311	152,476	29,411	372,594	4,099,875	3,743,095
State Sources	1,421,234	100,425	-	-	-	-	1,521,659	1,635,378
Federal Sources	363,938	-	-	-	-	-	363,938	457,137
On Behalf Payments	253,261	-	-	-	-	-	253,261	249,527
Total Revenues Received	5,327,443	220,498	136,311	152,476	29,411	372,594	6,238,733	6,085,137
Expenditures Disbursed:								
Current:								
Instructional	2,689,442	-	49,193	-	-	925	2,739,560	2,563,531
Support	1,643,475	153,135	60,104	172,299	-	-	2,029,013	2,592,396
Community Services	20,850	-	1,870	-	-	-	22,720	8,280
Payment to Other Schools	172,166	-	-	-	-	-	172,166	195,749
On Behalf Payments	253,261	-	-	-	-	-	253,261	249,527
Capital Outlay:	13,650	11,446	-	-	-	-	25,096	175,858
Debt Service:								
Interest	-	-	-	-	-	82,478	82,478	88,177
Principal	-	-	-	-	-	345,000	345,000	300,000
Total Expenditures Disbursed	4,792,844	164,581	111,167	172,299	-	428,403	5,669,294	6,173,518
Excess (deficiency) of Revenues Received over (under) Expenditures Disbursed	534,599	55,917	25,144	(19,823)	29,411	(55,809)	569,439	(88,381)
Fund balance, beginning of year, as originally reported	3,635,227	507,867	208,257	164,838	51,215	71,577	4,638,981	4,776,679
Prior period adjustment	-	-	-	-	-	-	-	(49,316)
Fund balance, beginning of year, restated	3,635,227	507,867	208,257	164,838	51,215	71,577	4,638,981	4,727,363
Fund balance, end of year	\$ 4,169,826	563,784	233,401	145,015	80,626	15,768	5,208,420	4,638,982

The Notes to Basic Financial Statements are an integral part of this statement.

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

Statement D  
(Continued)Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances-  
Governmental Funds  
For the Year Ended June 30, 2019

## Reconciliation to the Statement of Activities:

Net Change in Fund Balances - governmental activities	\$ 569,439	(88,381)
Amount reported for governmental activities in the Statement of Activities are different because:		
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
General Obligation Bonds Retired	345,000	300,000
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The change in fund balance must be increased by capital purchases and decreased by depreciation expense:		
Capital purchases	65,618	948,493
Depreciation expense	(278,964)	(290,497)
Change in Net Position of Governmental Activities (Statement B)	<u>\$ 701,093</u>	<u>869,615</u>

The Notes to Basic Financial Statements are an integral part of this statement.

**Statement of Fiduciary Net Position-**  
**Agency Funds**  
**June 30, 2019**

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		Total Student Activity Funds	
		2019	2018
<u>Assets</u>			
Cash		\$ 40,526	50,805
<u>Liabilities</u>			
Due to Student Activity Organizations		\$ 40,526	50,805

The Notes to Basic Financial Statements are an integral part of this statement.

## **NOTES TO BASIC FINANCIAL STATEMENTS**



## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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

Earlville Community Unit School District 9, Illinois (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Illinois. It is governed by a seven-member Board of Education (the "Board") elected by registered voters of the District. The financial statements of the District have been prepared on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Illinois, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the District's accounting policies are described below.

#### Reporting Entity

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. Oversight responsibility is derived from the governmental unit's authority and includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, scope of public services, and special financing relationships. There are no component units as defined above that are included in the District's reporting entity. The District is not included in any other governmental "reporting entity." The District is a member of the controlling board for LaSalle Educational Alliance for Special Education. The LaSalle Educational Alliance for Special Education provides special education to the District's students.

#### *A. Basis of Presentation*

The District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The Statement of Net Position and Statement of Activities display information about the District as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(CONTINUED)

##### *A. Basis of Presentation (Continued)*

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenditures and program revenues for each program or function of the District's governmental activities. Direct expenditures are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the District, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenditures with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements - During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at a more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. The fiduciary funds are reported by type.

##### *B. Fund Accounting*

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund balance, revenues, and expenditures. The District maintains individual funds required by the State of Illinois. These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. total assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. total assets, liabilities, revenues, or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(CONTINUED)

##### *B. Fund Accounting (Continued)*

There are two categories of funds utilized by the District: governmental and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. The District has elected to present all governmental funds as major. The following are the District's governmental funds:

General Fund - The General Fund, which consists of the Educational Fund, the Operations and Maintenance Fund, and the Working Cash 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. Special Education and Lease taxes are included in these funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. Major Special Revenue Funds include:

1. Transportation Fund - The Transportation Fund is used to account for expenditures related to transporting the students and the purchase of transportation equipment of the District. The major sources of revenue include property taxes and transportation state aid.
2. Social Security and IMRF Fund – This fund is used to account for expenditures related to IMRF and payroll taxes.
3. Tort Immunity Fund – This fund is used to account for the accumulation of property tax revenues for the purpose of liability insurance and tort related expenditures.
4. Life Safety Fund - The Life Safety Fund is used to account for the financial resources to be used for preventative health/safety related expenditures. Monies deposited in this fund include proceeds from the fire prevention and safety tax levy.

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(CONTINUED)

##### *B. Fund Accounting (Continued)*

Debt Service Funds - Debt Service Funds are used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest and related costs. The District has one debt service fund that is considered a major fund:

1. Bond and Interest Fund - The Bond and Interest Fund is used to account for principal and interest related to long-term debt issued by the District. The fund balance in this fund is restricted for debt service related expenditures.

Fiduciary Funds. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. The District's only fiduciary fund is an agency fund which reports resources that belong to the student bodies of the District.

##### *C. Measurement Focus and Basis of Accounting*

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus and the modified cash basis of accounting. This means that only balances resulting from previous cash transactions are shown on the Statement of Net Position, with two modifications: Capital assets net of related depreciation and long-term liabilities resulting from debt issuances are also included. The Statement of Activities presents increases (i.e. revenues) and decreases (i.e. expenditures) in total net position, with three modifications: capital acquisitions are not reported as expenditures but rather capitalized and shown as assets on the Statement of Net Position. Depreciation expense is reported in the Statement of Activities and long-term debt principal payments are shown as a reduction of long-term liabilities on the Statement of Net Position rather than a disbursement on the Statement of Activities.

Fund Financial Statements - All governmental funds are accounted for using the current financial resources measurement focus and the cash basis of accounting. This means that only current assets, liabilities and fund balances resulting from previous cash transactions are shown on the Statement of Assets, Liabilities and Fund Balance Arising from Cash Transactions. The Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances reports on the District's sources (i.e. revenues) and uses (i.e. expenditures). Revenues are recognized when cash is received. Expenditures are recognized when checks are written. Allocations of cost, such as depreciation, are not recognized in governmental funds. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(CONTINUED)

##### *D. Cash and Cash Equivalents*

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and short-term investments. Trust account investments in open-ended mutual funds are also considered cash equivalents.

To improve cash management, the District utilizes a pooled account. Monies for all funds, excluding fiduciary funds, are maintained in this pool. Individual fund integrity is maintained through District records. Interest in the pool is presented as "cash."

During the fiscal year, investments were limited to Illinois School District Liquid Asset Fund (ISDLAF) investments. Investments are stated at cost which approximates market value. Gains or losses on the sale of investments are recognized upon realization. The institutions in which investments are made must be approved by the Board of Education.

##### *E. Capital Assets*

In the government-wide financial statements, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if the actual cost is unavailable. Estimated historical cost was used to value the majority of the assets acquired prior to July 1, 2004. Assets acquired since July 1, 2004 are recorded at cost.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of five hundred dollars. Investments are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	15-39 years
Machinery, Furniture, & Equipment	3-10 years
Cafeteria Equipment	3-10 years

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(CONTINUED)

##### *F. Compensated Absences*

Full-time certified employees are allowed to accrue 15 days of sick leave each year to a maximum of 340 days. Employees are also allowed 2 personal leave days to a max of 5 days. Any accumulation of over 5 personal days rolls over to sick days. If a teacher does not use any sick or personal days in a school year, a stipend is paid to the teacher at a rate of \$500.

##### *G. Accrued Liabilities and Long-term Obligations*

The District prepares its government-wide financial statements using the modified cash basis of accounting. On the modified cash basis, only long-term obligations are reported in the government-wide financial statements. Payables and accrued liabilities are not reflected in the government-wide financial statements.

The District prepares its fund financial statements using the cash basis of accounting. On the cash basis, payables, accrued liabilities and long-term obligations are not reflected in the fund financial statements.

##### *H. Net Position*

In the Government-wide financial statements net position represents the difference between assets and liabilities, and is displayed in three components:

1. Net Position invested in capital assets - consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of these assets. At June 30, 2019, net investment in capital assets consists of the following:

Capital assets, at cost	\$ 10,133,865
Less: Accumulated depreciation	<u>(5,322,410)</u>
Capital assets, net	4,811,455
Less:	
General obligation bonds	<u>(3,200,000)</u>
Net investment in capital assets	<u><u>\$ 1,611,455</u></u>

2. Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(CONTINUED)

##### *I. Estimates*

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

##### *J. Pensions*

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TRS and IMRF and additions to/deductions from the TRS and IMRF fiduciary net position have been determined on the same basis as they are reported by TRS and IMRF.

##### *K. Postemployment Benefits Other Than Pensions (OPEB)*

The District participates in the Teachers' Health Insurance Security Fund (THIS) plan provided by the State. For purposes of measuring the District's collective OPEB liability, information about the fiduciary net position of the THIS OPEB Plan and additions to/deductions from the THIS Plan's fiduciary net position have been determined on the same basis as they are reported by the THIS Plan.

#### NOTE 2: CASH AND INVESTMENTS

The District is allowed to invest in securities as authorized by the School Code of Illinois, Chapter 85, Sections 902 and 906; and Chapter 122, Section 8-7 and limited by their own local ordinance. The District has adopted a formal written investment and cash management policy. The institution in which investments are made must be approved by the Board of Education.

##### Deposits

Custodial Credit Risk - is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's custodial credit risk policy is included in a formal written investment and cash management policy.

The District's deposits and certificates of deposits are required to be covered by federal depository insurance (FDIC) or by securities held by the pledging financial institution. The FDIC currently insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances (\$1,936,760) over \$250,000 are collateralized with securities held by the pledging financial institution. At June 30, 2019, the carrying amount of the District's deposits was \$2,308,526 and the bank balance was \$2,485,425.

Investments – Investments consist of the following:

	<u>Carrying Amount</u>	<u>Market Value</u>
Illinois School District		
Liquid Asset Fund	\$ 2,900,386	2,900,386

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

#### NOTE 2: CASH AND INVESTMENTS – (Continued)

##### Investments – (Continued)

The Illinois School District Liquid Asset Fund. The Illinois School District Liquid Asset Fund is an external investment pool sponsored by the Illinois Association of School Boards, the Illinois Association of School Administrators and the Illinois Association of School Business Officials. PMA Securities, Inc. administers the fund. A thirteen-member Board of Trustees oversees the actions of the Administrator and decides on general policies. The fund invests in high-quality, short-term debt instruments guaranteed by the full faith and credit of the United States, certain U.S. government agency obligations, commercial paper, bank obligations and other obligations permitted by Illinois law. The monies invested in the Illinois School District Liquid Asset Funds are reported at cost which represents market value.

*Credit Risk* is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investing activities are managed under the custody of the District Superintendent and Treasurer. Investing is performed with investment policies adopted by the Board of Education complying with the School Code of Illinois.

*Interest Rate Risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The District's procedures provide that to the extent practicable, investments are matched with anticipated cash flows. Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer.

*Concentration Risk* is the risk that is a result of the Board placing no limit on the amount that can be invested with any single issuer. All of the District's investments are held with ISLDAF.

#### NOTE 3: COMMON BANK ACCOUNT

Separate bank accounts are not maintained for all District funds; instead, cash of certain funds are combined in common bank accounts. The general checking, imprest, money market and ISDLAF accounts are allocated between funds. Individual accounting records are maintained showing the cash balance attributed to each fund. As of June 30, 2019, the funds participating in the common bank account had the following cash balances:

Fund	Cash	Investments	Total
Educational Fund	\$ 1,833,446	1,534,678	3,368,124
Operations & Maintenance Fund	63,685	637,730	701,415
Working Cash Fund	29,536	70,751	100,287
Total General Fund	1,926,667	2,243,159	4,169,826
Bond and Interest Fund	10,060	5,708	15,768
Transportation Fund	137,369	426,415	563,784
IMRF and Social Security Fund	146,089	87,804	233,893
Tort Fund	34,578	110,437	145,015
Life Safety Fund	53,763	26,863	80,626
Total	\$ 2,308,526	2,900,386	5,208,912



## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 4: PROPERTY TAXES

The District property tax levy must be adopted by the Board by the last Tuesday of December. On the modified cash basis of accounting, property taxes are recognized as revenues when they are received. The 2017 tax levy, in the amount of \$3,178,635 increased by the Bond & Interest levy and reduced by statutory limitations to \$3,551,371, was passed by the board on December 18, 2017. A portion of the 2017 tax levy was received during the 2018 fiscal year, and the remaining amount was received during the 2019 fiscal year. The 2018 tax levy, in the amount of \$3,658,079 increased by the Bond & Interest levy and reduced by statutory limitations to \$3,657,532, was approved by the board on December 17, 2018. The District received a portion of the 2018 tax levy during the current fiscal year and will receive the remaining amount in the subsequent fiscal year.

The District receives property taxes from LaSalle, DeKalb and Lee Counties. Under current procedures, the County Treasurer distributes all property taxes received to the District, including amounts paid by taxpayers that have filed objections in the circuit court that such taxes are illegal and excessive. Any tax objections that are sustained in the subsequent legal proceedings are deducted from future property tax distributions that are due to the District. Specific levies could result in restricted fund balances:

Special Education. Revenue collected and the related expenditures paid from this restricted tax levy are accounted for in the Educational Fund. A total of \$22,862 was collected and all was spent, resulting in no restricted fund balance.

Lease. Revenue collected and the related expenses paid of this restricted tax levy are accounted for in the Educational Fund. During the current year, a total of \$28,577 in taxes was collected and all was spent, resulting in no restricted fund balance.

# EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

## Notes to Basic Financial Statements For the Year Ended June 30, 2019

### NOTE 5: CAPITAL ASSETS

	Balance as of July 1, 2018	Additions	Deletions	Balance as of June 30, 2019
Capital Assets, not being depreciated:				
Land	\$ 160,300	-	-	160,300
Construction in Progress	-	-	-	-
Total Capital Assets, not being depreciated	160,300	-	-	160,300
Capital Assets, being depreciated:				
Land Improvements	76,673	-	-	76,673
Building	8,220,506	13,650	-	8,234,156
Equipment	1,076,489	51,968	-	1,128,457
Transportation Equipment	499,556	-	-	499,556
Cafeteria Equipment	34,723	-	-	34,723
Total Capital Assets, being depreciated	9,907,947	65,618	-	9,973,565
Total Capital Assets	10,068,247	65,618	-	10,133,865
Less Accumulated Depreciation:				
Land Improvements	(68,545)	(3,482)	-	(72,027)
Building	(3,643,857)	(200,396)	-	(3,844,253)
Equipment	(1,035,271)	(39,707)	-	(1,074,978)
Transportation Equipment	(272,820)	(33,764)	-	(306,584)
Cafeteria Equipment	(22,953)	(1,615)	-	(24,568)
Total Accumulated Depreciation	(5,043,446)	(278,964)	-	(5,322,410)
Governmental Activities Capital Assets, Net	\$ 5,024,801	(213,346)	-	4,811,455

Current year depreciation is allocated as follows:

	Depreciation
Instructional expenditures	\$ 39,055
Support Service expenditures	239,909
	<u>\$ 278,964</u>

The District's significant capital purchases during the fiscal year include:

Security Camera System	\$39,170
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## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

#### NOTE 6: LONG-TERM OBLIGATIONS

The following is a summary of the District's general long-term obligations for the year ended June 30, 2019:

	Principal Outstanding 7/1/2018	Additions	Reductions	Principal Outstanding 6/30/2019	Amount Due in One Year
G.O. Refunding Bonds, Series 2015	\$ 1,470,000	-	145,000	1,325,000	155,000
G.O. Refunding Bonds, Series 2016	1,580,000	-	160,000	1,420,000	165,000
G.O. Bonds, Series 2017	495,000	-	40,000	455,000	45,000
Total Long-term Obligations	<u>\$ 3,545,000</u>	<u>-</u>	<u>345,000</u>	<u>3,200,000</u>	<u>365,000</u>

#### General Obligation Refunding Bonds, Series 2015

On December 17, 2015, the District issued refunding bonds in the amount of \$1,630,000. The bonds are dated December 29, 2015, and interest is variable from 2.0% to 2.9%. Principal payments commenced on December 1, 2016, and continue each December 1, until the bonds are retired. Semi-annual interest payments are due on December 1 and June 1. Interest payments commenced June 1, 2016. During the current year, the District paid interest of \$35,178. Future payment requirements are as follows:

Fiscal Year Ending	Principal	Interest	Total
June 30, 2020	\$ 155,000	31,815	186,815
June 30, 2021	155,000	28,715	183,715
June 30, 2022	160,000	25,245	185,245
June 30, 2023	160,000	21,405	181,405
June 30, 2024	165,000	17,258	182,258
June 30, 2025	170,000	12,735	182,735
June 30, 2026	175,000	7,903	182,903
June 30, 2027	185,000	2,683	187,683
Totals	<u>\$ 1,325,000</u>	<u>147,758</u>	<u>1,472,758</u>

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

#### NOTE 6: LONG-TERM OBLIGATIONS – (Continued)

##### General Obligation Refunding Bonds, Series 2016

On October 27, 2016, the District issued refunding bonds in the amount of \$1,775,000. The bonds bear variable interest rates that range from 1.70% to 2.35%. Principal payments commenced on December 1, 2016, and continue each December 1, until the bonds are retired. Semi-annual interest payments are due on December 1 and June 1. Interest payments commenced June 1, 2017. During the current year, the District paid interest of \$29,825. Future payment requirements are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30, 2020	\$ 165,000	26,823	191,823
June 30, 2021	165,000	24,018	189,018
June 30, 2022	170,000	21,128	191,128
June 30, 2023	180,000	18,065	198,065
June 30, 2024	180,000	14,600	194,600
June 30, 2025	180,000	10,820	190,820
June 30, 2026	190,000	6,698	196,698
June 30, 2027	190,000	2,232	192,232
Totals	<u>\$ 1,420,000</u>	<u>124,384</u>	<u>1,544,384</u>

##### General Obligation Bonds, Series 2017

On June 29, 2017, the District issued refunding bonds in the amount of \$495,000. The bonds bear variable interest rates that range from 3.50% to 4.00%. Interest payments commenced on December 1, 2017, while principal payments commenced on December 1, 2018, and continue each December 1, until the bonds are retired. Semi-annual interest payments are due on December 1 and June 1. During the current year, the District paid interest of \$17,475. Future payment requirements are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30, 2020	\$ 45,000	15,988	60,988
June 30, 2021	45,000	14,413	59,413
June 30, 2022	45,000	12,837	57,837
June 30, 2023	50,000	11,175	61,175
June 30, 2024	50,000	9,425	59,425
June 30, 2025	50,000	7,675	57,675
June 30, 2026	55,000	5,700	60,700
June 30, 2027	55,000	3,500	58,500
June 30, 2028	60,000	1,200	61,200
Totals	<u>\$ 455,000</u>	<u>81,913</u>	<u>536,913</u>

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 7: LEGAL DEBT MARGIN

Legal debt margin is the percent of the District's assessed valuation which is subject to debt limitation. The statutory debt limitation for the District is 13.8%. The District's legal debt margin limitation is as follows for the fiscal year ended June 30, 2019:

Assessed valuation (2018)	\$ 61,527,048
Statutory debt limitation	\$ 8,490,733
Amount of debt applicable to debt limitation	3,200,000
Legal Debt Margin	\$ 5,290,733

#### NOTE 8: LEASE AGREEMENTS

##### Lessor Agreements:

The District maintains a lease agreement with Tri-County Opportunities Council. Under the terms of the agreement, the Tri-County Opportunities Council Head Start Program rents classroom space from the District for \$6,500 annually. The Head Start program provided all furniture, supplies, and materials needed, and custodial care of the classroom, and maintained all liability, personal injury and worker's compensation insurance for its staff. The contract is reviewed annually.

##### Lessee Agreements:

On June 21, 2011, the District entered into an agreement with Illinois Valley Business Equipment for the lease of 4 Canon Copiers. The term of the lease is for 78 months with monthly payments of \$941. The District made the final lease payment in July 2017.

On July 18, 2017, the District entered into a copier lease with Marco Technologies LLC. The term of the lease is for 60 months with minimum monthly payments of \$1,222.

On September 1, 2016, the District entered into a three-year lease agreement with Central States Bus Sales, Inc. for the use of a 71 passenger Blue Bird Vision Bus. The lease term began on September 1, 2016 and requires annual payments of \$11,446.

The District's future minimum lease payments are shown in the table below:

<u>Fiscal Year Ending</u>	<u>Total</u>
June 30, 2020	\$ 26,113
June 30, 2021	14,667
June 30, 2022	14,667
June 30, 2023	1,222
Totals	\$ 56,669

#### NOTE 9: OTHER CONTRACT COMMITMENTS

Teacher's contracts for services rendered during the school year for teachers electing twelve-month pay schedules are recorded in the fiscal year when such checks are drawn. The total amount of unpaid teacher's contracts for services performed during the year ended June 30, 2019 was \$309,092.

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### **NOTE 10: RETIREMENT FUND COMMITMENTS**

##### *A. Teachers' Retirement System of the State of Illinois*

###### **General Information about the Plan**

###### *Plan Description*

The District 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://www.trsil.org/financial/cafrs/fy2018>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

###### *Benefits Provided*

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but has not yet gone into effect. The earliest possible implementation date is July 1, 2020.

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 10: RETIREMENT FUND COMMITMENTS – (Continued)

##### A. *Teachers' Retirement System of the State of Illinois – (continued)*

###### *Benefits Provided – (continued)*

Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the state of Illinois.

###### *Contributions*

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2018, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On Behalf Contributions to TRS – The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2019, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective NPL associated with the District, and the employer recognized revenue and expenditures of \$224,943 in pension contributions from the state of Illinois.

2.2 Formula Contributions – Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2019, were \$13,245.

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

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

For the year ended June 30, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$23,246 were paid from federal and special trust funds that required employer contributions of \$2,290.

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 10: RETIREMENT FUND COMMITMENTS – (Continued)

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

###### *Contributions (Continued)*

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 District is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contribution for salary increases over 3 percent if members are not exempted by current collective bargaining agreements or contracts.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2019, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, \$0 for salary increases in excess of 3 percent, and \$0 for sick leave days granted in excess of the normal annual allotment.

###### *Pension Liabilities*

At June 30, 2019, the District has an unreported 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 District. The state's support and total are for disclosure purposes only. The amount recognized by the District 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 District were as follows:

District's proportionate share of the net pension liability	\$ 147,051
State's proportionate share of the net pension liability associated with the District	<u>10,073,600</u>
Total	<u>\$ 10,220,651</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 and rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2018, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2018, the District's proportion was .00018 percent, which was a decrease of .00084 from its proportion measured as of June 30, 2017.



## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

#### NOTE 10: RETIREMENT FUND COMMITMENTS – (Continued)

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

###### *Actuarial Assumptions*

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

Inflation	2.50 percent
Salary increases	varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The long-term (20 year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	15.0%	6.7%
U.S. equities small/mid cap	2.0%	7.9%
International equities developed	13.6%	7.0%
Emerging market equities	3.4%	9.4%
U.S. bonds core	8.0%	2.2%
U.S. bonds high yield	4.2%	4.4%
International debt developed	2.2%	1.3%
Emerging international debt	2.6%	4.5%
Real Estate	16.0%	5.4%
Real Return	4.0%	1.8%
Absolute Return	14.0%	3.9%
Private Equity	15.0%	10.2%
Total	100%	

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 10: RETIREMENT FUND COMMITMENTS – (Continued)

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

###### *Discount Rate*

At June 30, 2018, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2017 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates

Based on those assumptions, TRS's fiduciary net position at June 30, 2018 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2-member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

###### *Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 180,344	147,051	120,240

###### *TRS Fiduciary net position*

Detailed information about the TRS's fiduciary net position as of June 30, 2018 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 10: RETIREMENT FUND COMMITMENTS – (Continued)

##### *B. Illinois Municipal Retirement Defined Benefit Pension Plan*

###### *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 a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. 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 of the District's employees participate in the Regular Plan.

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.

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 10: RETIREMENT FUND COMMITMENTS – (Continued)

##### *B. Illinois Municipal Retirement Defined Benefit Pension Plan (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, 2018, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	23
Inactive, Non-retired members	23
Active Members	23
Total	69

###### *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 and actual District contributions for calendar year 2018 and the fiscal year ended June 30, 2019 are summarized below. 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.

Plan member required contribution rate	4.50%
District required contribution rate for 2018	5.73%
District required contribution rate for 2019	4.61%
District actual contributions for 2018	29,116
District actual contributions for fiscal year 2019	28,645

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 10: RETIREMENT FUND COMMITMENTS – (Continued)

##### *B. Illinois Municipal Retirement Defined Benefit Pension Plan (Continued)*

###### *Net Pension Liability*

The District's net pension liability (asset) was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

At December 31, 2018, the District had an unreported net pension liability for the plan, determined as follows:

Total Pension Liability	\$ 2,538,914
Plan Fiduciary Net Position	<u>2,439,107</u>
Net Pension Liability (Asset)	<u>\$ 99,807</u>

###### *Actuarial Assumptions*

The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.39% to 14.25%
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation 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-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 10: RETIREMENT FUND COMMITMENTS – (Continued)

##### *B. Illinois Municipal Retirement Defined Benefit Pension Plan (Continued)*

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

- 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:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	7.15%
International Equity	18%	7.25%
Fixed Income	28%	3.75%
Real Estate	9%	6.25%
Alternative Investments	7%	3.20-8.50%
Cash Equivalents	<u>1%</u>	2.50%
Total	100%	

##### *Single Discount Rate*

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

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
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).

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 10: RETIREMENT FUND COMMITMENTS – (Continued)

##### *B. Illinois Municipal Retirement Defined Benefit Pension Plan (Continued)*

###### *Single Discount Rate (Continued)*

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

###### *Changes in the Net Pension Liability*

A schedule of changes in the net pension liability and related ratios can be found on Schedule C-2 of the Other Information section of this report.

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 2,789,892	2,538,914	2,331,924
Plan Fiduciary Net Position	2,439,107	2,439,107	2,439,107
Net Pension Liability (Asset)	<u>\$ 350,785</u>	<u>99,807</u>	<u>(107,183)</u>

#### NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

##### *A. Teachers' Health Insurance Security Fund*

The District participates in the Teachers' Health Insurance Security (THIS) Fund of the State of Illinois. THIS is a cost-sharing, multiple-employer defined benefit post-employment healthcare plan (OPEB) established by the Illinois legislature for the benefit of eligible retired Illinois public school teachers employed outside the city of Chicago (members). All District employees receiving monthly benefits from the Teachers' Retirement System (TRS) who have at least eight years of creditable service with TRS, the survivor of an annuitant or benefit recipient who had at least eight years of creditable service or a recipient of a monthly disability benefit are eligible to enroll in THIS.

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – (continued)

##### A. *Teachers' Health Insurance Security Fund – (continued)*

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Plan and amendments to the Plan can be made only by legislative action with the Governor's approval. The Plan is administered by the Illinois Department of Central Management Services. The publicly available financial report of the Plan may be found on the website of the Illinois Auditor General. The current reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>).

*Benefits Provided.* THIS provides medical, prescription, and behavioral health benefits for eligible retirees and their dependents, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan. The premiums charged reflect approximately a 75 percent subsidy for members that elect a managed care plan or elect the Teachers' Choice Health Plan (TCHP) if a managed care plan is either not available or only partially available. Members receive approximately a 50 percent subsidy if they elect the TCHP when a managed care plan is available. Medicare primary dependent beneficiaries enrolled in a managed care plan or in the TCHP when no managed care plan is available receive a premium subsidy.

*Contributions.* The State Employees Group Insurance Act of 1971 (5 ILCS 375/6) specifies the contribution requirements of the participating school districts and covered employees. For the year ended June 30, 2019, required contributions are as follows:

- Active members contribute 1.24 percent of covered payroll.
- Employers contribute 0.92 percent of covered payroll. The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year. For the year ended June 30, 2019, the District paid \$21,010 to the THIS Fund, which was 100 percent of the required contribution.
- The State of Illinois makes contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members. The State contributed 1.24 percent of covered payroll. For the year ended June 30, 2019, State of Illinois contributions on behalf of the District's employees were \$28,318 and the District recognized revenue and expenditures for this on-behalf contribution amount during the year in the General Fund.
- Retired members contribute through premium payments based on the coverage elected, Medicare eligibility, and the age of the member and dependents. The premium for retired members is not permitted to increase by more than 5.0 percent by year by statute. The Federal Government provides a Medicare Part D subsidy.



## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – (continued)

##### A. *Teachers' Health Insurance Security Fund – (continued)*

###### *OPEB Liabilities*

At June 30, 2019, the District had an unreported liability for its proportionate share of the collective net OPEB liability that reflected a reduction for state pension support provided for the District. The OPEB proportionate shares are as follows:

District's proportionate share of the collective net OPEB liability	\$ 3,996,128
The State's proportionate share of the collective net OPEB liability associated with the District	5,365,928
Total THIS net collective OPEB liability associated with the District	<u>\$ 9,362,056</u>

The collective net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as June 30, 2017, and rolled forward to June 30, 2018. The District's proportionate share of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2018, relative to the contributions of all participating employers and the State during that period. At June 30, 2018, the District's proportion was .004231 percent, which was a decrease of .000099 from its proportion measured as of June 30, 2017.

###### *Actuarial assumptions*

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, 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 1 year of service to 3.25% at 20 or more years of service. Salary increases 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 2018. For fiscal years on and after 2019, 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 4.50%. Additional trend rate of 0.36% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – (continued)

##### A. *Teachers' Health Insurance Security Fund – (continued)*

###### *Actuarial assumptions (continued)*

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-2014 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, 2017 valuation were based on the results of an actuarial experience study for the period of July 1, 2011 through June 30, 2014.

The following OPEB-related assumption changes were made since the June 30, 2014, OPEB actuarial valuation date:

- The discount rate was changed from 3.56 percent at June 30, 2017 to 3.62 percent at June 30, 2018;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2017, projected plan cost for plan year end June 30, 2018, premium changes through plan year end 2019, and expectation of future trend increases after June 30, 2018;
- The excise tend rate adjustment was updated based on available premium and enrollment information as of June 30, 2018;
- Per capita claim costs were updated based on projected claims and enrollment experience through June 30, 2018, and updated premium rates through plan year 2019;
- The morbidity factors, used to adjust per capita claim cost by age and gender, were updated; and
- Healthcare plan participation rates by plan were updated based on observed experience.

The long-term expected rate of return assumption was set to zero. As such, ranges of expected future real rates of return by asset class were not developed.

###### *Discount Rate*

Since THIS is financed on a pay-as-you-go basis, a long-term rate of return was not used and the discount rate used to measure the total OPEB liability was the 20-year general obligation bond index rate (source was Fidelity Index's 20-year municipal GO AA Index). The discount rate as of June 30, 2018 was 3.62 percent, which was an increase from the June 30, 2017, rate of 3.56 percent. The contributions would be made at the current statutorily-required rates. Based on those assumptions, THIS's fiduciary net position was not projected to be sufficient to make projected OPEB payments for current active and inactive employees beyond the current year.

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – (continued)

##### A. *Teachers' Health Insurance Security Fund – (continued)*

###### *Sensitivity of the District's Proportionate Share of the 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 3.62 percent, 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 (4.62 percent) or lower (2.62 percent) than the current rate:

	1% Decrease 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
District's proportionate share of the collective net OPEB liability	\$ 4,804,901	3,996,128	3,357,693

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

The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates as 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 percent in 2019 decreasing to an ultimate trend rate of 4.86 percent in 2026, for non-Medicare coverage, and 9.00 percent decreasing to an ultimate trend rate of 4.50 percent in 2028 for Medicare coverage.

	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
District's proportionate share of the collective net OPEB liability	\$ 3,240,224	3,996,128	5,014,545

(a) One percentage point decrease in healthcare trend rates are 7.00 percent in 2019 decreasing to an ultimate trend rate of 3.86 percent in 2026, for non-Medicare coverage, and 8.00 percent in 2019 decreasing to an ultimate trend rate of 3.50 percent in 2028 for Medicare coverage.

(b) One percentage point increase in healthcare trend rates are 9.00 percent in 2019 decreasing to an ultimate trend rate of 5.86 percent in 2026, for non-Medicare coverage, and 10.00 percent in 2019 decreasing to an ultimate trend rate of 5.50 percent in 2028 for Medicare coverage.

###### *OPEB plan fiduciary net position*

Detailed information about the THIS plan fiduciary net position is available in the separately issued THIS financial report.

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### **NOTE 12: RISK MANAGEMENT- CLAIMS AND JUDGMENTS**

The District's risk management activities are recorded in the Educational Fund, Operations and Maintenance Fund, Transportation Fund, and the Tort Fund. No liability has been recorded on the books for future expenditures related to risk management; expenditures are reported as the expenditures are paid.

The District is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

#### **NOTE 13: CONTINGENCIES**

Grant Revenues: The School District has received funding from state and federal grants which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the granting agencies. Any disallowed claims resulting from such audits could become a liability of the District. In the opinion of the District, any such disallowed claims will not have a material adverse effect on the overall financial position of the District.

#### **NOTE 14: INTERGOVERNMENTAL AGREEMENTS**

The District has entered an intergovernmental agreement with the City of Earlville:

##### TIF District III

Under the terms of this agreement, the City is required to reimburse the District for the real estate tax loss to the District, caused by TIF District III. Under the terms of this agreement, the District received TIF property taxes of \$14,528 during the current fiscal year.

#### **NOTE 15: FUND BALANCE – GASB 54 PRESENTATION**

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Non-spendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Following are definitions and differences of how these balances are reported.

##### **A. Non-spendable Fund Balance**

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

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 15: FUND BALANCE – GASB 54 PRESENTATION - (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 these specified purposes. The District has several revenue sources received within different funds that also fall into these categories:

##### 1. Special Education

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

##### 2. Leasing Levy

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Educational Fund. At June 30, 2019, expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

##### 3. State Grants

Proceeds from state grants and the related expenditures have been included in the Educational and Transportation Funds. At June 30, 2019, expenditures disbursed exceeded revenue received from state grants, resulting in no restricted fund balance.

##### 4. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the Educational Fund. At June 30, 2019, expenditures disbursed exceeded revenue received from federal grants, resulting in no restricted fund balance.

##### 5. Social Security

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Social Security & IMRF Fund. As of June 30, 2019, the District has a fund balance of \$62,517, restricted for payroll taxes.

##### 6. IMRF

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Social Security & IMRF Fund. As of June 30, 2019, the District has a fund balance of \$170,885 restricted for employer retirement contributions.

##### 7. Debt Service

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Bond & Interest Fund. As of June 30, 2019, the District has a fund balance of \$15,768 restricted for debt service expenditures.

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Basic Financial Statements For the Year Ended June 30, 2019

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#### NOTE 15: FUND BALANCE – GASB 54 PRESENTATION - (Continued)

##### B. Restricted Fund Balance

###### 8. Life Safety

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Life Safety Fund. As of June 30, 2019, the District has a fund balance of \$80,626 restricted for school safety related expenditures.

###### 9. Tort Immunity

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Tort Fund. As of June 30, 2019, the District has fund balance of \$145,015 restricted for tort related expenditures.

##### C. Committed Fund Balance

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

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

Employee contracts for services rendered during the school year for employees electing twelve-month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. At June 30, 2019, the total amount of unpaid contracts for services performed amounted to \$309,092. This amount is shown as Committed in the Educational Fund.

##### D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the School Board itself or (b) the finance committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes. The District's Transportation Fund has a fund balance of \$563,784 which is assigned for the purpose of pupil transportation and transportation equipment.

##### E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. As of June 30, 2019, the District has an unassigned fund balance of \$3,860,734 in the General Fund.

**EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9**

**Notes to Basic Financial Statements  
For the Year Ended June 30, 2019**

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**NOTE 15: FUND BALANCE – GASB 54 PRESENTATION - (Continued)**

F. 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 16: SUBSEQUENT EVENTS**

Management evaluated subsequent events through September 23, 2019, the date the financial statements were available to be issued. No amounts were required to be recorded or disclosed in the financial statements as of June 30, 2019.

## ***OTHER INFORMATION***



**EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9**  
**GENERAL FUND**

Schedule A-1

**Combining Statement of Assets, Liabilities and Fund Balance-  
 Arising from Cash Transactions  
 June 30, 2019**

	Educational Fund	Operations & Maintenance Fund	Working Cash Fund	Total
<u>Assets</u>				
Cash in bank	\$ 1,833,446	63,685	29,536	1,926,667
Investments	1,534,678	637,730	70,751	2,243,159
Total Assets	3,368,124	701,415	100,287	4,169,826
<u>Fund Balance</u>				
Fund Balance:				
Fund balance - Committed	309,092	-	-	309,092
Fund balance - Unassigned	3,059,032	701,415	100,287	3,860,734
Total Fund Balance	3,368,124	701,415	100,287	4,169,826
Total Liabilities & Fund Balance	\$ 3,368,124	701,415	100,287	4,169,826

**EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9**  
**GENERAL FUND**

**Combining Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance**  
**For the Year Ended June 30, 2019**

	Educational Fund	Operations & Maintenance Fund	Working Cash Fund	Year Ended June 30,	
				2019	2018
Revenues Received:					
Local Revenues	\$ 2,832,009	427,368	29,633	3,289,010	2,939,597
State Revenues	1,421,234	-	-	1,421,234	1,502,239
Federal Revenues	363,938	-	-	363,938	457,137
On Behalf Payments	253,261	-	-	253,261	249,527
Total Revenues Received	4,870,442	427,368	29,633	5,327,443	5,148,500
Expenditures Disbursed:					
Instruction	2,689,442	-	-	2,689,442	2,513,897
Support Services	1,253,765	403,360	-	1,657,125	1,716,113
Community Services	20,850	-	-	20,850	7,582
Payments to Other Schools	172,166	-	-	172,166	195,749
On Behalf Payments	253,261	-	-	253,261	249,527
Total Expenditures Disbursed	4,389,484	403,360	-	4,792,844	4,682,868
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	480,958	24,008	29,633	534,599	465,632
Other Financing Sources (Uses)					
Transfer (to) from:	(36,743)	-	36,743	-	-
Total Other Financing Sources (Uses)	(36,743)	-	36,743	-	-
Net Change in Fund Balance	444,215	24,008	66,376	534,599	465,632
Fund Balance, Beginning of Year, as Originally Reported	2,923,909	677,407	33,911	3,635,227	3,214,247
Prior Period Adjustment	-	-	-	-	(44,652)
Fund Balance, Beginning of Year, Restated	2,923,909	677,407	33,911	3,635,227	3,169,595
Fund Balance, End of Year	\$ 3,368,124	701,415	100,287	4,169,826	3,635,227

**EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9**  
**GENERAL FUND**

**Schedule A-3**

**Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**  
**(With Comparative Figures for 2018)**

	Original Budget	Final Budget	Year Ended June 30,	
			2019	2018
<b><u>Educational:</u></b>				
Revenues Received:				
Local Sources:				
Property Taxes	\$ 2,267,958	2,228,201	2,266,111	2,132,451
Leasing Taxes	28,555	28,055	28,577	27,391
Special Education Taxes	22,844	22,445	22,862	21,335
Replacement Taxes	138,392	149,715	149,716	138,393
Special Education Tuition from Other Districts	72,384	72,384	72,384	71,023
Interest on Investments	19,200	54,000	52,027	22,050
Sales to Pupils - Lunch	11,000	-	-	-
Sales to Pupils - A la Carte	11,140	61,000	61,110	11,200
Sales to Adults	3,677	5,395	8,872	7,112
Other Food Service	-	5,800	-	-
Athletic Admissions	12,000	8,126	8,127	9,486
Rentals - Regular Textbooks	50,000	50,000	50,445	59,035
Rentals	103,305	95,248	97,506	6,500
Contributions/Donations from Private Sources	500	1,000	1,351	500
Refund of Prior Years' Expenditures	-	-	1,153	1,328
Driver Education Fees	2,000	-	-	-
Payment from Other Districts	17,871	8,700	8,950	-
Other Local Revenues	1,500	1,977	2,818	5,770
Total Local Sources	2,762,326	2,792,046	2,832,009	2,513,574
State Programs:				
Evidence Based Funding Formula	1,367,363	1,367,363	1,367,363	1,348,028
Special Education - Private Facility Tuition	35,891	12,571	12,571	45,547
Spec. Ed. - Funding for Children Requiring Sp. Ed. Services	-	-	-	30,514
Special Education - Personnel	-	-	-	47,228
Special Education - Summer School	-	-	-	2,205
CTE - Secondary Program Improvement (CTEI)	3,251	3,932	4,582	4,251
CTE - Agriculture Education	6,500	6,536	6,536	4,286
State Free Lunch & Breakfast	1,830	2,246	2,470	3,364
Drivers Education	5,307	4,103	5,270	6,647
Transportation - Regular and Vocational	-	-	-	10,169
Early Childhood Block Grant	-	1,160	21,819	-
Other Restricted Revenue from State Sources	-	623	623	-
Total State Programs	1,420,142	1,398,534	1,421,234	1,502,239
Federal Programs:				
Title VI - Rural Education Initiative	-	42,067	42,067	6,946
National School Lunch Program	85,000	64,000	70,498	150,393
School Breakfast Program	10,000	13,815	16,455	46,763
Title I - Low Income	105,000	107,990	146,435	77,188
Federal Special Education- IDEA Flow-through	110,250	118,250	-	113,051
Other ARRA Funds - V	6,946	-	-	-
Title II - Teacher Quality	15,000	14,110	18,324	15,416
Medicaid- Administrative Outreach	4,000	4,000	-	-
Medicaid- Fee-For-Service Program	9,697	9,697	17,033	9,698
Food Commodities	-	-	22,121	21,740
Other Unrestricted Grants-In-Aid	9,541	30,318	31,005	15,942
Total Federal Programs	355,434	404,247	363,938	457,137
On Behalf Payments	1,500,000	1,500,000	253,261	249,527
Total Revenues Received	\$ 6,037,902	6,094,827	4,870,442	4,722,477

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2019  
(With Comparative Figures for 2018)

	Original Budget	Final Budget	Year Ended June 30,	
			2019	2018
<b>Educational (continued):</b>				
Expenditures Disbursed:				
Instruction:				
Regular Programs:				
Salaries	\$ 1,326,554	1,382,049	1,402,817	1,358,469
Employee Benefits	327,000	336,736	320,609	327,487
Purchased Services	49,000	13,631	13,452	9,039
Supplies & Materials	34,000	114,693	115,512	30,070
Other Objects	6,000	2,919	2,187	5,100
Total Regular Programs	1,742,554	1,850,028	1,854,577	1,730,165
Pre-K Programs:				
Salaries	55,000	33,144	30,268	-
Employee Benefits	17,000	8,936	8,369	-
Purchased Services	1,000	-	-	-
Supplies & Materials	1,000	817	732	-
Total PRE-K Programs	74,000	42,897	39,369	-
Special Education Programs:				
Salaries	392,722	347,068	268,637	305,682
Employee Benefits	119,000	105,616	80,876	89,987
Purchased Services	15,000	14,693	14,001	12,491
Supplies & Materials	5,000	2,536	355	2,802
Other Objects	-	200	-	285
Total Special Education Programs	531,722	470,113	363,869	411,247
Special Education Programs Pre-K:				
Salaries	50,000	54,018	128,165	125,590
Employee Benefits	16,000	18,538	42,676	43,687
Purchased Services	-	-	1,628	-
Supplies & Materials	2,544	367	1,294	8,066
Other Objects	-	75	-	135
Total Special Education Programs Pre-K	68,544	72,998	173,763	177,478
Remedial & Supplemental Programs:				
Salaries	30,000	32,858	35,383	28,304
Employee Benefits	11,275	10,046	9,674	8,442
Purchased Services	27,000	9,578	9,420	12,106
Supplies & Materials	47,362	54,548	54,758	43,707
Other Objects	-	860	860	403
Total Remedial & Supplemental Programs	115,637	107,890	110,095	92,962
Interscholastic Programs:				
Salaries	64,000	70,746	71,038	56,279
Employee Benefits	6,000	6,728	6,944	3,074
Purchased Services	35,000	17,615	17,858	15,990
Supplies & Materials	18,000	35,801	33,748	13,033
Other Objects	5,000	7,925	7,065	2,862
Total Interscholastic Programs	128,000	138,815	136,653	91,238
Driver Education Programs:				
Salaries	-	8,400	8,451	8,131
Employee Benefits	-	2,644	2,665	2,666
Other Objects	-	-	-	10
Total Driver Education Programs	-	11,044	11,116	10,807
Total Instructional Expenditures	2,660,457	2,693,785	2,689,442	2,513,897

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2019  
(With Comparative Figures for 2018)

	Original Budget	Final Budget	Year Ended June 30,	
			2019	2018
<b><u>Educational (continued):</u></b>				
Expenditures Disbursed: (continued)				
Support Services:				
Attendance & Social Work Services:				
Salaries	\$ 50,250	49,863	49,929	48,057
Employee Benefits	12,228	12,000	13,913	12,175
Purchased Services	200	394	394	329
Supplies & Materials	275	374	375	215
Other	100	385	385	530
Total Attendance & Social Worker Services	63,053	63,016	64,996	61,306
Guidance Services:				
Salaries	50,202	50,853	52,154	48,845
Employee Benefits	5,426	8,569	9,151	5,430
Purchased Services	325	325	-	-
Supplies & Materials	4,000	2,377	2,378	3,636
Other	450	735	735	344
Total Guidance Services	60,403	62,859	64,418	58,255
Health Services:				
Purchased Services	-	4,679	5,341	-
Total Health Services	-	4,679	5,341	-
Psychological Services:				
Purchased Services	48,000	43,801	43,801	48,746
Total Psychological Services	48,000	43,801	43,801	48,746
Speech Pathology & Audiology Services:				
Purchased Services	62,000	69,962	69,962	65,132
Supplies & Materials	-	-	-	48
Total Speech Pathology & Audiology Services	62,000	69,962	69,962	65,180
Improvement of Instruction Services:				
Salaries	10,300	14,000	12,991	8,756
Employee Benefits	6,000	12,375	9,305	8,781
Purchased Services	1,500	2,450	2,450	1,238
Supplies & Materials	4,340	3,851	-	124
Other	-	2,825	2,485	3,531
Total Improvement of Instruction Services	22,140	35,501	27,231	22,430
Educational Media Services:				
Salaries	17,000	17,296	17,356	15,889
Purchased Services	-	-	-	100
Supplies & Materials	2,000	1,254	1,254	2,630
Total Educational Media Services	19,000	18,550	18,610	18,619

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2019  
(With Comparative Figures for 2018)

	Original Budget	Final Budget	Year Ended June 30,	
			2019	2018
<b><u>Educational (continued):</u></b>				
Expenditures Disbursed: (continued)				
Support Services: (continued)				
Board of Education Services:				
Salaries	\$ 5,000	7,500	9,143	9,522
Employee Benefits	400	300	297	379
Purchased Services	25,000	41,364	41,364	23,386
Supplies & Materials	2,075	2,743	2,928	2,290
Capital Outlay	-	8,100	8,100	-
Other	15,000	10,406	10,407	12,094
Total Board of Education Services	47,475	70,413	72,239	47,671
Executive Administration Services:				
Salaries	114,000	120,000	120,000	105,000
Employee Benefits	24,400	29,962	29,961	27,708
Purchased Services	1,700	2,388	2,388	1,831
Supplies & Materials	1,500	3,077	3,077	1,429
Other	3,500	3,858	2,026	4,532
Total Executive Administration Services	145,100	159,285	157,452	140,500
Office of the Principal Services:				
Salaries	190,000	174,200	175,454	110,359
Employee Benefits	37,200	40,094	40,498	30,875
Purchased Services	300	384	(8)	461
Supplies & Materials	14,170	11,520	11,520	11,861
Other	300	1,763	3,714	745
Total Office of the Principal Services	241,970	227,961	231,178	154,301
Fiscal Services:				
Salaries	74,938	71,486	71,191	67,531
Employee Benefits	13,000	11,298	10,601	13,083
Purchased Services	4,380	524	524	3,723
Supplies & Materials	1,000	1,112	1,112	728
Other	500	141	141	57
Total Fiscal Services	93,818	84,561	83,569	85,122
Pupil Transportation Services:				
Salaries	-	-	-	173
Total Pupil Transportation Services	-	-	-	173
Food Services:				
Salaries	72,198	74,337	74,017	68,908
Employee Benefits	26,000	31,926	30,785	30,355
Purchased Services	5,500	5,470	5,470	2,480
Supplies & Materials	89,000	61,846	83,956	104,581
Capital Outlay	5,000	-	-	7,785
Other	600	666	728	681
Total Food Services	198,298	174,245	194,956	214,790

EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9  
GENERAL FUND

Schedule A-3  
(Continued)

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2019  
(With Comparative Figures for 2018)

	Original Budget	Final Budget	Year Ended June 30,	
			2019	2018
<b><u>Educational (continued):</u></b>				
Expenditures Disbursed: (continued)				
Support Services: (continued)				
Internal Services:				
Purchased Services	\$ -	16,824	15,824	17,794
Total Internal Services	-	16,824	15,824	17,794
Data Processing Services:				
Salaries	61,104	35,467	35,990	84,597
Employee Benefits	12,000	12,000	68	15,980
Purchased Services	73,000	67,572	67,572	33,805
Supplies & Materials	18,000	98,093	95,136	69,184
Capital Outlay	49,000	5,065	5,065	-
Other Objects	500	357	357	2,090
Total Data Processing Services	213,604	218,554	204,188	205,656
Total Support Services	1,214,861	1,250,211	1,253,765	1,140,543
Community Services:				
Salaries	-	-	14,495	6,380
Employee Benefits	-	-	5,355	1,202
Purchased Services	-	-	1,000	-
Total Community Services	-	-	20,850	7,582
Payments to Other Dist. & Gov't. Units:				
Assessment:				
Special Education- Purchased Services	35,000	26,569	26,569	28,770
Special Education- Other Objects	-	35,075	35,075	53,012
Adult/Continuing Education - Other Objects	60,000	-	-	-
CTE Programs- Purchased Services	20,000	13,381	13,381	25,893
Tuition:				
Regular Programs- Other Objects	-	-	105	350
Special Education- Other Objects	100,000	57,877	58,873	44,906
CTE Programs- Other Objects	45,000	38,163	38,163	42,818
Total Payments to Other Dist. & Gov't Units	260,000	171,065	172,166	195,749
On Behalf Payments	1,500,000	1,500,000	253,261	249,527
Total Expenditures Disbursed	5,635,318	5,615,061	4,389,484	4,107,298
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	402,584	479,766	480,958	615,179
Other Financing Sources (Uses):				
Transfer to Working Cash Fund	-	-	(36,743)	-
Net Change in Fund Balance	\$ 402,584	479,766	444,215	615,179
Fund Balance, Beginning of Year, as Originally Reported			2,923,909	2,349,016
Prior Period Adjustment			-	(40,286)
Fund Balance, Beginning of Year, Restated			2,923,909	2,308,730
Fund Balance, End of Year			\$ 3,368,124	2,923,909

**Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2019  
(With Comparative Figures for 2018)**

	Original Budget	Final Budget	Year Ended June 30,	
			2019	2018
<b><u>Operations &amp; Maintenance:</u></b>				
Revenues received:				
Local sources:				
Property taxes	\$ 402,636	398,000	402,308	376,022
Payments of Surplus Moneys from TIF Districts	13,500	14,130	14,130	14,279
Interest income	7,800	10,800	10,930	7,852
Total Revenues Received	423,936	422,930	427,368	398,153
Expenditures disbursed:				
Facilities acquisition & construction services:				
Capital outlay	-	-	-	135,000
Total facilities acquisition & construction services	-	-	-	135,000
Operation & maintenance of plant services:				
Salaries	124,000	120,201	126,675	120,599
Employee benefits	25,000	25,342	25,267	26,454
Purchased services	90,000	122,839	122,841	55,618
Supplies & materials	130,000	114,662	114,927	127,295
Capital outlay	6,500	13,650	13,650	110,389
Other	-	-	-	215
Total operation & maintenance of plant services	375,500	396,694	403,360	440,570
Total expenditures disbursed	375,500	396,694	403,360	575,570
Excess (deficiency) of revenues received over (under) expenditures disbursed	48,436	26,236	24,008	(177,417)
Other Financing Sources (Uses):				
Abatement of the Working Cash Fund	-	-	-	123,000
Net Change in Fund Balance	\$ 48,436	26,236	24,008	(54,417)
Fund balance, beginning of year, as originally reported			677,407	736,190
Prior period adjustment			-	(4,366)
Fund balance, beginning of year, restated			677,407	731,824
Fund balance, end of year			\$ 701,415	677,407



**Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2019  
(With Comparative Figures for 2018)**

	Original Budget	Final Budget	Year Ended June 30,	
			2019	2018
<b><u>Working Cash:</u></b>				
Revenues received:				
Property taxes	\$ 28,555	28,055	28,577	26,668
Interest income	1,353	1,353	1,056	1,202
Total revenues received	29,908	29,408	29,633	27,870
Expenditures disbursed	-	-	-	-
Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed	29,908	29,408	29,633	27,870
Other Financing Sources (Uses)				
Transfer from Ed Fund /Abatement of Working Cash	-	-	36,743	(123,000)
Total Other Financing Sources (Uses)	-	-	36,743	(123,000)
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ 29,908</u>	<u>29,408</u>	66,376	(95,130)
Fund balance, beginning of year			33,911	129,041
Fund balance, end of year			<u>\$ 100,287</u>	<u>33,911</u>

**EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9**  
**TRANSPORTATION FUND**

Schedule B-1

**Statement of Assets, Liabilities and Fund Balance-**  
**Arising from Cash Transactions**  
**June 30, 2019**

<u>Assets</u>	
Cash in bank	\$ 137,369
Investments	<u>426,415</u>
Total assets	<u>\$ 563,784</u>
<u>Fund Balance</u>	
Fund balance:	<u>\$ 563,784</u>

**Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**  
**(With Comparative Figures for 2018)**

Schedule B-2

	Original Budget	Final Budget	Year Ended June 30,	
			2019	2018
Revenues received:				
Local:				
Property taxes	\$ 114,223	112,225	114,308	106,673
Interest income	3,446	5,700	5,765	3,571
State:				
Regular transportation aid	40,765	38,097	38,096	36,302
Special education aid	<u>70,000</u>	<u>62,329</u>	<u>62,329</u>	<u>96,837</u>
Total revenues received	<u>228,434</u>	<u>218,351</u>	<u>220,498</u>	<u>243,383</u>
Expenditures disbursed:				
Pupil Transportation Services:				
Transportation salaries	80,000	109,000	110,839	80,000
Employee benefits	60	68	68	201
Purchased services	25,000	16,485	16,032	24,205
Supplies	25,000	25,424	25,878	24,320
Capital outlay	12,000	11,446	11,446	57,684
Other objects	<u>740</u>	<u>318</u>	<u>318</u>	<u>690</u>
Total expenditures disbursed	<u>142,800</u>	<u>162,741</u>	<u>164,581</u>	<u>187,100</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ 85,634</u>	<u>55,610</u>	<u>55,917</u>	<u>56,283</u>
Fund balance, beginning of year, as originally reported			<u>507,867</u>	<u>454,808</u>
Prior period adjustment			-	(3,224)
Fund balance, beginning of year, restated			<u>507,867</u>	<u>451,584</u>
Fund balance, end of year			<u>\$ 563,784</u>	<u>507,867</u>

**EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9**  
**SOCIAL SECURITY AND IMRF FUND**

**Schedule B-3**

**Statement of Assets, Liabilities and Fund Balance-  
Arising from Cash Transactions  
June 30, 2019**

<u>Assets</u>	
Cash in bank	\$ 146,089
Investments	87,804
<b>Total assets</b>	<b>\$ 233,893</b>
<u>Liabilities &amp; Fund Balance</u>	
Liabilities:	
Payroll liabilities	\$ 491
Fund Balance:	
Fund balance - Social Security	62,517
Fund balance - Illinois Municipal Retirement Fund	170,885
<b>Total fund balance</b>	<b>233,402</b>
<b>Total liabilities &amp; fund balance</b>	<b>\$ 233,893</b>

**Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2019  
(With Comparative Figures for 2018)**

**Schedule B-4**

	Original Budget	Final Budget	Year Ended June 30,	
			2019	2018
Revenues received:				
Property taxes - IMRF	\$ 53,970	53,038	53,986	54,978
Property taxes - FICA	80,356	78,957	80,221	84,904
Interest income	2,022	2,022	2,104	2,001
<b>Total Revenues Received</b>	<b>136,348</b>	<b>134,017</b>	<b>136,311</b>	<b>141,883</b>
Expenditures disbursed:				
Instructional- FICA	38,350	38,350	39,983	36,809
Instructional- IMRF	12,000	12,000	9,209	11,400
Supporting services- FICA	38,200	38,200	41,211	34,591
Supporting services- IMRF	19,000	19,000	18,893	21,305
Community services- FICA	-	-	1,109	487
Community services- IMRF	-	-	761	211
<b>Total expenditures disbursed</b>	<b>107,550</b>	<b>107,550</b>	<b>111,166</b>	<b>104,803</b>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<b>\$ 28,798</b>	<b>26,467</b>	25,145	37,080
Fund balance, beginning of year			208,257	171,177
Fund balance, end of year			<b>\$ 233,402</b>	<b>208,257</b>

Statement of Assets, Liabilities and Fund Balance-  
Arising from Cash Transactions  
June 30, 2019

<u>Assets</u>	
Cash in bank	\$ 34,578
Investments	110,437
Total assets	<u>\$ 145,015</u>
<u>Fund Balance</u>	
Fund balance	<u>\$ 145,015</u>

Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2019  
(With Comparative Figures for 2018)

Schedule B-6

	Original Budget	Final Budget	Year Ended June 30,	
			2019	2018
Revenues Received:				
Property taxes	\$ 149,289	146,921	150,397	149,004
Interest income	2,645	2,100	2,079	2,506
Total Revenues Received	<u>151,934</u>	<u>149,021</u>	<u>152,476</u>	<u>151,510</u>
Expenditures Disbursed:				
Workman's comp insurance	25,000	164	164	20,557
Unemployment insurance	3,500	-	-	-
Liability insurance	50,000	58,456	58,456	49,685
Loss prevention - salaries	40,000	40,000	41,456	41,114
Loss prevention - employee benefits	30,000	12,000	43,426	43,177
Loss prevention - capital outlay	45,000	37,070	7,093	6,956
Legal services	45,000	21,704	21,704	39,153
Total Expenditures Disbursed	<u>238,500</u>	<u>169,394</u>	<u>172,299</u>	<u>200,642</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (86,566)</u>	<u>(20,373)</u>	<u>(19,823)</u>	<u>(49,132)</u>
Fund balance, beginning of year, as originally reported			<u>164,838</u>	<u>215,410</u>
Prior period adjustment			<u>-</u>	<u>(1,440)</u>
Fund balance, beginning of year, restated			<u>164,838</u>	<u>213,970</u>
Fund balance, end of year			<u>\$ 145,015</u>	<u>164,838</u>

**EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9**  
**LIFE SAFETY FUND**

Schedule B-7

**Statement of Assets, Liabilities and Fund Balance-  
 Arising from Cash Transactions  
 June 30, 2019**

<u>Assets</u>	
Cash in bank	\$ 53,763
Investments	26,863
Total assets	<u>\$ 80,626</u>
<u>Fund Balance</u>	
Fund balance	<u>\$ 80,626</u>

**Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended June 30, 2019  
 (With Comparative Figures for 2018)**

Schedule B-8

	Original Budget	Final Budget	Year Ended June 30,	
			2019	2018
Revenues received:				
Property taxes	\$ 28,555	28,055	28,578	26,668
Interest income	976	976	833	816
Total revenues received	<u>29,531</u>	<u>29,031</u>	<u>29,411</u>	<u>27,484</u>
Expenditures disbursed:				
Facilities acquisition & construction services:				
Plant operation- purchased services	-	-	-	608,503
Total facilities acquisition & construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>608,503</u>
Total expenditures disbursed	<u>-</u>	<u>-</u>	<u>-</u>	<u>608,503</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ 29,531</u>	<u>29,031</u>	<u>29,411</u>	<u>(581,019)</u>
Fund balance, beginning of year			<u>51,215</u>	<u>632,234</u>
Fund balance, end of year			<u>\$ 80,626</u>	<u>51,215</u>

**EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9  
BOND AND INTEREST FUND**

Schedule B-9

**Statement of Assets, Liabilities and Fund Balance-  
Arising from Cash Transactions  
June 30, 2019**

<u>Assets</u>	
Cash in bank	\$ 10,060
Investments	<u>5,708</u>
Total assets	<u>\$ 15,768</u>
<u>Fund Balance</u>	
Fund balance	<u>\$ 15,768</u>

**Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2019  
(With Comparative Figures for 2018)**

Schedule B-10

	Original Budget	Final Budget	Year Ended June 30,	
			2019	2018
Revenues received:				
Property taxes	\$ 371,853	363,931	371,389	371,535
Interest income	<u>974</u>	<u>1,200</u>	<u>1,205</u>	<u>842</u>
Total revenues received	<u>372,827</u>	<u>365,131</u>	<u>372,594</u>	<u>372,377</u>
Expenditures disbursed:				
Bond fees	-	925	925	1,425
Debt service:				
Interest	82,478	82,478	82,478	88,177
Principal	<u>345,000</u>	<u>345,000</u>	<u>345,000</u>	<u>300,000</u>
Total expenditures disbursed	<u>427,478</u>	<u>428,403</u>	<u>428,403</u>	<u>389,602</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>\$ (54,651)</u>	<u>(63,272)</u>	(55,809)	(17,225)
Fund balance, beginning of year			<u>71,577</u>	<u>88,802</u>
Fund balance, end of year			<u>\$ 15,768</u>	<u>71,577</u>

**Schedule of Contributions**  
**Illinois Municipal Retirement Fund**

Schedule of Contributions					
Calendar Year Ending	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Contributions as a Percentage of Covered Payroll
12/31/2014	\$ 42,567	38,705	3,862	426,095	9.08%
12/31/2015	43,120	43,120	-	438,656	9.83%
12/31/2016	33,889	33,888	1	402,961	8.41%
12/31/2017	31,569	31,569	-	433,641	7.28%
12/31/2018	29,116	29,116	-	508,141	5.73%

**Note to Schedule**

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

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 25-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (three employers were financed over 29 years).
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	3.50%
Price inflation	2.75% -- approximate; No explicit price inflation assumption is used in this valuation.
Salary increases	3.75% to 14.50% including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 - 2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information**

Notes: There were no benefit changes during the year.

This schedule is presented to illustrate the requirement to report information for 10 years. However, until a full 10-year trend is compiled, information is only presented for years for which information is available.

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

<b>Schedule of Changes in Net Pension Liability and Related Ratios</b>										
Calendar Year Ending December 31,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Total Pension Liability</b>										
Service Cost	\$ 47,295	40,123	54,049	50,118	44,025	-	-	-	-	-
Interest on the Total Pension Liability	176,837	168,583	167,600	162,221	152,897	-	-	-	-	-
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	(23,357)	57,061	(96,823)	(41,810)	(44,698)	-	-	-	-	-
Assumption Changes	55,411	(53,991)	-	-	65,696	-	-	-	-	-
Benefit Payments and Refunds	(102,910)	(107,698)	(101,829)	(99,695)	(93,615)	-	-	-	-	-
Net Change in Total Pension Liability	153,276	104,078	22,997	70,834	124,305	-	-	-	-	-
Total Pension Liability - Beginning	2,385,638	2,281,560	2,258,563	2,187,729	2,063,424	-	-	-	-	-
Total Pension Liability - Ending	<u>\$ 2,538,914</u>	<u>2,385,638</u>	<u>2,281,560</u>	<u>2,258,563</u>	<u>2,187,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 29,116	31,569	33,888	43,120	38,705	-	-	-	-	-
Contributions - Employee	22,866	19,514	18,133	19,740	17,572	-	-	-	-	-
Pension Plan Net Investment Income	(124,414)	400,870	155,557	11,389	132,542	-	-	-	-	-
Benefit Payments and Refunds	(102,910)	(107,698)	(101,829)	(99,695)	(93,615)	-	-	-	-	-
Other (Net Transfer)	(37,285)	(37,343)	10,731	(42,382)	9,472	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(212,627)	306,912	116,480	(67,828)	104,676	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	2,651,734	2,344,822	2,228,342	2,296,170	2,191,494	-	-	-	-	-
Plan Fiduciary Net Position - Ending	<u>\$ 2,439,107</u>	<u>2,651,734</u>	<u>2,344,822</u>	<u>2,228,342</u>	<u>2,296,170</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Pension Liability (Asset)</b>	<u>\$ 99,807</u>	<u>(266,096)</u>	<u>(63,262)</u>	<u>30,221</u>	<u>(108,441)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	96.07%	111.15%	102.77%	98.66%	104.96%	N/A	N/A	N/A	N/A	N/A
<b>Covered Valuation Payroll</b>	\$ 508,141	433,641	402,961	438,656	426,095	N/A	N/A	N/A	N/A	N/A
<b>Net Pension Liability (Asset) as a Percentage of the Covered Valuation Payroll</b>	19.64%	-61.36%	-15.70%	6.89%	-25.45%	N/A	N/A	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to report information for 10 years. However, until a full 10-year trend is compiled, information is only presented for years for which information is available.



**EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9**
**Other Information**
**Teachers' Retirement System of the State of Illinois**
**Schedule C-3**
**Schedule of the District's Share of the Net Pension Liability**

	Fiscal Year				
	2018*	2017*	2016*	2015*	2014*
District's Proportion of the Net Pension Liability	0.00019%	0.00103%	0.00055%	0.00091%	0.00041%
District's Proportionate Share of the Net Pension Liability	\$ 147,051	788,245	433,048	599,127	246,816
State's Proportionate Share of the Net Pension Liability Associated with the District	10,073,600	5,107,067	17,863,545	14,144,679	13,449,442
Total	\$ 10,220,651	5,895,312	18,296,593	14,743,806	13,696,258
District's Covered-Employee Payroll	\$ 2,212,122	2,289,305	2,125,145	2,187,983	2,216,356
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	6.65%	34.43%	20.38%	27.38%	11.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.00%	39.30%	36.40%	41.50%	43.00%

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

**Schedule C-4**
**Schedule of Contributions**

	Fiscal Year				
	2019	2018	2017	2016	2015
Statutorily Required Contribution	\$ 13,245	12,830	13,278	12,326	12,690
Contributions in Relation to the Statutorily Required Contribution	13,245	12,830	13,278	12,326	12,690
Contribution Deficiency (Excess)	\$ -	-	-	-	-
The District's Covered-Employee Payroll	\$ 2,283,690	2,212,122	2,289,305	2,125,145	2,187,983
Contributions as a Percentage of Covered-Employee Payroll	0.58%	0.58%	0.58%	0.58%	0.58%

This schedule is presented to illustrate the requirement to report information for 10 years. However, until a full 10-year trend is compiled, information is only presented for years for which information is available.

EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

Other Information

Teachers' Health Insurance Security Fund of the State of Illinois

Schedule C-5

Schedule of the District's Share of the OPEB Liability

	Fiscal Year	
	2018*	2017*
District's Proportion of the OPEB Liability	0.00004%	0.00006%
District's Proportionate Share of the OPEB Liability	\$ 3,996,128	668,354
State's Proportionate Share of the OPEB Associated with the District	5,365,928	857,187
Total	<u>\$ 9,362,056</u>	<u>1,525,541</u>
District's Covered-Employee Payroll	\$ 2,212,122	2,289,305
District's Proportionate Share of the OPEB as a Percentage of Covered Payroll	180.65%	29.19%
Plan Fiduciary Net Position as a Percentage of the Total OPEB	-0.07%	-0.23%

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

Schedule C-6

Schedule of Contributions

	2019	2018
Statutorily Required Contribution	\$ 21,010	19,467
Contributions in Relation to the Statutorily Required Contribution	<u>21,010</u>	<u>19,467</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>
The District's Covered-Employee Payroll	\$ 2,283,690	2,212,122
Contributions as a Percentage of Covered-Employee Payroll	0.92%	0.88%

This schedule is presented to illustrate the requirement to report information for 10 years. However, until a full 10-year trend is compiled, information is only presented for years for which information is available.

***NOTES TO OTHER INFORMATION***

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Other Information For the Year Ended June 30, 2019

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#### **NOTE 1: BUDGETARY BASIS OF ACCOUNTING**

The District's budget for all governmental funds is prepared using the cash basis of accounting (Non-GAAP) which is the same basis used in the fund financial statements. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 122, Paragraph 17.1 of the Illinois Revised Statutes.

For each fund, total fund expenditures paid may not legally exceed the budgeted amounts. The budget lapses at the end of the fiscal year. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them. The proposed operating budget is placed on file and a public hearing is held to obtain comments from the community.

Prior to October 1, the budget is legally adopted by the Board of Education through passage of a resolution. Formal budgetary integration is employed as a management control device at the function/object level during the year.

The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10 percent of the total of such fund as set forth in the budget.

The Board of Education may amend the budget by performing the same procedures required of its original adoption.

The District's budget was adopted on September 26, 2018, and was amended on June 24, 2019.

## EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9

### Notes to Other Information For the Year Ended June 30, 2019

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#### NOTE 2: BUDGETARY COMPARISON INFORMATION

<u>Fund</u>	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>(Over)/Under Budget</u>
Educational Fund	\$ 5,615,061	4,389,484	1,225,577
Operations & Maintenance Fund	396,694	403,360	(6,666)
Transportation Fund	162,741	164,581	(1,840)
Social Security & IMRF Fund	107,550	111,166	(3,616)
Tort Fund	169,394	172,299	(2,905)
Bond & Interest Fund	428,403	428,403	-

Expenditures exceeded appropriations in the Operations and Maintenance Fund (\$6,666), the Transportation Fund (\$1,840), the Social Security and IMRF Fund (\$3,616) and the Tort Fund (\$2,905).

#### NOTE 3: CHANGES IN ASSUMPTIONS

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

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

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

## ***SUPPLEMENTAL INFORMATION***

**EARLVILLE COMMUNITY UNIT SCHOOL DISTRICT 9**  
**AGENCY FUND**

Schedule D

**Statement of Changes in Assets and Liabilities**  
**For the Year Ended June 30, 2019**

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2019</u>
Student Activity Funds:				
Yearbook	\$ 2,656	352	1,227	1,781
Student Council	3,498	4,719	7,176	1,041
Class of 2016	100	-	-	100
Class of 2019	2,752	3,218	5,870	100
Class of 2020	732	4,314	4,420	626
Class of 2021	826	1,295	34	2,087
Voc Ag.	23,513	42,450	47,947	18,016
H.S. Softball	61	2,311	2,441	(69)
Library Club	1,329	-	5	1,324
History Club	6,155	898	1,479	5,574
H.S. Spirit Squad	486	6,432	5,378	1,540
K-12 Admin. Fund	54	-	125	(71)
Chorus	70	-	-	70
Student Assist Program	177	-	-	177
H.S. Volleyball	1,984	1,510	1,248	2,246
Jr. High Spirit Squad	229	-	-	229
H.S. Girls Basketball	99	-	-	99
Band	229	-	-	229
Interest School Benefit	1,136	229	57	1,308
Misc. Student Fund	(2,675)	2,960	3,043	(2,758)
P.E. Fund	2,424	6,848	5,738	3,534
H.S. Boys Basketball	651	351	1,236	(234)
H.S. Soccer	8	360	565	(197)
Jr. High Girls Volleyball	(43)	-	-	(43)
Jr. High Soccer	342	-	-	342
H.S. Baseball	1,995	835	1,900	930
Elementary Yearbook	2,243	246	-	2,489
Band Uniform Fund	100	-	-	100
National Honor Society	(349)	181	181	(349)
Athletic Department	(1,395)	401	116	(1,110)
TSI	75	356	50	381
Fine Arts	547	414	-	961
Junior High	797	2,875	3,599	73
Total Agency Fund	<u>\$ 50,806</u>	<u>83,555</u>	<u>93,835</u>	<u>40,526</u>

**Assessed Valuations, Tax Rates, Tax Extensions  
and Tax Collections**

	Tax Year				
	2014	2015	2016	2017	2018
Assessed Valuations	\$ 48,077,038	50,731,525	53,310,834	57,116,585	61,527,048
Tax Rates:					
Educational	4.0000	4.0000	4.0000	3.9726	3.6421
Building	0.7050	0.7050	0.7050	0.7050	0.6576
Bond & Interest	0.8016	0.7679	0.6969	0.6481	0.7094
Transportation	0.2000	0.2000	0.2000	0.2000	0.2000
IMRF	0.0877	0.1065	0.1032	0.0945	0.0911
Working Cash	0.0500	0.0500	0.0500	0.0500	0.0500
Tort Immunity	0.2514	0.2799	0.2796	0.2615	0.3339
Special Education	0.0400	0.0400	0.0400	0.0400	0.0400
Social Security	0.1464	0.1646	0.1595	0.1408	0.1214
Lease	0.0500	0.0500	0.0500	0.0500	0.0500
Fire Prevention/Safety	0.0500	0.0500	0.0500	0.0500	0.0500
Totals	6.3820	6.4139	6.3342	6.2126	5.9454
Tax Extensions:					
Educational	\$ 1,945,543	2,029,261	2,128,290	2,268,784	2,240,889
Building	342,902	357,657	375,841	402,637	404,608
Bond & Interest	390,017	389,567	372,228	370,295	436,442
Transportation	97,277	101,463	106,622	114,223	123,054
IMRF	42,664	54,003	55,097	53,992	56,027
Working Cash	24,319	25,366	26,655	28,556	30,764
Tort Immunity	122,248	142,003	149,263	149,338	205,414
Special Education	19,455	20,293	21,323	22,845	24,611
Social Security	71,194	83,504	85,148	80,417	74,700
Lease	24,320	25,366	26,655	28,556	30,764
Fire Prevention/Safety	24,319	25,366	26,655	28,556	30,764
Prior Year Adjustment	-	-	-	3,174	-
Totals	\$ 3,104,258	3,253,849	3,373,777	3,551,371	3,658,035
Tax Collections	\$ 3,095,394	3,244,522	3,376,005	3,541,132	78,058



## ***OTHER REPORTS***



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CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Education  
Earlville Community Unit School  
District 9  
Earlville, 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 governmental activities, each major fund, and the aggregate remaining fund information of the Earlville Community Unit School District 9 as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Earlville Community Unit School District 9's basic financial statements, and have issued our report thereon dated September 23, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Earlville Community Unit School District 9's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Earlville Community Unit School District 9's internal control. Accordingly, we do not express an opinion on the effectiveness of the Earlville Community Unit School District 9's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify any deficiency in internal control that we consider to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Earlville Community Unit School District 9's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Earlville Community Unit School District 9 in a separate letter dated September 23, 2019.

## **Purpose of this Report**

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

*Mack & Associates, P.C.*

Mack & Associates, P.C.  
Certified Public Accountants

Morris, Illinois  
September 23, 2019