

Due to ROE on Tuesday, October 15th  
Due to ISBE on Friday, November 15th  
SD/JA19

☒ School District  
☐ Joint Agreement

ILLINOIS STATE BOARD OF EDUCATION  
School Business Services Division  
100 North First Street, Springfield, Illinois 62777-0001  
217/785-8779  
**Illinois School District/Joint Agreement  
Annual Financial Report \***  
June 30, 2019

**School District/Joint Agreement Information**

(See instructions on inside of this page.)

School District/Joint Agreement Number:  
**26-034-3070-16**

County Name:  
**HANCOCK**

Name of School District/Joint Agreement:  
**ILLINI WEST HIGH SCHOOL DISTRICT NO. 307**

Address:  
**600 MILLER STREET**

City:  
**CARTHAGE**

Email Address:  
**SCHILSON.KIM@ILLINIWEST.ORG**

Zip Code:  
**62321**

**Annual Financial Report**

Type of Auditor's Report Issued:


☐ Qualified ☐ Unqualified  
☒ Adverse  
☐ Disclaimer

☒ Reviewed by District Superintendent/Administrator

District Superintendent/Administrator Name (Type or Print):  
**KIM SCHILSON**

Email Address:  
**SCHILSON.KIM@ILLINIWEST.ORG**

Telephone: **217-357-9607** Fax Number: **217-357-9609**

Signature & Date:  


**Accounting Basis:**

☒ CASH  
☐ ACCRUAL

**Filing Status:**

**Submit electronic AFR directly to ISBE**

Click on the Link to Submit:

[Send ISBE a File](#)

0

**Single Audit Status:**

☐ YES ☒ NO Are Federal expenditures greater than \$750,000?  
☐ YES ☒ NO Is all Single Audit Information completed and attached?  
☐ YES ☒ NO Were any financial statement or federal award findings issued?

☐ Reviewed by Township Treasurer (Cook County only)  
Name of Township:

Township Treasurer Name (type or print)

Email Address:

Telephone: Fax Number:

Signature & Date:

**Certified Public Accountant Information**

Name of Auditing Firm:  
**GRAY HUNTER STENN LLP**

Name of Audit Manager:  
**JEFFREY A. MCPHERSON**

Address:  
**500 MAINE STREET, PO BOX 32**

City: **QUINCY** State: **IL** Zip Code: **62306-0032**

Phone Number: **217-222-0304** Fax Number: **217-222-1691**

IL License Number (9 digit): **066-003689** Expiration Date: **11/30/2021**

Email Address:  
**JAM@GRAY-HUNTER-STENN.COM**

Regional Superintendent/Cook ISC Name (Type or Print):

Email Address:

Telephone: Fax Number:

Signature & Date:

\* This form is based on 23 Illinois Administrative Code 100, Subtitle A, Chapter I, Subchapter C (Part 100).  
ISBE Form SD50-35/JA50-60 (05/19-version1)

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

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## INSTRUCTIONS/REQUIREMENTS: For School Districts/Joint Agreements

All School Districts/Joint Agreements must complete this form (Note: joint agreement supplementary/statistical schedules may not be applicable)

This form complies with Part 100 (Requirements for Accounting, Budgeting, Financial Reporting, and Auditing).

23, Illinois Administrative Code 100, Subtitle A, Chapter I, Subchapter C (Part 100)

- Round all amounts to the nearest dollar.** Do not enter cents. (Exception: 9 Month ADA on page 27, line 78)
- Any errors left unresolved by the Audit Checklist/Balancing Schedule must be explained in the itemization page.
- Before submitting AFR - **be sure to break all links in AFR** before submitting to ISBE. If links are not broken, amounts entered have changed when opening the AFR.
- Submit AFR Electronically**
  - The Annual Financial Reports (AFR) must be submitted directly through the Attachment Manager to the AFR Group by the Auditor (not from the school district) on before November 15 with the exception of Extension Approvals (Please see AFR Instructions for complete submission procedures). **Note: CD/Disk no longer accepted.**  
Attachment Manager Link
  - AFR supporting documentation must be embedded as Microsoft Word (.doc), Word Perfect (\*.wpd) or Adobe (\*.pdf) and inserted within tab "Opinions & Notes". These documents include: The Audit, Management letter, Opinion letters, Compliance letters, Financial notes etc.... For embedding instructions see "Opinions & Notes" tab of this form.  
*Note: In Windows 7 and above, files can be saved in Adobe Acrobat (\*.pdf) and embedded even if you do not have the software. If you have problems embedding the files you may attach them as separate (.docx) in the Attachment Manager and ISBE will embed them for you.*
- Submit Paper Copy of AFR with Signatures**
  - The auditor must send three paper copies of the AFR form (cover through page 8 at minimum) to the School District with the auditor signature.  
*Note: School Districts and Regional Superintendents may prefer a complete paper copy in lieu of an electronic file. Please comply with their requests as necessary.*
  - Upon receipt, the School District retains one copy for their records, signs, and forwards the remaining two copies to the Regional Superintendent's office no later than October 15, annually.
  - Upon receipt, the Regional Superintendent's office retains one copy for their records, signs, and forwards the remaining paper copy to ISBE no later than November 15, annually.
    - If the 15th falls on a Saturday, the due date is the Friday before. If the 15th falls on a Sunday, the due date is the Monday after.
    - Yellow Book, CPE, and Peer Review requirements must be met if the Auditor issues an opinion stating "Governmental Auditing Standards" were utilized.  
Federal Single Audit 2 CFR 200.500
- Requesting an Extension of Time** must be submitted in writing via email or letter to the Regional Office of Education (at the discretion of the ROE). Approval may be provided up to and no later than December 15 annually. After December 15, audits are considered late and out of compliance per Illinois School Code.
- Qualifications of Auditing Firm**
  - School District/Joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current peer review report and the corresponding acceptance letter from the approved peer review program, for the current peer review period.
  - A school district/joint agreement who engages with an auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school district's/joint agreement's expense.

**AUDITOR'S QUESTIONNAIRE**

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

**PART A - FINDINGS**

- |                          |  |
|--------------------------|--|
| <input type="checkbox"/> | 1. One or more school board members, administrators, certified school business officials, or other qualifying district employees failed to file economic interested statements pursuant to the <i>Illinois Government Ethics Act</i> . [5 ILCS 420/4A-101]   |
| <input type="checkbox"/> | 2. One or more custodians of funds failed to comply with the bonding requirements pursuant to <i>Illinois School Code</i> [105 ILCS 5/8-2;10-20.19;19-6].  |
| <input type="checkbox"/> | 3. One or more contracts were executed or purchases made contrary to the provisions of the <i>Illinois School Code</i> [105 ILCS 5/10-20.21].  |
| <input type="checkbox"/> | 4. One or more violations of the Public Funds Deposit Act or the Public Funds Investment Act were noted [30 ILCS 225/1 et. seq. and 30 ILCS 235/1 et. seq.].   |
| <input type="checkbox"/> | 5. Restricted funds were commingled in the accounting records or used for other than the purpose for which they were restricted.   |
| <input type="checkbox"/> | 6. One or more short-term loans or short-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory Authority.   |
| <input type="checkbox"/> | 7. One or more long-term loans or long-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory Authority.   |
| <input type="checkbox"/> | 8. Corporate Personal Property Replacement Tax monies were deposited and/or used without first satisfying the lien imposed pursuant to the <i>Illinois State Revenue Sharing Act</i> [30 ILCS 115/12].   |
| <input type="checkbox"/> | 9. One or more interfund loans were made in non-conformity with the applicable authorizing statute or without statutory authorization per <i>Illinois School Code</i> [105 ILCS 5/10-22.33, 20-4 and 20-5].  |
| <input type="checkbox"/> | 10. One or more interfund loans were outstanding beyond the term provided by statute <i>Illinois School Code</i> [105 ILCS 5/10-22.33, 20-4, 20-5].  |
| <input type="checkbox"/> | 11. One or more permanent transfers were made in non-conformity with the applicable authorizing statute/regulation or without statutory/regulatory authorization per <i>Illinois School Code</i> [105 ILCS 5/17-2A].   |
| <input type="checkbox"/> | 12. Substantial, or systematic misclassification of budgetary items such as, but not limited to, revenues, receipts, expenditures, disbursements or expenses were observed.  |
| <input type="checkbox"/> | 13. The Chart of Accounts used to define and control budget and accounting records does not conform to the minimum requirements imposed by ISBE rules pursuant to <i>Illinois School Code</i> [105 ILCS 5/2-3.27; 2-3.28].   |
| <input type="checkbox"/> | 14. At least one of the following forms was filed with ISBE late: The FY18 AFR (ISBE FORM 50-35), FY18 Annual Statement of Affairs (ISBE Form 50-37) and FY19 Budget (ISBE FORM 50-36). Explain in the comments box below in pursuant to <i>Illinois School Code</i> [105 ILCS 5/3-15.1; 5/10-17; 5/17-1]. |

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

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

**PART C - OTHER ISSUES**

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

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

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

School districts that report on the accrual/modified accrual basis of accounting must identify where late mandated categorical payments (Acct Codes 3100, 3105, 3110, 3500, 3510, 3120, 3950) are recorded. Depending on the accounting procedure these amounts will be used to adjust the Direct Receipts/Revenues in calculation 1 and 2 of the Financial Profile Score.

In FY2019, identify those late payments recorded as Intergovernmental Receivables, Other Receivables, or Deferred Revenue & Other Current Liabilities or Direct Receipts/Revenue. Payments should only be listed once.

24. Enter the date that the district used to accrue mandated categorical payments

Date:

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

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

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

## **PART E - QUALIFICATIONS OF AUDITING FIRM**

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

### **Comments Applicable to the Auditor's Questionnaire:**

**GRAY HUNTER STENN LLP**

Name of Audit Firm (print)

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

*Gray Hunter Stenn LLP*

Signature

*By J. A. McShane*

04/07/2019

mm/dd/yyyy

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

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	<b>FINANCIAL PROFILE INFORMATION</b>												
2													
3	<i>Required to be completed for School Districts only.</i>												
4													
5	<b>A. Tax Rates</b> (Enter the tax rate - ex: .0150 for \$1.50)												
6													
7	Tax Year <u>2018</u>				Equalized Assessed Valuation (EAV):				152,234,605				
8													
9	Educational		Operations & Maintenance		Transportation		Combined Total		Working Cash				
10	Rate(s): 0.010262		+ 0.003421		+ 0.001173		= 0.014860		0.000489				
11													
12													
13	<b>B. Results of Operations *</b>												
14													
15	Receipts/Revenues		Disbursements/Expenditures		Excess/ (Deficiency)		Fund Balance						
16	4,302,338		4,060,140		242,198		3,061,498						
17	* The numbers shown are the sum of entries on Pages 7 & 8, lines 8, 17, 20, and 81 for the Educational, Operations & Maintenance, Transportation and Working Cash Funds.												
18													
19													
20	<b>C. Short-Term Debt **</b>												
21	CPPRT Notes		TAWs		TANs		TO/EMP. Orders		GSA Certificates				
22	0		0		0		0		0				
23	Other		Total										
24	0		0										
25	** The numbers shown are the sum of entries on page 24.												
26													
27													
28	<b>D. Long-Term Debt</b>												
29	Check the applicable box for long-term debt allowance by type of district.												
30													
31	<input checked="" type="checkbox"/> a. 6.9% for elementary and high school districts,		10,504,188										
32	<input type="checkbox"/> b. 13.8% for unit districts.												
33													
34	Long-Term Debt Outstanding:												
35													
36	c. Long-Term Debt (Principal only)		Acct										
37	Outstanding:.....		511 0										
38													
39													
40	<b>E. Material Impact on Financial Position</b>												
41	If applicable, check any of the following items that may have a material impact on the entity's financial position during future reporting periods.												
42	Attach sheets as needed explaining each item checked.												
43													
44	<input type="checkbox"/> Pending Litigation												
45	<input type="checkbox"/> Material Decrease in EAV												
46	<input type="checkbox"/> Material Increase/Decrease in Enrollment												
47	<input type="checkbox"/> Adverse Arbitration Ruling												
48	<input type="checkbox"/> Passage of Referendum												
49	<input type="checkbox"/> Taxes Filed Under Protest												
50	<input type="checkbox"/> Decisions By Local Board of Review or Illinois Property Tax Appeal Board (PTAB)												
51	<input type="checkbox"/> Other Ongoing Concerns (Describe & Itemize)												
52													
53	Comments:												
54													
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42																	

**ESTIMATED FINANCIAL PROFILE SUMMARY**  
 (Go to the following website for reference to the Financial Profile)  
<https://www.isbe.net/Pages/School-District-Financial-Profile.aspx>

**District Name:** ILLINI WEST HIGH SCHOOL DISTRICT NO. 307  
**District Code:** 26-034-3070-16  
**County Name:** HANCOCK

<b>1. Fund Balance to Revenue Ratio:</b>		<b>Total</b>	<b>Ratio</b>	<b>Score</b>	<b>4</b>
Total Sum of Fund Balance (P8, Cells C81, D81, F81 & I81)	Funds 10, 20, 40, 70 + (50 & 80 if negative)	3,061,498.00	0.712	<b>Weight</b>	0.35
Total Sum of Direct Revenues (P7, Cell C8, D8, F8 & I8)	Funds 10, 20, 40, & 70,	4,302,338.00		<b>Value</b>	1.40
Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)	Minus Funds 10 & 20	0.00			
(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)					
<b>2. Expenditures to Revenue Ratio:</b>		<b>Total</b>	<b>Ratio</b>	<b>Score</b>	<b>4</b>
Total Sum of Direct Expenditures (P7, Cell C17, D17, F17, I17)	Funds 10, 20 & 40	4,060,140.00	0.944	<b>Adjustment</b>	0
Total Sum of Direct Revenues (P7, Cell C8, D8, F8, & I8)	Funds 10, 20, 40 & 70,	4,302,338.00		<b>Weight</b>	0.35
Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)	Minus Funds 10 & 20	0.00			
(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)			0	<b>Value</b>	1.40
Possible Adjustment:					
<b>3. Days Cash on Hand:</b>		<b>Total</b>	<b>Days</b>	<b>Score</b>	<b>4</b>
Total Sum of Cash & Investments (P5, Cell C4, D4, F4, I4 & C5, D5, F5 & I5)	Funds 10, 20 40 & 70	3,061,908.00	271.48	<b>Weight</b>	0.10
Total Sum of Direct Expenditures (P7, Cell C17, D17, F17 & I17)	Funds 10, 20, 40 divided by 360	11,278.17		<b>Value</b>	0.40
<b>4. Percent of Short-Term Borrowing Maximum Remaining:</b>		<b>Total</b>	<b>Percent</b>	<b>Score</b>	<b>4</b>
Tax Anticipation Warrants Borrowed (P24, Cell F6-7 & F11)	Funds 10, 20 & 40	0.00	100.00	<b>Weight</b>	0.10
EAV x 85% x Combined Tax Rates (P3, Cell J7 and J10)	(.85 x EAV) x Sum of Combined Tax Rates	1,922,875.30		<b>Value</b>	0.40
<b>5. Percent of Long-Term Debt Margin Remaining:</b>		<b>Total</b>	<b>Percent</b>	<b>Score</b>	<b>4</b>
Long-Term Debt Outstanding (P3, Cell H37)		0.00	100.00	<b>Weight</b>	0.10
Total Long-Term Debt Allowed (P3, Cell H31)		10,504,187.75		<b>Value</b>	0.40

**Total Profile Score: 4.00 \***

**Estimated 2020 Financial Profile Designation: RECOGNITION**

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

**BASIC FINANCIAL STATEMENTS**  
**STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS**  
**STATEMENT OF POSITION AS OF JUNE 30, 2019**

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	<b>ASSETS</b> (Enter Whole Dollars)	Acct. #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
3	<b>CURRENT ASSETS (100)</b>										
4	Cash (Accounts 111 through 115) <sup>1</sup>		383,421	223,417		386,193	231,947	4,872	44,281	472,487	578,451
5	Investments	120	1,522,302	202,294					300,000		
6	Taxes Receivable	130									
7	Interfund Receivables	140									
8	Intergovernmental Accounts Receivable	150									
9	Other Receivables	160									
10	Inventory	170									
11	Prepaid Items	180									
12	Other Current Assets (Describe & Itemize)	190									
13	<b>Total Current Assets</b>		1,905,723	425,711	0	386,193	231,947	4,872	344,281	472,487	578,451
14	<b>CAPITAL ASSETS (200)</b>										
15	Works of Art & Historical Treasures	210									
16	Land	220									
17	Building & Building Improvements	230									
18	Site Improvements & Infrastructure	240									
19	Capitalized Equipment	250									
20	Construction in Progress	260									
21	Amount Available in Debt Service Funds	340									
22	Amount to be Provided for Payment on Long-Term Debt	350									
23	<b>Total Capital Assets</b>										
24	<b>CURRENT LIABILITIES (400)</b>										
25	Interfund Payables	410									
26	Intergovernmental Accounts Payable	420									
27	Other Payables	430									
28	Contracts Payable	440									
29	Loans Payable	460									
30	Salaries & Benefits Payable	470									
31	Payroll Deductions & Withholdings	480	2								
32	Deferred Revenues & Other Current Liabilities	490	408								
33	Due to Activity Fund Organizations	493									
34	<b>Total Current Liabilities</b>		410	0	0	0	0	0	0	0	0
35	<b>LONG-TERM LIABILITIES (500)</b>										
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511									
37	<b>Total Long-Term Liabilities</b>										
38	Reserved Fund Balance	714	115,596								
39	Unreserved Fund Balance	730	1,789,717	425,711		386,193	231,947	4,872	344,281	472,487	578,451
40	Investment in General Fixed Assets										
41	<b>Total Liabilities and Fund Balance</b>		1,905,723	425,711	0	386,193	231,947	4,872	344,281	472,487	578,451

**BASIC FINANCIAL STATEMENTS**  
**STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS**  
**STATEMENT OF POSITION AS OF JUNE 30, 2019**

	A	B	L	M	N
1	ASSETS			Account Groups	
2	(Enter Whole Dollars)	Acct. #	Agency Fund	General Fixed Assets	General Long-Term Debt
3	<b>CURRENT ASSETS (100)</b>				
4	Cash (Accounts 111 through 115) <sup>1</sup>		179,353		
5	Investments	120	60,000		
6	Taxes Receivable	130			
7	Interfund Receivables	140			
8	Intergovernmental Accounts Receivable	150			
9	Other Receivables	160			
10	Inventory	170			
11	Prepaid Items	180			
12	Other Current Assets (Describe & Itemize)	190			
13	<b>Total Current Assets</b>		<b>239,353</b>		
14	<b>CAPITAL ASSETS (200)</b>				
15	Works of Art & Historical Treasures	210			
16	Land	220		704,470	
17	Building & Building Improvements	230		57,559	
18	Site Improvements & Infrastructure	240			
19	Capitalized Equipment	250		787,125	
20	Construction in Progress	260		57,301	
21	Amount Available in Debt Service Funds	340			
22	Amount to be Provided for Payment on Long-Term Debt	350			0
23	<b>Total Capital Assets</b>			<b>1,606,455</b>	<b>0</b>
24	<b>CURRENT LIABILITIES (400)</b>				
25	Interfund Payables	410			
26	Intergovernmental Accounts Payable	420			
27	Other Payables	430			
28	Contracts Payable	440			
29	Loans Payable	460			
30	Salaries & Benefits Payable	470			
31	Payroll Deductions & Withholdings	480			
32	Deferred Revenues & Other Current Liabilities	490			
33	Due to Activity Fund Organizations	493	179,353		
34	<b>Total Current Liabilities</b>		<b>179,353</b>		
35	<b>LONG-TERM LIABILITIES (500)</b>				
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511			0
37	<b>Total Long-Term Liabilities</b>				<b>0</b>
38	Reserved Fund Balance	714	60,000		
39	Unreserved Fund Balance	730			
40	Investment in General Fixed Assets			1,606,455	
41	<b>Total Liabilities and Fund Balance</b>		<b>239,353</b>	<b>1,606,455</b>	<b>0</b>



**BASIC FINANCIAL STATEMENT**  
**STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER**  
**SOURCES (USES) AND CHANGES IN FUND BALANCE**  
**ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2019**

1	A	B	C	D	E	F	G	H	I	J	K
2	Description (Enter Whole Dollars)	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
3	RECEIPTS/REVENUES										
4	LOCAL SOURCES	1000	1,775,713	560,321	0	195,066	71,477	26	74,139	327,893	76,232
5	FLOW-THROUGH RECEIPTS/REVENUES FROM ONE DISTRICT TO ANOTHER DISTRICT	2000	0	0		0	0				
6	STATE SOURCES	3000	1,378,660	0	0	161,262	0	0	0	0	0
7	FEDERAL SOURCES	4000	157,177	0	0	0	0	0	0	0	0
8	Total Direct Receipts/Revenues		3,311,550	560,321	0	356,328	71,477	26	74,139	327,893	76,232
9	Receipts/Revenues for "On Behalf" Payments <sup>2</sup>	3998	1,178,179								
10	Total Receipts/Revenues		4,489,729	560,321	0	356,328	71,477	26	74,139	327,893	76,232
11	DISBURSEMENTS/EXPENDITURES										
12	Instruction	1000	2,245,620				39,014				
13	Support Services	2000	644,952	339,854		350,939	61,802	0		280,126	32,259
14	Community Services	3000	0	0		0	0				
15	Payments to Other Districts & Governmental Units	4000	344,584	98,446	0	35,745	0	0		0	0
16	Debt Service	5000	0	0	0	0	0			0	0
17	Total Direct Disbursements/Expenditures		3,235,156	438,300	0	386,684	100,816	0		280,126	32,259
18	Disbursements/Expenditures for "On Behalf" Payments <sup>2</sup>	4180	1,178,179	0	0	0	0	0		0	0
19	Total Disbursements/Expenditures		4,413,335	438,300	0	386,684	100,816	0		280,126	32,259
20	Excess of Direct Receipts/Revenues Over (Under) Direct Disbursements/Expenditures <sup>3</sup>		76,394	122,021	0	(30,356)	(29,339)	26	74,139	47,767	43,973
21	OTHER SOURCES/USES OF FUNDS										
22	OTHER SOURCES OF FUNDS: (7000)										
23	PERMANENT TRANSFER FROM VARIOUS FUNDS										
24	Abolishment of the Working Cash Fund <sup>12</sup>	7110									
25	Abatement of the Working Cash Fund <sup>12</sup>	7110									
26	Transfer of Working Cash Fund Interest	7120									
27	Transfer Among Funds	7130									
28	Transfer of Interest	7140									
29	Transfer from Capital Project Fund to O&M Fund	7150									
30	Transfer of Excess Fire Prevention & Safety Tax and Interest Proceeds to O&M Fund <sup>4</sup>	7160									
31	Transfer to Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund <sup>5</sup>	7170									
32	SALE OF BONDS (7200)										
33	Principal on Bonds Sold	7210									
34	Premium on Bonds Sold	7220									
35	Accrued Interest on Bonds Sold	7230									
36	Sale or Compensation for Fixed Assets <sup>6</sup>	7300				1,523					
37	Transfer to Debt Service to Pay Principal on Capital Leases	7400			0						
38	Transfer to Debt Service to Pay Interest on Capital Leases	7500			0						
39	Transfer to Debt Service to Pay Principal on Revenue Bonds	7600			0						
40	Transfer to Debt Service Fund to Pay Interest on Revenue Bonds	7700			0						
41	Transfer to Capital Projects Fund	7800						0			
42	ISBE Loan Proceeds	7900									
43	Other Sources Not Classified Elsewhere	7990									
44	Total Other Sources of Funds		0	0	0	1,523	0	0	0	0	0
45	OTHER USES OF FUNDS (8000)										

**BASIC FINANCIAL STATEMENT**  
**STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER**  
**SOURCES (USES) AND CHANGES IN FUND BALANCE**  
**ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2019**

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description (Enter Whole Dollars)	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
46	PERMANENT TRANSFER TO VARIOUS OTHER FUNDS (\$100)										
47	Abolishment or Abatement of the Working Cash Fund <sup>12</sup>	8110							0		
48	Transfer of Working Cash Fund Interest <sup>12</sup>	8120							0		
49	Transfer Among Funds	8130									
50	Transfer of Interest	8140									
51	Transfer from Capital Project Fund to O&M Fund	8150						0			
52	Transfer of Excess Fire Prevention & Safety Tax & Interest Proceeds to O&M Fund <sup>4</sup>	8160									0
53	Transfer of Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund <sup>5</sup>	8170									0
54	Taxes Pledged to Pay Principal on Capital Leases	8410									
55	Grants/Reimbursements Pledged to Pay Principal on Capital Leases	8420									
56	Other Revenues Pledged to Pay Principal on Capital Leases	8430									
57	Fund Balance Transfers Pledged to Pay Principal on Capital Leases	8440									
58	Taxes Pledged to Pay Interest on Capital Leases	8510									
59	Grants/Reimbursements Pledged to Pay Interest on Capital Leases	8520									
60	Other Revenues Pledged to Pay Interest on Capital Leases	8530									
61	Fund Balance Transfers Pledged to Pay Interest on Capital Leases	8540									
62	Taxes Pledged to Pay Principal on Revenue Bonds	8610									
63	Grants/Reimbursements Pledged to Pay Principal on Revenue Bonds	8620									
64	Other Revenues Pledged to Pay Principal on Revenue Bonds	8630									
65	Fund Balance Transfers Pledged to Pay Principal on Revenue Bonds	8640									
66	Taxes Pledged to Pay Interest on Revenue Bonds	8710									
67	Grants/Reimbursements Pledged to Pay Interest on Revenue Bonds	8720									
68	Other Revenues Pledged to Pay Interest on Revenue Bonds	8730									
69	Fund Balance Transfers Pledged to Pay Interest on Revenue Bonds	8740									
70	Taxes Transferred to Pay for Capital Projects	8810									
71	Grants/Reimbursements Pledged to Pay for Capital Projects	8820									
72	Other Revenues Pledged to Pay for Capital Projects	8830									
73	Fund Balance Transfers Pledged to Pay for Capital Projects	8840									
74	Transfer to Debt Service Fund to Pay Principal on ISBE Loans	8910									
75	Other Uses Not Classified Elsewhere	8990									
76	Total Other Uses of Funds		0	0	0	0	0	0	0	0	0
77	Total Other Sources/Uses of Funds		0	0	0	1,523	0	0	0	0	0
78	Excess of Receipts/Revenues and Other Sources of Funds (Over/Under)										
79	Expenditures/Disbursements and Other Uses of Funds		76,394	122,021	0	(28,833)	(29,339)	26	74,139	47,767	43,973
79	Fund Balances - July 1, 2018		1,828,919	303,690	0	415,026	261,286	4,846	270,142	424,720	534,478
80	Other Changes in Fund Balances - Increases (Decreases) (Describe & Itemize)										
81	Fund Balances - June 30, 2019		1,905,313	425,711	0	386,193	231,947	4,872	344,281	472,487	578,451

# GRAY HUNTER STENN LLP

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

## CERTIFIED PUBLIC ACCOUNTANTS

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### INDEPENDENT AUDITORS' REPORT

Board of Education  
Illini West High School District No. 307  
Of Hancock County  
Carthage, Illinois 62321

#### Report on the Financial Statements

We have audited the individual fund basic financial statements arising from cash transactions of Illini West High School District No. 307 of Hancock County as at and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents of the Annual Financial Report Form.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting as described in Note (1); this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District'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 School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Basis for Adverse Opinion on Financial Statements**

As described more fully in Note (1), Notes To Financial Statements, Illini West High School District No. 307 of Hancock County has prepared these financial statements using accounting practices prescribed or permitted by 23 Illinois Administrative Code 100, Subtitle A, Subchapter c, which differ from accounting principles generally accepted in the United States of America. Also as described in Note (1), Illini West High School District No. 307 of Hancock County prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**Adverse Opinion**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on Financial Statements” paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Illini West High School District No. 307 of Hancock County, as at June 30, 2019, or the changes in its financial position for the year then ended.

**Basis for Qualified Opinion on Omitted Disclosures**

The District has omitted disclosures required by Governmental Accounting Standards Board Statement (GASB) 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions* and partial disclosures required by GASB 68, *Accounting and Financial Reporting for Pensions (An amendment of GASB No. 27)* and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The amount by which these disclosures would affect the financial statements is not reasonably determinable.

**Qualified Opinion on Omitted Disclosures**

In our opinion, except for the omission of the information discussed in the “Basis for Qualified Opinion on Omitted Disclosures” paragraph, the individual fund basic financial statements arising from cash transactions referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Illini West High School District No. 307 of Hancock County as at June 30, 2019, and its revenue received and expenditures disbursed during the fiscal year then ended, on the basis of accounting described in Note (1), Notes To Financial Statements.

**Basis for Disclaimer of Opinion on Budget Amounts**

The budget amounts included on the statement of expenditures disbursed/expenditures, budget to actual for the year ending June 30, 2019, (pages 15 through 22), have not been compiled or examined by us.

**Disclaimer of Opinion on Budget Amounts**

Because of the matter described in the “Basis for Disclaimer of Opinion on Budget Amounts” paragraph, we have not obtained sufficient appropriate audit evidence to provide a basis for an audit opinion on the budget amounts included on the statement of expenditures disbursed/expenditures, budget to actual for the year ending June 30, 2019, (pages 15 through 22). Accordingly, we do not express an opinion on the budget amounts referred to in the previous paragraph.

**Modified Opinion**

In our opinion, the individual fund basic financial statements arising from cash transactions referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of all funds of Illini West High School District No. 307 of Hancock County as at June 30, 2019, and its revenue received and expenditures disbursed, other than budget amounts, during the fiscal year then ended, on the basis of accounting described in Note (1), Notes To Financial Statements.

### Other Information

Our audit was conducted for the purpose of forming opinions on the individual basic financial statements arising from cash transactions taken as a whole. The additional information detailed in the following two paragraphs are presented for purposes of additional analysis and are not a required part of the individual fund basic financial statements arising from cash transactions of Illini West High School District No. 307 of Hancock County.

The information provided on pages 2 through 4, supplementary schedules on pages 23 through 25, statistical section on pages 26 through 30, the itemization schedule on page 33, the deficit reduction plan calculation on page 36, and pages following Supplementary Information titled "Fiduciary Funds", "Students' Activity Fund", "The Sherman Tweedt Scholarship Fund", "Property Tax Levies And Collections", and "Schedule of Funding Progress – Defined Benefit Pension Plan", 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, except for the average daily attendance figure included in the computation of operating expense per pupil on page 27 and per capita tuition charge on page 28, 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, except for the effects of unrecorded receipts and disbursements in the Students' Activity Fund, if any, the information is fairly stated in all material respects in relation to the individual fund basic financial statements arising from cash transactions taken as a whole.

The information on pages 27, 28 and 30 is propagated from information in the audited financial statements, but we take no responsibility for the accuracy of those calculations. The Report on Shared Services or Outsourcing on page 31 contains unaudited information concerning prior, current, and future year expenditures which was provided by the District. The Administrative Cost Worksheet on page 32 contains unaudited information concerning the current year budget, which was provided by the District. The actual expenditure information on page 32 is fairly stated in all material respects in relation to the financial statements taken as a whole. The Table of Contents references a Federal Compliance Section on pages 37 through 46. However, this District was not required to have a Single Audit and this section has not been completed.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2019, on our consideration of the Illini West High School District No. 307 of Hancock County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Illini West High School District No. 307 of Hancock County's internal control over financial reporting and compliance.

  
Certified Public Accountants

Dated at Quincy, Illinois  
September 27, 2019

**GRAY HUNTER STENN LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF INDIVIDUAL FUND BASIC FINANCIAL  
STATEMENTS ARISING FROM CASH TRANSACTIONS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

Board of Education  
Illini West High School District No. 307  
Of Hancock County  
Carthage, Illinois 62321

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the individual fund basic financial statements arising from cash transactions of Illini West High School District No. 307 of Hancock County as at and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Illini West High School District No. 307 of Hancock County's basic financial statements, and have issued our report thereon dated September 27, 2019. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated, except for the effects of the omitted disclosures required by Governmental Accounting Standards Board Statement (GASB) 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, and partial disclosures required by GASB 68, *Accounting and Financial Reporting for Pensions (An Amendment of GASB No. 27)* and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, on the cash basis of accounting, in accordance with regulatory reporting requirements established by 23 Illinois Administrative Code 100, Subtitle A, Subchapter c, which is a comprehensive basis of accounting other than generally accepted accounting principles.

*Internal Control Over Financial Reporting*

In planning and performing our audit of the individual fund basic financial statements arising from cash transactions, we considered Illini West High School District No. 307 of Hancock County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the individual fund basic financial statements arising from cash transactions, but not for the purpose of expressing an opinion on the effectiveness of Illini West High School District No. 307 of Hancock County's internal control. Accordingly, we do not express an opinion on the effectiveness of the Illini West High School District No. 307 of Hancock County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Item 2019-001 that we consider to be a significant deficiency.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether Illini West High School District No. 307 of Hancock County's individual fund basic financial statements arising from cash transactions are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Illini West High School District No. 307 Of Hancock County's Response To Findings

Illini West High School District No. 307 of Hancock County's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Illini West High School District No. 307 of Hancock County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Certified Public Accountants

Dated at Quincy, Illinois  
September 27, 2019

HANCOCK COUNTY  
ILLINI WEST HIGH SCHOOL DISTRICT NO. 307  
CARTHAGE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

Note (1) Summary Of Significant Accounting Policies

The District's accounting policies conform to the cash basis of accounting as defined by 23 Illinois Administrative Code 100, Subtitle A, Subchapter c.

A. Principles Used To Determine The Scope Of The Reporting Entity

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

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

The joint agreements have been determined not to be part of the reporting entity after applying the manifesting of oversight, scope of public service and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the District does not control the assets, operations or management of the joint agreements. In addition, the District is not aware of any entity that would exercise such oversight as to result in the District being considered a component unit of the entity.

B. Basis Of Presentation - Fund Accounting

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

Educational Fund

The Educational Fund covers transactions that are not specifically covered in another fund. Certain expenditures that must be charged to this fund include the direct costs of instructional, health and attendance services, lunch programs, all costs of administration (even those for buildings and grounds), and related insurance costs. Certain revenues that must be credited to this fund include educational tax levies, tuition and textbook rental.



**Note (1) Summary Of Significant Accounting Policies (Cont'd.)**

The salaries of janitors, engineers, and other custodial employees and all costs of fuel, lights, gas, water, telephone service and custodial supplies and equipment are charged to this fund. The school board may provide, by resolution, to charge to the Operations and Maintenance Fund all salaries of janitors, engineers or other custodial employees and all costs of fuel, lights, gas, water, telephone service and custodial supplies and equipment or any one or more of these items.

**Operations And Maintenance Fund**

All costs of maintaining, improving or repairing school buildings and property, and renting buildings and property for school purposes, are to be charged to the Operations and Maintenance Fund.

**Debt Services Fund**

Bonds are generally issued to finance the construction of buildings and may be issued for other purposes. Property taxes are levied to provide cash to retire the bonds and pay interest on them. To protect bondholders, property tax collections and payments of principal and interest are accounted for in the Debt Services Fund. The District must maintain a separate debt service fund for each bond issue, but the funds are aggregated for reporting purposes.

**Transportation Fund**

The Transportation Fund must be used if the District pays for transporting pupils for any purpose. Costs of transportation, including the purchase of vehicles, are to be paid from this fund. Funds received for transportation purposes from any source must be deposited into this fund, except for the portion of state reimbursement applicable to other funds.

**Municipal Retirement/Social Security Fund**

This fund is used if a separate tax is levied for the purpose of providing resources for the District's share of retirement benefits for covered employees or a separate tax is levied for the purpose of providing resources for the District's share of social security and medicare only payments for covered employees.

**Capital Projects Fund**

This fund is required to account for proceeds resulting from each bond issue, receipts from other long term financing agreements (including impact fee agreements), or construction or maintenance grants used to finance a capital project, capital lease, lease purchase agreement, or if a tax is levied in accordance with Section 17-2.3 of the School Code. The District must maintain a separate fund for each project or financing source, but the funds are aggregated for reporting purposes.

**Working Cash Fund**

If a separate tax is levied for working cash purposes or if bonds are sold for this purpose the proceeds are recorded in the Working Cash Fund. Interfund loans from this fund may be made to any fund for which taxes are levied.

Note (1) Summary Of Significant Accounting Policies (Cont'd.)

Tort Fund

This fund is used if taxes are levied or bonds are sold for tort immunity or tort judgment purposes.

Fire Prevention And Safety Fund

The Fire Prevention and Safety Fund is used when a tax is levied or bonds issued for fire prevention, safety, energy conservation or school security purposes. The funds received from the levy or proceeds of the bond issue may only be used for the purpose stipulated.

Fiduciary Funds

Fiduciary Funds include Agency Funds and Private Purpose Funds. The Agency Fund includes the Students' Activity Fund. It is used to account for assets held by the District as an agent for the students. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the activity fund organizations are equal to the assets. Private Purpose Funds are endowment and scholarship funds which includes The Sherman Tweedt Scholarship Fund.

Measurement Focus

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

General Fixed Assets Account Group

Records of physical assets which have a long-term (i.e., more than one year) period of usefulness to the District are maintained in a group of accounts separate from the fund which provided the cash for the purchase of those assets. Acquisitions of general fixed assets are recorded here at least at the end of the fiscal year by entering the items purchased during the year and charged in the Educational; Operations and Maintenance; Transportation; Fire Prevention and Safety; and Capital Projects Funds.

General Long-Term Debt Account Group

Records of the District's total bonded debt are maintained in a group of accounts separate from the Debt Services Fund. When bonds are sold and the resolution including future tax levies is filed with the county clerk, this event is entered in the General Long-Term Debt Account Group. Other types of general long-term debt are also recorded here.

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

Note (1) Summary Of Significant Accounting Policies (Cont'd.)

C. Basis Of Accounting

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The District maintains its accounting records for all funds and account groups on the cash basis of accounting under guidelines prescribed by 23 Illinois Administrative Code 100, Subtitle A, Subchapter c.

Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

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

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

D. Budgets And Budgetary Accounting

The budget for all District Funds is prepared on the cash basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Act 5, Section 17-1 of the Illinois Compiled Statutes. The budget was adopted by the Board of Education on September 19, 2018 and amended on May 15, 2019. Budgeted amounts for revenues are not included in the Annual Financial Report.

For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

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

1. 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.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

Note (1) Summary Of Significant Accounting Policies (Cont'd.)

E. Inventories

The District does not maintain inventories. All consumable items are expensed when purchased.

F. Investments

Investments are stated at fair value. Realized and unrealized gains and losses are included in revenues. The District has adopted a formal written investment policy but does not have a formal cash management policy. The institutions in which investments are made must be approved by the Board of Education.

G. General Fixed Assets

General fixed assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as expenditures disbursed in the applicable funds and capitalized at cost in the General Fixed Assets Account Group. Individual items with a cost of \$500 or more are capitalized as fixed assets. Donated general fixed assets are recorded at estimated fair market value as of the date of acquisition.

Depreciation accounting is not considered applicable (except to determine the per capita tuition charge). Depreciation is calculated using the straight-line method over 5 to 50 years in accordance with state guidelines: Buildings 50 years; Improvements other than buildings 20 years; Equipment other than transportation/food services 10 years; Transportation equipment 5 years; Food services equipment 10 years. Fully depreciated items are removed from the accounts. Depreciation expense allowed for the per capita tuition charge was \$148,396 for the year ended June 30, 2019.

Note (2) Property Tax

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The 2018 levy was passed by the Board of Education on December 19, 2018. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on approximately June 1 and September 1. The District receives significant distributions of tax receipts from the County Treasurer approximately one month after these due dates. Taxes recorded in these financial statements are from the 2017 and prior tax levies.

Note (2) Property Tax (Cont'd.)

The following are the tax rate limits permitted by the School Code and by local referendum and the actual rates levied per \$100.00 of equalized assessed valuation:

Fund	Maximum Levy		Actual Levy	
	2018		2018	2017
Educational	\$	1.0500 (1)	\$ 1.0262	\$ 1.0500
Operations And Maintenance		0.3500 (1)	0.3421	0.3500
Debt Services		As needed	-	-
Transportation		0.1200	0.1173	0.1200
Municipal Retirement		As needed	-	-
Working Cash		0.0500	0.0489	0.0500
Tort		As needed	0.1806	0.2214
Special Education		0.0200	0.0195	0.0200
Social Security		As needed	0.0624	0.0477
Fire Prevention And Safety		0.0500	0.0489	0.0500
Leasing		0.0500	0.0489	0.0500
<u>Total</u>			\$ <u>1.8948</u>	\$ <u>1.9591</u>

(1) Subject to possible backdoor referendum

Note (3) Deposits And Investments

The District is allowed to invest in securities as authorized by Chapter 30, Act 235, Sections 1 through 7 and Chapter 105, Act 5, Sections 7 and 8 of the Illinois Compiled Statutes.

A. Deposits

Custodial Credit Risk – 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 FDIC insurance limit is currently \$250,000. As of June 30, 2019, \$2,088,473 of the District's bank balance of \$2,526,398 was exposed to custodial credit risk as follows:

	Carrying Amount	Bank Balance
Uninsured and collateralized with securities held by the pledging financial institution	\$ <u>2,075,069</u>	\$ <u>2,088,473</u>

Note (3) Deposits And Investments (Cont'd.)

B. Investments

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District's certificates of deposit may not be returned to it. The FDIC insurance limit is currently \$250,000. As of June 30, 2019, \$1,774,596 of the District's certificates of deposit of \$2,084,596 was exposed to custodial credit risk as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Certificates of deposit uninsured and collateralized with securities held by the pledging financial institution	\$ <u>1,774,596</u>	\$ <u>1,774,596</u>

Note (4) Changes In General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
Land	\$ 704,470	\$ -	\$ -	\$ 704,470
Improvements Other Than Buildings	-	-	-	-
Buildings	57,559	-	-	57,559
Transportation Equipment	328,280	-	252,248	76,032
Other Equipment	622,132	203,345	114,384	711,093
Construction in Progress	46,421	10,880	-	57,301
<u>Total</u>	\$ <u>1,758,862</u>	\$ <u>214,225</u>	\$ <u>366,632</u>	\$ <u>1,606,455</u>

Note (5) Retirement Fund Commitments

A. Teachers' Retirement System Of The State Of Illinois

**General Information About The Pension Plan**

***Plan Description***

The employer participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active nonannuitants 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.

Note (5) Retirement Fund Commitments (Cont'd.)

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/cafrs/fy2018>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling 888-678-3675, option 2.

***Benefits Provided***

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but is has not yet gone into effect. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring 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.

Note (5) Retirement Fund Commitments (Cont'd.)

- ***On Behalf Contributions to TRS.*** The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2019, State of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$1,156,498 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 \$10,141 and are deferred because they were paid after the June 30, 2018 measurement date.
- ***Federal and Special Trust Fund Contributions.*** When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund 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 \$10,306 were paid from federal and special trust funds that required employer contributions of \$1,015. These contributions are deferred because they were paid after the June 30, 2018 measurement date.

- ***Employer Retirement Cost Contributions.*** Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contribution for salary increases over 3 percent if members are not exempted by current collective bargaining agreements or contracts.

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



Note (5) Retirement Fund Commitments (Cont'd.)**Pension Liabilities, Pension Expense, And Deferred Outflows Of Resources and Deferred Inflows Of Resources Related To Pensions**

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

Employer's proportionate share of the net pension liability	\$ 179,757
State's proportionate share of the net pension liability associated with the employer	<u>12,314,116</u>
Total	<u>\$12,493,873</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 and rolled forward to June 30, 2018. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2018, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2018, the employer's proportion was .0002306209 percent, which was an increase of .0000071432 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the employer recognized pension expense of \$1,156,498 and revenue of \$1,156,498 for support provided by the state. At June 30, 2019, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 3,613	\$ 39
Net difference between projected and actual earnings on pension plan investments	0	550
Changes in assumptions	7,884	5,095
Changes in proportion and differences between employer contributions and proportionate share of contributions	88,277	179,167
Employer contributions subsequent to the measurement date	<u>168,519</u>	<u>0</u>
Total	<u>\$ 268,293</u>	<u>\$ 184,851</u>

Note (5) Retirement Fund Commitments (Cont'd.)

\$168,519 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year Ended June 30:

2020	\$(37,939)
2021	(55,456)
2022	4,033
2023	3,746
2024	539

**Actuarial Assumptions**

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

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

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

The long-term (20-year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing 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%	

Note (5) Retirement Fund Commitments (Cont'd.)

***Discount Rate***

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

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

***Sensitivity Of The Employer's Proportionate Share Of The Net Pension Liability To Changes In The Discount Rate***

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 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%)
Employer's proportionate share of the net pension liability	\$220,455	\$179,757	\$146,983

***TRS Fiduciary Net Position***

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

**B. Teacher Health Insurance Security Fund**

The employer participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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

Note (5) Retirement Fund Commitments (Cont'd.)

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

- *On Behalf Contributions to THIS Fund.* The State of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 1.24 percent of pay during the year ended June 30, 2019. State of Illinois contributions were \$21,681, and the employer recognized revenue and expenditures of this amount during the year.
- *Employer Contributions to THIS Fund.* The employer also makes contributions to THIS Fund. The District THIS Fund contribution was 0.92 percent during the year ended June 30, 2019. For the year ended June 30, 2019, the employer paid \$16,086 to the THIS Fund, which was 100 percent of the required contribution.

Further Information of THIS Fund

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

C. Defined Benefit Pension Plan

*Plan Description.* The employer'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 employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, your employer Regular plan members are required to contribute 4.50 percent 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 employer annual required contribution rates for calendar years 2019 and 2018 are 3.82 percent and 6.14 percent, respectively. The employer 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Note (5) Retirement Fund Commitments (Cont'd.)

*Annual Pension Cost.* The required contribution for the year ended June 30, 2019 was \$28,779.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/2019	\$ 28,779	100%	\$ -
06/30/2018	31,334	100%	-
06/30/2017	21,123	100%	-

The required contribution for 2018 was determined as part of the December 31, 2016, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2016, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 3.5 percent per year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3.0 percent annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The employer Regular plan's overfunded actuarial accrued liability at December 31, 2016 is being amortized as a level percentage of projected payroll on an open 25 year basis.

*Funding Status and Funding Progress.* As of December 31, 2018, the most recent actuarial valuation date, the Regular plan was 112.78 percent funded. The actuarial accrued liability for benefits was \$941,748 and the actuarial value of assets was \$1,062,126, resulting in an overfunded actuarial accrued liability (UAAL) of \$120,378. The covered payroll for calendar year 2018 (annual payroll of active employees covered by the plan) was \$588,540. Because the plan is overfunded there is no ratio of the UAAL to the covered payroll.

The schedule of funding progress, presented as supplementary information following the notes to financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

D. Social Security And Medicare

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$39,870, the total required contribution for the current fiscal year for social security. In addition, the District paid \$32,181, the total contribution required for those employees covered under Medicare.

Note (6) Overexpenditure Of Budget/Deficit Fund Balance

The District operated within the confines of the budgeted expenditures in all funds during the year ended June 30, 2019. No fund had a deficit fund balance at June 30, 2019.

Note (7) The Sherman Tweedt Scholarship Fund

The Sherman Tweedt Scholarship Fund was established from a bequest of \$60,000 from Sherman O. Tweedt. The terms of the will state that the principal sum of \$60,000 shall be invested by the treasurer in a federal government insured depository or in U. S. government securities. The annual income from the investment shall constitute the amount of the scholarship for each given year. Only one scholarship per year is to be given to one deserving student. The \$60,000 is invested in a five-year certificate of deposit.

Note (8) Common Bank Account

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

Some of the funds participating in the common bank account could incur overdrafts (deficits) in the account without the total account being overdrawn. The overdrafts would result from expenditures approved by the School Board. At month end there were no known overdrafts in any fund.

Note (9) Interfund Receivables And Payables

There were no interfund receivables and payables at June 30, 2019.

Note (10) Legal Debt Margin

Equalized Assessed Valuation - 2018	\$	<u>152,234,605</u>
Statutory Debt Limitation		
(6.9% of assessed valuation)	\$	10,504,188
Less Bonded Indebtedness		<u>-</u>
Legal Debt Margin	\$	<u>10,504,188</u>

Note (11) Contingencies

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

The District is a member of West Central Illinois Special Education Cooperative, along with other area school districts. The Cooperative assesses the District annual fees based on local district enrollment. Tuition is paid for District students sent to a program sponsored by West Central Illinois Special Education Cooperative. No financial activities of West Central Illinois Special Education Cooperative are included in these financial statements and the District does not have an equity interest in this joint agreement. West Central Illinois Special Education Cooperative is a joint agreement, which is separately audited and files its own separate Annual Financial Report. The Annual Financial Report will be available at the office in Macomb, Illinois after October 15, 2019.

**Note (12) Vacation And Sick Pay**

Vacation and sick pay are expenditures in the year paid. Vacation pay does not accumulate if not used in the year earned. Accumulated sick pay benefits are available to all full time employees to use in future years and are accumulated at the rate of 12 days per year up to a maximum of 350 days for certified personnel and 10 days per year up to a maximum of 245 days for noncertified personnel. Noncertified personnel who work on a 12-month contract accumulate sick leave at the rate of 12 days per year. Upon termination the employee is not compensated for any unused sick pay, but days accumulated may be added to time employed for retirement benefits.

**Note (13) Potential Risks Of Loss**

The District is subject to potential risks of loss common to any governmental body. Significant losses are covered by commercial insurance for all major programs: property, liability and workers' compensation. During the year ended June 30, 2019, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

The District is insured under a retrospectively-rated policy for workers' compensation coverage. Therefore, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2019, the District received a premium refund of \$405 for the prior year policy.

**Note (14) Commitments**

Most teachers are hired on nine month contracts from September to May, but are paid over twelve months from September to August. At June 30, 2019 the District still owes two months salaries (\$243,822) for teacher contracts that were completed in May 2019.

**Note (15) Operating Leases**

On May 17, 2018, the District entered into a Municipal Lease Agreement with Santander Leasing, LLC for five regular school buses. The lease payments are \$63,747 per year on July 20, 2018, July 20, 2019, and July 20, 2020. On July 20, 2021, the lease agreement will terminate.

On May 23, 2007, the District entered into a lease agreement with Carthage Elementary School District #317 for classroom space in the Carthage High School Building located at 600 Miller Street, Carthage, Illinois. The initial lease was for a five-year period ending with the school year 2011/2012. On July 11, 2011, the lease agreement was extended by five years thus ending with the 2016/2017 school year. The lease is continued from year to year unless cancelled by either party. The lease payments are based on cost reimbursement with the District using approximately 65% of the building space. Estimated annual cost is approximately \$109,000.

On October 13, 2015, the District entered into a lease agreement with Digital Copy systems, LLC for the lease of copier equipment for five years for a lease payment of \$1,364 per month.

On June 1, 2015, the District entered into a Lease Extension with JMO Mobile Modular, LLC for three (3) relocatable classroom buildings for five (5) additional years from June 1, 2015 to June 1, 2020, at an annual cost of \$35,700.

On June 1, 2015, the District entered into a Lease Extension with JMO Mobile Modular, LLC for three (3) relocatable classroom buildings for five (5) additional years from June 1, 2015 to June 1, 2020, at an annual cost of \$35,700.

Note (15) Operating Leases (Cont'd.)

Future lease payments are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2020	\$ 260,515
2021	67,839
2022	-
2023	-
2024	-
<u>Total</u>	<u>\$ 328,354</u>

Note (16) Fund Balance Reporting

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

A. Nonspendable Fund Balance

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

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories –

1. Special Education

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

2. Leasing Levy

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Educational Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$115,596. This balance is included in the financial statements as Reserved in the Educational Fund.



Note (16) Fund Balance Reporting (Cont'd.)

3. State Grants

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

4. Federal Grants

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

5. Social Security

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. At June 30, 2019, expenditures disbursed exceeded revenue received for social security, resulting in no restricted balance in the Municipal Retirement/Social Security Fund.

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 during the fiscal year ended June 30, 2019, amounted to \$243,822. This amount is shown as Unreserved in the Educational Fund.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted or 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.

Note (16) Fund Balance Reporting (Cont'd.)

E. Unassigned Fund Balance

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

F. Regulatory – Fund Balance Definitions

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

G. Reconciliation of Fund Balance Reporting

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

Generally Accepted Accounting Principles						Regulatory Basis	
Fund	Non-spendable	Restricted	Committed	Assigned	Unassigned	Financial Statements - Reserved	Financial Statements- Unreserved
Educational	\$ 0	\$ 115,596	\$243,822	\$ 0	\$1,545,895	\$115,596	\$1,789,717
Operations & Maintenance	0	0	0	0	425,711	0	425,711
Debt Services	0	0	0	0	0	0	0
Transportation	0	0	0	0	386,193	0	386,193
Municipal Retirement	0	231,947	0	0	0	0	231,947
Capital Projects	0	4,872	0	0	0	0	4,872
Working Cash	0	0	0	0	344,281	0	344,281
Tort	0	472,487	0	0	0	0	472,487
Fire Prevention and Safety	0	578,451	0	0	0	0	578,451

H. Expenditures of Fund Balance

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

Note (17) Subsequent Events

Subsequent events have been evaluated through September 27, 2019, which is the date the financial statements were available to be issued. In the course of this evaluation, management has not identified any material subsequent events which are required to be disclosed under generally accepted accounting standards.

## **SUPPLEMENTARY INFORMATION**

HANCOCK COUNTY  
ILLINI WEST HIGH SCHOOL DISTRICT NO. 307  
CARTHAGE, ILLINOIS  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
ARISING FROM CASH TRANSACTIONS  
AS AT JUNE 30, 2019

	<u>Agency</u>	<u>Private Purpose</u>	
	<u>Students' Activity Fund</u>	<u>The Sherman Tweedt Scholarship Fund</u>	<u>Fiduciary Funds Total</u>
<u>ASSETS</u>			
Cash	\$ 179,353	\$ -	\$ 179,353
Investment at Fair Value (Cost \$60,000):			
Certificate of Deposit, 1.35%, dated 1/12/18, due 1/12/23	<u>-</u>	<u>60,000</u>	<u>60,000</u>
<u>Total Assets</u>	<u>\$ 179,353</u>	<u>\$ 60,000</u>	<u>\$ 239,353</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>Liabilities:</u>			
Due to Activity Fund Organizations	\$ 179,353	\$ -	\$ 179,353
<u>Fund Balance:</u>			
Fund Balance, Reserved	<u>-</u>	<u>60,000</u>	<u>60,000</u>
<u>Total Liabilities And Fund Balance</u>	<u>\$ 179,353</u>	<u>\$ 60,000</u>	<u>\$ 239,353</u>

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

HANCOCK COUNTY  
ILLINI WEST HIGH SCHOOL DISTRICT NO. 307  
CARTHAGE, ILLINOIS  
STUDENTS' ACTIVITY FUND  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
YEAR ENDED JUNE 30, 2019

	Cash Balance June 30, 2018	Receipts*	Disbursements*	Cash Balance June 30, 2019
Art	\$ 910	\$ 5	\$ 75	\$ 840
Art Club	1,118	307	207	1,218
Athletes in Need	755	4	-	759
Athletic Fundraising	3,029	16	-	3,045
Band	238	1,438	1,308	368
Baseball	2,386	5,878	6,187	2,077
Bass Fishing	89	-	-	89
Book Club	349	1	39	311
Boys Basketball	6,013	3,151	5,251	3,913
Boys Track	908	154	400	662
Business Department	622	-	540	82
CEO	113	3,860	3,860	113
Cheerleading	470	4,256	3,598	1,128
Chorus	188	913	937	164
Christmas for Underprivileged	1,665	505	1,324	846
Class of 2015	2,179	-	-	2,179
Class of 2016	1,163	-	-	1,163
Class of 2017	3,912	-	-	3,912
Class of 2018	3,101	-	3,101	-
Class of 2019	3,713	-	2,255	1,458
Class of 2020	6,146	6,507	9,232	3,421
Class of 2021	1,625	2,728	2,017	2,336
Class of 2022	-	3,584	788	2,796
Class of 2023	-	302	-	302
Co-op	619	255	-	874
Cross Country	523	386	155	754
Dance Team	430	786	100	1,116
Drama Club	5,019	8,461	9,851	3,629
Education Scholarship	1,308	6,807	6,800	1,315
E - Sports	-	1,699	10	1,689
Family Consumer Science	650	2	232	420
FBLA	6,779	11,448	15,406	2,821
FFA	8,197	26,402	21,153	13,446
FFA Greenhouse	6,029	10,383	7,450	8,962
First Club	4,440	22	485	3,977
Flags	695	2,488	2,296	887

\* Includes transfers between activities.

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

HANCOCK COUNTY  
ILLINI WEST HIGH SCHOOL DISTRICT NO. 307  
CARTHAGE, ILLINOIS  
STUDENTS' ACTIVITY FUND  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
YEAR ENDED JUNE 30, 2019

	Cash Balance June 30, 2018	Receipts*	Disbursements*	Cash Balance June 30, 2019
Football	\$ 5,915	\$ 19,894	\$ 22,045	\$ 3,764
General	1,871	1,247	769	2,349
General Business	10,426	2,083	1,790	10,719
Girls Basketball	7,483	20,720	19,781	8,422
Girls Track	1,112	296	1,221	187
Golf	1,706	2,597	2,051	2,252
Guidance Department	1,839	9	247	1,601
History Club	1,970	8,255	6,424	3,801
Images	662	3	-	665
Industrial Technology	280	1	-	281
International Club	9,644	8,689	11,030	7,303
Key Club	2,462	1,091	1,295	2,258
Locks	192	1	-	193
Loop	188	1	117	72
Math Club	1,793	8	250	1,551
National Honor Society	193	525	224	494
Parking Permits	189	1	-	190
PE Department	1,601	539	400	1,740
SADD Chapter	401	414	750	65
Scholastic Bowl	848	35	-	883
Softball	7,761	1,349	5,627	3,483
Special Education Dept.	189	1	-	190
Speech Team	1,106	7	-	1,113
Student Enhancement	14,852	6,690	3,453	18,089
Student Activity - Other	582	-	-	582
Student Council	5,502	7,037	6,815	5,724
Tech Club	305	374	591	88
Tournament General	13,299	16,483	15,556	14,226
Trap Shooting	714	1	507	208
Volleyball	5,983	9,438	7,216	8,205
Weight Room	3,000	1,458	3,000	1,458
Wrestling	1,922	1,682	2,485	1,119
WYSE	297	26	240	83
Yearbook	6,930	1,219	5,226	2,923
Total Students' Activity Fund	\$ 188,598	\$ 214,922	\$ 224,167	\$ 179,353

\* Includes transfers between activities.

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

HANCOCK COUNTY

ILLINI WEST HIGH SCHOOL DISTRICT NO. 307

CARTHAGE, ILLINOIS

THE SHERMAN TWEEDT SCHOLARSHIP FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ARISING FROM CASH TRANSACTIONS

YEAR ENDED JUNE 30, 2019

Revenues:

Earnings on investments	\$	810
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Expenditures:

Scholarship		<u>810</u>
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<u>Excess of Revenues Over Expenditures</u>	\$	-
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<u>Fund Balance At Beginning Of Year</u>		<u>60,000</u>
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<u>Fund Balance At End Of Year</u>	\$	<u><u>60,000</u></u>
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The Notes to Financial Statements are an integral part of this statement.

HANCOCK COUNTY  
ILLINI WEST HIGH SCHOOL DISTRICT NO. 307  
CARTHAGE, ILLINOIS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LEVY YEARS 2015 - 2018

	Levy Year			
	2015	2016	2017	2018
<u>Assessed Values As Equalized</u>	\$ 134,886,286	\$ 140,604,921	\$ 146,814,436	\$ 152,234,605
<u>Rate Per \$100:</u>				
Educational	\$ 1.0500	\$ 1.0500	\$ 1.0500	\$ 1.0262
Operations And Maintenance	0.3500	0.3500	0.3500	0.3421
Debt Service	-	-	-	-
Transportation	0.1200	0.1200	0.1200	0.1173
Municipal Retirement	0.0258	0.0101	-	-
Social Security	0.0464	0.0302	0.0477	0.0624
Working Cash	0.0500	0.0500	0.0500	0.0489
Fire Prevention and Safety	0.0500	0.0500	0.0500	0.0489
Special Education	0.0200	0.0200	0.0200	0.0195
Tort Immunity	0.2679	0.2720	0.2214	0.1806
Leasing	0.0500	0.0500	0.0500	0.0489
<u>Total</u>	\$ 2.0301	\$ 2.0023	\$ 1.9591	\$ 1.8948
<u>Taxes Extended</u>	\$ 2,738,273	\$ 2,815,342	\$ 2,877,656	\$ 2,884,541
<u>Additions:</u>				
Supplements	-	163	-	-
Back taxes	1,439	1,663	2,634	-
Interest	174	170	248	-
Mobile home tax	2,748	2,585	2,237	-
Payment in lieu of tax	947	990	973	-
<u>Deductions:</u>				
Prior year real estate	-	(3,515)	-	-
Cancellations	(4,540)	(5,626)	(4,009)	-
County Trustee	(5,677)	(6,707)	(9,406)	-
Errors, forfeitures and protested	-	(26)	-	-
<u>Net Collections</u>	\$ 2,733,364	\$ 2,805,039	\$ 2,870,333	*
*Allocated to individual funds as follows:				
Educational Fund	\$ 1,506,982	\$ 1,569,009	\$ 1,640,140	
Operations And Maintenance Fund	470,933	490,317	512,544	
Debt Service Fund	-	-	-	
Transportation Fund	161,463	168,109	175,729	
Municipal Retirement/Social Security Fund	97,464	56,463	70,084	
Working Cash Fund	67,276	70,046	73,222	
Tort Immunity Fund	361,970	381,049	325,392	
Fire Prevention And Safety fund	67,276	70,046	73,222	
<u>Total</u>	\$ 2,733,364	\$ 2,805,039	\$ 2,870,333	

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



HANCOCK COUNTY

ILLINI WEST HIGH SCHOOL DISTRICT NO. 307

CARTHAGE, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND

SCHEDULE OF FUNDING PROGRESS - DEFINED BENEFIT PENSION PLAN

AS AT JUNE 30, 2019

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As A Percentage Of Covered Payroll ((b-a)/c)
12/31/2018	\$ 1,062,126	\$ 941,748	\$ (120,378)	112.78%	\$ 588,540	0.00%
12/31/2017	1,074,365	894,296	(180,069)	120.14%	535,233	0.00%
12/31/2016	977,929	879,514	(98,415)	111.19%	470,933	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2018 is \$940,281. On a market basis, the funded ratio would be 99.84%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Illini West High School District No. 307. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

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

HANCOCK COUNTY  
ILLINI WEST HIGH SCHOOL DISTRICT NO. 307  
CARTHAGE, ILLINOIS  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2019

Finding 2019-001 – Segregation of Duties

The School District's office does not have an adequate segregation of duties in certain accounting areas consistent with control objectives. Inadequate segregation of duties is common in small organizations. With a limited number of individuals to share responsibilities for access to assets and accounting, it is sometimes difficult to mitigate the control weaknesses caused by a lack of segregation of duties. When a lack of segregation of duties exists, management's and the Board of Educations' close supervision and review of accounting information are the best means of preventing or detecting errors and irregularities.

*Auditee Response:*

Management agrees with the finding and will continue oversight responsibility.

# Illini West High School District #307

600 Miller St.  
Carthage, IL 62321  
Phone: (217) 357-9607  
Fax: (217) 357-9609  
www.illiniwest.org


Shannon Short, District Bookkeeper  
Email: short.shannon@illiniwest.org

## CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2019

### Finding 2019-001 – Segregation of Duties

Management agrees with the finding. With the limited number of personnel in the district business office it is not possible to achieve adequate segregation of duties. It is not practical to hire additional personnel in order to achieve complete segregation of duties. The district superintendent closely supervises the district bookkeeper, approves the payment of bills, signs checks that require two signatures and reviews and approves the monthly financial statements. Also, the Board of Education approves the payment of all bills each month and reviews and approves the monthly financial statements. The district treasurer reviews the approved payment of bills and signs the checks. The bookkeeper has little access to cash since all state and federal funds are direct deposited in the bank account as well as online registration and fee payments that are directly deposited into the bank account. Each class sponsor monitors and approves the individual student activity account deposits, which the bookkeeper then verifies as well.

The Board of Education and superintendent will continue to perform responsibilities to mitigate the lack of segregation of duties. We will be reviewing processes to ensure everything that can be done will be done to improve compliance.

  
\_\_\_\_\_  
Kim Schilson, Superintendent

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

**LIMITATION OF ADMINISTRATIVE COSTS WORKSHEET**

(Section 17-1.5 of the School Code)

School District Name: ILLINI WEST HIGH SCHOOL DISTRICT NO. 307

RCDT Number: 26-034-3070-16

Description	Funct. No.	Actual Expenditures, Fiscal Year 2019			Budgeted Expenditures, Fiscal Year 2020		
		(10) Educational Fund	(20) Operations & Maintenance Fund	Total	(10) Educational Fund	(20) Operations & Maintenance Fund	Total
1. Executive Administration Services	2320	145,703		145,703	152,706		152,706
2. Special Area Administration Services	2330	0		0			0
3. Other Support Services - School Administration	2490	0		0			0
4. Direction of Business Support Services	2510	0	0	0			0
5. Internal Services	2570	0		0			0
6. Direction of Central Support Services	2610	0		0			0
7. Deduct - Early Retirement or other pension obligations required by state law and included above.				0			0
8. Totals		145,703	0	145,703	152,706	0	152,706
9. Percent Increase (Decrease) for FY2020 (Budgeted) over FY2019 (Actual)							5%

**CERTIFICATION**

I certify that the amounts shown above as "Actual Expenditures, Fiscal Year 2019" agree with the amounts on the district's Annual Financial Report for Fiscal Year 2019.

I also certify that the amounts shown above as "Budgeted Expenditures, Fiscal Year 2020" agree with the amounts on the budget adopted by the Board of Education.



Signature of Superintendent

10-7-19

Date

Kim Schilson

Contact Name (for questions)

217-357-9607

Contact Telephone Number

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

- ☐ The District is ranked by ISBE in the lowest 25th percentile of like districts in administrative expenditures per student (4th quartile) and will waive the limitation by board action, subsequent to a public hearing. Waiver resolution must be adopted no later than June 30.
- ☐ The district is unable to waive the limitation by board action and will be requesting a waiver from the General Assembly pursuant to the procedures in Chapter 105 ILCS 5/2-3.25g. Waiver applications must be postmarked by August 15, 2019 to ensure inclusion in the Fall 2019 report or postmarked by January 15, 2020 to ensure inclusion in the Spring 2020 report. Information on the waiver process can be found at <https://www.isbe.net/Pages/Waivers.aspx>.
- ☐ The district will amend their budget to become in compliance with the limitation. Budget amendments must be adopted no later than June 30.