

**KANKAKEE SCHOOL DISTRICT 111  
KANKAKEE, ILLINOIS**

**Annual Financial Report**

**As of and for the Year Ended  
June 30, 2015**

**Kankakee School District 111  
Annual Financial Report  
As of and for the year ended June 30, 2015**

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**Kankakee School District 111**  
**Annual Financial Report**  
**As of and for the year ended June 30, 2015**

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## Independent Auditor's Report

To the Board of Education  
Kankakee School District 111  
Kankakee, Illinois

### Report on the Financial Statements

We have audited the accompanying financial statements of Kankakee School District 111, which comprise the basic financial statements and the related notes to the financial statements, as listed in the table of contents, as of and for the year ended June 30, 2015.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Illinois State Board of Education (ISBE) Title 23 of the Illinois Administrative Code, Part 100, as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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



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

As described in Note 1 to the financial statements, the financial statements are prepared by Kankakee School District 111 on the basis of the financial reporting provisions of ISBE Title 23 of the Illinois Administrative Code, Part 100, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements of ISBE.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraphs, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Kankakee School District 111, as of June 30, 2015, or the changes in financial position for the year then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of Kankakee School District 111 as of June 30, 2015, and the changes in regulatory basis financial position thereof for the year then ended in accordance with the financial reporting provisions of ISBE Title 23 of the Administrative Code, Part 100, described in Note 1.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Kankakee School District No. 111's financial statements. The accompanying information listed in the table of contents as Other Supplemental Information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Other Supplemental Information, except for the Schedules of Per Capita Tuition Charge and Schedule of Disbursements Per Student, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplemental Information, except for the Schedules of Per Capita Tuition Charge and Schedule of Disbursements Per Student, is fairly stated in all material respects in relation to the financial statements as a whole.

The Schedules of Per Capita Tuition Charge and Schedule of Disbursements Per Student have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2015, on our consideration of Kankakee School District 111'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 the District's internal control over financial reporting and compliance.

*Smith, Koelling, Dykstra and Ohm, P.C.*

Bourbonnais, Illinois  
November 13, 2015

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**INDEPENDENT AUDITOR'S REPORT  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Board of Education  
Kankakee School District 111  
Kankakee, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, the financial statements of Kankakee School District 111, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Kankakee School District 111's basic financial statements, and have issued our report thereon dated November 13, 2015. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the regulatory basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, Title 23 of the Illinois Administrative Code, Part 100, which is a basis of accounting other than accounting principles generally accepted in the United States.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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



The District recorded state and federal grant expenditures of \$288,176 for IMRF and FICA/Medicare in the IMRF/SS Fund but recorded the related grant revenues in the Education Fund. Prior to posting an audit adjustment to record interfund payables and receivables, the grant expenditures were funded by restricted levy receipts rather than the grant revenues, and the grant revenues funded other non-grant expenditures in the Education Fund. The District also recorded \$32,454 of state and federal grant expenditures related to transportation in the Transportation Fund; however, the related grant revenues were recorded in the Education Fund.

### **Compliance and Other Matters**

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

### **Kankakee School District 111's Response to Findings**

Kankakee School District 111's response to the finding identified in our audits described below. The District'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.

Kankakee School District will transfer the identified grant revenues from the Education Fund to the IMRF/SS Fund and the Transportation Fund. In the future, grant expenditures and the related grant revenues will be recorded in the same fund.

### **Purpose of this Report**

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

*Smith, Koelling, Dykstra and Ohm, P.C.*

Bourbonnais, Illinois  
November 13, 2015

KANKAKEE SCHOOL DISTRICT 111  
Statement of Assets and Liabilities  
Arising From Cash Transactions  
June 30, 2015

Exhibit A

	Educational	Operations and Maintenance	Debt Service	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Student Activity Funds	Account Groups	
											General Fixed Assets	General Long-Term Debt
<b>Assets</b>												
Cash and cash equivalents	\$ 941,770	\$ 914,894	\$ 382	\$ 1,494,624	\$ 196,168	\$ 4,474,707	\$ 5,157,369	\$ 496,394	\$ 224,115	\$ 456,461	\$ -	\$ -
Interfund receivables	-	-	-	32,454	288,176	-	676,000	-	-	-	-	-
Property and equipment	-	-	-	-	-	-	-	-	-	-	87,842,215	-
Amount available in Debt Service Fund	-	-	-	-	-	-	-	-	-	-	-	382
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	-	-	-	-	12,827,631
<b>Total Assets</b>	<b>\$ 941,770</b>	<b>\$ 914,894</b>	<b>\$ 382</b>	<b>\$ 1,527,078</b>	<b>\$ 484,344</b>	<b>\$ 4,474,707</b>	<b>\$ 5,833,369</b>	<b>\$ 496,394</b>	<b>\$ 224,115</b>	<b>\$ 456,461</b>	<b>\$87,842,215</b>	<b>\$12,828,013</b>
<b>Liabilities</b>												
Due to student groups	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 456,461	\$ -	\$ -
Interfund payable	320,630	-	76,000	-	600,000	-	-	-	-	-	-	-
Other payables	879,611	-	-	-	-	-	-	-	-	-	-	-
Long-term debt payable	-	-	-	-	-	-	-	-	-	-	-	12,828,013
<b>Total Liabilities</b>	<b>1,200,241</b>	<b>-</b>	<b>76,000</b>	<b>-</b>	<b>600,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>456,461</b>	<b>-</b>	<b>12,828,013</b>
<b>Fund Equity</b>												
Investment in general fixed assets	-	-	-	-	-	-	-	-	-	-	87,842,215	-
Fund balance - reserved	-	1,537,873	-	-	-	-	-	-	-	-	-	-
Fund (deficit) balance - unreserved	(258,471)	(622,979)	(75,618)	1,527,078	(115,656)	4,474,707	5,833,369	496,394	224,115	-	-	-
<b>Total Fund Equity</b>	<b>(258,471)</b>	<b>914,894</b>	<b>(75,618)</b>	<b>1,527,078</b>	<b>(115,656)</b>	<b>4,474,707</b>	<b>5,833,369</b>	<b>496,394</b>	<b>224,115</b>	<b>-</b>	<b>87,842,215</b>	<b>-</b>
<b>Total Liabilities &amp; Fund Equity</b>	<b>\$ 941,770</b>	<b>\$ 914,894</b>	<b>\$ 382</b>	<b>\$ 1,527,078</b>	<b>\$ 484,344</b>	<b>\$ 4,474,707</b>	<b>\$ 5,833,369</b>	<b>\$ 496,394</b>	<b>\$ 224,115</b>	<b>\$ 456,461</b>	<b>\$87,842,215</b>	<b>\$12,828,013</b>

KANKAKEE SCHOOL DISTRICT 111  
Statement of Receipts, Disbursements, Other Financing  
Sources and Uses and Changes in Fund Balances  
For the year ended June 30, 2015

Exhibit B

	Educational	Operations and Maintenance	Debt Service	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety
<b>Receipts</b>									
Local sources	\$ 9,927,767	\$ 2,442,879	\$ 2,601,041	\$ 1,276,595	\$ 1,437,712	\$ 9,107	\$ 27,871	\$ 1,223,001	\$ 22,449
State sources	29,483,976	-	-	1,356,770	68,754	-	-	-	-
Federal sources	11,170,407	-	-	209,781	544,427	9,260	-	-	-
Total Direct Receipts	50,582,150	2,442,879	2,601,041	2,843,146	2,050,893	18,367	27,871	1,223,001	22,449
Receipts for on-behalf payments	13,821,442	-	-	-	-	-	-	-	-
Total Receipts	64,403,592	2,442,879	2,601,041	2,843,146	2,050,893	18,367	27,871	1,223,001	22,449
<b>Disbursements</b>									
Instruction	33,097,745	-	-	-	844,979	-	-	-	-
Supporting services	19,054,551	3,628,576	-	3,274,276	1,304,361	2,002,363	-	724,780	4,083
Community services	902,365	-	-	562	91,520	-	-	-	-
Payments to other governmental units	903,879	-	-	-	-	-	-	-	-
Debt services	-	-	2,865,752	-	-	-	-	-	-
Total Disbursements	53,958,540	3,628,576	2,865,752	3,274,838	2,240,860	2,002,363	-	724,780	4,083
Disbursements for on-behalf payments	13,821,442	-	-	-	-	-	-	-	-
Total Disbursements	67,779,982	3,628,576	2,865,752	3,274,838	2,240,860	2,002,363	-	724,780	4,083
Excess (Deficiency) of Receipts over Disbursements	(3,376,390)	(1,185,697)	(264,711)	(431,692)	(189,967)	(1,983,996)	27,871	498,221	18,366
<b>Other Financing Sources (Uses)</b>									
Permanent transfer from working cash	11,942	-	-	-	-	-	(11,942)	-	-
Transfer to debt service - capital lease principal	(122,328)	-	122,328	-	-	-	-	-	-
Transfer to debt service - capital lease interest	(4,315)	-	4,315	-	-	-	-	-	-
Compensation for loss of fixed assets	-	107,509	-	-	-	-	-	-	-
Other sources (uses)	300,000	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	185,299	107,509	126,643	-	-	-	(11,942)	-	-
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	(3,191,091)	(1,078,188)	(138,068)	(431,692)	(189,967)	(1,983,996)	15,929	498,221	18,366
Fund Balance (Deficit), Beginning of Year	2,932,620	1,993,082	62,450	1,958,770	74,311	6,458,703	5,817,440	(1,827)	205,749
Fund Balance (Deficit), End of Year	\$ (258,471)	\$ 914,894	\$ (75,618)	\$ 1,527,078	\$ (115,656)	\$ 4,474,707	\$ 5,833,369	\$ 496,394	\$ 224,115

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The accompanying notes are an integral part of these financial statements

KANKAKEE SCHOOL DISTRICT 111  
Statement of Revenues Received  
For the year ended June 30, 2015

Exhibit C

	Educational	Operations and Maintenance	Debt Service	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety
<b>Receipts from local sources</b>									
Ad valorem taxes levied by local education agency									
General levy	\$ 7,830,130	\$ 1,987,051	\$ 2,599,632	\$ 1,263,832	\$ 632,381	\$ -	\$ 15,646	\$ 1,222,089	\$ 22,104
Special education levy	-	168,838	-	-	-	-	-	-	-
Social security/medicare only levy	-	-	-	-	758,823	-	-	-	-
Total ad valorem taxes levied by district	<u>7,830,130</u>	<u>2,155,889</u>	<u>2,599,632</u>	<u>1,263,832</u>	<u>1,391,204</u>	<u>-</u>	<u>15,646</u>	<u>1,222,089</u>	<u>22,104</u>
<b>Payments in lieu of taxes</b>									
Mobile home privilege tax	3,858	926	-	360	-	-	-	-	-
Payments from local housing authorities	907	217	434	79	158	-	20	118	-
Corporate personal property replacement taxes	1,723,299	254,800	-	-	46,072	-	-	-	-
Other payments in lieu of taxes	-	20	-	-	-	-	-	-	-
Total payments in lieu of taxes	<u>1,728,064</u>	<u>255,963</u>	<u>434</u>	<u>439</u>	<u>46,230</u>	<u>-</u>	<u>20</u>	<u>118</u>	<u>-</u>
<b>Tuition</b>									
Summer school tuition from pupils or parents	240	-	-	-	-	-	-	-	-
Total tuition	<u>240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Transportation fees</b>									
Regular transportation fees from pupils or parents	-	-	-	10,266	-	-	-	-	-
Total transportation fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Earnings on investments</b>									
Interest on investments	190	2,008	975	2,058	278	9,107	12,205	794	345
Total earnings on investments	<u>190</u>	<u>2,008</u>	<u>975</u>	<u>2,058</u>	<u>278</u>	<u>9,107</u>	<u>12,205</u>	<u>794</u>	<u>345</u>
<b>Food service</b>									
Sales to pupils - lunch	6,169	-	-	-	-	-	-	-	-
Sales to pupils - breakfast	184	-	-	-	-	-	-	-	-
Sales to pupils - a la carte	124,008	-	-	-	-	-	-	-	-
Sales to adults	6,676	-	-	-	-	-	-	-	-
Other food service	113,017	-	-	-	-	-	-	-	-
Total food service	<u>250,054</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>District/school activity income</b>									
Admissions - athletic	3,671	-	-	-	-	-	-	-	-
Fees	11,131	-	-	-	-	-	-	-	-
Other district/school activity revenue	885	-	-	-	-	-	-	-	-
Total district/school activity income	<u>15,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Textbooks</b>									
Rentals - regular textbooks	25,646	-	-	-	-	-	-	-	-
Sales - other	6,591	-	-	-	-	-	-	-	-
Total textbooks	<u>32,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other revenue from local sources</b>									
Rentals	-	13,733	-	-	-	-	-	-	-
Drivers' education fees	10,863	-	-	-	-	-	-	-	-
Other local fees	-	14,407	-	-	-	-	-	-	-
Other local revenues	60,302	879	-	-	-	-	-	-	-
Total other revenue from local sources	<u>71,165</u>	<u>29,019</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total receipts from local sources	<u>9,927,767</u>	<u>2,442,879</u>	<u>2,601,041</u>	<u>1,276,595</u>	<u>1,437,712</u>	<u>9,107</u>	<u>27,871</u>	<u>1,223,001</u>	<u>22,449</u>

KANKAKEE SCHOOL DISTRICT 111  
Statement of Revenues Received  
For the year ended June 30, 2015

Exhibit C  
(Continued)

	Educational	Operations and Maintenance	Debt Service	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety
<b>Receipts from state sources</b>									
General state aid- Sec. 18-8 05	25,452,043	-	-	-	-	-	-	-	-
Total unrestricted grants-in-aid	25,452,043	-	-	-	-	-	-	-	-
Restricted grants-in-aid									
Special education									
Special education - private facility tuition	259,645	-	-	-	-	-	-	-	-
Special education - extraordinary	567,286	-	-	-	-	-	-	-	-
Special education - personnel	861,834	-	-	-	-	-	-	-	-
Special education - orphanage - individual	116,707	-	-	-	-	-	-	-	-
Special education - summer school	2,563	-	-	-	-	-	-	-	-
Total special education	1,808,035	-	-	-	-	-	-	-	-
Bilingual									
Bilingual education - downstate - TPI	147,136	-	-	-	10,289	-	-	-	-
Total bilingual education	147,136	-	-	-	10,289	-	-	-	-
State free lunch & breakfast	39,479	-	-	-	-	-	-	-	-
Driver education	57,941	-	-	-	-	-	-	-	-
Transportation									
Transportation - regular/vocational	-	-	-	902,377	-	-	-	-	-
Transportation - special education	-	-	-	449,092	-	-	-	-	-
Total transportation	-	-	-	1,351,469	-	-	-	-	-
Early childhood - block grant	1,254,283	-	-	5,301	58,465	-	-	-	-
Other restricted revenue from state sources	725,059	-	-	-	-	-	-	-	-
Total restricted grants-in-aid	4,031,933	-	-	1,356,770	68,754	-	-	-	-
Total receipts from state sources	29,483,976	-	-	1,356,770	68,754	-	-	-	-

KANKAKEE SCHOOL DISTRICT 111  
Statement of Revenues Received  
For the year ended June 30, 2015

Exhibit C  
(Continued)

	Educational	Operations and Maintenance	Debt Service	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety
<b>Receipts from federal sources</b>									
Restricted grants-in-aid received directly from federal government									
Head start	2,276,718	-	-	-	-	-	-	-	-
Other restricted grants-in-aid received directly from the federal government	269,634	-	-	175,077	325,005	9,260	-	-	-
Total restricted grants-in-aid received directly from the federal government	2,546,352	-	-	175,077	325,005	9,260	-	-	-
Restricted grants-in-aid received from federal government through the state									
Food service									
National school lunch program	2,165,089	-	-	-	-	-	-	-	-
School breakfast program	708,341	-	-	-	-	-	-	-	-
Summer food service admin/program	29,525	-	-	-	-	-	-	-	-
Child and adult care food programs	72,092	-	-	-	-	-	-	-	-
Fresh fruits and vegetables	101,344	-	-	-	-	-	-	-	-
Total food service	3,126,056	-	-	-	-	-	-	-	-
Title I									
Title I - Low income	2,259,623	-	-	17,228	60,068	-	-	-	-
Title I - Migrant education	108,696	-	-	7,701	5,320	-	-	-	-
Title I - Other	684,320	-	-	9,775	11,253	-	-	-	-
Total Title I	3,052,639	-	-	34,704	76,641	-	-	-	-
Federal special education									
Federal - special education - preschool flow-through	16,051	-	-	-	1,654	-	-	-	-
Federal - special education - IDEA - flow through/ low incidence	1,319,877	-	-	-	80,532	-	-	-	-
Total federal - special education	1,335,928	-	-	-	82,186	-	-	-	-
Title III - English language acquisition	79,539	-	-	-	9,094	-	-	-	-
Title II - Teacher quality	429,459	-	-	-	4,735	-	-	-	-
Medicaid matching funds - administrative outreach	239,718	-	-	-	-	-	-	-	-
Medicaid matching funds - fees-for-service program	260,849	-	-	-	-	-	-	-	-
Other restricted revenue from federal sources	99,867	-	-	-	46,766	-	-	-	-
Total restricted grants-in-aid received from federal govt though the state	8,624,055	-	-	34,704	219,422	-	-	-	-
Total receipts from federal sources	11,170,407	-	-	209,781	544,427	9,260	-	-	-
Total direct receipts	\$ 50,582,150	\$ 2,442,879	\$ 2,601,041	\$ 2,843,146	\$ 2,050,893	\$ 18,367	\$ 27,871	\$ 1,223,001	\$ 22,449

KANKAKEE SCHOOL DISTRICT 111  
Statement of Expenditures Disbursed, Budget to Actual  
For the year ended June 30, 2015

Exhibit D

Educational fund	Salaries	Employee Benefits	Purchased services	Supplies/ Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
Regular programs	\$ 15,412,413	\$ 4,778,688	\$ 481,913	\$ 628,728	\$ 291,610	\$ 6,062	\$ -	\$ -	\$ 21,599,414	\$ 21,715,066
Special education programs	5,489,900	1,878,694	116,239	44,616	21,675	-	-	-	7,551,124	8,017,233
Interscholastic programs	478,642	61,651	45,076	44,510	330,460	17,467	-	-	977,806	652,532
Summer school programs	16,146	1,912	-	-	-	-	-	-	18,058	15,000
Gifted programs	555,722	178,496	4,840	8,499	-	195	-	-	747,752	738,555
Drivers education programs	173,758	61,409	1,771	1,926	-	-	-	-	238,864	184,880
Bilingual programs	1,395,236	446,158	32,640	52,924	37,769	-	-	-	1,964,727	1,910,523
Total instruction	23,521,817	7,407,008	682,479	781,203	681,514	23,724	-	-	33,097,745	33,233,789
Support services										
Support services - pupils										
Attendance & social work services	707,131	285,951	6,883	4,981	12,335	-	-	-	1,017,281	1,029,020
Guidance services	419,274	125,704	-	1,744	-	-	-	-	546,722	613,152
Health services	692,821	138,796	101,886	9,315	4,141	-	-	-	946,959	926,916
Psychological services	271,983	88,883	404	1,926	-	-	-	-	363,196	367,568
Speech pathology & audiology services	538,836	154,591	131	14,046	4,632	-	-	-	712,236	705,460
Total support services - pupils	2,630,045	793,925	109,304	32,012	21,108	-	-	-	3,586,394	3,642,116
Support services - instructional staff										
Improvement of instruction services	779,166	342,681	713,025	177,436	26,966	11,150	-	-	2,050,424	2,178,154
Educational media services	256,753	91,434	-	27,868	8,711	-	-	-	384,766	495,403
Assessment & testing	265,502	45,812	147,067	5,738	-	300	-	-	464,419	421,961
Total support services - instructional staff	1,301,421	479,927	860,092	211,042	35,677	11,450	-	-	2,899,609	3,095,518
Support services - general administration										
Board of education services	-	-	224,875	8,275	20	16,782	-	-	249,952	320,000
Executive administration services	1,024,405	207,553	82,077	62,767	4,651	30,552	-	-	1,412,005	756,700
Service area administrative services	458,746	136,042	9,223	5,404	3,149	-	-	-	612,564	529,374
Tort immunity services	103,345	22,728	237,234	21,684	3,495	-	-	-	388,486	567,907
Total support services - general administration	1,586,496	366,323	553,409	98,130	11,315	47,334	-	-	2,663,007	2,173,981
Support services - school administration										
Office of the principal services	2,549,301	700,029	33,140	46,708	3,046	4,126	-	-	3,336,350	3,248,599
Other support services - school administration	3,912	-	-	918	-	-	-	-	4,830	-
Total support services - school administration	2,553,213	700,029	33,140	47,626	3,046	4,126	-	-	3,341,180	3,248,599

KANKAKEE SCHOOL DISTRICT 111  
Statement of Expenditures Disbursed, Budget to Actual  
For the year ended June 30, 2015

Exhibit D  
(Continued)

	Salaries	Employee Benefits	Purchased services	Supplies/ Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
Support services - business										
Direction of business support services	\$ 87,293	\$ 19,267	\$ 1,076	\$ 899	\$ -	\$ -	\$ -	\$ -	\$ 108,535	\$ 226,747
Fiscal services	380,424	86,756	27,124	9,954	518	8,508	-	-	513,284	524,160
Operation & maintenance of plant services	87,917	21,650	162,887	995,459	21,178	-	-	-	1,289,091	1,378,463
Pupil transportation services	-	-	1,063	-	25,450	-	-	-	26,513	2,000
Food services	1,179,730	218,308	57,184	1,389,764	101,711	3,587	-	-	2,950,284	2,925,369
Internal services	64,476	13,311	-	-	-	-	-	-	77,787	85,838
Total support services - business	<u>1,799,840</u>	<u>359,292</u>	<u>249,334</u>	<u>2,396,076</u>	<u>148,857</u>	<u>12,095</u>	<u>-</u>	<u>-</u>	<u>4,965,494</u>	<u>5,142,577</u>
Support services - central										
Direction of central support services	-	-	226,080	-	-	-	-	-	226,080	203,472
Information services	5,175	-	13,115	7,602	-	-	-	-	25,892	-
Staff services	199,248	140,880	-	-	-	-	-	-	340,128	347,125
Data processing services	418,011	124,751	51,477	321,530	87,626	-	-	-	1,003,395	998,186
Total support services - central	<u>622,434</u>	<u>265,631</u>	<u>290,672</u>	<u>329,132</u>	<u>87,626</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,595,495</u>	<u>1,548,783</u>
Other support services	1,248	-	1,010	1,114	-	-	-	-	3,372	811,442
Total support services	<u>10,494,697</u>	<u>2,965,127</u>	<u>2,096,961</u>	<u>3,115,132</u>	<u>307,629</u>	<u>75,005</u>	<u>-</u>	<u>-</u>	<u>19,054,551</u>	<u>19,663,016</u>
Community services	523,503	121,235	218,132	39,495	-	-	-	-	902,365	794,007
Payments to other government units (in-state)										
Payments for special education programs	-	-	183,002	-	-	-	-	-	183,002	739,053
Payments for special education programs - tuition	-	-	-	-	-	446,835	-	-	446,835	-
Payments for CTE programs - tuition	-	-	-	-	-	259,953	-	-	259,953	342,009
Other payments to in-state governments	-	-	-	-	-	14,089	-	-	14,089	-
Total payments to other government units (in-state)	<u>-</u>	<u>-</u>	<u>183,002</u>	<u>-</u>	<u>-</u>	<u>720,877</u>	<u>-</u>	<u>-</u>	<u>903,879</u>	<u>1,081,062</u>
Total payments to other districts and government units	<u>-</u>	<u>-</u>	<u>183,002</u>	<u>-</u>	<u>-</u>	<u>720,877</u>	<u>-</u>	<u>-</u>	<u>903,879</u>	<u>1,081,062</u>
Total direct disbursements	<u>\$ 34,540,017</u>	<u>\$ 10,493,370</u>	<u>\$ 3,180,574</u>	<u>\$ 3,935,830</u>	<u>\$ 989,143</u>	<u>\$ 819,606</u>	<u>\$ -</u>	<u>\$ -</u>	<u>53,958,540</u>	<u>\$ 54,771,874</u>
Excess (deficiency) of receipts over disbursements									<u>\$ (3,376,390)</u>	

KANKAKEE SCHOOL DISTRICT 111  
Statement of Expenditures Disbursed, Budget to Actual  
For the year ended June 30, 2015

Exhibit D  
(Continued)

	Salaries	Employee Benefits	Purchased services	Supplies/ Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
<b>Operations &amp; maintenance fund</b>										
Support services										
Support services - business										
Operation & maintenance of plant services	\$ 2,287,099	\$ 485,163	\$ 620,055	\$ 149,554	\$ 86,705	\$ -	\$ -	\$ -	\$ 3,628,576	\$ 3,572,660
Total support services - business	2,287,099	485,163	620,055	149,554	86,705	-	-	-	3,628,576	3,572,660
Total support services	2,287,099	485,163	620,055	149,554	86,705	-	-	-	3,628,576	3,572,660
Total direct disbursements	\$ 2,287,099	\$ 485,163	\$ 620,055	\$ 149,554	\$ 86,705	\$ -	\$ -	\$ -	3,628,576	\$ 3,572,660
Excess (deficiency) of receipts over disbursements									\$ (1,185,697)	
<b>Debt service fund</b>										
Debt services										
Debt service - interest										
Long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,037,212	\$ -	\$ -	\$ 1,037,212	\$ 2,767,687
Total debt services - interest	-	-	-	-	-	1,037,212	-	-	1,037,212	2,767,687
Debt service - payments of principal on long-term debt										
Total debt services	-	-	-	-	-	1,828,540	-	-	1,828,540	-
Total direct disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,865,752	\$ -	\$ -	2,865,752	\$ 2,767,687
Excess (deficiency) of receipts over disbursements									\$ (264,711)	
<b>Transportation fund</b>										
Support services										
Support services - pupils										
Support services - business										
Pupil transportation services	\$ 24,638	\$ 2,724	\$ 2,989,111	\$ 252,559	\$ 5,244	\$ -	\$ -	\$ -	\$ 3,274,276	\$ 3,696,112
Total support services - business	24,638	2,724	2,989,111	252,559	5,244	-	-	-	3,274,276	3,696,112
Community services	-	-	562	-	-	-	-	-	562	-
Total direct disbursements	\$ 24,638	\$ 2,724	\$ 2,989,673	\$ 252,559	\$ 5,244	\$ -	\$ -	\$ -	3,274,838	\$ 3,696,112
Excess (deficiency) of receipts over disbursements									\$ (431,692)	

KANKAKEE SCHOOL DISTRICT 111  
Statement of Expenditures Disbursed, Budget to Actual  
For the year ended June 30, 2015

Exhibit D  
(Continued)

	Salaries	Employee Benefits	Purchased Services	Supplies/ Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
<b>Municipal retirement/Social Security fund</b>										
<b>Instruction</b>										
Regular programs	\$ -	\$ 455,987	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 455,987	\$ 493,418
Special education programs	-	314,471	-	-	-	-	-	-	314,471	338,655
Interscholastic programs	-	19,917	-	-	-	-	-	-	19,917	19,498
Summer school programs	-	223	-	-	-	-	-	-	223	200
Gifted programs	-	5,172	-	-	-	-	-	-	5,172	7,794
Drivers education programs	-	2,295	-	-	-	-	-	-	2,295	1,837
Bilingual programs	-	46,914	-	-	-	-	-	-	46,914	45,053
Total instruction	-	844,979	-	-	-	-	-	-	844,979	906,455
<b>Support services</b>										
<b>Support services - pupils</b>										
Attendance & social work services	-	30,989	-	-	-	-	-	-	30,989	25,396
Guidance services	-	15,119	-	-	-	-	-	-	15,119	20,020
Health services	-	99,905	-	-	-	-	-	-	99,905	102,146
Psychological services	-	3,780	-	-	-	-	-	-	3,780	3,954
Speech pathology/audiology services	-	6,127	-	-	-	-	-	-	6,127	7,542
Total support services - pupils	-	155,920	-	-	-	-	-	-	155,920	159,058
<b>Support services - instructional staff</b>										
Improvement of instruction services	-	23,833	-	-	-	-	-	-	23,833	38,679
Educational media services	-	16,927	-	-	-	-	-	-	16,927	23,898
Assessment & testing	-	10,703	-	-	-	-	-	-	10,703	7,074
Total support services - instructional staff	-	51,463	-	-	-	-	-	-	51,463	69,651
<b>Support services - general administration</b>										
Executive administration services	-	131,118	-	-	-	-	-	-	131,118	30,955
Service area administrative services	-	8,522	-	-	-	-	-	-	8,522	20,053
Educational, inspectional, supervisory services related to loss prevention or reduction	-	18,051	-	-	-	-	-	-	18,051	-
Legal services	-	-	-	-	-	-	-	-	-	19,651
Total support services - general administration	-	157,691	-	-	-	-	-	-	157,691	70,659
<b>Support services - school administration</b>										
Office of the principal services	-	150,156	-	-	-	-	-	-	150,156	156,115
Other school administration support services	-	702	-	-	-	-	-	-	702	-
Total support services - school administration	-	150,858	-	-	-	-	-	-	150,858	156,115
<b>Support services - business</b>										
Direction of business support services	-	1,202	-	-	-	-	-	-	1,202	8,609
Fiscal services	-	75,792	-	-	-	-	-	-	75,792	63,299
Operation & maintenance of plant services	-	417,120	-	-	-	-	-	-	417,120	394,304
Pupil transportation services	-	-	-	-	-	-	-	-	-	3,854
Food services	-	198,418	-	-	-	-	-	-	198,418	189,778
Internal services	-	12,409	-	-	-	-	-	-	12,409	12,253
Total support services - business	-	704,941	-	-	-	-	-	-	704,941	672,097
<b>Support services - central</b>										
Information Services	-	396	-	-	-	-	-	-	396	-
Staff services	-	2,676	-	-	-	-	-	-	2,676	2,675
Data processing services	-	80,321	-	-	-	-	-	-	80,321	80,511
Total support services - central	-	83,393	-	-	-	-	-	-	83,393	83,186
Other support services	-	95	-	-	-	-	-	-	95	82,613
Total support services	-	1,304,361	-	-	-	-	-	-	1,304,361	1,293,379
Community services (MR/SS)	-	91,520	-	-	-	-	-	-	91,520	89,372
Total direct disbursements	\$ -	\$ 2,240,860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,240,860	\$ 2,289,206
Excess (deficiency) of receipts over disbursements									\$ (189,967)	

KANKAKEE SCHOOL DISTRICT 111  
Statement of Expenditures Disbursed, Budget to Actual  
For the year ended June 30, 2015

Exhibit D  
(Continued)

	Salaries	Employee Benefits	Purchased services	Supplies/ Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
<b>Capital projects fund</b>										
Support services-business										
Facilities acquisition and construction services	\$ -	\$ -	\$ 713,441	\$ -	\$ 1,279,885	\$ -	\$ -	\$ -	\$ 1,993,326	\$ 1,465,229
Other support services	-	-	-	-	9,037	-	-	-	9,037	-
Total support services	-	-	713,441	-	1,288,922	-	-	-	2,002,363	1,465,229
Total direct disbursements	-	-	713,441	-	1,288,922	-	-	-	2,002,363	1,465,229
Excess (deficiency) of receipts over disbursements									<u>\$ (1,983,996)</u>	
<b>Tort fund</b>										
Support services-general administrative										
Workers' compensation	-	-	388,899	-	-	-	-	-	388,899	830,000
Unemployment insurance payments	-	-	21,505	-	-	-	-	-	21,505	85,000
Insurance payments	-	-	314,376	-	-	-	-	-	314,376	333,927
Total support services	-	-	724,780	-	-	-	-	-	724,780	1,248,927
Total direct disbursements	-	-	724,780	-	-	-	-	-	724,780	1,248,927
Excess (deficiency) of receipts over disbursements									<u>\$ 498,221</u>	
<b>Fire prevention &amp; safety fund</b>										
Support services										
Support services - business										
Operation & maintenance of plant services	-	-	4,083	-	-	-	-	-	4,083	-
Total support services - business	-	-	4,083	-	-	-	-	-	4,083	-
Total support services	-	-	4,083	-	-	-	-	-	4,083	-
Total direct disbursements	\$ -	\$ -	\$ 4,083	\$ -	\$ -	\$ -	\$ -	\$ -	4,083	\$ -
Excess (deficiency) of receipts over disbursements									<u>\$ 18,366</u>	

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2015**

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**Note 1 - Summary of Significant Accounting Policies**

Kankakee School District 111 (the "District") operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The following is a summary of the more significant accounting policies of the District:

Principles Used to Determine Scope of the Reporting Entity

The District's reporting entity includes the District 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 includes, but is not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters), scope of public service and special financing relationships.

The District has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity which would exercise such oversight as to result in the District being considered a component unit of the entity.

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 prepares its financial statements in accordance with a regulatory basis of accounting prescribed by Illinois State Board of Education Title 23 of the Illinois Administrative Code, Part 100. This regulatory basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The presentation of these financial statements differs from GAAP as follows: (1) A statement of net position and statement of activities are not presented; (2) Individual funds and account groups are presented rather than major funds; (3) Items defined as deferred outflows of resources and deferred inflows of resources under GAAP are included as assets and liabilities; (4) Fund balance classifications are "reserved" and "unreserved" rather than "nonspendable", "restricted", "committed", "assigned", and "unassigned"; (5) The Net Pension Liability as calculated under GASB 68 has not been recorded and the pension expense in the financial statements represents the cash paid during the year rather than the amount calculated under GASB 68; (6) Certain required supplementary information such as Management's Decision and Analysis is not presented.

Also, this regulatory basis allows for transactions and events to be recorded on the cash basis rather than the accrual basis. 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.

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2015**

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**Note 1 - Summary of Significant Accounting Policies**

It is the District's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available. It is the District's policy to first use reserved fund balances prior to the use of unreserved fund balances when an expenditure is incurred for which both reserved and unreserved fund balances are available.

Measurement Focus

The financial statements of the funds focus on the measurement of spending or "financial flow" and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." The 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.

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. These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds and account groups are used by the District:

The Educational, Operations and Maintenance, and Transportation Funds are the general operating funds. They are used to account for all financial resources except for those required to be accounted for in other funds. The Special Education levy is included in the Operations and Maintenance Fund.

The Municipal Retirement/Social Security Fund is used to account for proceeds of specific revenue resources to be used for the payment of pension contributions to the Illinois Municipal Retirement System, and the payment of medicare and social security taxes.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of, and/or addition to, major capital facilities.

The Tort Fund is used to account for financial resources to be used for the payment of tort immunity expenses.

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2015**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

The Fire Prevention and Safety Fund is used to account for financial resources to be used for the payment of fire prevention and life safety projects.

The Working Cash Fund is used to account for financial resources to be used for temporary interfund loans to any other fund of the District.

Activity funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. The Activity Funds include Student Activity Funds, Convenience Accounts, and Trust and Agency Funds. They account for assets held by the District as an agent for the students and teachers. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of changes in financial position.

General Fixed Assets and General Long-Term Debt Account Groups

Fixed assets used in operations are accounted for in the General Fixed Assets Account Group. Purchases of property and equipment greater than \$500 with an estimated useful life of greater than one year are recorded as capital outlay expenditures of the various funds and as additions to the General Fixed Asset Account Group. Depreciation has not been reflected in the statement of General Fixed Assets, nor has interest been capitalized.

Fixed assets are classified in the following categories:

Non-depreciable land	Indefinite life
Depreciable land	50-year life
Permanent buildings	50-year life
Temporary buildings	25-year life
Improvements other than buildings - infrastructure	20-year life
Capitalized equipment	3, 5, and 10-year life

Long-term liabilities are accounted for in the General Long-Term Debt Account Group. Proceeds from long-term debt are included as receipts in the appropriate fund on the date received. Related principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group. Debt principal and interest payments are recorded as expenditures of the fund from which the payments are made.

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

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2015**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

Fund Balance Classifications

Fund Balance is classified and displayed in two components:

*Reserved* - represents the portion of the fund balance which is restricted by certain tax levies and restrictions placed on funds by outside parties.

*Unreserved* - represents the portion of the fund balance which is available for any purposes allowed by Illinois School Code of the individual fund in which it resides

Budget and Budgetary Accounting

The budget is prepared on the regulatory 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 of the Illinois Compiled Statutes (105 ILCS 5/10-17). The budget was passed on September 22, 2014.

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 accompanying financial report:

1. Prior to September 1, at least 30 days prior to final adoption of the budget, the Assistant Superintendent for Business Services - CSBO submits to the Board of Education a proposed operating budget for the fiscal year commencing the preceding July 1. 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. The Assistant Superintendent for Business Services - CSBO is authorized to transfer up to 10 percent of the total budget between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration is employed as a management control device during the year for the Educational, Operations and Maintenance, Transportation, Municipal Retirement/Social Security, Capital Projects, Working Cash, Tort and Fire Prevention and Safety Funds. Formal budgetary integration is not employed for the Debt Service Fund because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
6. The Board of Education may amend the budget by the same procedures required for its original adoption.

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2015**

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**Note 2 - Property Taxes**

Property taxes are recognized in the year the taxes have been received. Property taxes are levied each year on or before the last Tuesday in December on all taxable real property located in the District. Property taxes attach as an enforceable lien on property as of January 1 of the same year and are payable in two installments on June 1 and September 1 of the following year. The District receives significant distributions of tax receipts approximately one month after these due dates. The 2014 levy was passed by the Board on December 8, 2014. Property tax receipts recorded for the year ended June 30, 2015 are from the 2013 levy.

**Note 3 - Special Tax Levies and Reserved Fund Balance**

Special Education

Cash receipts and the related cash disbursements of the special education restricted tax levy are accounted for in the Operations and Maintenance Fund. \$1,537,873 of this fund's equity represents the excess of cumulative receipts over cumulative disbursements which is restricted for future special education disbursements, and is classified as reserved fund balance.

**Note 4 - Cash and Investments**

Separate bank accounts are not maintained for all District funds; instead, certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund. Occasionally, certain funds participating in the common bank account may incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the School Board.

The District also follows the practice of pooling excess cash for investment purposes. Each fund's portion of total investments is under accounting control. Earnings are prorated to each fund when recognized as revenue. Investments are reported at cost, which approximates face value. Gains or losses on the sale of investments are recognized upon realization.

*Interest Rate Risk.* The District's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the District's policy states investments shall provide sufficient liquidity to pay obligations of the District as they come due. Additionally, the District's policy is in conformance with the provisions of the Illinois Public Funds Investment Act.

*Credit Risk.* Each investment transaction shall ensure that capital loss, whether from credit or market risk, is avoided. The District may invest in one or more of the following:

1. Bonds, notes, certificates of indebtedness, treasury bills or other securities, now or hereafter issued, that are guaranteed by the full faith and credit of the United States of America, as to principal and interest.
2. Bonds, notes, debentures, or other similar obligations of the United States of America, its agencies, and its instrumentalities, as defined in the District's investment policy.

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2015**

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**Note 4 - Cash and Investments (Continued)**

The term "agencies of the United States of America" includes: (1) the federal land banks, federal intermediate credit banks, banks for cooperative, federal farm credit banks, or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 and Acts amendatory thereto, (2) the federal home loan banks and the federal home loan mortgage corporation, and (3) any other agency created by Act of Congress.

3. Interest-bearing savings accounts, interest-bearing certificates of deposit, interest-bearing time deposits, or any other investment constituting a direct obligation of any bank or financial institution as defined by the Illinois Banking Act.
4. Short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if certain requirements are met as defined in the District's investment policy.
5. Money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations described in items (1) or (2) and to agreements to repurchase such obligations.
6. Short-term discount obligations of the Federal National Mortgage Association or in shares or other forms of securities legally issuable by savings banks or savings and loan associations incorporated under the laws of this State or any other state or under the laws of the United States. Investments may be made only in those savings banks or savings and loan associations, the shares, or investment certificates that are insured by the Federal Deposit Insurance Corporation. Any such securities may be purchased at the offering or market price thereof at the time of such purchase. All such securities so purchased shall mature or be redeemable on a date or dates prior to the time when, in the judgment of the Chief Investment Officer, the public funds so invested will be required for expenditure by the District or its governing authority.
7. Dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union chartered under the laws of Illinois or the United States, provided, however, that the principal office of any such credit union must be located within the State of Illinois. Investments may be made only in those credit unions the accounts of which are insured by applicable law.
8. Investments in a Public Treasurers' Investment Pool under Section 17 of the State Treasurer Act or any public funds in a fund managed, operated, and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company or use the services of such an entity to hold and invest or advise regarding the investment of any public funds.
9. Investments in the Illinois School District Liquid Asset Fund Plus.
10. Repurchase agreements of government securities which conform to provisions of the Government Securities Act of 1986. The government securities, unless registered or inscribed in the name of the District, shall be purchased through banks or trust companies authorized to do business in the State of Illinois. The District may not enter into other repurchase agreements unless the instrument and transaction meet several requirements as set forth in the District's investment policy.

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2015**

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**Note 4 - Cash and Investments (Continued)**

11. Any investments as authorized by the Public Funds Investment Act, and Acts amendatory thereto. Paragraph 11 herein supersedes points 1-10 and controls in the event of conflict.

*Concentration of Credit Risk.* The District's investment policy states investments shall be diversified as to materials and investments, as appropriate to the nature, purpose, and amount of the funds.

Portfolio diversification shall be as follows:

1. Up to 100% of number 1 above.
2. Up to 90% of numbers 2, 3 or 4 above.
3. Up to 33% of numbers 5 or 6 above.

*Custodial Credit Risk – Deposits.* With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of any insurance limits to be collateralized in accordance with the Public Funds Investment Act 30 ILCS 235/1. As of June 30, 2015, the bank balance of the District's deposits with financial institutions totaled \$14,745,251, all of which was insured or collateralized by securities held by a third party and pledged to the District.

*Custodial Credit Risk – Investments.* With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring all investments in excess of insurance limits be collateralized. The District's preferred safekeeping method is to have securities registered in the District's name and held by a third-party custodian.

**Note 5 – Interfund Balances/Transfers**

The District transferred \$11,942 from its Working Cash Fund to its Educational Fund. This transfer represents a portion of the interest earned in the Working Cash Fund during the year and was transferred to the Educational Fund for normal operating expenditures.

The District transferred \$126,643 from the Education Fund to the Debt Service Fund for principal and interest payments on capital leases.

The Educational Fund had an interfund payable due to the Municipal Retirement/Social Security Fund in the amount of \$288,176 and to the Transportation Fund in the amount of \$32,454 for grant revenues to be reimbursed to those funds.

The Board approved a temporary loan for \$600,000 from the Working Cash Fund to the Municipal Retirement/Social Security Fund to cover operating cash deficits. The Board approved a temporary loan for \$76,000 from the Working Cash Fund to the Debt Service Fund to cover cash deficits caused by shortages of property tax collections.

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2015**

**Note 6 - General Fixed Assets**

A summary of changes in general fixed assets follow:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Land	\$ 225,605	\$ -	\$ -	\$ 225,605
Buildings and building improvements	60,844,166	-	-	60,844,166
Land improvements	2,289,955	734,587	-	3,024,542
Equipment:				
3 year	1,539,892	434,892	-	1,974,784
5 year	996,930	101,062	-	1,097,992
10 year	19,546,367	991,959	-	20,538,326
Construction in progress	29,286	136,800	29,286	136,800
	<u>85,472,201</u>	<u>2,399,300</u>	<u>29,286</u>	<u>87,842,215</u>
Less accumulated depreciation for:				
Buildings and building improvements	26,826,287	1,328,991	-	28,155,278
Land improvements	1,263,066	107,478	-	1,370,544
Equipment:				
3 year	1,435,156	204,521	-	1,639,677
5 year	933,370	57,530	-	990,900
10 year	17,086,226	665,187	-	17,751,413
Total accumulated depreciation	<u>47,544,105</u>	<u>2,363,707</u>	<u>-</u>	<u>49,907,812</u>
Net general fixed assets	<u>\$37,928,096</u>	<u>\$ 35,593</u>	<u>\$ 29,286</u>	<u>\$37,934,403</u>

**Note 7 - General Long-Term Debt**

	Balance July 1, 2014	Proceeds	Payments	Balance June 30, 2015
General obligation school bonds:				
Series 2004 CAB	\$ 437,050	\$ -	\$ 437,050	\$ -
Series 2008B	1,999,983	-	1,269,162	730,821
Series 2012	5,840,000	-	-	5,840,000
Series 2014	5,900,000	-	-	5,900,000
Subtotal bonds	<u>14,177,033</u>	<u>-</u>	<u>1,706,212</u>	<u>12,470,821</u>
Note Payable:				
Athletic equipment/ musical instruments	<u>-</u>	<u>300,000</u>	<u>63,904</u>	<u>236,096</u>
Capital leases:				
Technology equipment	<u>179,520</u>	<u>-</u>	<u>58,424</u>	<u>121,096</u>
Total long-term debt	<u>\$14,356,553</u>	<u>\$300,000</u>	<u>\$1,828,540</u>	<u>\$12,828,013</u>

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2015**

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**Note 7 - General Long-Term Debt (Continued)**

Series 2008 B bonds (Capital Appreciation Limited Tax Bonds), original issue \$1,999,983, dated July 10, 2008, provide for payment at maturity of principal and interest of 4.8415%, compounded on January 1 and July 1 of each year. The purpose of this bond was to provide monies to fund building renovations and to purchase equipment.

Series 2012 bonds, On March 6, 2012, the District issued \$6,385,000 in General Obligation Bonds with interest rates of 2.5 to 3.0 percent. These bonds were used to advance refund \$515,000 of outstanding Series 2001B bonds and to provide \$5,855,000 of Working Cash funds. These bonds provide for the serial retirement of principal and interest each year beginning January 1, 2014 and interest payments each year beginning on July 1, 2012. \$535,000 of the net proceeds of this bond were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for a portion of the future debt service payments on the Series 2001B bonds.

Series 2014 bonds, On March 13, 2014, the District issued \$5,900,000 in General Obligation Limited School Bonds with interest rates of 2.0 to 3.0 percent to provide Working Cash Funds. These bonds provide for the serial retirement of principal with one payment on January 1, 2016, and the remaining payments each year beginning January 1, 2019. These bonds provide for the serial retirement of interest payable on January 1 and July 1 of each year.

Note payable in the amount of \$300,000 for athletic equipment and musical instruments, dated August 1, 2014, providing for an initial down payment of \$63,904 and four annual payments of \$63,904 including interest at a rate of 3.3% through July 15, 2018.

Capital lease for technology equipment, dated July 15, 2012, providing for an initial down payment of \$3,000 and five annual payments of \$62,741 including interest at a rate of 2.41% through July 15, 2016.

Future minimum lease payments are as follows:

2016	\$ 62,741
2017	<u>62,741</u>
Total minimum lease payments	125,482
Less: amount representing interest	<u>(4,386)</u>
Present value of minimum lease payments	<u>\$121,096</u>

At June 30, 2015, the annual cash flow requirements of long-term debt were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 2,162,024	\$ 663,509	\$ 2,825,533
2017	2,194,240	314,968	2,509,208
2018	2,194,886	254,518	2,449,404
2019	2,176,863	188,491	2,365,354
2020	2,180,000	123,000	2,303,000
2021	<u>1,920,000</u>	<u>57,600</u>	<u>1,977,600</u>
	<u>\$12,828,013</u>	<u>\$1,602,086</u>	<u>\$14,430,099</u>

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2015**

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**Note 8 - Legal Debt Margin**

The legal debt margin is calculated as follows:

Taxable assessed valuation - 2014	<u>\$305,089,673</u>
Debt limit - 13.8% of assessed valuation	\$ 42,102,375
Less general long-term debt	<u>12,828,013</u>
Legal debt margin	<u>\$ 29,274,362</u>

**Note 9 – Pension Plans**

**General Information about the TRS Pension Plan**

**TRS Plan Description**

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

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

**TRS Benefits Provided**

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

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

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

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2015**

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**Note 9 – Pension Plans (Continued)**

**TRS 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, 2015, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

***On-behalf contributions to TRS.*** The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2015, 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 District recognized revenue and expenditures of \$13,537,284 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, 2015 were \$161,580, and would be deferred under GAAP because they were paid after the June 30, 2014 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 a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2015, the District pension contribution was 33.0 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$1,193,199 were paid from federal and special trust funds that required District contributions of \$393,756. These contributions would be deferred under GAAP because they were paid after the June 30, 2014 measurement date.

***TRS Employer retirement cost contribution.*** 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 one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2015, the District paid \$-0- to TRS for District ERO contributions.

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2015**

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**Note 9 – Pension Plans (Continued)**

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2015, the District paid \$3,767 to TRS for employer contributions due on salary increases in excess of 6 percent and \$-0- for sick leave days granted in excess of the normal annual allotment.

**TRS Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2015, the District had a liability (which is not reported on the financial statements) for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 9,799,625
State's proportionate share of the net pension liability associated with the District	<u>168,142,841</u>
Total	<u>\$177,942,466</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. 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, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the District's proportion was 0.0161 percent.

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The employer's proportion of the net pension liability as of June 30, 2013, was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2013, the District's proportion was 0.0177 percent.

On the cash basis of accounting for the year ended June 30, 2015, the District recognized pension expense of \$566,716 and revenue of \$13,537,284 for support provided by the state. Under GAAP at June 30, 2015, the District would have 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	\$ 5,176	\$ -
Net difference between projected and actual earnings on pension plan investments	-	492,506
Changes of assumptions	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>-</u>	<u>783,476</u>
Total deferred amounts to be recognized in pension expense in future periods	5,176	1,275,982
District contributions subsequent to the measurement date	<u>566,716</u>	-
Total	<u>\$571,892</u>	<u>\$1,275,982</u>

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2015**

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**Note 9 – Pension Plans (Continued)**

Under GAAP, \$566,716 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date would be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions would be recognized in pension expense as follows:

Year Ended June 30:	
2016	\$(312,034)
2017	(312,034)
2018	(312,034)
2019	(312,034)
2020	(22,670)

**TRS Actuarial Assumptions**

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<b>Inflation</b>	3.00 percent
<b>Salary increases</b>	5.75 percent, average, including inflation
<b>Investment rate of return</b>	7.50 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 White Collar Table with projections using scale AA that vary by member group.

For GASB disclosure purposes, the actuarial assumptions for the years ended June 30, 2014 and 2013 were assumed to be the same. However, for funding purposes, the actuarial valuations for those two years were different. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered. The actuarial assumptions used in the June 30, 2013 valuation were based on the 2012 actuarial experience analysis and first adopted in the June 30, 2012 valuation. The investment return assumption was lowered from 8.5 percent to 8.0 percent and the salary increase and inflation assumptions were also lowered. Mortality assumptions were adjusted to anticipate continued improvement in mortality.

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

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2015**

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**Note 9 – Pension Plans (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. large cap	18%	8.23%
Global equity excluding U.S.	18	8.58%
Aggregate bonds	16	2.27%
U.S. TIPS	2	3.52%
NCREIF	11	5.81%
Opportunistic real estate	4	9.79%
ARS	8	3.27%
Risk parity	8	5.57%
Diversified inflation strategy	1	3.96%
Private equity	<u>14</u>	13.03%
<b>Total</b>	<u>100%</u>	

**TRS Discount rate**

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I’s liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Therefore, 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 for TRS**

The following represents the employer’s proportionate share of the net pension liability calculated using the discount rate of 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
District’s proportionate share of the net pension liability	\$12,102,056	\$9,799,625	\$7,892,950

**TRS fiduciary net position**

Detailed information about the TRS’s fiduciary net position as of June 30, 2014 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2015**

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**Note 9 – Pension Plans (Continued)**

**Illinois Municipal Retirement Fund (IMRF)**

**IMRF Plan Description**

The District’s defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multiple-employer pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this footnote. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**IMRF Benefits Provided**

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

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

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

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price index of the original pension amount.

**IMRF Employees Covered by Benefit Terms**

As of December 31, 2014, the following employees were covered by the benefit terms:	<u>Regular</u>	<u>SLEP</u>
Retirees and beneficiaries currently receiving benefits	240	1
Inactive plan members entitled to but not yet receiving benefits	293	0
Active plan members	<u>358</u>	<u>0</u>
<b>Total</b>	<u>891</u>	<u>130</u>

**Note 9 – Pension Plans (Continued)**

**IMRF Contributions**

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's required annual contribution rate for calendar year 2014 was 11.04%. For the calendar year ended December 31, 2014, the District contributed \$1,058,122 to the plan. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**IMRF Net Pension Liability**

The District's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**IMRF Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2014:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 3.5%.
- Salary increases were expected to be 3.75% to 14.50%, including inflation.
- The Investment Rate of Return was assumed to be 7.50%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2015**

**Note 9 – Pension Plans (Continued)**

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	38%	7.60%
International equity	17%	7.80%
Fixed income	27%	3.00%
Real estate	8%	6.15%
Alternative investments	9%	5.25-8.50%
Cash equivalents	1%	2.25%
Total	100%	

**IMRF Single Discount Rate**

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.56%, and the resulting single discount rate is 7.50%.

**Changes in the IMRF Net Pension Liability – Regular Plan**

	<u>Total Pension Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net Pension Liability (Asset) (A)-(B)</u>
Balances at December 31, 2013 – Regular Plan	\$44,383,957	\$44,741,664	\$ (357,707)
Changes for the year:			
Service cost	1,211,643	-	1,211,643
Interest on the Total Pension Liability	3,311,192	-	3,311,192
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	(575,214)	-	(575,214)
Changes of assumptions	1,889,686	-	1,889,686
Contributions – employer	-	1,058,122	(1,058,122)
Contributions – employees	-	465,391	(465,391)
Net investment income	-	2,724,435	(2,724,435)
Benefit payments, including refunds of employee contributions	(1,681,091)	(1,681,091)	-
Other (net transfer)	-	(3,489)	3,489
Net changes	4,156,216	2,563,368	1,592,848
Balances at December 31, 2014 – Regular Plan	\$48,540,173	\$47,305,032	\$1,235,141

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2015**

**Note 9 – Pension Plans (Continued)**

**Changes in the IMRF Net Pension Liability – SLEP Plan**

	Total Pension Liability <u>(A)</u>	Plan Fiduciary Net Position <u>(B)</u>	Net Pension Liability (Asset) <u>(A)-(B)</u>
Balances at December 31, 2013 – SLEP Plan	<u>\$34,309</u>	<u>\$34,309</u>	<u>\$ -</u>
Changes for the year:			
Service cost	-	-	-
Interest on the Total Pension Liability	2,573	-	2,573
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	(2,678)	-	(2,678)
Changes of assumptions	1,605	-	1,605
Contributions – employer	-	-	-
Contributions – employees	-	-	-
Net investment income	-	2,093	(2,093)
Benefit payments, including refunds of employee contributions	-	-	-
Other (net transfer)	<u>-</u>	<u>(2,451)</u>	<u>2,451</u>
Net changes	<u>1,500</u>	<u>(358)</u>	<u>1,858</u>
Balances at December 31, 2014 – SLEP Plan	<u>\$35,809</u>	<u>\$33,951</u>	<u>\$1,858</u>

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.5%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher.

	1% Lower <u>(6.5%)</u>	Current Discount <u>(7.5%)</u>	1% Higher <u>(8.5%)</u>
Net Pension Liability (Asset) – Regular Plan	\$7,693,606	\$1,235,141	\$(4,064,716)
Net Pension Liability (Asset) – SLEP Plan	5,141	1,858	(974)

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

For the year ended June 30, 2015, the District recognized pension expense of \$1,117,299 on the cash basis of accounting at June 30, 2015. Under GAAP, the District would have reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Kankakee School District 111  
Notes to Financial Statements  
As of and for the year ended June 30, 2015

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Note 9 – Pension Plans (Continued)

<u>Deferred Amounts Related to IMRF Pensions – Regular Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<i>Deferred Amounts under GAAP that would be recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ -	\$429,583
Changes of assumptions	1,411,260	-
Net difference between projected and actual earnings on pension plan investments	<u>500,120</u>	<u>-</u>
Total deferred amounts to be recognized in pension expenses in future periods	1,911,380	429,583
<i>Pension Contributions made subsequent to the Measurement Date</i>	<u>555,431</u>	<u>-</u>
<b>Total Deferred Amounts Related to Pensions – Regular Plan</b>	<b><u>\$2,466,811</u></b>	<b><u>\$429,583</u></b>
 <u>Deferred Amounts Related to IMRF Pensions – SLEP Plan</u>		
<i>Deferred Amounts under GAAP that would be recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	<u>310</u>	<u>-</u>
Total deferred amounts to be recognized in pension expenses in future periods	310	-
<i>Pension Contributions made subsequent to the Measurement Date</i>	<u>-</u>	<u>-</u>
<b>Total Deferred Amounts Related to Pensions</b>	<b><u>\$ 310</u></b>	<b><u>\$ -</u></b>

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2015**

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**Note 9 – Pension Plans (Continued)**

Under GAAP, amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense in future periods as follows:

Year Ending December 31	Regular Plan Net Deferred Outflows of Resources	SLEP Plan Net Deferred Outflows of Resources
2015	\$ 457,825	\$ 78
2016	457,825	78
2017	441,119	78
2018	125,028	76
2019	-	-
Thereafter	-	-
Total	<u>\$1,481,797</u>	<u>\$310</u>

Under GAAP, pension-related amounts for all pension plans are shown below in the aggregate.

	TRS (6/30/14)	IMRF Regular Plan (12/31/14)	IMRF SLEP Plan (12/31/14)	Total
Employer fiduciary net position	Not available	\$47,305,032	\$33,951	\$47,338,983
Deferred outflows of resources	\$ 409,819	2,466,811	310	2,876,940
Employer total pension liability	Not available	48,540,173	35,809	48,575,982
Employer net pension liability (asset)	9,799,625	1,235,141	1,858	11,036,624
Deferred inflows of resources	1,275,982	429,583	-	1,705,565
Pension expense (benefit)	690,309	1,169,173	1,548	1,861,030

**Note 10 – Social Security**

Employees not qualifying for coverage under the Illinois Teachers' Retirement System are covered under Social Security. The District paid \$645,417, the total required contribution for the current fiscal year.

**Note 11 – Other Post-Employment Benefits**

**THIS Fund Employer Contributions**

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

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2015**

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**Note 11 – Other Post-Employment Benefits (Continued)**

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

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

- **On behalf contributions to the THIS Fund**

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were \$284,158, and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2014 and June 30, 2013 were 0.97 and 0.92 percent of pay, respectively. State contributions on behalf of District employees were \$263,070 and \$247,881, respectively.

- **Employer contributions to the THIS Fund**

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.76 percent during the year ended June 30, 2015, and 0.72 and 0.69 percent during the years ended June 30, 2014 and June 30, 2013, respectively. For the year ended June 30, 2015, the District paid \$211,726 to the THIS Fund. For the years ended June 30, 2014 and June 30, 2013, the District paid \$195,269 and \$185,911, respectively, which was 100 percent of the required contribution.

**Further information on the THIS Fund**

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

**IMRF**

Under Public Act 06-1444, the District, an IMRF employer, is required to offer the same health insurance to disabled members, retirees, and surviving spouses eligible for IMRF benefits at the same premium rate as active employees. However, the District does not subsidize retirees' premiums. The amounts related to the required disclosures have not been determined.

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2015**

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**Note 12 - Risk Management (Continued)**

The District has entered into an agreement with the Illinois Public Risk Fund. The pooling agreement permits public agencies within the meaning of the Intergovernmental Cooperation Act of the State of Illinois to provide a means whereby members of the Fund could contract with each other to protect against liability or loss under the Workers' Compensation and Occupational Diseases Laws of the State of Illinois.

The District's cost is based on rates determined by the Trustees of the Fund, applied to its payroll costs and adjusted for its loss experience. Members of the Fund may also be subject to additional contributions not to exceed 10 percent of such member's contribution for the most recent fiscal year of the Fund if additional reserves are deemed necessary by the Fund's trustees. No additional assessments have been made as of the current year-end.

**Note 13 – Intergovernmental Agreements**

The District has entered into an intergovernmental agreement with Governors State University for the purpose of preparing individuals for Illinois teaching certificates as outlined in the Master of Arts in Teacher Education Alternative Certification Program.

The District entered into an intergovernmental cooperation agreement with the Iroquois-Kankakee Regional Office of Education (ROE) and Kankakee Area Special Education Cooperative (Cooperative) on May 16, 2002, for the construction of an addition to the Cooperative's existing facility. Under this agreement, the ROE and the District made initial contributions of \$500,000 and \$1,000,000, respectively, and the ROE made a subsequent payment of \$500,000 to the Cooperative. During 2002, the ROE received a State of Illinois grant which paid for the construction of the facility.

In consideration for these payments, the ROE and the District shall each have the right to use one classroom wing of the addition, the common areas, and the parking areas without rent or further consideration through June 30, 2100. Both the ROE and the District may renew this agreement for an additional 99-year period.

The Cooperative will be responsible for providing normal insurance coverage for the building and grounds keeping, maintenance and snow removal for the addition. The ROE and the District will be responsible for the cost of trash, maintenance and custodial, insurance for contents, and pest control.

**Note 14 - Contingencies**

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

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2015**

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**Note 14 - Contingencies**

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

The District is involved in lawsuits arising in the normal course of business. The District carries insurance for these claims and has historically been able to settle such claims within the limits of its coverage. The likelihood of any loss in excess of these limits is not presently determinable. The District is also involved in various appeals by the corporate taxpayers of property taxes for the 2012, 2013 and 2014 tax years. If the taxpayers' appeals are successful, the District may have to refund approximately \$251,000.

**Note 15 – Other**

Expenditures in the Operations and Maintenance, Debt Service, Capital Projects, and Fire Prevention and Safety Funds exceeded the budgeted amounts for the year.

**Note 16 – Commitments**

The District had contractual commitments at June 30, 2015, of approximately \$1,300,000 for various construction projects. Future appropriations will fund these commitments as work is performed.

KANKAKEE SCHOOL DISTRICT 111  
Statement of Receipts, Disbursements and Changes in Fund Balances  
Budget and Actual - All Funds  
For the year ended June 30, 2015

Schedule 1

	Educational Fund		Operations and Maintenance Fund		Debt Service Fund		Transportation Fund		Municipal Retirement/ Social Security Fund	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>Receipts</b>										
Local sources	\$ 10,068,311	\$ 9,927,767	\$ 2,499,740	\$ 2,442,879	\$ 2,769,572	\$ 2,601,041	\$ 1,411,341	\$ 1,276,595	\$ 1,472,326	\$ 1,437,712
State sources	30,069,556	29,483,976	-	-	-	-	1,972,701	1,356,770	158,984	68,754
Federal sources	12,730,695	11,170,407	-	-	-	-	222,860	209,781	625,613	544,427
Total Receipts	<u>52,868,562</u>	<u>50,582,150</u>	<u>2,499,740</u>	<u>2,442,879</u>	<u>2,769,572</u>	<u>2,601,041</u>	<u>3,606,902</u>	<u>2,843,146</u>	<u>2,256,923</u>	<u>2,050,893</u>
<b>Disbursements</b>										
Instruction	33,233,789	33,097,745	-	-	-	-	-	-	906,455	844,979
Supporting services	19,663,016	19,054,551	3,572,660	3,628,576	-	-	3,696,112	3,274,276	1,293,379	1,304,361
Community services	794,007	902,365	-	-	-	-	-	562	89,372	91,520
Payments to other governmental units	1,081,062	903,879	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	2,767,687	2,865,752	-	-	-	-
Total Disbursements	<u>54,771,874</u>	<u>53,958,540</u>	<u>3,572,660</u>	<u>3,628,576</u>	<u>2,767,687</u>	<u>2,865,752</u>	<u>3,696,112</u>	<u>3,274,838</u>	<u>2,289,206</u>	<u>2,240,860</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(1,903,312)</u>	<u>(3,376,390)</u>	<u>(1,072,920)</u>	<u>(1,185,697)</u>	<u>1,885</u>	<u>(264,711)</u>	<u>(89,210)</u>	<u>(431,692)</u>	<u>(32,283)</u>	<u>(189,967)</u>
<b>Other Financing Sources (Uses)</b>										
Receipts for on-behalf payments - TRS/THIS	-	13,821,442	-	-	-	-	-	-	-	-
Disbursements for on-behalf payments - TRS/THIS	-	(13,821,442)	-	-	-	-	-	-	-	-
Permanent transfer from working cash	-	11,942	-	-	-	-	-	-	-	-
Transfer to debt service - capital lease principal	-	(122,328)	-	-	-	122,328	-	-	-	-
Transfer to debt service - capital lease interest	-	(4,315)	-	-	-	4,315	-	-	-	-
Compensation for loss of fixed assets	-	-	-	107,509	-	-	-	-	-	-
Other sources (uses)	-	300,000	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>185,299</u>	<u>-</u>	<u>107,509</u>	<u>-</u>	<u>126,643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing (Sources) Uses	<u>\$ (1,903,312)</u>	<u>(3,191,091)</u>	<u>\$ (1,072,920)</u>	<u>(1,078,188)</u>	<u>\$ 1,885</u>	<u>(138,068)</u>	<u>\$ (89,210)</u>	<u>(431,692)</u>	<u>\$ (32,283)</u>	<u>(189,967)</u>
Fund Balance, Beginning of Year		<u>2,932,620</u>		<u>1,993,082</u>		<u>62,450</u>		<u>1,958,770</u>		<u>74,311</u>
Fund Balance, End of Year		<u>\$ (258,471)</u>		<u>\$ 914,894</u>		<u>\$ (75,618)</u>		<u>\$ 1,527,078</u>		<u>\$ (115,656)</u>

KANKAKEE SCHOOL DISTRICT 111  
Statement of Receipts, Disbursements and Changes in Fund Balances  
Budget and Actual - All Funds  
For the year ended June 30, 2015

Schedule 1  
(continued)

	Capital Projects Fund		Working Cash Fund		Tort Fund		Fire Prevention and Safety Fund		Total (Memorandum Only)	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>Receipts</b>										
Local sources	\$ 1,500	\$ 9,107	\$ 18,063	\$ 27,871	\$ 1,253,131	\$ 1,223,001	\$ 23,049	\$ 22,449	\$ 19,517,033	\$ 18,968,422
State sources	134,750	-	-	-	-	-	-	-	32,335,991	30,909,500
Federal sources	9,259	9,260	-	-	-	-	-	-	13,588,427	11,933,875
Total Receipts	<u>145,509</u>	<u>18,367</u>	<u>18,063</u>	<u>27,871</u>	<u>1,253,131</u>	<u>1,223,001</u>	<u>23,049</u>	<u>22,449</u>	<u>65,441,451</u>	<u>61,811,797</u>
<b>Disbursements</b>										
Instruction	-	-	-	-	-	-	-	-	34,140,244	33,942,724
Supporting services	1,465,229	2,002,363	-	-	1,248,927	724,780	-	4,083	30,939,323	29,992,990
Community services	-	-	-	-	-	-	-	-	883,379	994,447
Payments to other governmental units	-	-	-	-	-	-	-	-	1,081,062	903,879
Debt services	-	-	-	-	-	-	-	-	2,767,687	2,865,752
Total Disbursements	<u>1,465,229</u>	<u>2,002,363</u>	<u>-</u>	<u>-</u>	<u>1,248,927</u>	<u>724,780</u>	<u>-</u>	<u>4,083</u>	<u>69,811,695</u>	<u>68,699,792</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(1,319,720)</u>	<u>(1,983,996)</u>	<u>18,063</u>	<u>27,871</u>	<u>4,204</u>	<u>498,221</u>	<u>23,049</u>	<u>18,366</u>	<u>(4,370,244)</u>	<u>(6,887,995)</u>
<b>Other Financing Sources (Uses)</b>										
Receipts for on-behalf payments - TRS/THIS	-	-	-	-	-	-	-	-	-	13,821,436
Disbursements for on-behalf payments - TRS/THIS	-	-	-	-	-	-	-	-	-	(13,821,436)
Permanent transfer from working cash	-	-	-	(11,942)	-	-	-	-	-	-
Transfer to debt service - capital lease principal	-	-	-	-	-	-	-	-	-	-
Transfer to debt service - capital lease interest	-	-	-	-	-	-	-	-	-	-
Compensation for loss of fixed assets	-	-	-	-	-	-	-	-	-	107,509
Other uses	-	-	-	-	-	-	-	-	-	300,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,942)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>407,509</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing (Sources) Uses	<u>\$ (1,319,720)</u>	<u>(1,983,996)</u>	<u>\$ 18,063</u>	<u>15,929</u>	<u>\$ 4,204</u>	<u>498,221</u>	<u>\$ 23,049</u>	<u>18,366</u>	<u>\$ (4,370,244)</u>	<u>(6,480,486)</u>
Fund Balance, Beginning of Year		<u>6,458,703</u>		<u>5,817,440</u>		<u>(1,827)</u>		<u>205,749</u>		<u>19,428,814</u>
Fund (Deficit) Balance, End of Year		<u>\$ 4,474,707</u>		<u>\$ 5,833,369</u>		<u>\$ 496,394</u>		<u>\$ 224,115</u>		<u>\$ 12,948,328</u>

**KANKAKEE SCHOOL DISTRICT 111**  
**Educational Fund**  
**Detailed Receipts - Budget and Actual**  
**For the year ended June 30, 2015**

**Schedule 2**

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Taxes and payments in lieu of taxes:			
2013 Levy	\$ 8,032,114	\$ 7,834,895	\$ (197,219)
Corporate personal property			
Replacement taxes	1,594,507	1,723,299	128,792
Total taxes and payments in lieu of taxes	<u>9,626,621</u>	<u>9,558,194</u>	<u>(68,427)</u>
Tuition	15,000	240	(14,760)
Interest on investments	1,000	190	(810)
Food service	325,840	250,054	(75,786)
Pupil activities	34,700	15,687	(19,013)
Textbooks	30,625	32,237	1,612
Other	34,525	71,165	36,640
<b>Total Local Sources</b>	<u>10,068,311</u>	<u>9,927,767</u>	<u>(140,544)</u>
Unrestricted grants:			
General state aid	25,931,094	25,452,043	(479,051)
Restricted grants - state:			
Special education	2,372,386	1,808,035	(564,351)
Bilingual education	440,949	147,136	(293,813)
State free lunch and breakfast	58,793	39,479	(19,314)
Driver education	46,860	57,941	11,081
Early childhood block grant	1,107,412	1,254,283	146,871
Other revenue from state sources	112,062	725,059	612,997
<b>Total State Sources</b>	<u>30,069,556</u>	<u>29,483,976</u>	<u>(585,580)</u>

**KANKAKEE SCHOOL DISTRICT 111**  
**Educational Fund**  
**Detailed Receipts - Budget and Actual**  
**For the year ended June 30, 2015**

**Schedule 2**  
**(continued)**

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Restricted grants - federal:			
Head Start	\$ 2,255,788	\$ 2,276,718	\$ 20,930
Other direct awards	-	269,634	269,634
National School Lunch Program	2,231,239	2,165,089	(66,150)
National School Breakfast Program	673,308	708,341	35,033
Summer Food Service Admin	60,000	29,525	(30,475)
Child and Adult Care Food Program	35,000	72,092	37,092
Fresh Fruits and Vegetables	101,619	101,344	(275)
Food Service - Other	50,000	49,665	(335)
Title I - Low Income	2,615,073	2,259,623	(355,450)
Title I - Migrant Education	103,387	108,696	5,309
Title I - Other	964,865	684,320	(280,545)
Federal Special Education	1,773,501	1,335,928	(437,573)
Title III - English Language Acquisition	99,185	79,539	(19,646)
Medicaid Matching Funds-Admin Outreach	38,709	239,718	201,009
Medicaid Matching Funds-Fees for Service	47,620	260,849	213,229
Title II - Teacher Quality	542,055	429,459	(112,596)
Other revenue from federal sources	1,139,346	99,867	(1,039,479)
<b>Total Federal sources</b>	<u>12,730,695</u>	<u>11,170,407</u>	<u>(1,560,288)</u>
<b>Total Receipts</b>	<u>\$ 52,868,562</u>	<u>\$ 50,582,150</u>	<u>\$ (2,286,412)</u>

**KANKAKEE SCHOOL DISTRICT 111**  
**Educational Fund**  
**Detailed Disbursements - Budget and Actual**  
**For the year ended June 30, 2015**

**Schedule 3**

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Instruction:			
Regular programs -			
Salaries	\$ 15,668,453	\$ 15,412,413	\$ (256,040)
Employee benefits	4,892,079	4,778,688	(113,391)
Purchased services	399,516	481,913	82,397
Supplies & materials	513,664	628,728	115,064
Capital outlay	236,164	291,610	55,446
Other	5,190	6,062	872
Total	<u>21,715,066</u>	<u>21,599,414</u>	<u>(115,652)</u>
Special education programs -			
Salaries	5,804,097	5,489,900	(314,197)
Employee benefits	2,013,365	1,878,694	(134,671)
Purchased services	115,957	116,239	282
Supplies & materials	66,529	44,616	(21,913)
Capital outlay	17,285	21,675	4,390
Total	<u>8,017,233</u>	<u>7,551,124</u>	<u>(466,109)</u>
Interscholastic programs -			
Salaries	457,608	478,642	21,034
Employee benefits	63,924	61,651	(2,273)
Purchased services	55,200	45,076	(10,124)
Supplies & materials	61,600	44,510	(17,090)
Capital outlay	-	330,460	330,460
Other	14,200	17,467	3,267
Total	<u>652,532</u>	<u>977,806</u>	<u>325,274</u>

**KANKAKEE SCHOOL DISTRICT 111**  
**Educational Fund**  
**Detailed Disbursements - Budget and Actual**  
**For the year ended June 30, 2015**

**Schedule 3**  
**(continued)**

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Summer School -			
Salaries	\$ 15,000	\$ 16,146	\$ 1,146
Employee benefits	-	1,912	1,912
Total	<u>15,000</u>	<u>18,058</u>	<u>3,058</u>
Gifted -			
Salaries	542,165	555,722	13,557
Employee benefits	181,040	178,496	(2,544)
Purchased services	5,000	4,840	(160)
Supplies & materials	9,300	8,499	(801)
Capital outlay	600	-	(600)
Other	450	195	(255)
Total	<u>738,555</u>	<u>747,752</u>	<u>9,197</u>
Driver's education programs -			
Salaries	126,954	173,758	46,804
Employee benefits	57,926	61,409	3,483
Purchased services	-	1,771	1,771
Supplies & materials	-	1,926	1,926
Total	<u>184,880</u>	<u>238,864</u>	<u>53,984</u>
Bilingual programs -			
Salaries	1,351,312	1,395,236	43,924
Employee benefits	476,816	446,158	(30,658)
Purchased services	33,135	32,640	(495)
Supplies & materials	20,500	52,924	32,424
Capital outlay	28,760	37,769	9,009
Total	<u>1,910,523</u>	<u>1,964,727</u>	<u>54,204</u>
<b>Total Instruction</b>	<u>33,233,789</u>	<u>33,097,745</u>	<u>(136,044)</u>

**KANKAKEE SCHOOL DISTRICT 111**  
**Educational Fund**  
**Detailed Disbursements - Budget and Actual**  
**For the year ended June 30, 2015**

**Schedule 3**  
**(continued)**

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Supporting Services:			
Pupils -			
Salaries	\$ 2,667,585	\$ 2,630,045	\$ (37,540)
Employee benefits	850,752	793,925	(56,827)
Purchased services	76,082	109,304	33,222
Supplies & materials	34,815	32,012	(2,803)
Capital outlay	12,882	21,108	8,226
Total	<u>3,642,116</u>	<u>3,586,394</u>	<u>(55,722)</u>
Instructional staff -			
Salaries	1,399,847	1,301,421	(98,426)
Employee benefits	644,849	479,927	(164,922)
Purchased services	768,612	860,092	91,480
Supplies & materials	253,710	211,042	(42,668)
Capital outlay	13,500	35,677	22,177
Other	15,000	11,450	(3,550)
Total	<u>3,095,518</u>	<u>2,899,609</u>	<u>(195,909)</u>
General administration -			
Salaries	1,035,764	1,586,496	550,732
Employee benefits	259,757	366,323	106,566
Purchased services	756,790	553,409	(203,381)
Supplies & materials	52,470	98,130	45,660
Capital outlay	14,800	11,315	(3,485)
Other	54,400	47,334	(7,066)
Total	<u>2,173,981</u>	<u>2,663,007</u>	<u>489,026</u>
School administration -			
Salaries	2,428,356	2,553,213	124,857
Employee benefits	698,739	700,029	1,290
Purchased services	40,079	33,140	(6,939)
Supplies & materials	50,026	47,626	(2,400)
Capital outlay	25,219	3,046	(22,173)
Other	6,180	4,126	(2,054)
Total	<u>3,248,599</u>	<u>3,341,180</u>	<u>92,581</u>

**KANKAKEE SCHOOL DISTRICT 111**  
**Educational Fund**  
**Detailed Disbursements - Budget and Actual**  
**For the year ended June 30, 2015**

**Schedule 3**  
**(continued)**

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Business -			
Salaries	\$ 1,806,399	\$ 1,799,840	\$ (6,559)
Employee benefits	434,647	359,292	(75,355)
Purchased services	462,499	249,334	(213,165)
Supplies & materials	2,319,018	2,396,076	77,058
Capital outlay	93,164	148,857	55,693
Other	26,850	12,095	(14,755)
Total	<u>5,142,577</u>	<u>4,965,494</u>	<u>(177,083)</u>
Central and other -			
Salaries	1,176,986	623,682	(553,304)
Employee benefits	392,800	265,631	(127,169)
Purchased services	349,223	291,682	(57,541)
Supplies & materials	319,763	330,246	10,483
Capital outlay	121,136	87,626	(33,510)
Other	317	-	(317)
Total	<u>2,360,225</u>	<u>1,598,867</u>	<u>(761,358)</u>
<b>Total Supporting Services</b>	<u>19,663,016</u>	<u>19,054,551</u>	<u>(608,465)</u>
Community services:			
Salaries	523,116	523,503	387
Employee benefits	150,340	121,235	(29,105)
Purchased services	85,993	218,132	132,139
Supplies & materials	34,558	39,495	4,937
<b>Total Community Services</b>	<u>794,007</u>	<u>902,365</u>	<u>108,358</u>
Payments to Other Districts and Governmental Units:			
Payments for special education programs	739,053	183,002	(556,051)
Payments for special education - tuition	-	446,835	446,835
Payments for CTE programs - tuition	342,009	259,953	(82,056)
Other payments to in-state government units	-	14,089	14,089
<b>Total - Other Districts and Gov't Units</b>	<u>1,081,062</u>	<u>903,879</u>	<u>(177,183)</u>
<b>Total Disbursements</b>	<u>\$ 54,771,874</u>	<u>\$ 53,958,540</u>	<u>\$ (813,334)</u>

**KANKAKEE SCHOOL DISTRICT 111**  
**Operations and Maintenance Fund**  
**Detailed Receipts and Disbursements - Budget and Actual**  
**For the year ended June 30, 2015**

Schedule 4

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
<b>Receipts</b>			
Taxes and payments in lieu of taxes:			
2013 Levy	\$ 2,211,285	\$ 2,157,052	\$ (54,233)
Corporate personal property replacement taxes	254,800	254,800	-
Total taxes and payments in lieu of taxes	<u>2,466,085</u>	<u>2,411,852</u>	<u>(54,233)</u>
Interest on investments	2,355	2,008	(347)
Rentals	14,800	13,733	(1,067)
Other local fees	15,500	14,407	(1,093)
Other local revenues	1,000	879	(121)
<b>Total Local Sources</b>	<u>2,499,740</u>	<u>2,442,879</u>	<u>(56,861)</u>
<b>Total Receipts</b>	<u>\$ 2,499,740</u>	<u>\$ 2,442,879</u>	<u>\$ (56,861)</u>
<b>Disbursements</b>			
Supporting services - business:			
Salaries	\$ 2,339,350	\$ 2,287,099	\$ (52,251)
Benefits	494,710	485,163	(9,547)
Purchased services	371,900	620,055	248,155
Supplies & materials	166,200	149,554	(16,646)
Capital outlay	200,500	86,705	(113,795)
<b>Total Disbursements</b>	<u>\$ 3,572,660</u>	<u>\$ 3,628,576</u>	<u>\$ 55,916</u>

**KANKAKEE SCHOOL DISTRICT 111**  
**Debt Service Fund**  
**Detailed Receipts and Disbursements - Budget and Actual**  
**For the year ended June 30, 2015**

**Schedule 5**

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
<b>Receipts</b>			
Taxes and payments in lieu of taxes:			
2013 Levy	\$ 2,768,072	\$ 2,600,066	\$ (168,006)
Interest on investments	1,500	975	(525)
<b>Total Receipts</b>	<u>\$ 2,769,572</u>	<u>\$ 2,601,041</u>	<u>\$ (168,531)</u>
<b>Disbursements</b>			
Debt service - principal	\$ -	\$ 1,828,540	\$ 1,828,540
Debt service - interest	2,767,687	1,037,212	(1,730,475)
<b>Total Disbursements</b>	<u>\$ 2,767,687</u>	<u>\$ 2,865,752</u>	<u>\$ 98,065</u>

**KANKAKEE SCHOOL DISTRICT 111**  
**Transportation Fund**  
**Detailed Receipts - Budget and Actual**  
**For the year ended June 30, 2015**

Schedule 6

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Taxes and payments in lieu of taxes:			
2013 Levy	\$ 1,297,772	\$ 1,264,271	\$ (33,501)
Corporate personal property replacement taxes	107,769	-	(107,769)
Total taxes and payments in lieu of taxes	<u>1,405,541</u>	<u>1,264,271</u>	<u>(141,270)</u>
Interest on investments	1,250	2,058	808
Transportation fees	4,550	10,266	5,716
<b>Total Local Sources</b>	<u>1,411,341</u>	<u>1,276,595</u>	<u>(134,746)</u>
Restricted grants - state:			
Transportation	1,797,701	1,351,469	(446,232)
Early childhood	175,000	5,301	(169,699)
<b>Total State Sources</b>	<u>1,972,701</u>	<u>1,356,770</u>	<u>(615,931)</u>
Restricted grants - federal:			
Title I - Low Income	25,800	17,228	(8,572)
Title I - Migrant Education	6,510	7,701	1,191
Title I - Other	10,000	9,775	(225)
Other	180,550	175,077	(5,473)
<b>Total Federal Sources</b>	<u>222,860</u>	<u>209,781</u>	<u>(13,079)</u>
 <b>Total Receipts</b>	 <u>\$ 3,606,902</u>	 <u>\$ 2,843,146</u>	 <u>\$ (763,756)</u>

**KANKAKEE SCHOOL DISTRICT 111**  
**Transportation Fund**  
**Detailed Disbursements - Budget and Actual**  
**For the year ended June 30, 2015**

**Schedule 7**

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Supporting services:			
Salaries	\$ 23,060	\$ 24,638	\$ 1,578
Benefits	2,702	2,724	22
Purchased services	3,319,631	2,989,111	(330,520)
Supplies & materials	350,719	252,559	(98,160)
Capital outlay	-	5,244	5,244
Total	<u>3,696,112</u>	<u>3,274,276</u>	<u>(421,836)</u>
Community service:			
Purchased services	-	562	562
Total	<u>-</u>	<u>562</u>	<u>562</u>
<b>Total Disbursements</b>	<u><u>\$ 3,696,112</u></u>	<u><u>\$ 3,274,838</u></u>	<u><u>\$ (421,274)</u></u>

**KANKAKEE SCHOOL DISTRICT 111**  
**Municipal Retirement/Social Security Fund**  
**Detailed Receipts and Disbursements - Budget and Actual**  
**For the year ended June 30, 2015**

Schedule 8

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
<b>Receipts</b>			
Taxes and payments in lieu of taxes:			
2013 Levy	\$ 1,425,754	\$ 1,391,362	\$ (34,392)
Corporate personal property replacement taxes	46,072	46,072	-
Total taxes and payments in lieu of taxes	<u>1,471,826</u>	<u>1,437,434</u>	<u>(34,392)</u>
Interest on investments	500	278	(222)
<b>Total Local Sources</b>	<u>1,472,326</u>	<u>1,437,712</u>	<u>(34,614)</u>
Unrestricted grants:			
General state aid	80,000	-	(80,000)
Restricted grants - state			
Bilingual education-downstate-TPI and TBE	13,392	10,289	(3,103)
Early childhood block grant	65,592	58,465	(7,127)
<b>Total State Sources</b>	<u>158,984</u>	<u>68,754</u>	<u>(90,230)</u>
Restricted grants - federal:			
Head Start	367,204	325,005	(42,199)
Title I-Low income	70,897	60,068	(10,829)
Title I-Migrant education	1,695	5,320	3,625
Title I-other	-	11,253	11,253
Fed-Spec education-preschool flow-through	1,658	1,654	(4)
Fed-Spec education-IDEA flow-through	98,448	80,532	(17,916)
Title III-English language acquisition	10,350	9,094	(1,256)
Title II-Teacher quality	5,160	4,735	(425)
Other restricted grants through the state	70,201	46,766	(23,435)
<b>Total Federal Sources</b>	<u>625,613</u>	<u>544,427</u>	<u>(81,186)</u>
<b>Total Receipts</b>	<u>\$ 2,256,923</u>	<u>\$ 2,050,893</u>	<u>\$ (206,030)</u>
<b>Disbursements</b>			
Instruction	\$ 906,455	\$ 844,979	\$ (61,476)
Supporting services	1,293,379	1,304,361	10,982
Community services	89,372	91,520	2,148
<b>Total Disbursements</b>	<u>\$ 2,289,206</u>	<u>\$ 2,240,860</u>	<u>\$ (48,346)</u>

**KANKAKEE SCHOOL DISTRICT 111**  
**Capital Projects Fund**  
**Detailed Receipts and Disbursements - Budget and Actual**  
**For the year ended June 30, 2015**

**Schedule 9**

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
<b>Receipts</b>			
Interest on investments	\$ 1,500	\$ 9,107	\$ 7,607
Other restricted revenue from state sources	134,750	-	(134,750)
Other restricted revenue from federal sources	9,259	9,260	1
<b>Total Receipts</b>	<u>\$ 145,509</u>	<u>\$ 18,367</u>	<u>\$ (127,142)</u>
<b>Disbursements</b>			
Supporting services	\$ 1,465,229	\$ 2,002,363	\$ 537,134
<b>Total Disbursements</b>	<u>\$ 1,465,229</u>	<u>\$ 2,002,363</u>	<u>\$ 537,134</u>

**KANKAKEE SCHOOL DISTRICT 111**  
**Working Cash Fund**  
**Detailed Receipts - Budget and Actual**  
**For the year ended June 30, 2015**

**Schedule 10**

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
<b>Receipts</b>			
Taxes and payments in lieu of taxes:			
2013 Levy	\$ 16,063	\$ 15,666	\$ (397)
Interest on investments	2,000	12,205	10,205
<b>Total Receipts</b>	<u>\$ 18,063</u>	<u>\$ 27,871</u>	<u>\$ 9,808</u>

KANKAKEE SCHOOL DISTRICT 111

Schedule 11

Tort Fund

Detailed Receipts and Disbursements - Budget and Actual

For the year ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
<b>Receipts</b>			
Local Sources:			
Taxes and payments in lieu of taxes	\$ 1,252,401	\$ 1,222,207	\$ (30,194)
Earnings on investments	730	794	64
Total local sources	<u>1,253,131</u>	<u>1,223,001</u>	<u>(30,130)</u>
<b>Total Receipts</b>	<u>\$ 1,253,131</u>	<u>\$ 1,223,001</u>	<u>\$ (30,130)</u>
<b>Disbursements:</b>			
Support services-general administration:			
Workers' compensation	\$ 830,000	\$ 388,899	\$ (441,101)
Unemployment insurance payments	85,000	21,505	(63,495)
Insurance payments	<u>333,927</u>	<u>314,376</u>	<u>(19,551)</u>
Total support services-general administration	<u>1,248,927</u>	<u>724,780</u>	<u>(524,147)</u>
<b>Total Disbursements</b>	<u>\$ 1,248,927</u>	<u>\$ 724,780</u>	<u>\$ (524,147)</u>

**KANKAKEE SCHOOL DISTRICT 111**  
**Fire Prevention and Safety Fund**  
**Detailed Receipts and Disbursements - Budget and Actual**  
**For the year ended June 30, 2015**

**Schedule 12**

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
<b>Receipts</b>			
Taxes:			
2013 Levy	\$ 22,649	\$ 22,104	\$ (545)
Interest on investments	400	345	(55)
<b>Total Receipts</b>	<u>\$ 23,049</u>	<u>\$ 22,449</u>	<u>\$ (600)</u>
<b>Disbursements</b>			
Supporting services:			
Purchased services	\$ -	\$ 4,083	\$ 4,083
<b>Total Disbursements</b>	<u>\$ -</u>	<u>\$ 4,083</u>	<u>\$ 4,083</u>

KANKAKEE SCHOOL DISTRICT 111  
 Statement of Changes in Assets and Liabilities  
 All Agency Funds  
 Student Activity Funds and Accounts  
 For the year ended June 30, 2015

Schedule 13

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	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>Assets</b>				
Cash and investments	<u>\$ 472,853</u>	<u>\$ 678,274</u>	<u>\$ 694,666</u>	<u>\$ 456,461</u>
<b>Liabilities</b>				
Due to student groups	<u>\$ 472,853</u>	<u>\$ 678,274</u>	<u>\$ 694,666</u>	<u>\$ 456,461</u>

KANKAKEE SCHOOL DISTRICT 111  
 Schedule of Assessed Valuations, Rates, Extensions and Collections

Schedule 14

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Assessed Valuation</b>	<u>\$ 319,721,461</u>	<u>\$ 329,158,027</u>	<u>\$ 352,496,371</u>	<u>\$ 374,008,786</u>
<b>Taxable Valuation</b>	<u>\$ 305,089,673</u>	<u>\$ 314,569,531</u>	<u>\$ 337,619,733</u>	<u>\$ 358,214,014</u>
<b>Tax Rates</b>				
Educational Fund:				
Educational	2.7211	2.5520	2.399	2.200
Liability insurance	0.4166	0.3981	0.367	0.337
Operations & Maintenance Fund:				
Regular operations	0.6573	0.6476	0.595	0.535
Special education	0.0504	0.0550	0.043	0.043
Transportation Fund	0.4310	0.4118	0.306	0.268
Municipal Retirement:				
I.M.R.F.	0.2156	0.2060	0.184	0.152
Social security	0.2658	0.2472	0.236	0.224
Bonds & Interest:				
General obligation	0.8847	0.8469	0.776	0.926
Working Cash Fund	0.0058	0.0051	0.005	0.004
Fire Prevention & Life Safety Fund	0.0076	0.0072	0.007	0.006
<b>Total Tax Rates</b>	<u>5.6559</u>	<u>5.3769</u>	<u>4.918</u>	<u>4.695</u>
<b>Tax Extensions</b>				
Educational Fund:				
Educational	\$ 8,301,795	\$ 8,027,815	\$ 8,099,497	\$ 7,880,708
Liability insurance	1,271,004	1,252,301	1,239,064	1,207,181
Operations & Maintenance Fund:				
Regular operations	2,005,355	2,037,152	2,008,837	1,916,445
Special education	153,765	173,013	145,176	154,032
Transportation Fund	1,314,937	1,295,397	1,033,116	960,014
Municipal Retirement:				
I.M.R.F.	657,773	648,013	621,220	544,485
Social security	810,928	777,616	796,783	802,399
Bond & Interest Fund:				
General obligation	2,699,128	2,664,090	2,619,929	3,317,062
Working Cash Fund	17,695	16,043	16,881	14,329
Fire Prevention & Safety Fund	23,187	22,649	23,633	21,493
<b>Total Tax Extensions</b>	<u>\$ 17,255,567</u>	<u>\$ 16,914,089</u>	<u>\$ 16,604,138</u>	<u>\$ 16,818,148</u>
<b>Tax Collections</b>	<u>\$ -</u>	<u>\$ 16,500,526</u>	<u>\$ 16,294,814</u>	<u>\$ 16,448,881</u>
<b>Percentage of Tax Extensions Collected</b>		<u>97.6%</u>	<u>98.1%</u>	<u>97.8%</u>

**KANKAKEE SCHOOL DISTRICT 111**  
**Schedule of General Obligation Bonds Payable**  
**June 30, 2015**

Schedule 15

	Series 2008B		Series 2012		Series 2014	
	Principal	Interest	Principal	Interest	Principal	Interest
Due						
Year End						
June 30,						
2016	\$ 730,821	\$ 314,179	\$ 1,005,000	\$ 164,988	\$ 310,000	\$ 173,900
2017	-	-	2,075,000	139,863	-	167,700
2018	-	-	2,135,000	82,800	-	167,700
2019	-	-	625,000	18,750	1,490,000	167,700
2020	-	-	-	-	2,180,000	123,000
2021	-	-	-	-	1,920,000	57,600
	<u>\$ 730,821</u>	<u>\$ 314,179</u>	<u>\$ 5,840,000</u>	<u>\$ 406,401</u>	<u>\$ 5,900,000</u>	<u>\$ 857,600</u>
	<b>Total</b>					
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>			
Due						
Year End						
June 30,						
2016	\$ 2,045,821	\$ 653,067	\$ 2,698,888			
2017	2,075,000	307,563	2,382,563			
2018	2,135,000	250,500	2,385,500			
2019	2,115,000	186,450	2,301,450			
2020	2,180,000	123,000	2,303,000			
2021	1,920,000	57,600	1,977,600			
	<u>\$ 12,470,821</u>	<u>\$ 1,578,180</u>	<u>\$ 14,049,001</u>			

**KANKAKEE SCHOOL DISTRICT 111**  
**Schedule of Per Capita Tuition Charge**  
**For the year ended June 30, 2015**

**Schedule 16**

<b>Total Disbursements</b>		
Educational Fund		\$ 53,958,540
Operations and Maintenance Fund		3,628,576
Bond and Interest Fund		2,865,752
Transportation Fund		3,274,838
Municipal Retirement Fund		2,240,860
Tort Fund		724,780
		<u>66,693,346</u>
<b>Receipts or Disbursements Not Applicable to the K-12 Regular Program</b>		
Summer School:		
Education Fund		18,058
Municipal Retirement Fund		223
Capital outlay:		
Education Fund		989,143
Operations and Maintenance Fund		86,705
Transportation Fund		5,244
Community services:		
Education Fund		902,365
Transportation Fund		562
Municipal Retirement Fund		91,520
Total payments to other districts/governmental units		903,879
Debt service - payments of principal on long-term debt		<u>1,828,540</u>
Total Receipts or Disbursements Not Applicable to Operating Expenses of Regular Programs		<u>4,826,239</u>
Total Operating Expenses		61,867,107
<b>Average Daily Attendance (Unaudited)</b>	<u>4,468.17</u>	
<b>Operating Expense Per Student (Unaudited)</b>	<u>\$ 13,846</u>	
<b>Offsetting Receipts</b>	(Schedule 17)	<u>14,091,577</u>
Net Operating Expense for Tuition Computation		47,775,530
<b>Add Depreciation - Not Provided in Accounts, Straight-Line Basis</b>		<u>2,363,707</u>
Total Disbursements for Tuition Computation		<u>\$ 50,139,237</u>
<b>Average Daily Attendance (Unaudited)</b>	<u>4,468.17</u>	
<b>Per Capita Tuition Charge (Unaudited)</b>	<u>\$ 11,221</u>	

The foregoing summary of per capita tuition charge is presented on the basis of average daily attendance figures taken from the District records. The accuracy of the average daily attendance figures was not investigated by the auditors.

**KANKAKEE SCHOOL DISTRICT 111**  
**Schedule of Per Capita Tuition Charge - Offsetting Receipts**  
**For the year ended June 30, 2015**

**Schedule 17**

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Transportation fees	\$ 10,266
Food services	250,054
District/school activity income	15,687
Textbooks rentals	25,646
Sales other	6,591
Rentals	13,733
Special education	1,808,035
Bilingual education	157,425
State free lunch and breakfast	39,479
Driver education	57,941
Total transportation	1,351,469
Other restricted revenue from state	725,059
Restricted grants in aid from federal government	3,046,434
Less: Head Start	(2,276,718)
Total food services	3,126,056
Title I	3,163,984
IDEA flow through	1,400,409
Title III-English language acquisition	88,633
Title II-Teacher Quality	434,194
Medicaid matching funds - administrative outreach	239,718
Medicaid matching funds - fee for service	260,849
Other federal funds	146,633
<b>Total Offsetting Receipts</b>	<b><u>\$ 14,091,577</u></b>

**KANKAKEE SCHOOL DISTRICT 111**  
**Schedule of Disbursements Per Student**  
**(Unaudited)**

Schedule 18

	For the years ended June 30,		
	2015	2014	2013
<b>Educational Fund</b>			
Instruction	6,751	6,454	6,401
Supporting services	3,886	3,740	3,784
Community services	184	159	153
Nonprogrammed charges	184	233	199
	<u>11,005</u>	<u>10,586</u>	<u>10,537</u>
<b>Operations and Maintenance Fund</b>			
Supporting services	<u>812</u>	<u>635</u>	<u>642</u>
<b>Transportation Fund</b>			
Supporting services	<u>733</u>	<u>652</u>	<u>642</u>
<b>Municipal Retirement/Social Security Fund</b>			
Instruction	189	172	181
Supporting services	292	258	255
Community services	20	16	15
	<u>502</u>	<u>446</u>	<u>451</u>
<b>Debt Service Fund</b>			
Debt services	<u>641</u>	<u>546</u>	<u>720</u>
<b>Capital Projects Fund</b>			
Supporting services	<u>448</u>	<u>333</u>	<u>974</u>
<b>Tort Fund</b>			
Supporting services	<u>162</u>	<u>241</u>	<u>225</u>
<b>Fire Prevention and Safety Fund</b>			
Supporting services	<u>1</u>	<u>20</u>	<u>0</u>
<b>Total Disbursements Per Student</b>	<u>\$ 14,304</u>	<u>\$ 13,459</u>	<u>\$ 14,190</u>
<b>Average Daily Attendance</b>	<u>4,468.17</u>	<u>4,912.92</u>	<u>4,902.98</u>

The foregoing summary of disbursements per student is presented on the basis of average daily attendance figures taken from District records. The accuracy of the average daily attendance figures was not investigated by the auditors. This schedule is not meant to be compared to the Operating Expense per Student at Schedule 16, rather it is a year to year comparison of total expenditures per student.

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
 OF THE NET PENSION LIABILITY  
 Teachers' Retirement System of the State of Illinois  
 Fiscal Year 2015\***

District's proportion of the net pension liability	0.0161%
District's proportionate share of the net pension liability	\$ 9,799,625
State's proportionate share of the net pension liability associated with the District	<u>168,142,841</u>
<b>Total</b>	<b><u>\$177,942,466</u></b>
District's covered-employee payroll	\$ 27,858,649
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	35.2%
Plan fiduciary net position as a percentage of the total pension liability	43.0%
<i>*The amounts presented were determined as of the prior fiscal year-end.</i>	

**SCHEDULE OF DISTRICT CONTRIBUTIONS  
 Teachers' Retirement System of the State of Illinois  
 Fiscal Year 2015**

Contractually-required contribution	\$ 555,336
Contributions in relation to the contractually-required contribution	<u>566,716</u>
Contribution deficiency (excess)	<u>\$ (11,380)</u>
District's covered-employee payroll	\$27,858,649
Contributions as a percentage of covered-employee payroll	2.0%

**Notes to Schedules**

**Changes of Assumptions**

Amounts reported in 2014 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and a salary increase assumption of 5.75 percent. In 2013, assumptions used were an investment rate of return of 8.0 percent, an inflation rate of 3.25 percent and real return of 4.75 percent, and salary increases of 6.00 percent. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

**IMRF**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**Most Recent Calendar Year**

Calendar Year Ended December 31,	Regular Plan 2014	SLEP Plan 2014
<b>Total Pension Liability</b>		
Service Cost	\$ 1,211,643	\$ -
Interest on the total pension liability	3,311,192	2,573
Changes of benefit terms	-	-
Differences between expected and actual experience of the total pension liability	(575,214)	(2,678)
Changes of assumptions	1,889,686	1,605
Benefit payments, including refunds of employee contributions	(1,681,091)	-
<b>Net change in total pension liability</b>	<b>4,156,216</b>	<b>1,500</b>
<b>Total Pension Liability – Beginning</b>	<b>44,383,957</b>	<b>34,309</b>
<b>Total Pension Liability – End (A)</b>	<b><u>\$48,540,173</u></b>	<b><u>\$35,809</u></b>
<b>Plan Fiduciary Net Position</b>		
Contributions – District	\$ 1,058,122	\$ -
Contributions – Employees	465,391	-
Net investment income	2,724,435	2,093
Benefit payments, including refunds of employee contributions	(1,681,091)	-
Other (net transfer)	(3,489)	(2,451)
<b>Net change in plan fiduciary net position</b>	<b>2,563,368</b>	<b>(358)</b>
<b>Plan Fiduciary Net Position – Beginning</b>	<b>44,741,664</b>	<b>34,309</b>
<b>Plan Fiduciary Net Position – Ending (B)</b>	<b><u>\$47,305,032</u></b>	<b><u>\$33,951</u></b>
<b>Net Pension Liability (Asset) – Ending (A) – (B)</b>	<b><u>\$ 1,235,141</u></b>	<b><u>\$ 1,858</u></b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>97.46%</b>	<b>94.81%</b>
<b>Covered valuation payroll</b>	<b>\$10,154,725</b>	<b>\$ -0-</b>
<b>Net pension liability (asset) as a percentage of covered valuation payroll</b>	<b>12.16%</b>	<b>0.00%</b>

**Notes to Schedule:**

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

**Schedule of District Contributions**  
**Most Recent Calendar Year**

	Calendar Year Ended <u>December 31</u>	Actuarially Determined <u>Contribution</u>	Actual <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Covered Valuation <u>Payroll</u>	Actual Contribution as a Percentage of Covered <u>Valuation Payroll</u>
Regular Plan	2014	\$1,058,122	\$1,058,122	\$-0-	\$10,154,725	10.42%
SLEP Plan	2014	-0-	-0-	-0-	-0-	0.00%

**Notes to Schedule:**

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2014 Contribution Rate\**

**Valuation Date:**

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

**Methods and Assumptions Used to Determine 2014 Contribution Rates:**

<i>Actuarial Cost Method:</i>	Aggregate entry age = normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	29-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	4%
<i>Price Inflation:</i>	3% approximate; No explicit price inflation assumption is used in this valuation
<i>Salary Increases:</i>	4.40% to 16%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010
<i>Mortality:</i>	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92 percent of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

**Other Information:**

Notes: There were no benefit changes during the year.

\*Based on Valuation Assumptions used in the December 31, 2012, actuarial valuation; note two year lag between valuation and rate setting.

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