

**KANKAKEE SCHOOL DISTRICT 111  
KANKAKEE, ILLINOIS**

**Annual Financial Report**

**As of and for the Year Ended  
June 30, 2018**

**Kankakee School District 111  
Annual Financial Report  
As of and for the year ended June 30, 2018**

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Wayne D. Koelling  
Richard S. Stenzinger  
Marcie Meents Kolberg  
Michael L. Stroud  
Keith B. Ohm  
Karen S. Hassett  
Carmen M. Huizenga

Mark L. Smith  
Curtis L. Dykstra  
Larry K. Ohm  
Vicki L. DeYoung



Smith, Koelling,  
Dykstra & Ohm, P.C.  
Certified Public Accountants and Advisors

1605 N. Convent  
Bourbonnais, IL 60914  
(815) 937-1997  
Fax: (815) 935-0360  
www.skdocpa.com

Beecher (708) 946-3232  
Herscher (815) 426-9808  
Morris (815) 942-2554  
Peotone (708) 258-0300

## 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 as of and for the year ended June 30, 2018, and the related notes to the financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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, 2018, 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, 2018, 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 as 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 Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Other Supplementary Information, except for the Additional Pension Information, 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, this information is fairly stated in all material respects in relation to the financial statements as a whole.

The Additional Pension Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

The Schedule of Findings and Corrective Action Plans are included in this report as required by Government Auditing Standards. See the attached "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*".

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2018, 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 + Ohm, P.C.*

Bourbonnais, Illinois  
November 14, 2018

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www.skdocpa.com

Beecher (708) 946-3232  
Herscher (815) 426-9808  
Morris (815) 942-2554  
Peotone (708) 258-0300

**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, 2018, 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 14, 2018. 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 presented 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings, that we consider to be a material weaknesses: 2018-001 through 2018-005.



## **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 Responses to Findings**

Kankakee School District 111's responses to the findings identified in our audit are described in their corrective action plans in the accompanying schedule of findings. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## **Purpose of this Report**

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

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

Bourbonnais, Illinois  
November 14, 2018

Kankakee School District 111  
 Statements of Assets and Liabilities Arising From Cash Transactions  
 All Funds and Account Groups  
 June 30, 2018

Exhibit A

	Account Groups												
	Educational	Operations & Maintenance	Debt Services	Transportation	Social Security	Municipal Retirement/	Capital Projects	Working Cash	Tort	Fire Prevention & Safety	Agency Fund	General Fixed Assets	General Long-Term Debt
<b>ASSETS</b>													
<b>Current Assets</b>													
Cash	\$ 593,717	\$ 2,619,919	\$ 135,986	\$ 1,820,274	\$ 2,395,545	\$ 726,063	\$ 5,002,735	\$ 435,337	\$ 398,029	\$ 449,414			
Investments	-	-	-	-	-	25,676,575	-	-	-	-			
Taxes Receivable	-	-	-	-	-	-	-	-	-	-			
Interfund Receivables	-	-	-	-	-	-	-	-	-	-			
Intergovernmental Accounts Receivable	-	-	-	-	-	-	-	-	-	-			
Other Receivables	-	-	-	-	-	-	-	-	-	-			
Inventory	-	-	-	-	-	-	-	-	-	-			
Prepaid Items	1,219,992	-	-	-	-	-	-	-	-	-			
Other Current Assets	-	-	-	-	-	-	-	-	-	-			
<b>Total Current Assets</b>	<b>1,813,709</b>	<b>2,619,919</b>	<b>135,986</b>	<b>1,820,274</b>	<b>2,395,545</b>	<b>26,402,638</b>	<b>5,002,735</b>	<b>435,337</b>	<b>398,029</b>	<b>449,414</b>			
<b>Capital Assets</b>													
Works of Art & Historical Treasures												\$ -	
Land												240,859	
Building & Building Improvements												61,879,561	
Site Improvements & Infrastructure												4,768,026	
Capitalized Equipment												24,668,009	
Construction in Progress												3,853,785	
Amount Available in Debt Service Funds													\$ 135,986
Amount to be Provided for Payment on Long-Term Debt													37,010,761
<b>Total Capital Assets</b>	<b>\$ 1,813,709</b>	<b>\$ 2,619,919</b>	<b>\$ 135,986</b>	<b>\$ 1,820,274</b>	<b>\$ 2,395,545</b>	<b>\$ 26,402,638</b>	<b>\$ 5,002,735</b>	<b>\$ 435,337</b>	<b>\$ 398,029</b>	<b>\$ 449,414</b>	<b>\$ 95,410,240</b>	<b>\$ 95,410,240</b>	<b>\$ 37,146,747</b>
<b>LIABILITIES</b>													
<b>Current Liabilities</b>													
Interfund Payables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Intergovernmental Accounts Payable	-	-	-	-	-	-	-	-	-	-			
Other Payables	-	-	-	-	-	-	-	-	-	-			
Contracts Payable	-	-	-	-	-	-	-	-	-	-			
Loans Payable	-	-	-	-	-	-	-	-	-	-			
Salaries & Benefits Payable	-	-	-	-	-	-	-	-	-	-			
Payroll Deductions & Withholdings	1,410	-	-	-	-	-	-	-	-	-			
Deferred Revenues & Other Current Liabilities	9	-	-	-	-	-	-	-	-	\$ 449,414			
Due to Activity Fund Organizations	-	-	-	-	-	-	-	-	-	449,414			
<b>Total Current Liabilities</b>	<b>1,419</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>449,414</b>			
<b>Long-Term Liabilities</b>													
Long-Term Debt Payable (General Obligation, Revenue, Other)												\$ 37,146,747	
<b>Total Long-Term Liabilities</b>												<b>37,146,747</b>	
<b>Total Liabilities</b>	<b>1,419</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>449,414</b>		<b>37,146,747</b>	
<b>FUND BALANCE</b>													
Reserved Fund Balance	-	-	-	-	-	25,092,415	-	-	-	-			
Unreserved Fund Balance	1,812,290	2,619,919	135,986	1,820,274	2,395,545	1,310,223	5,002,735	435,337	398,029	-		95,410,240	
Investment in General Fixed Assets	-	-	-	-	-	-	-	-	-	-		95,410,240	
<b>Total Fund Balance</b>	<b>1,812,290</b>	<b>2,619,919</b>	<b>135,986</b>	<b>1,820,274</b>	<b>2,395,545</b>	<b>26,402,638</b>	<b>5,002,735</b>	<b>435,337</b>	<b>398,029</b>	<b>-</b>	<b>\$ 95,410,240</b>	<b>\$ 95,410,240</b>	<b>\$ 37,146,747</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,813,709</b>	<b>\$ 2,619,919</b>	<b>\$ 135,986</b>	<b>\$ 1,820,274</b>	<b>\$ 2,395,545</b>	<b>\$ 26,402,638</b>	<b>\$ 5,002,735</b>	<b>\$ 435,337</b>	<b>\$ 398,029</b>	<b>\$ 449,414</b>	<b>\$ 95,410,240</b>	<b>\$ 95,410,240</b>	<b>\$ 37,146,747</b>

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



Kankakee School District 111  
Statement of Revenues Received, Expenditures Disbursed, Other Financing  
Sources and Changes in Fund Balances  
All Funds

Exhibit B

For the year ended June 30, 2018

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
<b>RECEIPTS/REVENUES</b>									
Local Sources	\$ 10,251,160	\$ 2,329,027	\$ 2,697,396	\$ 749,381	\$ 2,517,895	\$ 308,713	\$ 4,968	\$ 468,537	\$ 93,991
Flow-Through Receipts/Revenues From One District to Another District	-	-	-	-	-	-	-	-	-
State Sources	31,195,187	5,536,420	-	3,526,163	-	-	-	750,000	-
Federal Sources	11,571,316	-	-	-	-	-	-	-	-
Total Direct Receipts/Revenues	53,017,663	7,865,447	2,697,396	4,275,544	2,517,895	308,713	4,968	1,218,537	93,991
Receipts/Revenues for "On Behalf" Payments	19,314,376	-	-	-	-	-	-	-	-
Total Receipts/Revenues	72,332,039	7,865,447	2,697,396	4,275,544	2,517,895	308,713	4,968	1,218,537	93,991
<b>DISBURSEMENTS/EXPENDITURES</b>									
Instruction	31,976,736	-	-	-	624,642	-	-	-	-
Support Services	17,872,590	5,261,403	-	3,008,724	1,083,400	5,623,133	-	1,172,881	-
Community Services	992,626	-	-	-	36,812	-	-	-	-
Payments to Other Districts & Governmental Units	549,657	-	-	-	-	-	-	-	-
Debt Service	-	-	3,732,886	-	-	-	-	-	-
Total Direct Disbursements/Expenditures	51,391,609	5,261,403	3,732,886	3,008,724	1,744,854	5,623,133	-	1,172,881	-
Disbursements/Expenditures for "On Behalf" Payments	19,314,376	-	-	-	-	-	-	-	-
Total Disbursements/Expenditures	70,705,985	5,261,403	3,732,886	3,008,724	1,744,854	5,623,133	-	1,172,881	-
Excess of Direct Receipts/Revenues Over (Under) Direct Disbursements/Expenditures	1,626,054	2,604,044	(1,035,490)	1,266,820	773,041	(5,314,420)	4,968	45,656	93,991
<b>OTHER SOURCES/USES OF FUNDS</b>									
<b>Other Sources of Funds</b>									
Permanent Transfer From Various Funds	-	-	-	-	-	-	-	-	-
Abolishment of the Working Cash Fund	-	-	-	-	-	-	-	-	-
Abatement of the Working Cash Fund	-	-	-	-	-	-	-	-	-
Transfer of Working Cash Fund Interest	-	-	-	-	-	-	-	-	-
Transfer Among Funds	-	-	-	-	-	-	-	-	-
Transfer of Interest	-	-	-	-	-	-	-	-	-
Transfer from Capital Project Fund to O&M Fund	-	-	-	-	-	-	-	-	-
Transfer of Excess Fire Prevention & Safety Tax and Interest Proceeds to O&M Fund	-	-	-	-	-	-	-	-	-
Transfer to Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund	-	-	-	-	-	-	-	-	-
<b>Sale of Bonds</b>									
Principal on Bonds Sold	-	-	-	-	-	-	-	-	-
Premium on Bonds Sold	-	-	-	-	-	-	-	-	-
Accrued Interest on Bonds Sold	-	-	-	-	-	-	-	-	-
Sale or Compensation for Fixed Assets	-	-	-	-	-	-	-	-	-
Transfer to Debt Service to Pay Principal on Capital Leases	-	-	409,966	-	-	-	-	-	-
Transfer to Debt Service to Pay Interest on Capital Leases	-	-	18,109	-	-	-	-	-	-
Transfer to Debt Service to Pay Principal on Revenue Bonds	-	-	-	-	-	-	-	-	-
Transfer to Debt Service Fund to Pay Interest on Revenue Bonds	-	-	-	-	-	-	-	-	-
Transfer to Capital Projects Fund	-	-	-	-	-	-	-	-	-
ISBE Loan Proceeds	-	-	-	-	-	-	-	-	-
Other Sources Not Classified Elsewhere	336,310	-	644,554	-	-	-	-	-	-
<b>Total Other Sources of Funds</b>	<b>336,310</b>	<b>-</b>	<b>1,072,629</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Kankakee School District 111  
Statement of Revenues Received, Expenditures Disbursed, Other Financing  
Sources and Uses and Changes in Fund Balances  
All Funds  
For the year ended June 30, 2018

Exhibit B

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
<b>Other Uses of Funds</b>									
<b>Permanent Transfer To Various Other Funds</b>									
Abolishment or Abatement of the Working Cash Fund							-		
Transfer of Working Cash Fund Interest							-		
Transfer Among Funds									
Transfer of Interest									
Transfer from Capital Project Fund to O&M Fund									
Transfer of Excess Fire Prevention & Safety Tax & Interest Proceeds to O&M Fund									
Transfer of Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund									
Taxes Pledged to Pay Principal on Capital Leases									
Grants/Reimbursements Pledged to Pay Principal on Capital Leases									
Other Revenues Pledged to Pay Principal on Capital Leases	409,966								
Fund Balance Transfers Pledged to Pay Principal on Capital Leases									
Taxes Pledged to Pay Interest on Capital Leases									
Grants/Reimbursements Pledged to Pay Interest on Capital Leases									
Other Revenues Pledged to Pay Interest on Capital Leases	18,109								
Fund Balance Transfers Pledged to Pay Interest on Capital Leases									
Taxes Pledged to Pay Principal on Revenue Bonds									
Grants/Reimbursements Pledged to Pay Principal on Revenue Bonds									
Other Revenues Pledged to Pay Principal on Revenue Bonds									
Fund Balance Transfers Pledged to Pay Principal on Revenue Bonds									
Taxes Pledged to Pay Interest on Revenue Bonds									
Grants/Reimbursements Pledged to Pay Interest on Revenue Bonds									
Other Revenues Pledged to Pay Interest on Revenue Bonds									
Fund Balance Transfers Pledged to Pay Interest on Revenue Bonds									
Taxes Transferred to Pay for Capital Projects									
Grants/Reimbursements Pledged to Pay for Capital Projects									
Other Revenues Pledged to Pay for Capital Projects									
Fund Balance Transfers Pledged to Pay for Capital Projects									
Transfer to Debt Service Fund to Pay Principal on ISBE Loans									
Other Uses Not Classified Elsewhere									
<b>Total Other Uses of Funds</b>	428,075								
	(91,765)		1,072,629						
<b>Total Other Sources/Uses of Funds</b>									
Excess of Receipts/Revenues and Other Sources of Funds (Over/Under)			37,139	1,266,820	773,041	(5,314,420)	4,968	45,656	93,991
Expenditures/Disbursements and Other Uses of Funds	1,534,289	2,604,044	98,847	553,454	1,622,504	3,171,058	4,997,767	389,681	304,038
<b>Fund Balances - July 1, 2017</b>	278,001	15,875							
Other Changes in Fund Balances - Increases (Decreases)									
<b>Fund Balances - June 30, 2018</b>	\$ 1,812,290	\$ 2,619,919	\$ 135,986	\$ 1,820,274	\$ 2,395,545	\$ 26,402,638	\$ 5,002,735	\$ 435,337	\$ 398,029

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

Kankakee School District 111  
Statement of Revenues Received  
All Funds  
For the year ended June 30, 2018

Exhibit C

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
<b>RECEIPTS/REVENUES FROM LOCAL SOURCES</b>									
<b>Ad Valorem Taxes Levied By Local Education Agency</b>									
Designated Purposes Levies	\$ 8,753,160	\$ 2,009,788	\$ 2,696,616	\$ 748,924	\$ 1,170,775	\$ -	\$ 4,945	\$ 468,362	\$ 93,983
Leasing Purposes Levy	-	-	-	-	-	-	-	-	-
Special Education Purposes Levy	7,721	-	-	-	-	-	-	-	-
FICA/Medicare Only Purposes Levies	-	-	-	-	1,170,729	-	-	-	-
Area Vocational Construction Purposes Levy	-	-	-	-	-	-	-	-	-
Summer School Purposes Levy	-	-	-	-	-	-	-	-	-
Other Tax Levies	-	-	-	-	-	-	-	-	-
<b>Total Ad Valorem Taxes Levied By District</b>	<b>8,760,881</b>	<b>2,009,788</b>	<b>2,696,616</b>	<b>748,924</b>	<b>2,341,504</b>	<b>-</b>	<b>4,945</b>	<b>468,362</b>	<b>93,983</b>
<b>Payments in Lieu of Taxes</b>									
Mobile Home Privilege Tax	3,269	785	-	305	-	-	-	-	-
Payments from Local Housing Authorities	1,070	250	501	91	182	-	23	137	-
Corporate Personal Property Replacement Taxes	1,284,104	272,000	-	-	176,000	-	-	-	-
Other Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-
<b>Total Payments in Lieu of Taxes</b>	<b>1,288,443</b>	<b>273,035</b>	<b>501</b>	<b>396</b>	<b>176,182</b>	<b>-</b>	<b>23</b>	<b>137</b>	<b>-</b>
<b>Tuition</b>									
Regular - Tuition from Pupils or Parents (In State)	-	-	-	-	-	-	-	-	-
Regular - Tuition from Other Districts (In State)	-	-	-	-	-	-	-	-	-
Regular - Tuition from Other Sources (In State)	-	-	-	-	-	-	-	-	-
Regular - Tuition from Other Sources (Out of State)	-	-	-	-	-	-	-	-	-
Summer Sch - Tuition from Pupils or Parents (In State)	12,625	-	-	-	-	-	-	-	-
Summer Sch - Tuition from Other Districts (In State)	-	-	-	-	-	-	-	-	-
Summer Sch - Tuition from Other Sources (In State)	-	-	-	-	-	-	-	-	-
Summer Sch - Tuition from Other Sources (Out of State)	-	-	-	-	-	-	-	-	-
CTE - Tuition from Pupils or Parents (In State)	-	-	-	-	-	-	-	-	-
CTE - Tuition from Other Districts (In State)	-	-	-	-	-	-	-	-	-
CTE - Tuition from Other Sources (In State)	-	-	-	-	-	-	-	-	-
CTE - Tuition from Other Sources (Out of State)	-	-	-	-	-	-	-	-	-
Special Ed - Tuition from Pupils or Parents (In State)	-	-	-	-	-	-	-	-	-
Special Ed - Tuition from Other Districts (In State)	-	-	-	-	-	-	-	-	-
Special Ed - Tuition from Other Sources (In State)	-	-	-	-	-	-	-	-	-
Special Ed - Tuition from Other Sources (Out of State)	-	-	-	-	-	-	-	-	-
Adult - Tuition from Pupils or Parents (In State)	-	-	-	-	-	-	-	-	-
Adult - Tuition from Other Districts (In State)	-	-	-	-	-	-	-	-	-
Adult - Tuition from Other Sources (In State)	-	-	-	-	-	-	-	-	-
Adult - Tuition from Other Sources (Out of State)	-	-	-	-	-	-	-	-	-
<b>Total Tuition</b>	<b>12,625</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Kankakee School District 111  
Statement of Revenues Received  
All Funds  
For the year ended June 30, 2018

Exhibit C

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
<b>Transportation Fees</b>									
Regular -Transp Fees from Pupils or Parents (In State)				-					
Regular - Transp Fees from Other Districts (In State)				-					
Regular - Transp Fees from Other Sources (In State)				-					
Regular - Transp Fees from Co-curricular Activities (In State)				-					
Regular Transp Fees from Other Sources (Out of State)				-					
Summer Sch - Transp. Fees from Pupils or Parents (In State)				-					
Summer Sch - Transp. Fees from Other Districts (In State)				-					
Summer Sch - Transp. Fees from Other Sources (In State)				-					
Summer Sch - Transp. Fees from Other Sources (Out of State)				-					
CTE - Transp Fees from Pupils or Parents (In State)				-					
CTE - Transp Fees from Other Districts (In State)				-					
CTE - Transp Fees from Other Sources (In State)				-					
CTE - Transp Fees from Other Sources (Out of State)				-					
Special Ed - Transp Fees from Pupils or Parents (In State)				-					
Special Ed - Transp Fees from Other Districts (In State)				-					
Special Ed - Transp Fees from Other Sources (In State)				-					
Special Ed - Transp Fees from Other Sources (Out of State)				-					
Adult - Transp Fees from Pupils or Parents (In State)				-					
Adult - Transp Fees from Other Districts (In State)				-					
Adult - Transp Fees from Other Sources (In State)				-					
Adult - Transp Fees from Other Sources (Out of State)				-					
<b>Total Transportation Fees</b>									
<b>Earnings on Investments</b>									
Interest on Investments	709	163	279	61	190	308,713	-	38	8
Gain or Loss on Sale of Investments	-	-	-	-	-	-	-	-	-
<b>Total Earnings on Investments</b>	<b>709</b>	<b>163</b>	<b>279</b>	<b>61</b>	<b>190</b>	<b>308,713</b>	<b>-</b>	<b>38</b>	<b>8</b>
<b>Food Service</b>									
Sales to Pupils - Lunch	-								
Sales to Pupils - Breakfast	-								
Sales to Pupils - A la Carte	8,154								
Sales to Pupils - Other	-								
Sales to Adults	5,496								
Other Food Service	49,302								
<b>Total Food Service</b>	<b>62,952</b>								

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Kankakee School District 111  
Statement of Revenues Received  
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For the year ended June 30, 2018

Exhibit C

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
<b>District/School Activity Income</b>									
Admissions - Athletic	28,484	-	-	-	-	-	-	-	-
Admissions - Other	-	-	-	-	-	-	-	-	-
Fees	31,585	-	-	-	-	-	-	-	-
Book Store Sales	-	-	-	-	-	-	-	-	-
Other District/School Activity Revenue	-	-	-	-	-	-	-	-	-
<b>Total District/School Activity Income</b>	<b>60,069</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Textbook Income</b>									
Rentals - Regular Textbooks	39,143	-	-	-	-	-	-	-	-
Rentals - Summer School Textbooks	-	-	-	-	-	-	-	-	-
Rentals - Adult/Continuing Education Textbooks	-	-	-	-	-	-	-	-	-
Rentals - Other	-	-	-	-	-	-	-	-	-
Sales - Regular Textbooks	-	-	-	-	-	-	-	-	-
Sales - Summer School Textbooks	-	-	-	-	-	-	-	-	-
Sales - Adult/Continuing Education Textbooks	-	-	-	-	-	-	-	-	-
Sales - Other	3,128	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total Textbook Income</b>	<b>42,271</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Revenue from Local Sources</b>									
Rentals	-	41,338	-	-	-	-	-	-	-
Contributions and Donations from Private Sources	-	-	-	-	-	-	-	-	-
Impact Fees from Municipal or County Governments	-	-	-	-	-	-	-	-	-
Services Provided Other Districts	-	-	-	-	-	-	-	-	-
Refund of Prior Years' Expenditures	-	-	-	-	-	-	-	-	-
Payments of Surplus Moneys from TIF Districts	-	-	-	-	-	-	-	-	-
Drivers' Education Fees	600	-	-	-	-	-	-	-	-
Proceeds from Vendors' Contracts	-	-	-	-	-	-	-	-	-
School Facility Occupation Tax Proceeds	-	-	-	-	-	-	-	-	-
Payment from Other Districts	-	-	-	-	-	-	-	-	-
Sale of Vocational Projects	-	-	-	-	-	-	-	-	-
Other Local Fees	-	4,548	-	-	-	-	-	-	-
Other Local Revenues	22,610	155	-	-	19	-	-	-	-
<b>Total Other Revenue from Local Sources</b>	<b>23,210</b>	<b>46,041</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Receipts/Revenues from Local Sources</b>	<b>10,251,160</b>	<b>2,329,027</b>	<b>2,697,396</b>	<b>749,381</b>	<b>2,517,895</b>	<b>308,713</b>	<b>4,968</b>	<b>468,537</b>	<b>93,991</b>
<b>FLOW-THROUGH RECEIPTS/REVENUES FROM ONE DISTRICT TO ANOTHER DISTRICT</b>									
Flow-through Revenue from State Sources	-	-	-	-	-	-	-	-	-
Flow-through Revenue from Federal Sources	-	-	-	-	-	-	-	-	-
Other Flow-Through	-	-	-	-	-	-	-	-	-
<b>Total Flow-Through Receipts/Revenues from One District to Another District</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Kankakee School District 111  
Statement of Revenues Received  
All Funds  
For the year ended June 30, 2018

Exhibit C

RECEIPTS/REVENUES FROM STATE SOURCES	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
<b>Unrestricted Grants-In-Aid</b>									
Evidence Based Funding Formula (Section 18-8.15)	27,617,557	5,500,000	-	500,000	-	-	-	750,000	-
General State Aid - Hold Harmless/Supplemental	-	-	-	-	-	-	-	-	-
Reorganization Incentives	-	-	-	-	-	-	-	-	-
Other Unrestricted Grants-In-Aid from State Sources	-	-	-	-	-	-	-	-	-
<b>Total Unrestricted Grants-In-Aid</b>	<b>27,617,557</b>	<b>5,500,000</b>	<b>-</b>	<b>500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>750,000</b>	<b>-</b>
<b>Restricted Grants-In-Aid</b>									
<b>Special Education</b>									
Special Education - Private Facility Tuition	189,200	-	-	-	-	-	-	-	-
Special Education - Funding for Children Requiring Special Education Services	379,165	-	-	-	-	-	-	-	-
Special Education - Personnel	615,011	-	-	-	-	-	-	-	-
Special Education - Orphanage - Individual	43,265	-	-	-	-	-	-	-	-
Special Education - Orphanage - Summer Individual	-	-	-	-	-	-	-	-	-
Special Education - Summer School	13,400	-	-	-	-	-	-	-	-
Special Education - Other	-	-	-	-	-	-	-	-	-
<b>Total Special Education</b>	<b>1,240,041</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Career and Technical Education (CTE)</b>									
CTE - Technical Education - Tech Prep	-	-	-	-	-	-	-	-	-
CTE - Secondary Program Improvement (CTEI)	-	-	-	-	-	-	-	-	-
CTE - WECEP	-	-	-	-	-	-	-	-	-
CTE - Agriculture Education	-	-	-	-	-	-	-	-	-
CTE - Instructor Practicum	-	-	-	-	-	-	-	-	-
CTE - Student Organizations	-	-	-	-	-	-	-	-	-
CTE - Other	-	-	-	-	-	-	-	-	-
<b>Total Career and Technical Education</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Bilingual Education</b>									
Bilingual Ed - Downstate - TPI and TBE	233,865	-	-	-	-	-	-	-	-
Bilingual Education Downstate - Transitional Bilingual Education	-	-	-	-	-	-	-	-	-
<b>Total Bilingual Ed</b>	<b>233,865</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
State Free Lunch & Breakfast	52,780	-	-	-	-	-	-	-	-
School Breakfast Initiative	-	-	-	-	-	-	-	-	-
Driver Education	54,225	-	-	-	-	-	-	-	-
Adult Ed (from ICCB)	-	-	-	-	-	-	-	-	-
Adult Ed - Other	-	-	-	-	-	-	-	-	-

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Kankakee School District 111  
Statement of Revenues Received  
All Funds  
For the year ended June 30, 2018

Exhibit C

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
<b>Transportation</b>									
Transportation - Regular and Vocational	-	-	-	2,159,458	-	-	-	-	-
Transportation - Special Education	-	-	-	866,705	-	-	-	-	-
Transportation - Other	-	-	-	-	-	-	-	-	-
<b>Total Transportation</b>	-	-	-	3,026,163	-	-	-	-	-
Learning Improvement - Change Grants	-	-	-	-	-	-	-	-	-
Scientific Literacy	-	-	-	-	-	-	-	-	-
Truant Alternative/Optional Education	-	-	-	-	-	-	-	-	-
Early Childhood - Block Grant	1,768,896	-	-	-	-	-	-	-	-
Reading Improvement Block Grant	-	-	-	-	-	-	-	-	-
Reading Improvement Block Grant - Reading Recovery	-	-	-	-	-	-	-	-	-
Continued Reading Improvement Block Grant	-	-	-	-	-	-	-	-	-
Continued Reading Improvement Block Grant (2% Set Aside)	-	-	-	-	-	-	-	-	-
Chicago General Education Block Grant	-	-	-	-	-	-	-	-	-
Chicago Educational Services Block Grant	-	-	-	-	-	-	-	-	-
School Safety & Educational Improvement Block Grant	-	-	-	-	-	-	-	-	-
Technology - Technology for Success	-	-	-	-	-	-	-	-	-
State Charter Schools	-	-	-	-	-	-	-	-	-
Extended Learning Opportunities - Summer Bridges	-	-	-	-	-	-	-	-	-
Infrastructure Improvements - Planning/Construction	-	-	-	-	-	-	-	-	-
School Infrastructure - Maintenance Projects	-	-	-	-	-	-	-	-	-
Other Restricted Revenue from State Sources	227,823	36,420	-	-	-	-	-	-	-
<b>Total Restricted Grants-In-Aid</b>	3,577,630	36,420	-	3,026,163	-	-	-	-	-
<b>Total Receipts from State Sources</b>	31,195,187	5,536,420	-	3,526,163	-	-	-	750,000	-
<b>RECEIPTS/REVENUES FROM FEDERAL SOURCES</b>									
<b>Unrestricted Grants-In-Aid Received Directly from Federal Govt</b>									
Federal Impact Aid	-	-	-	-	-	-	-	-	-
Other Unrestricted Grants-In-Aid Received Directly from the Federal Govt	-	-	-	-	-	-	-	-	-
<b>Total Unrestricted Grants-In-Aid Received Directly from Federal Govt</b>	-	-	-	-	-	-	-	-	-
<b>Restricted Grants-In-Aid Received Directly from Federal Government</b>									
Head Start	2,967,194	-	-	-	-	-	-	-	-
Construction (Impact Aid)	-	-	-	-	-	-	-	-	-
MAGNET	-	-	-	-	-	-	-	-	-
Other Restricted Grants-In-Aid Received Directly from the Federal Govt	273,419	-	-	-	-	-	-	-	-
<b>Total Restricted Grants-In-Aid Received Directly from Federal Govt</b>	3,240,613	-	-	-	-	-	-	-	-

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Kankakee School District 111  
Statement of Revenues Received  
All Funds  
For the year ended June 30, 2018

Exhibit C

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
<b>Restricted Grants-In-Aid Received From Federal Govt Thru The State</b>									
<b>Title VI</b>									
Title VI - Innovation and Flexibility Formula	-	-	-	-	-	-	-	-	-
Title VI - District Projects	-	-	-	-	-	-	-	-	-
Title VI - Rural Education Initiative (REI)	-	-	-	-	-	-	-	-	-
Title VI - Other	-	-	-	-	-	-	-	-	-
<b>Total Title VI</b>	-	-	-	-	-	-	-	-	-
<b>Food Service</b>									
Breakfast Start-Up Expansion	-	-	-	-	-	-	-	-	-
National School Lunch Program	2,183,430	-	-	-	-	-	-	-	-
Special Milk Program	-	-	-	-	-	-	-	-	-
School Breakfast Program	749,965	-	-	-	-	-	-	-	-
Summer Food Service Program	-	-	-	-	-	-	-	-	-
Child Adult Care Food Program	63,241	-	-	-	-	-	-	-	-
Fresh Fruits & Vegetables	1,498	-	-	-	-	-	-	-	-
Food Service - Other	-	-	-	-	-	-	-	-	-
<b>Total Food Service</b>	<b>2,998,134</b>	-	-	-	-	-	-	-	-
<b>Title I</b>									
Title I - Low Income	2,991,231	-	-	-	-	-	-	-	-
Title I - Low Income - Neglected, Private	-	-	-	-	-	-	-	-	-
Title I - Comprehensive School Reform	-	-	-	-	-	-	-	-	-
Title I - Reading First	-	-	-	-	-	-	-	-	-
Title I - Even Start	-	-	-	-	-	-	-	-	-
Title I - Reading First SEA Funds	73,195	-	-	-	-	-	-	-	-
Title I - Migrant Education	1,780	-	-	-	-	-	-	-	-
Title I - Other	3,066,206	-	-	-	-	-	-	-	-
<b>Total Title I</b>	<b>3,066,206</b>	-	-	-	-	-	-	-	-
<b>Title IV</b>									
Title IV - Safe & Drug Free Schools - Formula	-	-	-	-	-	-	-	-	-
Title IV - 21st Century Comm Learning Centers	-	-	-	-	-	-	-	-	-
Title IV - Other	-	-	-	-	-	-	-	-	-
<b>Total Title IV</b>	-	-	-	-	-	-	-	-	-
<b>Federal - Special Education</b>									
Fed - Spec Education - Preschool Flow-Through	27,402	-	-	-	-	-	-	-	-
Fed - Spec Education - Preschool Discretionary	-	-	-	-	-	-	-	-	-
Fed - Spec Education - IDEA - Flow Through	1,451,612	-	-	-	-	-	-	-	-
Fed - Spec Education - IDEA - Room & Board	31,215	-	-	-	-	-	-	-	-
Fed - Spec Education - IDEA - Discretionary	-	-	-	-	-	-	-	-	-
Fed - Spec Education - IDEA - Other	-	-	-	-	-	-	-	-	-
<b>Total Federal - Special Education</b>	<b>1,510,229</b>	-	-	-	-	-	-	-	-

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Kankakee School District 111  
Statement of Revenues Received  
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For the year ended June 30, 2018

Exhibit C

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
<b>CTE - Perkins</b>									
CTE - Perkins - Title III E - Tech Prep	-	-	-	-	-	-	-	-	-
CTE - Other	-	-	-	-	-	-	-	-	-
<b>Total CTE - Perkins</b>	-	-	-	-	-	-	-	-	-
Federal - Adult Education	-	-	-	-	-	-	-	-	-
ARRA - General State Aid - Education Stabilization	-	-	-	-	-	-	-	-	-
ARRA - Title I - Low Income	-	-	-	-	-	-	-	-	-
ARRA - Title I - Neglected, Private	-	-	-	-	-	-	-	-	-
ARRA - Title I - Delinquent, Private	-	-	-	-	-	-	-	-	-
ARRA - Title I - School Improvement (Part A)	-	-	-	-	-	-	-	-	-
ARRA - Title I - School Improvement (Section 1003g)	-	-	-	-	-	-	-	-	-
ARRA - IDEA - Part B - Preschool	-	-	-	-	-	-	-	-	-
ARRA - IDEA - Part B - Flow-Through	-	-	-	-	-	-	-	-	-
ARRA - Title IID - Technology-Formula	-	-	-	-	-	-	-	-	-
ARRA - Title IID - Technology-Competitive	-	-	-	-	-	-	-	-	-
ARRA - McKinney - Vento Homeless Education	-	-	-	-	-	-	-	-	-
ARRA - Child Nutrition Equipment Assistance	-	-	-	-	-	-	-	-	-
Impact Aid Formula Grants	-	-	-	-	-	-	-	-	-
Impact Aid Competitive Grants	-	-	-	-	-	-	-	-	-
Qualified Zone Academy Bond Tax Credits	-	-	-	-	-	-	-	-	-
Qualified School Construction Bond Credits	-	-	-	-	-	-	-	-	-
Build America Bond Tax Credits	-	-	-	-	-	-	-	-	-
Build America Bond Interest Reimbursement	-	-	-	-	-	-	-	-	-
ARRA - General State Aid - Other Govt Services Stabilization	-	-	-	-	-	-	-	-	-
Other ARRA Funds - II	-	-	-	-	-	-	-	-	-
Other ARRA Funds - III	-	-	-	-	-	-	-	-	-
Other ARRA Funds - IV	-	-	-	-	-	-	-	-	-
Other ARRA Funds - V	-	-	-	-	-	-	-	-	-
ARRA - Early Childhood	-	-	-	-	-	-	-	-	-
Other ARRA Funds VII	-	-	-	-	-	-	-	-	-
Other ARRA Funds VIII	-	-	-	-	-	-	-	-	-
Other ARRA Funds IX	-	-	-	-	-	-	-	-	-
Other ARRA Funds X	-	-	-	-	-	-	-	-	-
Other ARRA Funds Ed Job Fund Program	-	-	-	-	-	-	-	-	-
<b>Total Stimulus Programs</b>	-	-	-	-	-	-	-	-	-

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Kankakee School District 111  
Statement of Revenues Received  
All Funds  
For the year ended June 30, 2018

Exhibit C

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
Race to the Top Program	-	-	-	-	-	-	-	-	-
Race to the Top - Preschool Expansion Grant	-	-	-	-	-	-	-	-	-
Advanced Placement Fee/International Baccalaureate	-	-	-	-	-	-	-	-	-
Title III - Immigrant Education Program (IEP)	-	-	-	-	-	-	-	-	-
Title III - Language Inst Program - Limited Eng (LIPLEP)	84,348	-	-	-	-	-	-	-	-
Learn & Serve America	-	-	-	-	-	-	-	-	-
McKinney Education for Homeless Children	-	-	-	-	-	-	-	-	-
Title II - Eisenhower Professional Development Formula	-	-	-	-	-	-	-	-	-
Title II - Teacher Quality	105,000	-	-	-	-	-	-	-	-
Federal Charter Schools	-	-	-	-	-	-	-	-	-
Medicaid Matching Funds - Administrative Outreach	157,601	-	-	-	-	-	-	-	-
Medicaid Matching Funds - Fee-for-Service Program	285,510	-	-	-	-	-	-	-	-
Other Restricted Revenue from Federal Sources	123,675	-	-	-	-	-	-	-	-
<b>Total Restricted Grants-In-Aid Received from the Federal Govt Thru the State</b>	8,330,703	-	-	-	-	-	-	-	-
<b>Total Receipts/Revenues from Federal Sources</b>	11,571,316	-	-	-	-	-	-	-	-
<b>Total Direct Receipts/Revenues</b>	\$ 53,017,663	\$ 7,865,447	\$ 2,697,396	\$ 4,275,544	\$ 2,517,895	\$ 308,713	\$ 4,968	\$ 1,218,537	\$ 93,991

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

	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
<b>EDUCATIONAL FUND (ED)</b>										
<b>Instruction (ED)</b>										
Regular Programs	\$ 14,173,342	\$ 3,431,262	\$ 477,762	\$ 1,241,019	\$ -	\$ 4,210	\$ 132,863	\$ -	\$ 19,460,458	\$ 19,687,920
Tuition Payment to Charter Schools	-	-	-	-	-	-	-	-	-	-
Pre-K Programs	1,233,169	391,432	534	80,342	-	-	-	-	1,705,477	-
Special Education Programs	5,353,189	1,535,687	234,610	129,091	-	-	53,860	-	7,306,437	7,266,000
Special Education Programs Pre-K	-	-	-	-	-	-	-	-	-	-
Remedial and Supplemental Programs K-12	-	-	-	-	-	-	-	-	-	-
Remedial and Supplemental Programs Pre-K	-	-	-	-	-	-	-	-	-	-
Adult/Continuing Education Programs	-	-	-	-	-	-	-	-	-	-
CTE Programs	-	-	-	-	-	-	-	-	-	-
Interscholastic Programs	573,068	92,849	73,802	265,149	-	20,848	2,649	-	1,028,365	1,905,700
Summer School Programs	46,781	13,639	-	-	-	-	-	-	60,420	43,200
Gifted Programs	397,902	118,319	-	-	-	-	-	-	516,221	577,500
Driver's Education Programs	172,044	53,471	857	-	20,075	-	-	-	246,447	245,400
Bilingual Programs	1,228,531	328,196	49,985	46,199	-	-	-	-	1,652,911	1,708,000
Truant Alternative & Optional Programs	-	-	-	-	-	-	-	-	-	-
Pre-K Programs - Private Tuition	-	-	-	-	-	-	-	-	-	-
Regular K-12 Programs - Private Tuition	-	-	-	-	-	-	-	-	-	-
Special Education Programs K-12 - Private Tuition	-	-	-	-	-	-	-	-	-	-
Special Education Programs Pre-K - Tuition	-	-	-	-	-	-	-	-	-	-
Remedial/Supplemental Programs K-12 - Private Tuition	-	-	-	-	-	-	-	-	-	-
Remedial/Supplemental Programs Pre-K - Private Tuition	-	-	-	-	-	-	-	-	-	-
Adult/Continuing Education Programs - Private Tuition	-	-	-	-	-	-	-	-	-	-
CTE Programs - Private Tuition	-	-	-	-	-	-	-	-	-	-
Interscholastic Programs - Private Tuition	-	-	-	-	-	-	-	-	-	-
Summer School Programs - Private Tuition	-	-	-	-	-	-	-	-	-	-
Gifted Programs - Private Tuition	-	-	-	-	-	-	-	-	-	-
Bilingual Programs - Private Tuition	-	-	-	-	-	-	-	-	-	-
Truants Alternative/Optional Ed Programs - Private Tuition	-	-	-	-	-	-	-	-	-	-
<b>Total Instruction</b>	<b>23,178,026</b>	<b>5,964,855</b>	<b>837,550</b>	<b>1,761,800</b>	<b>20,075</b>	<b>25,058</b>	<b>189,372</b>	<b>-</b>	<b>31,976,736</b>	<b>31,433,720</b>
<b>Support Services (ED)</b>										
<b>Support Services - Pupils</b>										
Attendance & Social Work Services	678,725	197,564	5,885	13,743	-	-	-	-	895,917	927,700
Guidance Services	305,867	85,621	-	-	-	-	-	-	391,488	400,300
Health Services	673,672	121,411	39,642	10,666	-	-	2,660	-	848,051	853,800
Psychological Services	277,895	68,411	5,049	2,467	-	-	-	-	353,822	408,300
Speech Pathology & Audiology Services	522,406	148,196	5,750	6,666	-	-	-	-	683,018	711,500
Other Support Services - Pupils	-	-	-	-	-	-	-	-	-	-
<b>Total Support Services - Pupils</b>	<b>2,458,565</b>	<b>621,203</b>	<b>56,326</b>	<b>33,542</b>	<b>-</b>	<b>-</b>	<b>2,660</b>	<b>-</b>	<b>3,172,296</b>	<b>3,301,600</b>
<b>Support Services - Instructional Staff</b>										
Improvement of Instruction Services	1,132,362	275,038	928,378	48,845	-	-	-	-	2,384,623	3,081,700
Educational Media Services	754,221	258,737	-	(1,224)	-	-	-	-	1,011,734	773,700
Assessment & Testing	109,774	34,277	22,900	-	-	-	-	-	166,951	388,800
<b>Total Support Services - Instructional Staff</b>	<b>1,996,357</b>	<b>568,052</b>	<b>951,278</b>	<b>47,621</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,563,308</b>	<b>4,244,200</b>

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

Kankakee School District 111  
 Statement of Expenditures Disbursed, Budget to Actual  
 All Funds  
 For the year ended June 30, 2018

	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
<b>Support Services - General Administration</b>										
Board of Education Services	-	-	155,716	536	-	16,942	2,245	-	175,439	241,500
Executive Administration Services	560,215	82,393	133,358	18,445	-	3,729	3,539	-	801,679	748,700
Special Area Administration Services	695,125	194,794	81,151	22,281	1,944	-	-	-	995,295	467,800
Tort Immunity Services	-	-	195,577	-	-	-	-	-	195,577	335,000
<b>Total Support Services - General Administration</b>	<b>1,255,340</b>	<b>277,187</b>	<b>565,802</b>	<b>41,262</b>	<b>1,944</b>	<b>20,671</b>	<b>5,784</b>	<b>-</b>	<b>2,167,990</b>	<b>1,793,000</b>
<b>Support Services - School Administration</b>										
Office of the Principal Services	2,736,164	632,937	-	-	-	-	-	-	3,369,101	3,457,000
Other Support Services - School Admin	-	-	-	-	-	-	-	-	-	-
<b>Total Support Services - School Administration</b>	<b>2,736,164</b>	<b>632,937</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,369,101</b>	<b>3,457,000</b>
<b>Support Services - Business</b>										
Direction of Business Support Services	103,643	15,708	259	-	-	-	-	-	119,610	60,400
Fiscal Services	232,758	61,116	61,010	30,343	-	9,486	897	-	395,610	475,600
Operation & Maintenance of Plant Services	109,271	39,014	38,888	3,752	-	-	-	-	190,925	163,000
Pupil Transportation Services	-	-	859,047	-	64,566	-	-	-	923,613	738,000
Food Services	1,051,811	152,441	12,234	1,607,202	8,120	6,385	-	-	2,838,193	2,870,500
Internal Services	-	-	-	-	-	-	-	-	-	-
<b>Total Support Services - Business</b>	<b>1,497,483</b>	<b>268,279</b>	<b>971,438</b>	<b>1,641,297</b>	<b>72,686</b>	<b>15,871</b>	<b>897</b>	<b>-</b>	<b>4,467,951</b>	<b>4,307,500</b>
<b>Support Services - Central</b>										
Direction of Central Support Services	-	-	-	-	-	-	-	-	-	-
Planning, Research, Development, & Evaluation Services	-	-	-	-	-	-	-	-	-	-
Information Services	9,001	1,362	4,113	2,072	-	-	-	-	16,548	30,000
Staff Services	-	-	-	-	-	-	-	-	-	-
Data Processing Services	131,446	22,212	423,159	450,931	-	-	86,206	-	1,113,954	1,266,137
<b>Total Support Services - Central</b>	<b>140,447</b>	<b>23,574</b>	<b>427,272</b>	<b>453,003</b>	<b>-</b>	<b>-</b>	<b>86,206</b>	<b>-</b>	<b>1,130,502</b>	<b>1,356,137</b>
Other Support Services	911	70	-	461	-	-	-	-	1,442	1,000
<b>Total Support Services</b>	<b>10,085,267</b>	<b>2,391,302</b>	<b>2,972,116</b>	<b>2,217,186</b>	<b>74,630</b>	<b>36,542</b>	<b>95,547</b>	<b>-</b>	<b>17,872,590</b>	<b>18,460,437</b>
<b>Community Services (ED)</b>	<b>577,205</b>	<b>163,857</b>	<b>198,858</b>	<b>52,706</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>992,626</b>	<b>873,000</b>
<b>Payments to Other Districts &amp; Govt Units (ED)</b>										
<b>Payments to Other Govt Units (In-State)</b>										
Payments for Regular Programs	-	-	-	-	-	16,000	-	-	16,000	15,000
Payments for Special Education Programs	-	-	75,016	-	-	240,161	-	-	315,177	444,000
Payments for Adult/Continuing Education Programs	-	-	-	-	-	-	897	-	-	-
Payments for CTE Programs	-	-	-	-	-	218,480	-	-	218,480	215,000
Payments for Community College Programs	-	-	-	-	-	-	-	-	-	-
Other Payments to In-State Govt. Units	-	-	-	-	-	-	-	-	-	-
<b>Total Payments to Other Govt Units (In-State)</b>	<b>75,016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>474,641</b>	<b>-</b>	<b>-</b>	<b>549,657</b>	<b>674,000</b>
Payments for Regular Programs - Tuition	-	-	-	-	-	-	-	-	-	-
Payments for Special Education Programs - Tuition	-	-	-	-	-	-	-	-	-	-
Payments for Adult/Continuing Education Programs - Tuition	-	-	-	-	-	-	-	-	-	-
Payments for CTE Programs - Tuition	-	-	-	-	-	-	-	-	-	-
Payments for Community College Programs - Tuition	-	-	-	-	-	-	-	-	-	-
Other Payments - Tuition	-	-	-	-	-	-	-	-	-	-
Other Payments to In-State Govt Units	-	-	-	-	-	-	-	-	-	-
<b>Total Payments to Other Govt Units - Tuition (In State)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
Payments for Regular Programs - Transfers									-	-
Payments for Special Education Programs - Transfers									-	-
Payments for Adult/Continuing Ed Programs-Transfers									-	-
Payments for CTE Programs - Transfers									-	-
Payments for Community College Program - Transfers									-	-
Payments for Other Programs - Transfers									-	-
Other Payments to In-State Govt Units - Transfers									-	-
<b>Total Payments to Other Govt Units -Transfers (In-State)</b>									-	-
Payments to Other Govt Units (Out-of-State)									-	-
<b>Total Payments to Other Govt Units</b>			75,016			474,641			549,657	674,000
<b>Debt Services (ED)</b>										
<b>Debt Services - Interest on Short-Term Debt</b>										
Tax Anticipation Warrants									-	-
Tax Anticipation Notes									-	-
Corporate Personal Prop. Repl. Tax Anticipation Notes									-	-
State Aid Anticipation Certificates									-	-
Other Interest on Short-Term Debt									-	-
<b>Total Interest on Short-Term Debt</b>									-	-
<b>Debt Services - Interest on Long-Term Debt</b>									-	-
<b>Total Debt Services</b>									-	-
<b>Provisions for Contingencies (ED)</b>										
<b>Total Direct Disbursements/Expenditures</b>	\$ 33,840,498	\$ 8,520,014	\$ 4,083,540	\$ 4,031,692	\$ 94,705	\$ 536,241	\$ 284,919	\$ -	\$ 51,391,609	\$ 51,441,157
Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures (ED)									\$ 1,626,054	
<b>OPERATIONS &amp; MAINTENANCE FUND (O&amp;M)</b>										
<b>Support Services (O&amp;M)</b>										
<b>Support Services - Pupils</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Support Services - Business</b>										
Direction of Business Support Services									-	-
Facilities Acquisition & Construction Services					15,254				15,254	-
Operation & Maintenance of Plant Services	2,712,720	445,488	835,605	1,133,820	112,133		6,383		5,246,149	5,220,500
Pupil Transportation Services									-	-
Food Services									-	-
<b>Total Support Services - Business</b>	2,712,720	445,488	835,605	1,133,820	127,387		6,383		5,261,403	5,220,500
Other Support Services									-	-
<b>Total Support Services</b>	2,712,720	445,488	835,605	1,133,820	127,387		6,383		5,261,403	5,220,500
<b>Community Services (O&amp;M)</b>										

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

Kankakee School District 111  
 Statement of Expenditures Disbursed, Budget to Actual  
 All Funds  
 For the year ended June 30, 2018

	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
<b>Payments to Other Dist &amp; Govt Units (O&amp;M)</b>										
<b>Payments to Other Govt Units (In-State)</b>										
Payments for Regular Programs			-			-			-	-
Payments for Special Education Programs			-			-			-	-
Payments for CTE Programs			-			-			-	-
Other Payments to In-State Govt. Units			-			-			-	-
<b>Total Payments to Other Govt. Units (In-State)</b>			-			-			-	-
Payments to Other Govt. Units (Out of State)						-			-	-
<b>Total Payments to Other Govt Units</b>						-			-	-
<b>Debt Services (O&amp;M)</b>										
<b>Debt Services - Interest on Short-Term Debt</b>										
Tax Anticipation Warrants						-			-	-
Tax Anticipation Notes						-			-	-
Corporate Personal Prop. Repl. Tax Anticipation Notes						-			-	-
State Aid Anticipation Certificates						-			-	-
Other Interest on Short-Term Debt						-			-	-
<b>Total Debt Services - Interest on Short-Term Debt</b>						-			-	-
<b>Debt Services - Interest on Long-Term Debt</b>						-			-	-
<b>Total Debt Services</b>						-			-	-
Provisions for Contingencies (O&M)										-
<b>Total Direct Disbursements/Expenditures</b>	\$ 2,712,720	\$ 445,488	\$ 835,605	\$ 1,133,820	\$ 127,387	\$ -	\$ 6,383	\$ -	5,261,403	\$ 5,220,500
Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures (O&M)									\$ 2,604,044	
<b>DEBT SERVICES FUND (DS)</b>										
<b>Payments to Other Dist &amp; Govt Units (DS)</b>										
Payments for Regular Programs						\$ -			\$ -	\$ -
Payments for Special Education Programs						-			-	-
Other Payments to In-State Govt Units						-			-	-
<b>Total Payments to Other Districts &amp; Govt Units (In-State)</b>						-			-	-
<b>Debt Services (DS)</b>										
<b>Debt Services - Interest on Short-Term Debt</b>										
Tax Anticipation Warrants						-			-	-
Tax Anticipation Notes						-			-	-
Corporate Personal Prop. Repl. Tax Anticipation Notes						-			-	-
State Aid Anticipation Certificates						-			-	-
Other Interest on Short-Term Debt						-			-	-
<b>Total Debt Services - Interest On Short-Term Debt</b>						-			-	879,160
						-			-	879,160

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

	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
Debt Services - Interest on Long-Term Debt						911,669			911,669	-
Debt Services - Payments of Principal on Long-Term Debt (Lease/Purchase Principal Retired)						2,814,966			2,814,966	2,405,000
Debt Services - Other			\$ -			6,251			6,251	3,000
<b>Total Debt Services</b>						<b>3,732,886</b>			<b>3,732,886</b>	<b>3,287,160</b>
Provisions for Contingencies (DS)										-
<b>Total Disbursements/Expenditures</b>			\$ -			<b>\$ 3,732,886</b>			<b>3,732,886</b>	<b>\$ 3,287,160</b>
Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures (DS)										\$ (1,035,490)
<b>TRANSPORTATION FUND (TR)</b>										
<b>Support Services (TR)</b>										
Support Services - Pupils			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services - Business										
Pupil Transportation Services	42,599	-	2,724,161	241,964	-	-	-	-	3,008,724	3,112,863
Other Support Services	-	-	-	-	-	-	-	-	-	-
<b>Total Support Services</b>	<b>42,599</b>	<b>-</b>	<b>2,724,161</b>	<b>241,964</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,008,724</b>	<b>3,112,863</b>
<b>Community Services (TR)</b>										
Payments to Other Dist & Govt Units (TR)										
Payments to Other Govt Units (In-State)										
Payments for Regular Programs										
Payments for Special Education Programs										
Payments for Adult/Continuing Education Programs										
Payments for CTE Programs										
Payments for Community College Programs										
Other Payments to In-State Govt. Units										
<b>Total Payments to Other Govt. Units (In-State)</b>										
Payments to Other Govt Units (Out-of-State)										
<b>Total Payments to Other Govt Units</b>										
<b>Debt Services (TR)</b>										
Debt Services - Interest on Short-Term Debt										
Tax Anticipation Warrants										
Tax Anticipation Notes										
Corporate Personal Prop. Repl. Tax Anticipation Notes										
State Aid Anticipation Certificates										
Other Interest on Short-Term Debt										
<b>Total Debt Services - Interest On Short-Term Debt</b>										

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

	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
Debt Services - Interest on Long-Term Debt									-	-
Debt Services - Payments of Principal on Long-Term Debt (Lease/Purchase Principal Retired)									-	-
Debt Services - Other									-	-
<b>Total Debt Services</b>									-	-
Provision for Contingencies (TR)										
<b>Total Disbursements/Expenditures</b>	\$ 42,599	\$ -	\$ 2,724,161	\$ 241,964	\$ -	\$ -	\$ -	\$ -	3,008,724	\$ 3,112,863
Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures (TR)										\$ 1,266,820

**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**

(MR/SS)	Instruction (MR/SS)	Support Services (MR/SS)	Support Services - Pupils
Regular Programs	\$ 252,901		9,158
Pre-K Programs	28		4,070
Special Education Programs	284,402		71,232
Special Education Programs - Pre-K	-		3,761
Remedial and Supplemental Programs - K-12	-		7,043
Remedial and Supplemental Programs - Pre-K	-		-
Adult/Continuing Education Programs	-		95,264
CTE Programs	-		-
Interscholastic Programs	43,060		35,882
Summer School Programs	594		9,415
Gifted Programs	5,382		1,022
Driver's Education Programs	2,241		46,319
Bilingual Programs	36,034		-
Truants' Alternative & Optional Programs	-		-
<b>Total Instruction</b>	<b>624,642</b>		<b>624,642</b>
<b>Support Services (MR/SS)</b>			
<b>Support Services - Pupils</b>			
Attendance & Social Work Services		9,158	10,000
Guidance Services		4,070	5,000
Health Services		71,232	108,000
Psychological Services		3,761	5,000
Speech Pathology & Audiology Services		7,043	8,000
Other Support Services - Pupils		-	-
<b>Total Support Services - Pupils</b>		<b>95,264</b>	<b>136,000</b>
<b>Support Services - Instructional Staff</b>			
Improvement of Instruction Services		35,882	43,000
Educational Media Services		9,415	80,000
Assessment & Testing		1,022	5,000
<b>Total Support Services - Instructional Staff</b>		<b>46,319</b>	<b>128,000</b>



Kankakee School District 111  
Statement of Expenditures Disbursed, Budget to Actual  
All Funds  
For the year ended June 30, 2018

Exhibit D

	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
<b>Support Services - General Administration</b>										
Board of Education Services		-							-	83,000
Executive Administration Services		41,014							41,014	36,000
Service Area Administrative Services		19,791							19,791	21,000
Claims Paid from Self Insurance Fund		-							-	-
Workers' Compensation or Workers' Occupation Disease Acts Payments		-							-	-
Unemployment Insurance Payments		-							-	-
Insurance Payments (Regular or Self-Insurance)		-							-	-
Risk Management and Claims Services Payments		-							-	-
Judgment and Settlements		-							-	-
Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction		-							-	-
Reciprocal Insurance Payments		-							-	-
Legal Services		-							-	1,000
<b>Total Support Services - General Administration</b>		<b>60,805</b>							<b>60,805</b>	<b>141,000</b>
<b>Support Services - School Administration</b>										
Office of the Principal Services		188,648							188,648	184,000
Other Support Services - School Administration		-							-	-
<b>Total Support Services - School Administration</b>		<b>188,648</b>							<b>188,648</b>	<b>184,000</b>
<b>Support Services - Business</b>										
Direction of Business Support Services		1,664							1,664	1,000
Fiscal Services		41,417							41,417	61,000
Facilities Acquisition & Construction Services		-							-	-
Operation & Maintenance of Plant Services		453,629							453,629	461,000
Pupil Transportation Services		-							-	-
Food Services		182,068							182,068	193,000
Internal Services		-							-	3,000
<b>Total Support Services - Business</b>		<b>678,778</b>							<b>678,778</b>	<b>719,000</b>
<b>Support Services - Central</b>										
Direction of Central Support Services		-							-	-
Planning, Research, Development, & Evaluation Services		-							-	-
Information Services		1,151							1,151	3,000
Staff Services		-							-	-
Data Processing Services		12,435							12,435	13,000
<b>Total Support Services - Central</b>		<b>13,586</b>							<b>13,586</b>	<b>16,000</b>
Other Support Services		-							-	-
<b>Total Support Services</b>		<b>1,083,400</b>							<b>1,083,400</b>	<b>1,324,000</b>

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

Kankakee School District 111  
Statement of Expenditures Disbursed, Budget to Actual  
All Funds  
For the year ended June 30, 2018

Exhibit D

	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
<b>Community Services (MR/SS)</b>		36,812							36,812	93,000
<b>Payments to Other Dist &amp; Govt Units (MR/SS)</b>										
Payments for Regular Programs		-							-	-
Payments for Special Education Programs		-							-	-
Payments for CTE Programs		-							-	-
<b>Total Payments to Other Govt Units</b>		-							-	-
<b>Debt Services (MR/SS)</b>										
<b>Debt Services - Interest on Short-Term Debt</b>										
Tax Anticipation Warrants						\$ -				
Tax Anticipation Notes										
Corporate Personal Prop. Repl. Tax Anticipation Notes										
State Aid Anticipation Certificates										
Other										
<b>Total Debt Services - Interest</b>										
<b>Provision for Contingencies (MR/SS)</b>										
<b>Total Disbursements/Expenditures</b>		\$ 1,744,854				\$ -			1,744,854	\$ 2,310,000
<b>Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures (MR/SS)</b>									\$ 773,041	
<b>CAPITAL PROJECTS FUND (CP)</b>										
<b>Support Services (CP)</b>										
<b>Support Services - Business</b>										
Facilities Acquisition and Construction Services	\$ -	\$ -	\$ 31,814	\$ 81,318	\$ 5,405,379	\$ -	\$ 104,622	\$ -	\$ 5,623,133	\$ 4,602,000
Other Support Services										
<b>Total Support Services</b>			31,814	81,318	5,405,379		104,622		5,623,133	4,602,000
<b>Payments to Other Dist &amp; Govt Units (CP)</b>										
<b>Payments to Other Govt Units (In-State)</b>										
Payments for Regular Programs (In-State)										
Payments for Special Education Programs										
Payments for CTE Programs										
Other Payments to In-State Govt. Units										
<b>Total Payments to Other Govt Units</b>										
<b>Provision for Contingencies (CP)</b>										
<b>Total Disbursements/Expenditures</b>			\$ 31,814	\$ 81,318	\$ 5,405,379	\$ -	\$ 104,622	\$ -	\$ 5,623,133	\$ 4,602,000
<b>Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures (CP)</b>									\$ (5,314,420)	
<b>WORKING CASH FUND (WC)</b>										

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

	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
<b>TORT FUND (TF)</b>										
<b>Support Services - General Administration</b>										
Claims Paid from Self Insurance Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation or Workers' Occupation Disease Acts Payments	-	-	570,871	-	-	-	-	-	570,871	700,000
Unemployment Insurance Payments	-	-	54,969	-	-	-	-	-	54,969	55,000
Insurance Payments (Regular or Self-Insurance)	-	-	547,041	-	-	-	-	-	547,041	417,500
Risk Management and Claims Services Payments	-	-	-	-	-	-	-	-	-	20,000
Judgment and Settlements	-	-	-	-	-	-	-	-	-	-
Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction	-	-	-	-	-	-	-	-	-	-
Reciprocal Insurance Payments	-	-	-	-	-	-	-	-	-	-
Legal Services	-	-	-	-	-	-	-	-	-	-
Property Insurance (Buildings & Grounds)	-	-	-	-	-	-	-	-	-	-
Vehicle Insurance (Transportation)	-	-	-	-	-	-	-	-	-	-
<b>Total Support Services - General Administration</b>	-	-	1,172,881	-	-	-	-	-	1,172,881	1,192,500
<b>Payments to Other Dist &amp; Govt Units (TF)</b>										
Payments for Regular Programs										
Payments for Special Education Programs										
<b>Total Payments to Other Dist &amp; Govt Units</b>										
<b>Debt Services (TF)</b>										
<b>Debt Services - Interest on Short-Term Debt</b>										
Tax Anticipation Warrants										
Corporate Personal Prop. Repl. Tax Anticipation Notes										
Other Interest on Short-Term Debt										
<b>Total Debt Services - Interest on Short-Term Debt</b>										
Provisions for Contingencies (TF)										
<b>Total Disbursements/Expenditures</b>	\$ -	\$ -	\$ 1,172,881	\$ -	\$ -	\$ -	\$ -	\$ -	1,172,881	\$ 1,192,500
<b>Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures (TF)</b>									\$ 45,656	
<b>FIRE PREVENTION &amp; SAFETY FUND (FP&amp;S)</b>										
<b>Support Services (FP&amp;S)</b>										
<b>Support Services - Business</b>										
Facilities Acquisition & Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operation & Maintenance of Plant Services	-	-	-	-	-	-	-	-	-	-
<b>Total Support Services - Business</b>	-	-	-	-	-	-	-	-	-	-
Other Support Services	-	-	-	-	-	-	-	-	-	-
<b>Total Support Services</b>	-	-	-	-	-	-	-	-	-	-
<b>Payments to Other Dist &amp; Govt Units (FP&amp;S)</b>										
Payments for Regular Programs										
Payments for Special Education Programs										
Other Payments to In-State Govt. Units										
<b>Total Payments to Other Govt Units</b>										

Kankakee School District 111  
 Statement of Expenditures Disbursed, Budget to Actual  
 All Funds  
 For the year ended June 30, 2018

Exhibit D

	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
<b>Debt Services (FP&amp;S)</b>										
Debt Services - Interest on Short-Term Debt										
Tax Anticipation Warrants										
Other Interest on Short-Term Debt										
<b>Total Debt Service - Interest on Short-Term Debt</b>										
Debt Services - Interest on Long-Term Debt										
Debt Services - Payments of Principal on Long-Term Debt (Lease/Purchase Principal Retired)										
<b>Total Debt Service</b>										
Provision for Contingencies (FP&S)										
<b>Total Disbursements/Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures (FP&S)									\$ 93,991	

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

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2018**

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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 and OPEB assets and/or liabilities as calculated under GASB 68 and GASB 75 have not been recorded and the expenses in the financial statements include the cash paid during the year rather than the amount calculated under GASB 68 and GASB 75; (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, 2018**

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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 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, 2018**

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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.

Agency 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 Student Activity Funds account for assets held by the District as an agent for the students. 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

Capital assets used in operations are accounted for in the General Fixed Assets Account Group. Purchases of property and equipment greater than \$5,000 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 Assets 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, 2018**

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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 25, 2017.

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 of Business Services 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 of Business Services 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. 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, 2018**

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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 2017 levy was passed by the Board on December 11, 2017. Property tax receipts recorded for the year ended June 30, 2018 are from the 2016 levy.

**Note 3 - 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. Non-negotiable certificates of deposit and mortgage backed securities are stated at cost. Illinois School District Liquid Asset Fund Plus (ISDLAF+) investments are carried at the net asset value (NAV) per share. The NAV per share is calculated using the amortized cost method which approximates fair value. Gains or losses on the sale of investments are recognized upon realization.

At year end, the District had the following investments:

	<u>Rating</u>	<u>Maturities</u>	<u>Interest Rate</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Level 1 Investment</u>	<u>Level 2 Investment</u>	<u>Percent of Portfolio</u>
Mortgage Backed Securities:								
Federal Home Loan Bank	Unrated	3 Months	1.14%	\$ 1,526,234	\$1,499,694	-	\$1,499,694	5.94%
Freddie Mac	Unrated	9 Months	1.26%	<u>1,058,977</u>	<u>1,010,810</u>	-	<u>1,010,810</u>	4.12%
				<u>2,585,211</u>	<u>2,510,504</u>	-	<u>2,510,504</u>	
US Treasury Notes	Moody's Aaa	2 -4 Mos.	1.48-1.56%	<u>3,890,959</u>	<u>3,902,861</u>	<u>3,902,861</u>	-	15.16%
Other Investments:								
Illinois School District Liquid Asset Fund:								
Liquid Fund	S&P AAAM	None	1.76%	12,025,443	12,025,443	NA	NA	46.84%
Max Fund	S&P AAAM	None	1.84%	<u>1,537,862</u>	<u>1,537,862</u>	NA	NA	5.99%
				<u>13,563,305</u>	<u>13,563,305</u>			
Certificates of Deposit	Unrated	0-9 Mos.	0.94-1.851%	<u>5,637,100</u>	<u>5,637,100</u>			<u>21.95%</u>
				<u>\$25,676,575</u>	<u>\$25,613,770</u>			<u>100.00%</u>

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2018**

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**Note 3 - Cash and Investments (Continued)**

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments that are measured using Level 3 inputs.

Securities classified in Level 2 of the fair value hierarchy are valued based on significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates), or other market corroborated inputs.

ISDLAF+ is an investment pool managed by a Board of Trustees that oversees the actions of the Investment Advisor, the Administrator, the Custodian, the Sponsors and the Distributor and decide on general policies. There are currently thirteen Trustees, all of whom have been elected by Participants. ISDLAF+ invests in high-quality short-term debt instruments (money market instruments). Debt obligations, in general, are written promises to repay a debt. Among the various types of debt obligations the Multi-Class Series may purchase are obligations guaranteed by the full faith and credit of the United States, U.S. government agency obligations, commercial paper, bank obligations, and other obligations permitted by applicable Illinois statutes. The Multi-Class Series is managed to comply with specific requirements of Illinois law, particularly the Public Funds Investment Act and other laws applicable to the investment of Participants' funds. These investments generally mature within one year of purchase. Financial statements may be obtained by contacting ISDLAF+ at 2135 CityGate Lane, 7<sup>th</sup> Floor, Naperville, Illinois 60563.

*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 (30ILCS 235/2).

*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, 2018**

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**Note 3 - 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.

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2018**

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**Note 3 - Cash and Investments (Continued)**

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.
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.

*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, 2018, the District's deposits with financial institutions were 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 4 – Prepaid Items**

The District overpaid its medical insurance by \$1,219,992 during the fiscal year which is recorded as prepaid items. The District has received credits against insurance charges subsequent to year-end.

**Note 5 – Interfund Balances/Transfers**

The District transferred \$428,075 from the Education Fund to the Debt Service Fund for principal and interest payments on capital leases.

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2018**

**Note 6 - General Fixed Assets**

A summary of changes in general fixed assets follow:

	Balance <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2018</u>
Land	\$ 225,605	\$ 15,254	\$ -	\$ 240,859
Construction in progress	-	3,853,785	-	3,853,785
Buildings and building improvements	61,874,391	5,170	-	61,879,561
Land improvements	3,231,418	1,536,608	-	4,768,026
Equipment:				
3 year	2,110,486	-	-	2,110,486
5 year	1,266,173	20,075	-	1,286,248
10 year	<u>21,074,696</u>	<u>196,579</u>	-	<u>21,271,275</u>
	<u>89,782,769</u>	<u>5,627,471</u>	-	<u>95,410,240</u>
Less accumulated depreciation for:				
Buildings and building improvements	30,858,700	1,167,313	-	32,026,013
Land improvements	1,595,842	194,652	-	1,790,494
Equipment:				
3 year	2,065,251	45,234	-	2,110,485
5 year	1,098,867	59,872	-	1,158,739
10 year	<u>18,852,797</u>	<u>427,160</u>	-	<u>19,279,957</u>
Total accumulated depreciation	<u>54,471,457</u>	<u>1,894,231</u>	-	<u>56,365,688</u>
Net general fixed assets	<u>\$35,311,312</u>	<u>\$3,733,240</u>	\$ -	<u>\$39,044,552</u>

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

	Balance <u>July 1, 2017</u>	<u>Proceeds</u>	<u>Payments</u>	Balance <u>June 30, 2018</u>	Due in <u>One Year</u>
General obligation school bonds:					
Series 2012	\$ 2,760,000	\$ -	\$2,135,000	\$ 625,000	\$ 625,000
Series 2014	5,590,000	-	-	5,590,000	1,490,000
Series 2016B (QSCB)	10,200,000	-	270,000	9,930,000	-
Series 2017B (QSCB)	19,620,000	-	-	19,620,000	-
Series 2017C	<u>760,000</u>	-	-	<u>760,000</u>	<u>270,000</u>
Subtotal bonds	<u>38,930,000</u>	-	<u>2,405,000</u>	<u>36,525,000</u>	<u>2,385,000</u>
Note Payable:					
Athletic equipment/ musical instruments	<u>121,749</u>	-	<u>121,749</u>	-	-
Capital leases:					
2016-Technology equipment	554,124	-	181,135	372,989	184,541
2017-Chromebooks	-	121,042	31,686	89,356	28,920
2018-Chromebooks	-	215,268	55,866	159,402	54,688
Servers	<u>19,530</u>	-	<u>19,530</u>	-	-
Subtotal capital leases	<u>573,654</u>	<u>336,310</u>	<u>288,217</u>	<u>621,747</u>	<u>268,149</u>
Total long-term debt	<u>\$39,625,403</u>	<u>\$ 336,310</u>	<u>\$2,814,966</u>	<u>\$37,146,747</u>	<u>\$2,653,149</u>

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2018**

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

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. The bonds mature on January 1, 2019. 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 which are paid in their entirety.

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. The bonds mature on January 1, 2021.

Series 2016B bonds (Qualified School Construction Bonds), dated July 25, 2016, in the amount of \$10,200,000 with an interest rate of 4.3% for the purpose of paying 2016 Debt Certificates and various capital projects throughout the District. The bonds mature on January 1, 2036. Funds will be set aside in a sinking fund account and irrevocably deposited with a deposit agent to provide for payment of principal at maturity. Interest will be paid on January 1 and July 1 each year beginning July 1, 2017.

Series 2017B bonds (Qualified School Construction Bonds), dated June 6, 2017, in the amount of \$19,620,000 with an interest rate of 4.826% for the purpose of paying 2017 Debt Certificates and various capital projects throughout the District. The bonds mature on January 1, 2042. Funds will be set aside in a sinking fund account and irrevocably deposited with a deposit agent to provide for payment of principal at maturity. Interest will be paid on January 1 and July 1 each year beginning January 1, 2017.

Series 2017C bonds, dated June 6, 2017, in the amount of \$760,000 with interest rates of 1.995 to 2.608 percent for various capital projects throughout the District and paying capitalized interest and costs associated with the issuance of bonds. The bonds mature on January 1, 2021. These bonds provide for serial retirement of principal and interest each year on January 1 with the first interest payment in 2018 and the first principal payment in 2019.

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. The District made the final payment during fiscal year ending June 30, 2018.

Capital lease for technology equipment, including Chromebooks and laptops, dated August 15, 2016, providing for an initial down payment of \$192,437 and three annual payments of \$192,437 including interest at a rate of 2.096% through August 1, 2019. This equipment did not meet the District's capitalization threshold and therefore is not included in the General Fixed Asset Account Group.

Capital lease for servers, dated July 1, 2016, providing three annual payments of \$20,279 including interest at a rate of 3.84% through August 1, 2018. The District made the final payment during fiscal year ending June 30, 2018. The amount recorded as equipment at June 30, 2018 was \$58,425 with accumulated depreciation of \$11,685.

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2018**

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

Capital lease for Chromebooks, dated August 15, 2017, providing for an initial down payment of \$31,686, and three annual payments of \$31,686 including interest at a rate of 3.176% through August 1, 2020. This equipment did not meet the District's capitalization threshold and therefore is not included in the General Fixed Asset Account Group.

Capital lease for Chromebooks, dated June 1, 2018, providing for an initial down payment of \$55,866, and three annual payments of \$55,866 including interest at a rate of 4.43% through August 1, 2020. This equipment did not meet the District's capitalization threshold and therefore it is not included in the General Fixed Asset Account Group.

Future minimum lease payments for capital leases are as follows:

	2016	2017	2018	
For the year ended:	<u>Equipment</u>	<u>Chromebooks</u>	<u>Chromebooks</u>	<u>Total</u>
2019	\$ 192,436	\$ 31,686	\$ 55,867	\$ 279,989
2020	192,437	31,686	55,866	279,989
2021	-	31,686	55,866	87,552
Total minimum lease payments	384,873	95,058	167,599	647,530
Less: amount representing interest	(11,884)	(5,702)	(8,197)	(25,783)
Present value of minimum lease payments	<u>\$ 372,989</u>	<u>\$ 89,356</u>	<u>\$ 159,402</u>	<u>\$ 621,747</u>

At June 30, 2018, the annual cash flow requirements of long-term debt were as follows:

<u>Years Ending June 30,</u>	Bonds		Other		Total	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 2,385,000	\$ 1,589,164	\$268,149	\$11,840	\$ 2,653,149	\$ 1,601,004
2020	2,450,000	1,520,328	269,408	10,581	2,719,408	1,530,909
2021	2,140,000	1,448,799	84,190	3,362	2,224,190	1,452,161
2022	1,285,000	1,385,462	-	-	1,285,000	1,385,462
2023	1,285,000	1,385,461	-	-	1,285,000	1,385,461
2024-2028	6,425,000	6,927,306	-	-	6,425,000	6,927,306
2029-2033	6,425,000	6,927,306	-	-	6,425,000	6,927,306
2034-2038	6,520,000	6,050,106	-	-	6,520,000	6,050,106
2039-2042	<u>7,610,000</u>	<u>3,787,445</u>	<u>-</u>	<u>-</u>	<u>7,610,000</u>	<u>3,787,445</u>
	<u>\$36,525,000</u>	<u>\$31,021,377</u>	<u>\$621,747</u>	<u>\$25,783</u>	<u>\$37,146,747</u>	<u>\$31,047,160</u>

**Note 8 - Legal Debt Margin**

The legal debt margin is calculated as follows:

Taxable assessed valuation - 2017	<u>\$290,983,151</u>
Debt limit - 13.8% of assessed valuation	\$ 40,155,675
Less general long-term debt	<u>37,146,747</u>
Legal debt margin	<u>\$ 3,008,928</u>

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2018**

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**Note 9 – Reserved Fund Balance**

Proceeds from Qualified School Construction Bonds are set aside and restricted for the projects as defined in the bond covenants. The amount of unspent proceeds at year-end was \$25,092,415 which has been recorded as reserved fund balance in the Capital Projects Fund.

**Note 10 – 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 [www.trsil.org](http://www.trsil.org); by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

**TRS Benefits Provided**

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

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

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

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



**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2018**

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**Note 10 – 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, 2018, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

*On-behalf contributions to TRS.* The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2018, State of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective net pension liability associated with the employer, and the District recognized revenue and expenditures of \$18,993,898 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, 2018 were \$157,523.

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

For the year ended June 30, 2018, the District pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$152,736 were paid from federal and special trust funds that required District contributions of \$15,426.

**TRS Employer retirement cost contribution.** The District 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 program that ended on June 30, 2018 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2018, the District paid \$-0- to TRS for District ERO contributions for retirements that occurred before July 1, 2016.

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2018, the District paid \$20,795 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.

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2018**

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**Note 10 – Pension Plans (Continued)**

For the year ended June 30, 2018, the District recognized TRS pension expense of \$277,537 (overpayment of \$83,793) and revenue of \$18,993,898 for support provided by the state (on behalf payments).

**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.

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2018**

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**Note 10 – Pension Plans (Continued)**

**IMRF Employees Covered by Benefit Terms**

As of December 31, 2017, the following employees were covered by the benefit terms:	<u>Regular</u>
Retirees and beneficiaries currently receiving benefits	262
Inactive plan members entitled to but not yet receiving benefits	292
Active plan members	<u>347</u>
<b>Total</b>	<u><b>901</b></u>

**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 rates for calendar years 2017 and 2018 were 10.24% and 10.48%, respectively. For the fiscal year ended June 30, 2018, the District contributed \$1,153,920 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.

**Pension Expense**

Total TRS and IMRF pension expense recorded by the District was \$1,431,457 for fiscal year 2018.

**Note 11 – Social Security**

Employees not qualifying for coverage under the Illinois Teachers' Retirement System are covered under Social Security. The District paid \$694,906, the total required contribution for the current fiscal year.

**Note 12 – Other Post-Employment Benefits**

**Teacher Health Insurance Security (THIS) Fund**

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. Annuitants may participate in the State-administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to TRIP were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the Teachers' Retirement System (TRS).

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2018**

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**Note 12 – Other Post-Employment Benefits (Continued)**

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the TRS, who are not employees of a department, make contributions to the plan at a rate of 1.18% of salary and for every employer of a teacher to contribute an amount equal to 0.88% of each teacher's salary. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposits in the THIS, an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year.

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

The State of Illinois makes District 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 1.18 percent of pay during the year ended June 30, 2018. State of Illinois contributions were \$320,478, and the District recognized revenue and expenditures of this amount during the year (on-behalf payments).

- **Employer contributions to the THIS Fund**

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.88 percent during the year ended June 30, 2018. For the year ended June 30, 2018, the District paid \$239,001 to the THIS Fund, which was 100 percent of the required contribution.

**Further information on the THIS Fund**

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

**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.

**Note 13 - Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2018**

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**Note 13 - Risk Management (Continued)**

Except for workers' compensation insurance, described in the following paragraphs, the District has purchased insurance from private insurance companies. Risks covered include general liability, health insurance and other. Premiums have been displayed as expenditures disbursed in appropriate funds. There has been no significant reduction in coverage, and settlements have not exceeded insurance coverage for each of the last three years.

The District entered into an agreement with the Illinois Public Risk Fund through December 2017. 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 was 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.

Effective January 2018, the District entered into an agreement with Illinois Counties Risk Management Trust (ICRMT), a public entity risk pool, for workers' compensation insurance. The ICRMT was formed for the purpose of establishing a joint self-insurance fund to provide, on behalf of the participants, for the defense and payment of claims and losses covered under the agreement.

The District's costs are based on classification rates applied to actual payroll amounts and adjusted by underwriting modifiers. No participant shall be responsible for any defense or losses of, or claims against, any other participant.

**Note 14 – Tax Abatements**

The District abates property taxes in various Tax Increment Financing (TIF) districts that were created under the Illinois Tax Increment Allocation Redevelopment Act (TIF Act) (65 ILCS 5/11-74.4).

The property taxes for the additional assessed valuation on new commercial property or improved existing commercial properties in these districts is paid to a tax increment financing (TIF) district. These funds are available for eligible costs as defined in the TIF Act including development or redevelopment projects within the TIF district.

The total TIF abatements from the District during the year ended June 30, 2018, were approximately \$853,000.

**Kankakee School District 111**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2018**

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**Note 15 - 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 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.

**Note 16 – Construction Commitments**

At June 30, 2018, the District had uncompleted contracts for construction at the high school in the Capital Projects Fund. The remaining commitment on these construction contracts was approximately \$25,000,000.

**Note 17 – Other**

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

KANKAKEE SCHOOL DISTRICT 111  
Statement of Receipts, Disbursements and Changes in Fund Balances  
Budget and Actual - All Funds  
For the year ended June 30, 2018

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	\$ 10,122,000	\$ 10,251,160	\$ 2,252,400	\$ 2,329,027	\$ 3,119,000	\$ 2,697,396	\$ 757,500	\$ 749,381	\$ 2,544,000	\$ 2,517,895
State sources	30,283,000	31,195,187	3,500,000	5,536,420	500,000	-	2,139,000	3,526,163	-	-
Federal sources	10,715,000	11,571,316	-	-	-	-	-	-	-	-
Total Receipts	<u>51,120,000</u>	<u>53,017,663</u>	<u>5,752,400</u>	<u>7,865,447</u>	<u>3,619,000</u>	<u>2,697,396</u>	<u>2,896,500</u>	<u>4,275,544</u>	<u>2,544,000</u>	<u>2,517,895</u>
<b>Disbursements</b>										
Instruction	31,433,720	31,976,736	-	-	-	-	-	-	893,000	624,642
Supporting services	18,460,437	17,872,590	5,220,500	5,261,403	-	-	3,112,863	3,008,724	1,324,000	1,083,400
Community services	873,000	992,626	-	-	-	-	-	-	93,000	36,812
Payments to other governmental units	674,000	549,657	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	3,287,160	3,732,886	-	-	-	-
Total Disbursements	<u>51,441,157</u>	<u>51,391,609</u>	<u>5,220,500</u>	<u>5,261,403</u>	<u>3,287,160</u>	<u>3,732,886</u>	<u>3,112,863</u>	<u>3,008,724</u>	<u>2,310,000</u>	<u>1,744,854</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(321,157)</u>	<u>1,626,054</u>	<u>531,900</u>	<u>2,604,044</u>	<u>331,840</u>	<u>(1,035,490)</u>	<u>(216,363)</u>	<u>1,266,820</u>	<u>234,000</u>	<u>773,041</u>
<b>Other Financing Sources (Uses)</b>										
Transfer to debt service - capital lease principal	-	(409,966)	-	-	-	409,966	-	-	-	-
Transfer to debt service - capital lease interest	-	(18,109)	-	-	-	18,109	-	-	-	-
Other sources	-	336,310	-	-	-	644,554	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(91,765)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,072,629</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>\$ (321,157)</u>	<u>1,534,289</u>	<u>\$ 531,900</u>	<u>2,604,044</u>	<u>\$ 331,840</u>	<u>37,139</u>	<u>\$ (216,363)</u>	<u>1,266,820</u>	<u>\$ 234,000</u>	<u>773,041</u>
Fund Balance, Beginning of Year		<u>278,001</u>		<u>15,875</u>		<u>98,847</u>		<u>553,454</u>		<u>1,622,504</u>
Fund Balance, End of Year		<u>\$ 1,812,290</u>		<u>\$ 2,619,919</u>		<u>\$ 135,986</u>		<u>\$ 1,820,274</u>		<u>\$ 2,395,545</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, 2018

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	\$ 34,000	\$ 308,713	\$ 5,000	\$ 4,968	\$ 473,000	\$ 468,537	\$ 94,000	\$ 93,991	\$ 19,400,900	\$ 19,421,068
State sources	-	-	-	-	500,000	750,000	-	-	36,922,000	41,007,770
Federal sources	-	-	-	-	-	-	-	-	10,715,000	11,571,316
Total Receipts	<u>34,000</u>	<u>308,713</u>	<u>5,000</u>	<u>4,968</u>	<u>973,000</u>	<u>1,218,537</u>	<u>94,000</u>	<u>93,991</u>	<u>67,037,900</u>	<u>72,000,154</u>
<b>Disbursements</b>										
Instruction	-	-	-	-	-	-	-	-	32,326,720	32,601,378
Supporting services	4,602,000	5,623,133	-	-	1,192,500	1,172,881	-	-	33,912,300	34,022,131
Community services	-	-	-	-	-	-	-	-	966,000	1,029,438
Payments to other governmental units	-	-	-	-	-	-	-	-	674,000	549,657
Debt services	-	-	-	-	-	-	-	-	3,287,160	3,732,886
Total Disbursements	<u>4,602,000</u>	<u>5,623,133</u>	<u>-</u>	<u>-</u>	<u>1,192,500</u>	<u>1,172,881</u>	<u>-</u>	<u>-</u>	<u>71,166,180</u>	<u>71,935,490</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(4,568,000)</u>	<u>(5,314,420)</u>	<u>5,000</u>	<u>4,968</u>	<u>(219,500)</u>	<u>45,656</u>	<u>94,000</u>	<u>93,991</u>	<u>(4,128,280)</u>	<u>64,664</u>
<b>Other Financing Sources (Uses)</b>										
Transfer to debt service - capital lease principal	-	-	-	-	-	-	-	-	-	-
Transfer to debt service - capital lease interest	-	-	-	-	-	-	-	-	-	-
Other sources	-	-	-	-	-	-	-	-	-	980,864
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>980,864</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing (Sources) Uses	<u>\$ (4,568,000)</u>	<u>(5,314,420)</u>	<u>\$ 5,000</u>	<u>4,968</u>	<u>\$ (219,500)</u>	<u>45,656</u>	<u>\$ 94,000</u>	<u>93,991</u>	<u>\$ (4,128,280)</u>	<u>1,045,528</u>
Fund Balance, Beginning of Year		<u>31,717,058</u>		<u>4,997,767</u>		<u>389,681</u>		<u>304,038</u>		<u>39,977,225</u>
Fund Balance, End of Year		<u>\$26,402,638</u>		<u>\$ 5,002,735</u>		<u>\$ 435,337</u>		<u>\$ 398,029</u>		<u>\$ 41,022,753</u>



**KANKAKEE SCHOOL DISTRICT 111**  
**Student Activity Funds**  
**Summary Statement of Cash Receipts and Disbursements**  
**For the year ended June 30, 2018**

**Schedule 2**

	Cash Plus Investments June 30, 2017	Receipts	Disbursements	Cash Plus Investments June 30, 2018
Avis Huff Student Support Services Center	\$ 215	\$ 1,932	\$ 821	\$ 1,326
John F. Kennedy Middle Grade Center	8,568	32,232	32,415	8,385
Kankakee High School	345,530	237,674	232,598	350,606
Kankakee Holiday Tournament Fund	17,041	30,978	41,406	6,613
Kankakee Junior High School	32,721	55,792	65,321	23,192
Kankakee School District Administration	-	50,921	43,024	7,897
Lincoln Cultural Center	21,832	16,774	31,355	7,251
Mark Twain Primary School	623	2,522	1,146	1,999
Martin Luther King Middle Grade Center	13,306	36,111	34,705	14,712
Steuben Primary School	3,494	4,813	3,813	4,494
Taft Primary School	4,275	7,857	6,988	5,144
Thomas Edison Primary School	728	3,190	3,599	319
District Activity Fund	-	28,947	11,471	17,476
Total All Funds and Accounts	<u>\$ 448,333</u>	<u>\$ 509,743</u>	<u>\$ 508,662</u>	<u>\$ 449,414</u>

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

**Schedule 3**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Assessed Valuation</b>	<u>\$ 304,594,919</u>	<u>\$ 300,145,552</u>	<u>\$ 310,686,665</u>	<u>\$ 319,721,461</u>
<b>Taxable Valuation</b>	<u>\$ 290,983,151</u>	<u>\$ 286,350,940</u>	<u>\$ 296,127,379</u>	<u>\$ 305,089,673</u>
<b>Tax Rates</b>				
Educational	3.2216	3.1684	3.0404	2.7211
Liability insurance	0.1683	0.9580	0.1629	0.4166
Operations & maintenance	0.7341	0.0178	0.6629	0.6573
Special education	0.0000	0.7275	0.0017	0.0504
Transportation	0.4373	0.4236	0.2606	0.4310
I.M.R.F.	0.3364	0.2711	0.4072	0.2156
Social security	0.3364	0.0018	0.4072	0.2658
Bonds & interest	0.9627	0.0340	0.9204	0.8847
Bond deficiency	0.0294	0.0028	0.0269	0.0000
Working cash	0.0405	0.1695	0.0017	0.0058
Fire prevention & life safety	0.0000	0.4236	0.0326	0.0076
<b>Total Tax Rates</b>	<u>6.2667</u>	<u>6.1981</u>	<u>5.9245</u>	<u>5.6559</u>
<b>Tax Extensions</b>				
Educational	\$ 9,374,313	\$ 9,072,743	\$ 9,003,457	\$ 8,301,795
Liability insurance	489,725	485,365	482,392	1,271,004
Operations & maintenance	2,136,107	2,083,203	1,963,028	2,005,355
Special education	-	8,018	5,034	153,765
Transportation	1,272,469	776,297	771,708	1,314,937
I.M.R.F.	978,867	1,212,983	1,205,831	657,773
Social security	978,867	1,212,983	1,205,831	810,928
Bonds & interest	2,801,295	2,743,242	2,725,556	2,699,128
Bond deficiency	85,549	50,970	79,658	-
Working cash	117,848	5,154	5,034	17,695
Fire prevention & life safety	-	97,359	96,538	23,187
<b>Total Tax Extensions</b>	<u>\$ 18,235,040</u>	<u>\$ 17,748,317</u>	<u>\$ 17,544,067</u>	<u>\$ 17,255,567</u>
<b>Tax Collections</b>	<u>\$ -</u>	<u>\$ 17,125,003</u>	<u>\$ 16,993,594</u>	<u>\$ 16,921,228</u>
<b>Percentage of Tax Extensions Collected</b>	0.0%	96.5%	96.9%	98.1%

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
Teacher's Retirement System of the State of Illinois**

	<u>FY2017*</u>	<u>FY2016*</u>	<u>FY2015*</u>	<u>FY2014*</u>
District's proportion of the net pension liability	0.0070%	0.0109%	0.0161%	0.0161%
District's proportionate share of the net pension liability	\$ 5,357,566	\$ 8,618,175	\$ 10,563,636	\$ 9,799,625
State's proportionate share of the net pension liability associated with the District	<u>192,997,585</u>	<u>216,624,968</u>	<u>180,088,281</u>	<u>168,142,841</u>
Total	<u>\$198,355,151</u>	<u>\$225,243,143</u>	<u>\$190,651,917</u>	<u>\$177,942,466</u>
District's covered-employee payroll	\$ 26,075,824	\$ 27,413,107	\$ 27,858,649	\$ 27,120,627
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	20.55%	31.4%	37.9%	36.1%
Plan fiduciary net position as a percentage of the total pension liability	39.3%	36.4%	41.5%	43.0%

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

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

	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>
Contractually-required contribution	\$ 284,894	\$ 434,556	\$ 555,336	\$ 572,818
Contributions in relation to the contractually-required contribution	<u>288,482</u>	<u>434,200</u>	<u>566,716</u>	<u>574,524</u>
Contribution deficiency (excess)	<u>\$ (3,588)</u>	<u>\$ 356</u>	<u>\$ (11,380)</u>	<u>\$ (1,706)</u>
District's covered-employee payroll	\$26,075,824	\$27,413,107	\$27,858,649	\$27,120,627
Contributions as a percentage of covered-employee payroll	1.09%	1.58%	2.03%	2.12%

This information in both schedules will accumulate until a full 10-year trend is presented.

**Notes to Other Supplementary Information**

**Changes of assumptions**

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

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

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

**TRS Pension Liabilities**

At June 30, 2017, the District’s proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District’s proportionate share of the net pension liability	\$ 5,357,566
State’s proportionate share of the net pension liability associated with the District	<u>192,997,585</u>
Total	<u>\$198,355,151</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. The District’s proportion of the net pension liability was based on the employer’s share of contributions to TRS for the measurement year ended June 30, 2017, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2017, the District’s proportion was 0.0070 percent, which is a decrease of 0.0039 percent from its proportion measured as of June 30, 2016.

**TRS Actuarial Assumptions**

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	14.4%	6.94%
U.S. equities small/mid cap	3.6	8.09%
International equities developed	14.4	7.46%
Emerging market equities	3.6	10.15%
U.S. bonds core	10.7	2.44%
International debt developed	5.3	1.70%
Real estate	15.0	5.44%
Commodities (real return)	11.0	4.28%
Hedge funds (absolute return)	8.0	4.16%
Private equity	14.0	10.63%
<b>Total</b>	<u>100.0%</u>	

**TRS Discount rate**

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

Based on those assumptions, TRS’s fiduciary net position at June 30, 2017 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier 1’s liability is partially-funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year as well because TRS’s fiduciary net position and the subsidy provided by Tier 2 were sufficient to cover all projected benefit payments.

**Sensitivity of the employer’s proportionate share of the net pension liability to changes in the discount rate for TRS**

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

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District’s proportionate share of the net pension liability	\$6,582,470	\$5,357,566	\$4,354,268

**TRS fiduciary net position**

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

**IMRF  
Schedule of Changes in the Net Pension Liability and Related Ratios**

Calendar Year Ended December 31,	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>				
Service Cost	\$ 1,205,612	\$ 1,189,020	\$ 1,153,453	\$ 1,211,643
Interest on the total pension liability	4,106,853	3,845,565	3,611,682	3,311,192
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience of the total pension liability	(692,779)	703,448	380,910	(575,214)
Changes of assumptions	(1,694,601)	(132,182)	125,423	1,889,686
Benefit payments, including refunds of employee contributions	<u>(2,389,682)</u>	<u>(2,145,149)</u>	<u>(1,922,274)</u>	<u>(1,681,091)</u>
<b>Net change in total pension liability</b>	535,403	3,460,702	3,349,194	4,156,216
<b>Total pension liability – beginning</b>	<u>55,350,069</u>	<u>51,889,367</u>	<u>48,540,173</u>	<u>44,383,957</u>
<b>Total pension liability – ending (A)</b>	<u>\$55,885,472</u>	<u>\$55,350,069</u>	<u>\$51,889,367</u>	<u>\$48,540,173</u>
<b>Plan Fiduciary Net Position</b>				
Contributions – Employer	\$ 1,149,277	\$ 1,121,116	\$ 1,104,730	\$ 1,058,122
Contributions – Employees	505,054	498,649	482,181	465,391
Net investment income	8,498,777	3,157,203	235,687	2,724,435
Benefit payments, including refunds of employee contributions	(2,389,682)	(2,145,149)	(1,922,274)	(1,681,091)
Other (net transfer)	<u>(1,281,120)</u>	<u>178,440</u>	<u>(944,953)</u>	<u>(3,489)</u>
<b>Net change in plan fiduciary net position</b>	6,482,306	2,810,259	(1,044,629)	2,563,368
<b>Plan fiduciary net position – beginning</b>	<u>49,070,662</u>	<u>46,260,403</u>	<u>47,305,032</u>	<u>44,741,664</u>
<b>Plan fiduciary net position – ending (B)</b>	<u>\$55,552,968</u>	<u>\$49,070,662</u>	<u>\$46,260,403</u>	<u>\$47,305,032</u>
<b>Net pension liability (Asset) – ending (A) – (B)</b>	<u>\$ 332,504</u>	<u>\$ 6,279,407</u>	<u>\$ 5,628,964</u>	<u>\$ 1,235,141</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	99.41%	88.66%	89.15%	97.46%
<b>Covered employee payroll</b>	\$11,220,342	\$11,081,043	\$10,729,728	\$10,154,725
<b>Net pension liability (asset) as a percentage of covered employee payroll</b>	2.96%	56.67%	52.46%	12.16%

**Notes to Schedule:**

This schedule is presented 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.

**IMRF Net Pension Liability**

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

**IMRF Actuarial Assumptions**

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.50%
Salary Increases	3.39% to 14.25%
Investment Rate of Return	7.43%
Retirement Age	Experience-based Table of Rates that are specific to the type of eligibility condition, last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2017 IMRF annual actuarial valuation report.

**IMRF Single Discount Rate**

Single Discount Rates 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 Rates reflect:

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 3.31%, and the resulting single discount rate is 7.50%.

**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.

	<u>1% Lower (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Higher (8.50%)</u>
Net Pension Liability (Asset) – Regular Plan	\$7,221,947	\$332,504	\$(5,338,728)

**Schedule of District Contributions  
Regular Plan**

<u>Fiscal Year Ended June 30</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Actual Contribution as a Percentage of Covered Employee Payroll</u>
2018	\$1,153,920	\$1,153,920	\$ -	\$11,137,431	10.36%
2017	\$1,131,852	\$1,131,510	\$ 342	\$11,143,879	10.15%
2016	\$1,117,103	\$1,114,657	\$(2,446)	\$10,966,054	10.17%
2015	\$1,117,299	\$1,117,414	\$ 115	\$10,476,661	10.67%



**Notes to Schedule of Contributions:**

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2017 Contribution Rate\**

**Valuation Date:**

Notes

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

**Methods and Assumptions Used to Determine 2017 Contribution Rates:**

*Actuarial Cost Method:*

Aggregate entry age = normal

*Amortization Method:*

Level percentage of payroll, closed

*Remaining Amortization Period:*

Non-Taxing bodies: 10-year rolling period.

Taxing bodies (Regular, SLEP and ECO groups): 26-year closed period

Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.

SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 21 years for most employers (two employers were financed over 30 years).

*Asset Valuation Method:*

5-year smoothed market; 20% corridor

*Wage Growth:*

3.50%

*Price Inflation:*

2.75% approximate; No explicit price inflation assumption is used in this valuation

*Salary Increases:*

3.75% to 14.50%, including inflation

*Investment Rate of Return:*

7.50%

*Retirement Age:*

Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

*Mortality:*

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

***Other Information:***

*Notes:*

There were no benefit changes during the year.

\*Based on Valuation Assumptions used in the December 31, 2015, actuarial valuation.

**Financial Statement Findings**

Current Year Findings:

Finding No: 2018-001 (Repeat from Prior Years: Originally reported in 2016)

Criteria or specified requirement:

Revenues and expenditures should be recorded in accordance with the Illinois State Board of Education (ISBE) Title 23 of the Illinois Administrative Code, Part 100.

Condition:

The District recorded several expenditures in the incorrect function or object. Audit adjustments were posted to correct the classifications.

Context:

PE salaries and related benefits and textbooks were in the wrong function (audit adjustments of \$1,657,036); equipment was in the wrong object (audit adjustment of \$64,566).

Effect:

Prior to audit adjustments, the financial statements were materially incorrect, which could impact decision-making by management and the board related to budgeting and spending.

Cause:

The account classifications were not reviewed thoroughly to detect and prevent misclassifications.

Recommendation:

The District should be familiar with and refer to Title 23 of the Illinois Administrative Code, Part 100, when classifying revenues and expenditures. The revenues and expenditures should be recorded in the proper fund, revenue account, function, and object.

Views of Responsible Officials:

A corrective action plan has been prepared and is included in this report.

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**Financial Statement Findings**

Current Year Findings:

Finding No: 2018-002 (Repeat from Prior Year: Originally reported in 2017)

Criteria or specified requirement:

Audit adjustments should be posted correctly to the District's general ledger.

Condition:

Fiscal year 2017 audit adjustments were not posted correctly to the general ledger, causing beginning fund balances to be materially misstated prior to audit adjustments.

Context:

Beginning fund balances for fiscal year 2018 were materially incorrect: the Educational Fund was overstated \$1,916,169; the Debt Service Fund was overstated \$221,496; the Transportation Fund was overstated \$115,417; the SS/IMRF Fund was understated \$674,976; the Capital Projects Fund was understated \$550,550; and Working Cash Fund was understated \$342,894.

Effect:

Prior to audit adjustments, the financial statements were materially incorrect, which could impact decision-making by management and the board related to budgeting and spending.

Cause:

The financial statements and audit adjustments were not reviewed thoroughly to detect and prevent misclassifications.

Recommendation:

Audit adjustments should be posted to the general ledger. Fund balance should be reviewed to verify all adjustments were posted correctly.

Views of Responsible Officials:

A corrective action plan has been prepared and is included in this report.

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**Financial Statement Findings**

Current Year Findings:

Finding No: 2018-003

Criteria or specified requirement:

Bank reconciliations should be performed timely to detect and correct errors.

Condition:

Bank reconciliations were not performed timely for May and June 2018, which resulted in material audit adjustments and delayed the issuance of the audit.

Context:

See the "Cause" paragraph below.

Effect:

Material errors were not detected and corrected on a timely basis.

Cause:

The person who regularly performed bank reconciliations left unexpectedly and the bank reconciliations were not done in her absence. The position was filled in July 2018, but the District required outside assistance with the reconciliations and they were not completed until November 2018.

Recommendation:

Bank reconciliations should be performed monthly and reviewed by the Assistant Superintendent of Business Services. At a minimum, the bank reconciliation process should be documented in detail to allow another person to perform this function in the bookkeeper's absence.

Views of Responsible Officials:

A corrective action plan has been prepared and is included in this report.

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**Financial Statement Findings**

Current Year Findings:

Finding No: 2018-004

Criteria or specified requirement:

Journal entries should be properly authorized and reviewed.

Condition:

The District's internal controls did not prevent a journal entry from being posted for a transaction that requires board action.

Context:

A loan in the amount of \$300,000 from the Working Cash Fund to the Tort Fund to cover cash shortages was posted to the general ledger and was not authorized by the Board via a resolution in accordance with 105 ISCS 5/20. The journal entry was reversed through an audit adjustment.

Effect:

The District could be out of compliance with state statutes.

Cause:

The journal entry was not properly reviewed and authorized prior to posting. The balance sheet was not reviewed for accuracy.

Recommendation:

Journal entries should be reviewed for accuracy and propriety by the Assistant Superintendent for Business Services prior to posting.

Views of Responsible Officials:

A corrective action plan has been prepared and is included in this report.

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**Financial Statement Findings**

Current Year Findings:

Finding No: 2018-005

Criteria or specified requirement:

All transactions should be properly recorded when they occur and internal controls should be implemented to prevent duplicate payments, specifically for electronic payments.

Condition:

The District made a duplicate health insurance payment of \$1,219,992 in June of 2018 and did not record the payment in the general ledger.

Context:

The insurance company has credited this amount against invoices for July and August 2018.

Effect:

Duplicate payments could affect cash flows and cause unnecessary issues with vendors. Lack of controls over initiation and proper recording of electronic payments present a fraud risk.

Cause:

The District did not implement proper controls to prevent duplicate payments of vendor invoices and to ensure that all electronic payments are properly recorded in a timely manner.

Recommendation:

The District should implement proper controls over electronic payments to prevent duplicate payments and ensure proper and timely recording of the transactions.

Views of Responsible Officials:

A corrective action plan has been prepared and is included in this report.



11/13/2018

**Current Year Finding No: 2018-001**

Condition: The District recorded several expenditures in the incorrect function or object. Audit adjustments were posted to correct the classifications.

Recommendation: The District should be familiar with and refer to Title 23 of the Illinois Administrative Code, Part 100, when classifying revenues and expenditures. The revenues and expenditures should be recorded in the proper fund, revenue account, function, and object.

Corrective Action Plan: The District will refer to Title 23 of the Illinois Administrative Code, Part 100, when classifying revenues and expenditures. The District will confirm that all PE salaries and benefits are charged to the proper account during FY 2019 and in the future.

Contact Person Responsible: Robert Grossi

Anticipated Completion Date: 01/01/2019



**KANKAKEE SCHOOL DISTRICT 111**

DR. GENEVRA A. WALTERS  
SUPERINTENDENT

SUPERINTENDENT OF SCHOOLS  
240 WARREN AVENUE  
KANKAKEE, ILLINOIS 60901-4319  
(815) 802-7700 FAX (815) 936-8944

11/13/2018

**Current Year Finding No: 2018-002**

Condition: Fiscal year 2017 audit adjustments were not posted correctly to the general ledger, causing beginning fund balances to be materially misstated prior to audit adjustments.

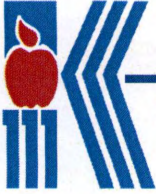
Recommendation: Audit adjustments should be posted to the general ledger. Fund balance should be reviewed to verify all adjustments were posted correctly.

Corrective Action Plan: The District will post all necessary audit adjustments in its accounting database.

Contact Person Responsible: Robert Grossi

Anticipated Completion Date: 01/01/2019





11/13/2018

**Current Year Finding No: 2018-003**

Condition: Bank reconciliations were not performed timely for May and June 2018, which resulted in material audit adjustments and delayed the issuance of the audit.

Recommendation: Bank reconciliations should be performed monthly and reviewed by the Assistant Superintendent of Business Services. At a minimum, the bank reconciliation process should be documented in detail to allow another person to perform this function in the bookkeeper's absence.

Corrective Action Plan: The District's bookkeeper shall reconcile bank statements on a monthly basis. The head bookkeeper will review the monthly bank statements with the Assistant Superintendent of Business Services. The head bookkeeper will document the reconciliation process for clarification, transparency, and consistency.

Contact Person Responsible: Robert Grossi

Anticipated Completion Date: 03/01/2019



11/13/2018

**Current Year Finding No: 2018-004**

Condition: The District's internal controls did not prevent a journal entry from being posted that should have required board action.

Recommendation: Journal entries should be reviewed for accuracy and propriety by the Assistant Superintendent for Business Services prior to posting.

Corrective Action Plan: The Assistant Superintendent of Business Services will approve all journal entries prior to them taking effect. The Assistant Superintendent of Business Services will take all necessary journal entries to the Board of Education for approval.

Contact Person Responsible: Robert Grossi

Anticipated Completion Date: 12/01/2018



**KANKAKEE SCHOOL DISTRICT 111**

DR. GENEVRA A. WALTERS  
SUPERINTENDENT

SUPERINTENDENT OF SCHOOLS  
240 WARREN AVENUE  
KANKAKEE, ILLINOIS 60901-4319  
(815) 802-7700 FAX (815) 936-8944

11/13/2018

**Current Year Finding No: 2018-005**

Condition: The District made a duplicate health insurance payment of \$1,219,992 in June of 2018 and did not record the payment in the general ledger.

Recommendation: The District should implement proper controls over electronic payments to prevent duplicate payments and ensure proper and timely recording of the transactions.

Corrective Action Plan: The District will implement a procedure to ensure that electronic payments are not duplicated. The District will record all transactions with the bank in its general ledger.

Contact Person Responsible: Robert Grossi

Anticipated Completion Date: 12/01/2018