

**KANKAKEE SCHOOL DISTRICT 111
KANKAKEE, ILLINOIS**

Annual Financial Report

**As of and for the Year Ended
June 30, 2019**

Kankakee School District 111
Annual Financial Report
As of and for the year ended June 30, 2019

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Kankakee School District 111, which comprise the basic financial statements as of and for the year ended June 30, 2019, 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 qualified 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, 2019, or the changes in financial position for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

Detailed property records are not presently maintained; consequently, we are unable to express an opinion on the General Fixed Asset Account Group, and the effect on the financial statements is not determinable.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of Kankakee School District 111 as of June 30, 2019, 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 an opinion on the financial statements that collectively comprise Kankakee School District No. 111's basic 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 December 12, 2019, 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 Kankakee School District 111's internal control over financial reporting and compliance.

Smith, Koelling, Dykstra & Ohm, P.C.

Bourbonnais, Illinois
December 12, 2019

**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, 2019, 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 December 12, 2019. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, except for the General Fixed Asset Account Group, 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: 2019-001 through 2019-004.

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
December 12, 2019

Kankakee School District 111
Statements of Assets and Liabilities Arising From Cash Transactions
All Funds and Account Groups
June 30, 2019

Exhibit A

	Account Groups											
	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety	Agency Fund	General Fixed Assets	General Long-Term Debt
ASSETS												
Current Assets												
Cash	\$ 2,422,418	\$ 3,136,717	\$ 71,557	\$ 1,979,795	\$ 2,779,761	\$ 8,042,530	\$ 5,174,558	\$ 1,330,411	\$ 402,555	\$ 481,717		
Investments	-	-	-	-	-	597	-	-	-	-		
Taxes Receivable	-	-	-	-	-	-	-	-	-	-		
Interfund Receivables	-	-	-	-	-	-	-	-	-	-		
Intergovernmental Accounts Receivable	-	-	-	-	-	-	-	-	-	-		
Other Receivables	-	-	-	-	-	-	-	-	-	-		
Inventory	-	-	-	-	-	-	-	-	-	-		
Prepaid Items	-	-	-	-	-	-	-	-	-	-		
Other Current Assets	-	-	-	-	-	-	-	-	-	-		
Total Current Assets	2,422,418	3,136,717	71,557	1,979,795	2,779,761	8,043,127	5,174,558	1,330,411	402,555	481,717		
Capital Assets												
Works of Art & Historical Treasures											\$ 240,859	
Land											86,148,271	
Building & Building Improvements											4,768,026	
Site Improvements & Infrastructure											25,863,508	
Capitalized Equipment											75,238	
Construction in Progress											-	
Amount Available in Debt Service Funds												\$ 71,557
Amount to be Provided for Payment on Long- Term Debt												34,422,041
Total Capital Assets	2,422,418	3,136,717	71,557	1,979,795	2,779,761	8,043,127	5,174,558	1,330,411	402,555	481,717	117,095,902	34,493,598
Total Assets	\$ 2,422,418	\$ 3,136,717	\$ 71,557	\$ 1,979,795	\$ 2,779,761	\$ 8,043,127	\$ 5,174,558	\$ 1,330,411	\$ 402,555	\$ 481,717	\$ 117,095,902	\$ 34,493,598
LIABILITIES												
Current Liabilities												
Interfund Payables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Intergovernmental Accounts Payable	-	-	-	-	-	-	-	-	-			
Other Payables	-	-	-	-	-	-	-	-	-			
Contracts Payable	-	-	-	-	-	-	-	-	-			
Loans Payable	-	-	-	-	-	-	-	-	-			
Salaries & Benefits Payable	-	-	-	-	-	-	-	-	-			
Payroll Deductions & Withholdings	(17,856)	108	-	-	(10,849)	-	-	-	-			
Deferred Revenues & Other Current Liabilities	(529)	-	-	-	-	-	-	-	-			
Due to Activity Fund Organizations	-	-	-	-	-	-	-	-	-	\$ 481,717		
Total Current Liabilities	(18,385)	108	-	-	(10,849)	-	-	-	-	481,717		
Long-Term Liabilities												
Long-Term Debt Payable (General Obligation, Revenue, Other)												\$ 34,493,598
Total Long-Term Liabilities												34,493,598
Total Liabilities	(18,385)	108	-	-	(10,849)	-	-	-	-	481,717		34,493,598
FUND BALANCE												
Reserved Fund Balance	-	-	-	-	-	3,024,710	-	-	-			
Unreserved Fund Balance	2,440,803	3,136,609	71,557	1,979,795	2,790,610	5,018,417	5,174,558	1,330,411	402,555			
Investment in General Fixed Assets											117,095,902	
Total Fund Balance	2,440,803	3,136,609	71,557	1,979,795	2,790,610	8,043,127	5,174,558	1,330,411	402,555		117,095,902	
Total Liabilities and Fund Balance	\$ 2,422,418	\$ 3,136,717	\$ 71,557	\$ 1,979,795	\$ 2,779,761	\$ 8,043,127	\$ 5,174,558	\$ 1,330,411	\$ 402,555	\$ 481,717	\$ 117,095,902	\$ 34,493,598

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, 2019

Exhibit B

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
RECEIPTS/REVENUES									
Local Sources	\$ 11,106,949	\$ 2,156,249	\$ 2,816,925	\$ 1,271,724	\$ 2,136,546	\$ 356,879	\$ 171,823	\$ 482,547	\$ 4,526
Flow-Through Receipts/Revenues From One District to Another District	-	-	-	-	-	-	-	-	-
State Sources	29,886,356	3,507,695	300,000	2,297,906	97,112	3,000,000	-	1,201,801	-
Federal Sources	10,989,204	-	1,560,974	-	529,636	-	-	-	-
Total Direct Receipts/Revenues	51,982,509	5,663,944	4,677,899	3,569,630	2,763,294	3,356,879	171,823	1,684,348	4,526
Receipts/Revenues for "On Behalf" Payments	18,868,275	-	-	-	-	-	-	-	-
Total Receipts/Revenues	70,850,784	5,663,944	4,677,899	3,569,630	2,763,294	3,356,879	171,823	1,684,348	4,526
DISBURSEMENTS/EXPENDITURES									
Instruction	31,204,103	-	-	-	943,693	-	-	-	-
Support Services	18,214,960	5,147,254	-	3,410,109	1,305,924	21,716,390	-	789,274	-
Community Services	1,101,394	-	-	-	118,612	-	-	-	-
Payments to Other Districts & Governmental Units	553,550	-	-	-	-	-	-	-	-
Debt Service	-	-	5,022,317	-	-	-	-	-	-
Total Direct Disbursements/Expenditures	51,074,007	5,147,254	5,022,317	3,410,109	2,368,229	21,716,390	-	789,274	-
Disbursements/Expenditures for "On Behalf" Payments	18,868,275	-	-	-	-	-	-	-	-
Total Disbursements/Expenditures	69,942,282	5,147,254	5,022,317	3,410,109	2,368,229	21,716,390	-	789,274	-
Excess of Direct Receipts/Revenues Over (Under) Direct Disbursements/Expenditures	908,502	516,690	(344,418)	159,521	395,065	(18,359,511)	171,823	895,074	4,526
OTHER SOURCES/USES OF FUNDS									
Other Sources of Funds									
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	-	-	-	-	-	-	-	-	-
Sale of Bonds									
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	-	-	268,149	-	-	-	-	-	-
Transfer to Debt Service to Pay Interest on Capital Leases	-	-	11,840	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Total Other Sources of Funds	-	-	279,989	-	-	-	-	-	-

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, 2019

Exhibit B

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
Other Uses of Funds									
Permanent Transfer To Various Other Funds									
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	268,149	-	-	-	-	-			
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	11,840	-	-	-	-	-			
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	-	-	-	-	-	-	-	-	-
Total Other Uses of Funds	279,989	-	-	-	-	-	-	-	-
Total Other Sources/Uses of Funds	(279,989)	-	279,989	-	-	-	-	-	-
Excess of Receipts/Revenues and Other Sources of Funds (Over/Under)									
Expenditures/Disbursements and Other Uses of Funds	628,513	516,690	(64,429)	159,521	395,065	(18,359,511)	171,823	895,074	4,526
Fund Balances - July 1, 2018	1,812,290	2,619,919	135,986	1,820,274	2,395,545	26,402,638	5,002,735	435,337	398,029
Other Changes in Fund Balances - Increases (Decreases)	-	-	-	-	-	-	-	-	-
Fund Balances - June 30, 2019	\$ 2,440,803	\$ 3,136,609	\$ 71,557	\$ 1,979,795	\$ 2,790,610	\$ 8,043,127	\$ 5,174,558	\$ 1,330,411	\$ 402,555

Kankakee School District 111
Statement of Revenues Received
All Funds
For the year ended June 30, 2019

Exhibit C

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
RECEIPTS/REVENUES FROM LOCAL SOURCES									
Ad Valorem Taxes Levied By Local Education Agency									
Designated Purposes Levies	\$ 9,142,221	\$ 2,083,226	\$ 2,815,378	\$ 1,240,976	\$ 954,642	\$ -	\$ 114,936	\$ 477,597	\$ -
Leasing Purposes Levy	-	-	-	-	-	-	-	-	-
Special Education Purposes Levy	-	-	-	-	-	-	-	-	-
FICA/Medicare Only Purposes Levies	-	-	-	-	954,643	-	-	-	-
Area Vocational Construction Purposes Levy	-	-	-	-	-	-	-	-	-
Summer School Purposes Levy	-	-	-	-	-	-	-	-	-
Other Tax Levies	-	-	-	-	-	-	-	-	-
Total Ad Valorem Taxes Levied By District	9,142,221	2,083,226	2,815,378	1,240,976	1,909,285	-	114,936	477,597	-
Payments in Lieu of Taxes									
Mobile Home Privilege Tax	-	-	-	-	-	-	-	-	-
Payments from Local Housing Authorities	-	-	-	-	-	-	-	-	-
Corporate Personal Property Replacement Taxes	1,673,818	-	-	-	200,000	-	-	-	-
Other Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-
Total Payments in Lieu of Taxes	1,673,818	-	-	-	200,000	-	-	-	-
Tuition									
Regular - Tuition from Pupils or Parents (In State)	-	-	-	-	-	-	-	-	-
Regular - Tuition from Other Districts (In State)	41,884	-	-	-	-	-	-	-	-
Regular - Tuition from Other Sources (In State)	-	-	-	-	-	-	-	-	-
Regular - Tuition from Other Sources (Out of State)	-	-	-	-	-	-	-	-	-
Summer Sch - Tuition from Pupils or Parents (In State)	4,000	-	-	-	-	-	-	-	-
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)	-	-	-	-	-	-	-	-	-
Total Tuition	45,884	-	-	-	-	-	-	-	-

Kankakee School District 111
Statement of Revenues Received
All Funds
For the year ended June 30, 2019

Exhibit C

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
Transportation Fees									
Regular -Transp Fees from Pupils or Parents (In State)				10,049					
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)				-					
Total Transportation Fees				10,049					
Earnings on Investments									
Interest on Investments	20,608	29,792	1,547	20,699	27,241	420,049	56,887	4,950	4,526
Gain or Loss on Sale of Investments	-	-	-	-	-	(63,170)	-	-	-
Total Earnings on Investments	20,608	29,792	1,547	20,699	27,241	356,879	56,887	4,950	4,526
Food Service									
Sales to Pupils - Lunch	-								
Sales to Pupils - Breakfast	-								
Sales to Pupils - A la Carte	9,411								
Sales to Pupils - Other	-								
Sales to Adults	7,482								
Other Food Service	50,766								
Total Food Service	67,659								

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, 2019

Exhibit C

District/School Activity Income	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
Admissions - Athletic	12,918	-	-	-	-	-	-	-	-
Admissions - Other	-	-	-	-	-	-	-	-	-
Fees	33,107	-	-	-	-	-	-	-	-
Book Store Sales	-	-	-	-	-	-	-	-	-
Other District/School Activity Revenue	-	-	-	-	-	-	-	-	-
Total District/School Activity Income	46,025	-	-	-	-	-	-	-	-
Textbook Income									
Rentals - Regular Textbooks	15,508	-	-	-	-	-	-	-	-
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	4,358	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Textbook Income	19,866	-	-	-	-	-	-	-	-
Other Revenue from Local Sources									
Rentals	-	39,538	-	-	-	-	-	-	-
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	9,149	-	-	-	-	-	-	-	-
Proceeds from Vendors' Contracts	-	-	-	-	-	-	-	-	-
School Facility Occupation Tax Proceeds	-	-	-	-	-	-	-	-	-
Payment from Other Districts	-	-	-	-	-	-	-	-	-
Sale of Vocational Projects	-	-	-	-	-	-	-	-	-
Other Local Fees	-	3,308	-	-	-	-	-	-	-
Other Local Revenues	81,719	385	-	-	-	-	-	-	-
Total Other Revenue from Local Sources	90,868	43,231	-	-	20	-	-	-	-
Total Receipts/Revenues from Local Sources	11,106,949	2,156,249	2,816,925	1,271,724	2,136,546	356,879	171,823	482,547	4,526
FLOW-THROUGH RECEIPTS/REVENUES FROM ONE DISTRICT TO ANOTHER DISTRICT									
Flow-through Revenue from State Sources	-	-	-	-	-	-	-	-	-
Flow-through Revenue from Federal Sources	-	-	-	-	-	-	-	-	-
Other Flow-Through	-	-	-	-	-	-	-	-	-
Total Flow-Through Receipts/Revenues from One District to Another District	-	-	-	-	-	-	-	-	-

Kankakee School District 111
Statement of Revenues Received
All Funds
For the year ended June 30, 2019

Exhibit C

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
RECEIPTS/REVENUES FROM STATE SOURCES									
Unrestricted Grants-In-Aid									
Evidence Based Funding Formula (Section 18-8.15)	27,331,479	3,507,695	300,000	498,308	-	3,000,000	-	1,201,801	-
General State Aid - Hold Harmless/Supplemental	-	-	-	-	-	-	-	-	-
Reorganization Incentives (Accounts 3005-3021)	-	-	-	-	-	-	-	-	-
General State Aid - Fast Growth District Grant	-	-	-	-	-	-	-	-	-
Other Unrestricted Grants-In-Aid from State Sources	-	-	-	-	-	-	-	-	-
Total Unrestricted Grants-In-Aid	27,331,479	3,507,695	300,000	498,308	-	3,000,000	-	1,201,801	-
Restricted Grants-In-Aid									
Special Education									
Special Education - Private Facility Tuition	112,073	-	-	-	-	-	-	-	-
Special Education - Funding for Children Requiring Special Education Services	-	-	-	-	-	-	-	-	-
Special Education - Personnel	-	-	-	-	-	-	-	-	-
Special Education - Orphanage - Individual	94,075	-	-	-	-	-	-	-	-
Special Education - Orphanage - Summer Individual	-	-	-	-	-	-	-	-	-
Special Education - Summer School	-	-	-	-	-	-	-	-	-
Special Education - Other	-	-	-	-	-	-	-	-	-
Total Special Education	206,148	-	-	-	-	-	-	-	-
Career and Technical Education (CTE)									
CTE - Technical Education - Tech Prep	-	-	-	-	-	-	-	-	-
CTE - Secondary Program Improvement (CTEI)	-	-	-	-	-	-	-	-	-
CTE - WCEP	-	-	-	-	-	-	-	-	-
CTE - Agriculture Education	-	-	-	-	-	-	-	-	-
CTE - Instructor Practicum	-	-	-	-	-	-	-	-	-
CTE - Student Organizations	-	-	-	-	-	-	-	-	-
CTE - Other	-	-	-	-	-	-	-	-	-
Total Career and Technical Education	-	-	-	-	-	-	-	-	-
Bilingual Education									
Bilingual Ed - Downstate - TPI and TBE	-	-	-	-	-	-	-	-	-
Bilingual Education Downstate - Transitional Bilingual Education	-	-	-	-	-	-	-	-	-
Total Bilingual Ed	58,565	-	-	-	-	-	-	-	-
State Free Lunch & Breakfast	-	-	-	-	-	-	-	-	-
School Breakfast Initiative	-	-	-	-	-	-	-	-	-
Driver Education	57,836	-	-	-	-	-	-	-	-
Adult Ed (from ICCB)	-	-	-	-	-	-	-	-	-
Adult Ed - Other	-	-	-	-	-	-	-	-	-

Kankakee School District 111
Statement of Revenues Received
All Funds
For the year ended June 30, 2019

Exhibit C

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Prevention & Safety	Fire
Transportation										
Transportation - Regular and Vocational	-	-	-	1,113,732	-	-	-	-	-	-
Transportation - Special Education	-	-	-	685,866	-	-	-	-	-	-
Transportation - Other	-	-	-	-	-	-	-	-	-	-
Total Transportation	-	-	-	1,799,598	-	-	-	-	-	-
Learning Improvement - Change Grants	-	-	-	-	-	-	-	-	-	-
Scientific Literacy	-	-	-	-	-	-	-	-	-	-
Truant Alternative/Optional Education	-	-	-	-	-	-	-	-	-	-
Early Childhood - Block Grant	2,005,445	-	-	-	94,027	-	-	-	-	-
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	226,883	-	-	-	3,085	-	-	-	-	-
Total Restricted Grants-In-Aid	2,554,877	-	-	1,799,598	97,112	-	-	-	-	-
Total Receipts from State Sources	29,886,356	3,507,695	300,000	2,297,906	97,112	3,000,000	-	1,201,801	-	-
RECEIPTS/REVENUES FROM FEDERAL SOURCES										
Unrestricted Grants-In-Aid Received Directly from Federal Govt										
Federal Impact Aid	-	-	-	-	-	-	-	-	-	-
Other Unrestricted Grants-In-Aid Received Directly from the Federal Govt	-	-	-	-	-	-	-	-	-	-
Total Unrestricted Grants-In-Aid Received Directly from Federal Govt	-	-	-	-	-	-	-	-	-	-
Restricted Grants-In-Aid Received Directly from Federal Government										
Head Start	2,739,857	-	-	-	-	-	-	-	-	-
Construction (Impact Aid)	-	-	-	-	-	-	-	-	-	-
MAGNET	-	-	-	-	-	-	-	-	-	-
Other Restricted Grants-In-Aid Received Directly from the Federal Govt	255,129	-	-	-	270,992	-	-	-	-	-
Total Restricted Grants-In-Aid Received Directly from Federal Govt	2,994,986	-	-	-	270,992	-	-	-	-	-

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, 2019

Exhibit C

Restricted Grants-In-Aid Received From Federal Govt Thru										
The State	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Prevention & Safety	Fire
Title V										
Title V - Innovation and Flexibility Formula	-	-	-	-	-	-	-	-	-	-
Title V - District Projects	-	-	-	-	-	-	-	-	-	-
Title V - Rural Education Initiative (REI)	-	-	-	-	-	-	-	-	-	-
Title V - Other	-	-	-	-	-	-	-	-	-	-
Total Title V	-	-	-	-	-	-	-	-	-	-
Food Service										
Breakfast Start-Up Expansion	-	-	-	-	-	-	-	-	-	-
National School Lunch Program	2,105,950	-	-	-	-	-	-	-	-	-
Special Milk Program	-	-	-	-	-	-	-	-	-	-
School Breakfast Program	672,778	-	-	-	-	-	-	-	-	-
Summer Food Service Program	-	-	-	-	-	-	-	-	-	-
Child Adult Care Food Program	78,664	-	-	-	-	-	-	-	-	-
Fresh Fruits & Vegetables	-	-	-	-	-	-	-	-	-	-
Food Service - Other	-	-	-	-	-	-	-	-	-	-
Total Food Service	2,857,392	-	-	-	-	-	-	-	-	-
Title I										
Title I - Low Income	2,842,453	-	-	-	137,554	-	-	-	-	-
Title I - Low Income - Neglected, Private	-	-	-	-	-	-	-	-	-	-
Title I - Migrant Education	67,500	-	-	-	3,590	-	-	-	-	-
Title I - Other	-	-	-	-	-	-	-	-	-	-
Total Title I	2,909,953	-	-	-	141,144	-	-	-	-	-
Title IV										
Title IV - Safe & Drug Free Schools - Formula	-	-	-	-	-	-	-	-	-	-
Title IV - 21st Century Comm Learning Centers	-	-	-	-	-	-	-	-	-	-
Title IV - Other	-	-	-	-	-	-	-	-	-	-
Total Title IV	-	-	-	-	-	-	-	-	-	-
Federal - Special Education										
Fed - Spec Education - Preschool Flow-Through	11,558	-	-	-	1,765	-	-	-	-	-
Fed - Spec Education - Preschool Discretionary	-	-	-	-	-	-	-	-	-	-
Fed - Spec Education - IDEA - Flow Through	1,270,829	-	-	-	70,901	-	-	-	-	-
Fed - Spec Education - IDEA - Room & Board	11,747	-	-	-	-	-	-	-	-	-
Fed - Spec Education - IDEA - Discretionary	-	-	-	-	-	-	-	-	-	-
Fed - Spec Education - IDEA - Other	-	-	-	-	-	-	-	-	-	-
Total Federal - Special Education	1,294,134	-	-	-	72,666	-	-	-	-	-

Kankakee School District 111
Statement of Revenues Received
All Funds
For the year ended June 30, 2019

Exhibit C

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
CTE - Perkins									
CTE - Perkins - Title IIIIE - Tech Prep	-	-			-				
CTE - Other	-	-			-				
Total CTE - Perkins	-	-			-				
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	-	-	1,560,974		-				
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	-	-			-				
Total Stimulus Programs	-	-	1,560,974		-				

Kankakee School District 111
Statement of Revenues Received
All Funds
For the year ended June 30, 2019

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	-	-	-	-	-	-	-	-	-
Title III - Immigrant Education Program (IEP)	-	-	-	-	-	-	-	-	-
Title III - Language Inst Program - Limited Eng (LIIPLEP)	76,725	-	-	-	10,678	-	-	-	-
McKinney Education for Homeless Children	-	-	-	-	-	-	-	-	-
Title II - Eisenhower Professional Development Formula	-	-	-	-	-	-	-	-	-
Title II - Teacher Quality	220,929	-	-	-	2,583	-	-	-	-
Federal Charter Schools	-	-	-	-	-	-	-	-	-
State Assessment Grants	-	-	-	-	-	-	-	-	-
Grant for State Assessments and Related Activities	-	-	-	-	-	-	-	-	-
Medicaid Matching Funds - Administrative Outreach	155,957	-	-	-	-	-	-	-	-
Medicaid Matching Funds - Fee-for-Service Program	374,447	-	-	-	-	-	-	-	-
Other Restricted Revenue from Federal Sources	104,681	-	-	-	31,573	-	-	-	-
Total Restricted Grants-In-Aid Received from the Federal Govt Thru the State	7,994,218	-	1,560,974	-	258,644	-	-	-	-
Total Receipts/Revenues from Federal Sources	10,989,204	-	1,560,974	-	529,636	-	-	-	-
Total Direct Receipts/Revenues	\$ 51,982,509	\$ 5,663,944	\$ 4,677,899	\$ 3,569,630	\$ 2,763,294	\$ 3,356,879	\$ 171,823	\$ 1,684,348	\$ 4,526

Kankakee School District 111
Statement of Expenditures Disbursed, Budget to Actual
All Funds
For the year ended June 30, 2019

Exhibit D

	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
EDUCATIONAL FUND (ED)										
Instruction (ED)										
Regular Programs	\$ 14,261,121	\$ 3,389,107	\$ 403,641	\$ 479,257	\$ -	\$ 15,122	\$ 54,952	\$ -	\$ 18,603,200	\$ 21,512,000
Tuition Payment to Charter Schools	-	-	-	-	-	-	-	-	-	-
Pre-K Programs	1,152,226	178,991	32,764	121,113	-	-	-	-	1,485,094	-
Special Education Programs	5,352,523	1,507,877	188,273	77,779	-	-	12,091	-	7,138,543	7,812,000
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	689,925	182,955	101,421	277,394	-	24,140	15,359	-	1,291,194	2,167,000
Summer School Programs	98,227	8,885	-	-	-	-	-	-	107,112	57,000
Gifted Programs	392,931	118,174	-	-	-	-	-	-	511,105	534,000
Driver's Education Programs	136,163	51,312	286	-	-	-	-	-	187,761	255,000
Bilingual Programs	1,386,879	352,101	49,800	34,484	-	-	13,200	-	1,836,464	1,621,000
Truant Alternative & Optional Programs	-	-	-	-	-	-	-	-	-	-
Pre-K Programs - Private Tuition	-	-	-	-	-	-	-	-	-	-
Regular K-12 Programs - Private Tuition	-	-	-	-	-	-	-	-	-	-
Special Education Programs K-12 - Private Tuition	-	-	-	-	-	43,630	-	-	43,630	-
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	-	-	-	-	-	-	-	-	-	-
Total Instruction	23,469,995	5,789,402	776,185	990,027	-	82,892	95,602	-	31,204,103	33,958,000
Support Services (ED)										
Support Services - Pupils										
Attendance & Social Work Services	629,703	184,231	5,464	2,062	-	-	2,590	-	824,050	900,000
Guidance Services	292,985	80,632	-	-	-	-	-	-	373,617	413,000
Health Services	690,443	89,212	50,320	14,044	-	-	-	-	844,019	797,000
Psychological Services	281,505	73,233	17,080	5,324	-	-	-	-	377,142	367,000
Speech Pathology & Audiology Services	496,468	161,820	16,722	2,524	-	-	-	-	677,534	691,000
Other Support Services - Pupils	-	-	-	-	-	-	-	-	-	-
Total Support Services - Pupils	2,391,104	589,128	89,586	23,954	-	-	2,590	-	3,096,362	3,168,000
Support Services - Instructional Staff										
Improvement of Instruction Services	871,272	220,167	959,159	80,879	8,244	3,100	2,224	-	2,145,045	2,330,000
Educational Media Services	741,026	161,021	-	4,393	-	-	-	-	906,440	1,517,000
Assessment & Testing	357,366	46,570	28,725	-	-	-	-	-	432,661	162,000
Total Support Services - Instructional Staff	1,969,664	427,758	987,884	85,272	8,244	3,100	2,224	-	3,484,146	4,009,000

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, 2019

Exhibit D

	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
Support Services - General Administration										
Board of Education Services	-	-	165,295	58	-	17,142	-	-	182,495	200,000
Executive Administration Services	619,591	87,889	100,651	3,086	-	4,319	1,419	-	816,955	917,000
Special Area Administration Services	680,848	123,845	65,331	34,908	-	-	-	-	904,932	842,000
Tort Immunity Services	-	-	112,949	-	-	-	-	-	112,949	191,000
Total Support Services - General Administration	1,300,439	211,734	444,226	38,052	-	21,461	1,419	-	2,017,331	2,150,000
Support Services - School Administration										
Office of the Principal Services	2,799,424	638,597	5	-	-	-	-	-	3,438,026	3,485,000
Other Support Services - School Admin	-	-	-	-	-	-	-	-	-	-
Total Support Services - School Administration	2,799,424	638,597	5	-	-	-	-	-	3,438,026	3,485,000
Support Services - Business										
Direction of Business Support Services	121,814	22,478	200	-	-	885	-	-	145,377	133,000
Fiscal Services	227,189	65,521	53,618	59,841	-	83,618	574	-	490,361	375,000
Operation & Maintenance of Plant Services	111,220	24,160	65,695	1,023	72,257	-	-	-	274,355	10,000
Pupil Transportation Services	-	-	855,002	-	-	-	-	-	855,002	643,000
Food Services	1,239,271	172,847	(7,747)	1,832,038	-	5,805	-	-	3,242,214	2,887,000
Internal Services	-	-	-	-	-	-	-	-	-	-
Total Support Services - Business	1,699,494	285,006	966,768	1,892,902	72,257	90,308	574	-	5,007,309	4,048,000
Support Services - Central										
Direction of Central Support Services	-	-	-	-	-	-	-	-	-	-
Planning, Research, Development, & Evaluation Services	-	-	-	-	-	-	-	-	-	-
Information Services	-	-	3,481	2,855	-	-	-	-	6,336	17,000
Staff Services	-	-	-	-	-	-	-	-	-	-
Data Processing Services	134,285	22,900	580,295	291,212	37,179	-	98,337	-	1,164,208	1,157,000
Total Support Services - Central	134,285	22,900	583,776	294,067	37,179	-	98,337	-	1,170,544	1,174,000
Other Support Services	891	-	-	351	-	-	-	-	1,242	-
Total Support Services	10,295,301	2,175,123	3,072,245	2,334,598	117,680	114,869	105,144	-	18,214,960	18,034,000
Community Services (ED)	714,090	131,208	186,428	54,032	-	-	15,636	-	1,101,394	659,000
Payments to Other Districts & Govt Units (ED)										
Payments to Other Govt Units (In-State)										
Payments for Regular Programs	-	-	-	-	-	16,000	-	-	16,000	15,000
Payments for Special Education Programs	-	-	112,324	-	-	194,459	-	-	306,783	300,000
Payments for Adult/Continuing Education Programs	-	-	-	-	-	-	-	-	-	-
Payments for CTE Programs	-	-	-	-	-	199,574	-	-	199,574	220,000
Payments for Community College Programs	-	-	-	-	-	-	-	-	-	-
Other Payments to In-State Govt. Units	-	-	-	-	-	-	-	-	-	-
Total Payments to Other Govt Units (In-State)	112,324	-	-	-	-	410,033	-	-	522,357	535,000
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	-	-	-	-	-	31,193	-	-	31,193	-
Payments for Other Programs - Tuition	-	-	-	-	-	-	-	-	-	-
Other Payments to In-State Govt Units	-	-	-	-	-	-	-	-	-	-
Total Payments to Other Govt Units - Tuition (In State)	-	-	-	-	-	31,193	-	-	31,193	-

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, 2019

Exhibit D

	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			-			-			-	-
Total Payments to Other Govt Units -Transfers (In-State)			-			-			-	-
Payments to Other Govt Units (Out-of-State)			-			-			-	-
Total Payments to Other Govt Units			112,324			441,226			553,550	535,000
Debt Services (ED)										
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						-			-	-
Total Interest on Short-Term Debt						-			-	-
Debt Services - Interest on Long-Term Debt						-			-	-
Total Debt Services						-			-	-
Provisions for Contingencies (ED)										
Total Direct Disbursements/Expenditures	\$ 34,479,386	\$ 8,095,733	\$ 4,147,182	\$ 3,378,657	\$ 117,680	\$ 638,987	\$ 216,382	\$ -	51,074,007	\$ 53,186,000
Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures (ED)									\$ 908,502	
OPERATIONS & MAINTENANCE FUND (O&M)										
Support Services (O&M)										
Support Services - Pupils										
Other Support Services - Pupils	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services - Business										
Direction of Business Support Services	-	-	-	-	-	-	-	-	-	-
Facilities Acquisition & Construction Services	-	-	660	-	-	-	2,240	-	2,900	-
Operation & Maintenance of Plant Services	2,827,841	459,576	546,000	1,158,914	145,264	-	6,759	-	5,144,354	5,469,000
Pupil Transportation Services	-	-	-	-	-	-	-	-	-	-
Food Services										
Total Support Services - Business	2,827,841	459,576	546,660	1,158,914	145,264	-	8,999	-	5,147,254	5,469,000
Other Support Services	-	-	-	-	-	-	-	-	-	-
Total Support Services	2,827,841	459,576	546,660	1,158,914	145,264	-	8,999	-	5,147,254	5,469,000
Community Services (O&M)										
	-	-	-	-	-	-	-	-	-	-

Kankakee School District 111
Statement of Expenditures Disbursed, Budget to Actual
All Funds
For the year ended June 30, 2019

Exhibit D

	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
Payments to Other Dist & Govt Units (O&M)										
Payments to Other Govt Units (In-State)										
Payments for Regular Programs			-			-			-	-
Payments for Special Education Programs			-			-			-	-
Payments for CTE Programs			-			-			-	-
Other Payments to In-State Govt. Units			-			-			-	-
Total Payments to Other Govt. Units (In-State)			-			-			-	-
Payments to Other Govt. Units (Out of State)						-			-	-
Total Payments to Other Govt Units			-			-			-	-
Debt Services (O&M)										
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						-			-	-
Total Debt Services - Interest on Short-Term Debt						-			-	-
Debt Services - Interest on Long-Term Debt						-			-	-
Total Debt Services						-			-	-
Provisions for Contingencies (O&M)										
Total Direct Disbursements/Expenditures	\$ 2,827,841	\$ 459,576	\$ 546,660	\$ 1,158,914	\$ 145,264	\$ -	\$ 8,999	\$ -	5,147,254	\$ 5,469,000
Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures (O&M)									\$ 516,690	
DEBT SERVICES FUND (DS)										
Payments to Other Dist & Govt Units (DS)										
Payments to Other Dist & Govt Units (In-State)						\$ -			\$ -	\$ -
Payments for Regular Programs						-			-	-
Payments for Special Education Programs						-			-	-
Other Payments to In-State Govt Units						-			-	-
Total Payments to Other Districts & Govt Units (In-State)						-			-	-
Debt Services (DS)										
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						-			-	-
Total Debt Services - Interest On Short-Term Debt						-			-	1,590,000
									-	1,590,000

Kankakee School District 111
Statement of Expenditures Disbursed, Budget to Actual
All Funds
For the year ended June 30, 2019

Exhibit D

	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						2,361,168			2,361,168	-
Debt Services - Payments of Principal on Long-Term Debt (Lease/Purchase Principal Retired)						2,653,149			2,653,149	2,385,000
Debt Services - Other			\$ -			8,000			8,000	7,000
Total Debt Services			-			5,022,317			5,022,317	3,982,000
Provisions for Contingencies (DS)										-
Total Disbursements/Expenditures			\$ -			\$ 5,022,317			5,022,317	\$ 3,982,000
Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures (DS)									\$ (344,418)	
TRANSPORTATION FUND (TR)										
Support Services (TR)										
Support Services - Pupils	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services - Business	38,500	5,029	3,364,336	2,244	-	-	-	-	3,410,109	3,915,000
Pupil Transportation Services										-
Other Support Services	-	-	-	-	-	-	-	-	-	-
Total Support Services	38,500	5,029	3,364,336	2,244	-	-	-	-	3,410,109	3,915,000
Community Services (TR)	-	-	-	-	-	-	-	-	-	-
Payments to Other Dist & Govt Units (In-State)										
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			-			-			-	-
Total Payments to Other Govt. Units (In-State)			-			-			-	-
Payments to Other Govt Units (Out-of-State)			-			-			-	-
Total Payments to Other Govt Units			-			-			-	-
Debt Services (TR)										
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						-			-	-
Total Debt Services - Interest On Short-Term Debt						-			-	-

Kankakee School District 111
Statement of Expenditures Disbursed, Budget to Actual
All Funds
For the year ended June 30, 2019

Exhibit D

	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						-			-	-
Total Debt Services						-			-	-
Provision for Contingencies (TR)										-
Total Disbursements/Expenditures	\$ 38,500	\$ 5,029	\$ 3,364,336	\$ 2,244	\$ -	\$ -	\$ -	\$ -	3,410,109	\$ 3,915,000
Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures (TR)									\$ 159,521	

MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND										
(MR/SS)										
Instruction (MR/SS)										
Regular Programs		\$ 308,297							\$ 308,297	\$ 266,000
Pre-K Programs		185,387							185,387	-
Special Education Programs		330,085							330,085	292,000
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		53,565							53,565	44,000
Summer School Programs		3,262							3,262	1,000
Gifted Programs		5,353							5,353	6,000
Driver's Education Programs		1,898							1,898	3,000
Bilingual Programs		55,846							55,846	21,000
Truants' Alternative & Optional Programs		-							-	-
Total Instruction		943,693							943,693	633,000
Support Services (MR/SS)										
Support Services - Pupils										
Attendance & Social Work Services		9,269							9,269	10,000
Guidance Services		4,009							4,009	5,000
Health Services		107,697							107,697	77,000
Psychological Services		4,956							4,956	4,000
Speech Pathology & Audiology Services		6,642							6,642	8,000
Other Support Services - Pupils		-							-	-
Total Support Services - Pupils		132,573							132,573	104,000
Support Services - Instructional Staff										
Improvement of Instruction Services		46,831							46,831	34,000
Educational Media Services		99,249							99,249	12,000
Assessment & Testing		3,268							3,268	2,000
Total Support Services - Instructional Staff		149,348							149,348	48,000

Kankakee School District 111
Statement of Expenditures Disbursed, Budget to Actual
All Funds
For the year ended June 30, 2019

Exhibit D

	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
Support Services - General Administration										
Board of Education Services	-	-	-	-	-	-	-	-	-	-
Executive Administration Services		47,249							47,249	46,000
Service Area Administrative Services		70,714							70,714	22,000
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		-							-	-
Total Support Services - General Administration		117,963							117,963	68,000
Support Services - School Administration										
Office of the Principal Services		180,359							180,359	195,000
Other Support Services - School Administration		-							-	-
Total Support Services - School Administration		180,359							180,359	195,000
Support Services - Business										
Direction of Business Support Services		1,755							1,755	2,000
Fiscal Services		37,072							37,072	49,000
Facilities Acquisition & Construction Services		-							-	-
Operation & Maintenance of Plant Services		468,446							468,446	472,000
Pupil Transportation Services		6,472							6,472	-
Food Services		199,531							199,531	193,000
Internal Services		-							-	-
Total Support Services - Business		713,276							713,276	716,000
Support Services - Central										
Direction of Central Support Services		-							-	-
Planning, Research, Development, & Evaluation Services		-							-	-
Information Services		-							-	2,000
Staff Services		-							-	-
Data Processing Services		12,337							12,337	15,000
Total Support Services - Central		12,337							12,337	17,000
Other Support Services		68							68	-
Total Support Services		1,305,924							1,305,924	1,148,000

Kankakee School District 111
Statement of Expenditures Disbursed, Budget to Actual
All Funds
For the year ended June 30, 2019

Exhibit D

For the year ended June 30, 2022

	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
Community Services (MR/SS)		118,612							118,612	-
Payments to Other Dist & Govt Units (MR/SS)										
Payments for Regular Programs		-							-	-
Payments for Special Education Programs		-							-	-
Payments for CTE Programs		-							-	-
Total Payments to Other Govt Units		-							-	-
Debt Services (MR/SS)										
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						-			-	-
Total Debt Services - Interest						-			-	-
Provision for Contingencies (MR/SS)										-
Total Disbursements/Expenditures		\$ 2,368,229				\$ -			2,368,229	\$ 1,781,000
Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures (MR/SS)									\$ 395,065	
CAPITAL PROJECTS FUND (CP)										
Support Services (CP)										
Support Services - Business										
Facilities Acquisition and Construction Services	\$ -	\$ -	\$ 85,390	\$ 48,580	\$ 21,422,718	\$ -	\$ 159,702	\$ -	\$ 21,716,390	\$ 25,000,000
Other Support Services	-	-	-	-	-	-	-	-	-	-
Total Support Services	-	-	85,390	48,580	21,422,718	-	159,702	-	21,716,390	25,000,000
Payments to Other Dist & Govt Units (CP)										
Payments to Other Govt Units (In-State)										
Payments for Regular Programs (In-State)			-			-			-	-
Payments for Special Education Programs			-			-			-	-
Payments for CTE Programs			-			-			-	-
Other Payments to In-State Govt. Units			-			-			-	-
Total Payments to Other Govt Units			-			-			-	-
Provision for Contingencies (CP)										-
Total Disbursements/Expenditures	\$ -	\$ -	\$ 85,390	\$ 48,580	\$ 21,422,718	\$ -	\$ 159,702	\$ -	21,716,390	\$ 25,000,000
Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures (CP)									\$ (18,359,511)	

WORKING CASH FUND (WC)										
	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
TORT FUND (TF)										
Support Services - General Administration										
Claims Paid from Self Insurance Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation or Workers' Occupation Disease Acts Payments	-	-	592,635	-	-	-	-	-	592,635	614,000
Unemployment Insurance Payments	-	-	13,921	-	-	-	-	-	13,921	55,000
Insurance Payments (Regular or Self-Insurance)	-	-	182,718	-	-	-	-	-	182,718	564,000
Risk Management and Claims Services Payments	-	-	-	-	-	-	-	-	-	-
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)	-	-	-	-	-	-	-	-	-	-
Total Support Services - General Administration	-	-	789,274	-	-	-	-	-	789,274	1,233,000
Payments to Other Dist & Govt Units (TF)										
Payments for Regular Programs						-			-	-
Payments for Special Education Programs						-			-	-
Total Payments to Other Dist & Govt Units						-			-	-
Debt Services (TF)										
Debt Services - Interest on Short-Term Debt										
Tax Anticipation Warrants						-			-	-
Corporate Personal Prop. Repl. Tax Anticipation Notes						-			-	-
Other Interest or Short-Term Debt						-			-	-
Total Debt Services - Interest on Short-Term Debt						-			-	-
Provisions for Contingencies (TF)										-
Total Disbursements/Expenditures	\$ -	\$ -	\$ 789,274	\$ -	\$ -	\$ -	\$ -	\$ -	789,274	\$ 1,233,000
Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures (TF)									\$ 895,074	
FIRE PREVENTION & SAFETY FUND (FP&S)										
Support Services (FP&S)										
Support Services - Business										
Facilities Acquisition & Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operation & Maintenance of Plant Services	-	-	-	-	-	-	-	-	-	-
Total Support Services - Business	-	-	-	-	-	-	-	-	-	-
Other Support Services	-	-	-	-	-	-	-	-	-	-
Total Support Services	-	-	-	-	-	-	-	-	-	-

Kankakee School District 111
Statement of Expenditures Disbursed, Budget to Actual
All Funds
For the year ended June 30, 2019

Exhibit D

	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
Payments to Other Dist & Govt Units (FP&S)										
Payments for Regular Programs						-			-	-
Payments for Special Education Programs						-			-	-
Other Payments to In-State Govt. Units						-			-	-
Total Payments to Other Govt Units						-			-	-
Debt Services (FP&S)										
Debt Services - Interest on Short-Term Debt										
Tax Anticipation Warrants						-			-	-
Other Interest on Short-Term Debt						-			-	-
Total Debt Service - Interest on Short-Term Debt						-			-	-
Debt Services - Interest on Long-Term Debt						-			-	-
Debt Services - Payments of Principal on Long-Term Debt (Lease/Purchase Principal Retired)						-			-	-
Total Debt Service						-			-	-
Provision for Contingencies (FP&S)										
Total Disbursements/Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures (FP&S)									\$ 4,526	

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2019

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, 2019

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.

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.

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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.

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

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 24, 2018.

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.

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 2018 levy was passed by the Board on December 10, 2018. Property tax receipts recorded for the year ended June 30, 2019 are from the 2017 levy.

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2019

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>
Illinois School District								
Liquid Asset Fund:								
Liquid Fund	S&P AAAM	None	2.15%	\$ 3	\$ 3	NA	NA	0.50%
Max Fund	S&P AAAM	None	2.20%	<u>594</u>	<u>594</u>	NA	NA	<u>99.50%</u>
				<u>\$597</u>	<u>\$597</u>			<u>100.00%</u>

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, 7th Floor, Naperville, Illinois 60563.

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2019

Note 3 - Cash and Investments (Continued)

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.

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.

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2019

Note 3 - Cash and Investments (Continued)

7. Dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union chartered under the laws of Illinois or the United States, provided, however, that the principal office of any such credit union must be located within the State of Illinois. Investments may be made only in those credit unions the accounts of which are insured by applicable law.
8. Investments in a Public Treasurers' Investment Pool under Section 17 of the State Treasurer Act or any public funds in a fund managed, operated, and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company or use the services of such an entity to hold and invest or advise regarding the investment of any public funds.
9. Investments in the Illinois School District Liquid Asset Fund Plus.
10. Repurchase agreements of government securities which conform to provisions of the Government Securities Act of 1986. The government securities, unless registered or inscribed in the name of the District, shall be purchased through banks or trust companies authorized to do business in the State of Illinois. The District may not enter into other repurchase agreements unless the instrument and transaction meet several requirements as set forth in the District's investment policy.
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, 2019, 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 – Interfund Balances/Transfers

The District transferred \$279,989 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, 2019

Note 5 - General Fixed Assets

A summary of changes in general fixed assets follow:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Land	\$ 240,859	\$ -	\$ -	\$ 240,859
Construction in progress	3,853,785	75,238	3,853,785	75,238
Buildings and building improvements	61,879,561	24,268,710	-	86,148,271
Land improvements	4,768,026	-	-	4,768,026
Equipment:				
3 year	2,110,486	-	-	2,110,486
5 year	1,286,248	-	-	1,286,248
10 year	<u>21,271,275</u>	<u>1,195,499</u>	<u>-</u>	<u>22,466,774</u>
	<u>95,410,240</u>	<u>25,539,447</u>	<u>3,853,785</u>	<u>117,095,902</u>
Less accumulated depreciation for:				
Buildings and building improvements	32,026,013	1,652,342	-	33,678,355
Land improvements	1,790,494	194,652	-	1,985,146
Equipment:				
3 year	2,110,485	1	-	2,110,486
5 year	1,158,739	54,640	-	1,213,379
10 year	<u>19,279,957</u>	<u>500,162</u>	<u>-</u>	<u>19,780,119</u>
Total accumulated depreciation	<u>56,365,688</u>	<u>2,401,797</u>	<u>-</u>	<u>58,767,485</u>
Net general fixed assets	<u>\$39,044,552</u>	<u>\$23,137,650</u>	<u>\$3,853,785</u>	<u>\$58,328,417</u>

Note 6 - General Long-Term Debt

	Balance July 1, 2018	Proceeds	Payments	Balance June 30, 2019	Due in One Year
General obligation school bonds:					
Series 2012	\$ 625,000	\$ -	\$ 625,000	\$ -	\$ -
Series 2014	5,590,000	-	1,490,000	4,100,000	2,180,000
Series 2016B (QSCB)	9,930,000	-	-	9,930,000	-
Series 2017B (QSCB)	19,620,000	-	-	19,620,000	-
Series 2017C	<u>760,000</u>	<u>-</u>	<u>270,000</u>	<u>490,000</u>	<u>270,000</u>
Subtotal bonds	<u>36,525,000</u>	<u>-</u>	<u>2,385,000</u>	<u>34,140,000</u>	<u>2,450,000</u>
Capital leases:					
2016-Technology equipment	372,989	-	184,541	188,448	188,448
2017-Chromebooks	89,356	-	28,920	60,436	29,739
2018-Chromebooks	<u>159,402</u>	<u>-</u>	<u>54,688</u>	<u>104,714</u>	<u>51,221</u>
Subtotal capital leases	<u>621,747</u>	<u>-</u>	<u>268,149</u>	<u>353,598</u>	<u>269,408</u>
Total long-term debt	<u>\$37,146,747</u>	<u>\$ -</u>	<u>\$2,653,149</u>	<u>\$34,493,598</u>	<u>\$2,719,408</u>

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2019

Note 6 - 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 matured 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.

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 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.

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2019

Note 6 - General Long-Term Debt (Continued)

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>
2020	\$192,437	\$ 31,686	\$ 55,866	\$279,989
2021	<u>-</u>	<u>31,686</u>	<u>55,866</u>	<u>87,552</u>
Total minimum lease payments	192,437	63,372	111,732	367,541
Less: amount representing interest	<u>(3,989)</u>	<u>(2,936)</u>	<u>(7,018)</u>	<u>(13,943)</u>
Present value of minimum lease payments	<u>\$188,448</u>	<u>\$ 60,436</u>	<u>\$104,714</u>	<u>\$353,598</u>

At June 30, 2019, the annual cash flow requirements of long-term debt were as follows:

Years Ending June 30,	Bonds <u>Principal</u>	Bonds <u>Interest</u>	Other <u>Principal</u>	Other <u>Interest</u>	Total <u>Principal</u>	Total <u>Interest</u>
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	1,285,000	1,385,461	-	-	1,285,000	1,385,461
2025-2029	6,425,000	6,927,306	-	-	6,425,000	6,927,306
2030-2034	6,425,000	6,927,306	-	-	6,425,000	6,927,306
2035-2039	5,990,000	5,611,506	-	-	5,990,000	5,611,506
2040-2042	<u>6,855,000</u>	<u>2,840,584</u>	<u>-</u>	<u>-</u>	<u>6,855,000</u>	<u>2,840,584</u>
	<u>\$34,140,000</u>	<u>\$29,432,213</u>	<u>\$353,598</u>	<u>\$13,943</u>	<u>\$34,493,598</u>	<u>\$29,446,156</u>

Note 7 - Legal Debt Margin

The legal debt margin is calculated as follows:

Taxable assessed valuation - 2018	<u>\$302,581,750</u>
Debt limit - 13.8% of assessed valuation	\$ 41,756,282
Less general long-term debt	<u>34,493,598</u>
Legal debt margin	<u>\$ 7,265,684</u>

Note 8 – 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 \$3,024,710 which has been recorded as reserved fund balance in the Capital Projects Fund.

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2019

Note 9 – Pension Plans

General Information about the TRS Pension Plan

TRS Plan Description

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

TRS issues a publicly available financial report that can be obtained at 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, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the State of Illinois.

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2019

Note 9 – Pension Plans (Continued)

TRS Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the years ended June 30, 2019 and 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, 2019, State of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective net pension liability associated with the employer, and the District recognized revenue and expenditures of \$18,554,669 in pension contributions from the State of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2019 were \$156,677.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay a District 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, 2019. 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, 2019, the District pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$418,562 were paid from federal and special trust funds that required District contributions of \$41,228.

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

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

Note 9 – Pension Plans (Continued)

For the year ended June 30, 2019, the District recognized TRS pension expense of \$197,905 and revenue and expenditures of \$18,554,669 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.

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, 2019

Note 9 – Pension Plans (Continued)

IMRF Employees Covered by Benefit Terms

As of December 31, 2018, the following employees were covered by the benefit terms:	<u>Regular</u>
Retirees and beneficiaries currently receiving benefits	278
Inactive plan members entitled to but not yet receiving benefits	307
Active plan members	<u>363</u>
Total	<u>948</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 2018 and 2019 were 10.48% and 8.30%, respectively. For the fiscal year ended June 30, 2019, the District contributed \$1,118,313 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 \$1,316,218 for fiscal year 2019.

Note 10 – Social Security

Employees not qualifying for coverage under the Illinois Teachers' Retirement System are covered under Social Security. The District paid \$734,477, the total required contribution for the current fiscal year.

Note 11 – 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, 2019

Note 11 – Other Post-Employment Benefits (Continued)

Benefits Provided

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

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

On behalf contributions to the THIS Fund

The State of Illinois makes District retiree health insurance contributions on behalf of the District. For the year ended June 30, 2019, State of Illinois contributions recognized by the District were based on the State's proportionate share of the fiscal year 2018 contributions associated with the District. State of Illinois contributions were \$313,606 and the District recognized revenue and expenditures of this amount during the year.

Employer contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.92 percent during the year ended June 30, 2019. For the year ended June 30, 2019, the District paid \$248,905 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 12 - Risk Management

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

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2019

Note 12 - 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.

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 13 – 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, 2019, were approximately \$497,000.

Note 14 - Contingencies

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

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2019

Note 15 – Other

Expenditures in the Debt Service and Municipal Retirement/Social Security Funds exceeded the budgeted amounts for the year.

Note 16 – Subsequent Events

The District entered into a lease agreement for Chromebooks totaling \$344,694 including interest effective July 15, 2019.

The District entered into a lease agreement for technology equipment totaling \$684,790 including interest effective July 15, 2019.

KANKAKEE SCHOOL DISTRICT 111

Schedule 1

**Statement of Receipts, Disbursements and Changes in Fund Balances
Budget and Actual - All Funds
For the year ended June 30, 2019**

	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
Receipts										
Local sources	\$ 10,639,000	\$ 11,106,949	\$ 2,103,000	\$ 2,156,249	\$ 2,782,000	\$ 2,816,925	\$ 1,226,000	\$ 1,271,724	\$ 2,086,000	\$ 2,136,546
State sources	32,904,000	29,886,356	3,500,000	3,507,695	-	300,000	2,350,000	2,297,906	-	97,112
Federal sources	10,192,000	10,989,204	-	-	1,173,000	1,560,974	-	-	-	529,636
Total Receipts	53,735,000	51,982,509	5,603,000	5,663,944	3,955,000	4,677,899	3,576,000	3,569,630	2,086,000	2,763,294
Disbursements										
Instruction	33,958,000	31,204,103	-	-	-	-	-	-	633,000	943,693
Supporting services	18,034,000	18,214,960	5,469,000	5,147,254	-	-	3,915,000	3,410,109	1,148,000	1,305,924
Community services	659,000	1,101,394	-	-	-	-	-	-	-	118,612
Payments to other governmental units	535,000	553,550	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	3,982,000	5,022,317	-	-	-	-
Total Disbursements	53,186,000	51,074,007	5,469,000	5,147,254	3,982,000	5,022,317	3,915,000	3,410,109	1,781,000	2,368,229
Excess (Deficiency) of Receipts Over Disbursements	549,000	908,502	134,000	516,690	(27,000)	(344,418)	(339,000)	159,521	305,000	395,065
Other Financing Sources (Uses)										
Transfer to debt service - capital lease principal	-	(268,149)	-	-	-	268,149	-	-	-	-
Transfer to debt service - capital lease interest	-	(11,840)	-	-	-	11,840	-	-	-	-
Other sources	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(279,989)	-	-	-	279,989	-	-	-	-
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing (Sources) Uses	\$ 549,000	628,513	\$ 134,000	516,690	\$ (27,000)	(64,429)	\$ (339,000)	159,521	\$ 305,000	395,065
Fund Balance, Beginning of Year		1,812,290		2,619,919		135,986		1,820,274		2,395,545
Fund Balance, End of Year		\$ 2,440,803		\$ 3,136,609		\$ 71,557		\$ 1,979,795		\$ 2,790,610

KANKAKEE SCHOOL DISTRICT 111
Statement of Receipts, Disbursements and Changes in Fund Balances
Budget and Actual - All Funds
For the year ended June 30, 2019

	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
Receipts										
Local sources	\$ 100,000	\$ 356,879	\$ 113,000	\$ 171,823	\$ 472,000	\$ 482,547	\$ -	\$ 4,526	\$ 19,521,000	\$ 20,504,168
State sources	-	3,000,000	-	-	1,200,000	1,201,801	-	-	39,954,000	40,290,870
Federal sources	-	-	-	-	-	-	-	-	11,365,000	13,079,814
Total Receipts	100,000	3,356,879	113,000	171,823	1,672,000	1,684,348	-	4,526	70,840,000	73,874,852
Disbursements										
Instruction	-	-	-	-	-	-	-	-	34,591,000	32,147,796
Supporting services	25,000,000	21,716,390	-	-	1,233,000	789,274	-	-	54,799,000	50,583,911
Community services	-	-	-	-	-	-	-	-	659,000	1,220,006
Payments to other governmental units	-	-	-	-	-	-	-	-	535,000	553,550
Debt services	-	-	-	-	-	-	-	-	3,982,000	5,022,317
Total Disbursements	25,000,000	21,716,390	-	-	1,233,000	789,274	-	-	94,566,000	89,527,580
Excess (Deficiency) of Receipts Over Disbursements	(24,900,000)	(18,359,511)	113,000	171,823	439,000	895,074	-	4,526	(23,726,000)	(15,652,728)
Other Financing Sources (Uses)										
Transfer to debt service - capital lease principal	-	-	-	-	-	-	-	-	-	-
Transfer to debt service - capital lease interest	-	-	-	-	-	-	-	-	-	-
Other sources	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing (Sources) Uses	\$(24,900,000)	(18,359,511)	\$ 113,000	171,823	\$ 439,000	895,074	\$ -	4,526	\$ (23,726,000)	(15,652,728)
Fund Balance, Beginning of Year		26,402,638		5,002,735		435,337		398,029		41,022,753
Fund Balance, End of Year		\$ 8,043,127		\$ 5,174,558		\$ 1,330,411		\$ 402,555		\$ 25,370,025

KANKAKEE SCHOOL DISTRICT 111**Schedule 2****Student Activity Funds****Summary Statement of Cash Receipts and Disbursements****For the year ended June 30, 2019**

	Cash Plus Investments June 30, 2018	Receipts	Disbursements	Cash Plus Investments June 30, 2019
Avis Huff Student Support Services Center	\$ 1,326	\$ 603	\$ 10	\$ 1,919
John F. Kennedy Middle Grade Center	8,385	83,840	71,845	20,380
Kankakee High School	350,606	299,519	296,951	353,174
Kankakee Holiday Tournament Fund	6,613	43,644	34,691	15,566
Kankakee Junior High School	23,192	64,033	59,502	27,723
Kankakee School District Administration	7,897	24,970	32,802	65
Lincoln Cultural Center	7,251	12,713	13,499	6,465
Mark Twain Primary School	1,999	2,874	2,543	2,330
Martin Luther King Middle Grade Center	14,712	43,633	35,002	23,343
Steuben Primary School	4,494	9,317	6,362	7,449
Taft Primary School	5,144	11,162	9,408	6,898
Thomas Edison Primary School	319	2,822	2,980	161
District Activity Fund	17,476	32,437	33,669	16,244
Total All Funds and Accounts	<u>\$ 449,414</u>	<u>\$ 631,567</u>	<u>\$ 599,264</u>	<u>\$ 481,717</u>

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

Schedule 3

	2018	2017	2016	2015
Assessed Valuation	<u>\$ 310,485,755</u>	<u>\$ 304,594,919</u>	<u>\$ 300,145,552</u>	<u>\$ 310,686,665</u>
Taxable Valuation	<u>\$ 302,581,750</u>	<u>\$ 290,983,151</u>	<u>\$ 286,350,940</u>	<u>\$ 296,127,379</u>
Tax Rates				
Educational	3.3839	3.2216	3.1684	3.0404
Liability insurance	0.1653	0.1683	0.9580	0.1629
Operations & maintenance	0.7354	0.7341	0.0178	0.6629
Special education	0.0000	0.0000	0.7275	0.0017
Transportation	0.4958	0.4373	0.4236	0.2606
I.M.R.F.	0.2479	0.3364	0.2711	0.4072
Social security	0.2479	0.3364	0.0018	0.4072
Bonds & interest	0.9245	0.9627	0.0340	0.9204
Bond deficiency	0.0316	0.0294	0.0028	0.0269
Working cash	0.0496	0.0405	0.1695	0.0017
Fire prevention & life safety	0.0000	0.0000	0.4236	0.0326
Total Tax Rates	<u>6.2819</u>	<u>6.2667</u>	<u>6.1981</u>	<u>5.9245</u>
Tax Extensions				
Educational	\$ 10,239,064	\$ 9,374,313	\$ 9,072,743	\$ 9,003,457
Liability insurance	500,168	489,725	485,365	482,392
Operations & maintenance	2,225,186	2,136,107	2,083,203	1,963,028
Special education	-	-	8,018	5,034
Transportation	1,500,200	1,272,469	776,297	771,708
I.M.R.F.	750,100	978,867	1,212,983	1,205,831
Social security	750,100	978,867	1,212,983	1,205,831
Bonds & interest	2,797,368	2,801,295	2,743,242	2,725,556
Bond deficiency	95,616	85,549	50,970	79,658
Working cash	150,081	117,848	5,154	5,034
Fire prevention & life safety	-	-	97,359	96,538
Total Tax Extensions	<u>\$ 19,007,883</u>	<u>\$ 18,235,040</u>	<u>\$ 17,748,317</u>	<u>\$ 17,544,067</u>
Tax Collections	<u>\$ -</u>	<u>\$ 17,783,619</u>	<u>\$ 17,125,003</u>	<u>\$ 16,993,594</u>
Percentage of Tax Extensions Collected	0.0%	97.5%	96.5%	96.9%

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

	<u>FY2018*</u>	<u>FY2017*</u>	<u>FY2016*</u>	<u>FY2015*</u>	<u>FY2014*</u>
District's proportion of the net pension liability	0.0037%	0.0070%	0.0109%	0.0161%	0.0161%
District's proportionate share of the net pension liability	\$ 2,883,993	\$ 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>197,565,631</u>	<u>192,997,585</u>	<u>216,624,968</u>	<u>180,088,281</u>	<u>168,142,841</u>
Total	<u>\$200,449,624</u>	<u>\$198,355,151</u>	<u>\$225,243,143</u>	<u>\$190,651,917</u>	<u>\$177,942,466</u>
District's covered payroll	\$27,159,191	\$ 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 payroll	10.62%	20.55%	31.4%	37.9%	36.1%
Plan fiduciary net position as a percentage of the total pension liability	40.0%	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>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>
Contractually-required contribution	\$ 172,949	\$ 284,894	\$ 434,556	\$ 555,336	\$ 572,818
Contributions in relation to the contractually required contribution	<u>172,949</u>	<u>288,482</u>	<u>434,200</u>	<u>566,716</u>	<u>574,524</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (3,588)</u>	<u>\$ 356</u>	<u>\$ (11,380)</u>	<u>\$ (1,706)</u>
District's covered payroll	\$27,159,191	\$26,075,824	\$27,413,107	\$27,858,649	\$27,120,627
Contributions as a percentage of covered payroll	0.64%	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 2018, 2017 and 2016 measurement years, 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, but the rates of increase in the 2018 measurement year were slightly higher.

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, 2018, 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	\$ 2,883,993
State's proportionate share of the net pension liability associated with the District	<u>197,565,631</u>
Total	<u>\$200,499,624</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2018, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2018, the District's proportion was 0.0037 percent, which is a decrease of 0.0033 percent from its proportion measured as of June 30, 2017.

TRS Actuarial Assumptions

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

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

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

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.50 percent to 7.0 percent. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

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

Kankakee School District 111
Additional Pension Information
June 30, 2019

Schedule 4
(Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	15.0%	6.7%
U.S. equities small/mid cap	2.0	7.9%
International equities developed	13.6	7.0%
Emerging market equities	3.4	9.4%
U.S. bonds core	8.0	2.2%
U.S. bonds high yield	4.2	4.4%
International debt developed	2.2	1.3%
Emerging international debt	2.6	4.5%
Real estate	16.0	5.4%
Real return	4.0	1.8%
Absolute return	14.0	3.9%
Private equity	<u>15.0</u>	10.2%
Total	<u>100.0%</u>	

TRS Discount rate

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

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

Sensitivity of the 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	\$3,536,945	\$2,883,993	\$2,358,170

TRS fiduciary net position

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

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

Calendar Year Ended December 31,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Service Cost	\$ 1,134,369	\$ 1,205,612	\$ 1,189,020	\$ 1,153,453	\$ 1,211,643
Interest on the total pension liability	4,134,902	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	(421,146)	(692,779)	703,448	380,910	(575,214)
Changes of assumptions	1,598,798	(1,694,601)	(132,182)	125,423	1,889,686
Benefit payments, including refunds of employee contributions	<u>(2,641,256)</u>	<u>(2,389,682)</u>	<u>(2,145,149)</u>	<u>(1,922,274)</u>	<u>(1,681,091)</u>
Net change in total pension liability	3,805,667	535,403	3,460,702	3,349,194	4,156,216
Total pension liability – beginning	<u>55,885,472</u>	<u>55,350,069</u>	<u>51,889,367</u>	<u>48,540,173</u>	<u>44,383,957</u>
Total pension liability – ending (A)	<u>\$59,691,139</u>	<u>\$55,885,472</u>	<u>\$55,350,069</u>	<u>\$51,889,367</u>	<u>\$48,540,173</u>
Plan Fiduciary Net Position					
Contributions – Employer	\$ 1,187,352	\$ 1,149,277	\$ 1,121,116	\$ 1,104,730	\$ 1,058,122
Contributions – Employees	532,418	505,054	498,649	482,181	465,391
Net investment income	(2,835,789)	8,498,777	3,157,203	235,687	2,724,435
Benefit payments, including refunds of employee contributions	(2,641,256)	(2,389,682)	(2,145,149)	(1,922,274)	(1,681,091)
Other (net transfer)	<u>659,539</u>	<u>(1,281,120)</u>	<u>178,440</u>	<u>(944,953)</u>	<u>(3,489)</u>
Net change in plan fiduciary net position	(3,097,736)	6,482,306	2,810,259	(1,044,629)	2,563,368
Plan fiduciary net position – beginning	<u>55,552,968</u>	<u>49,070,662</u>	<u>46,260,403</u>	<u>47,305,032</u>	<u>44,741,664</u>
Plan fiduciary net position – ending (B)	<u>\$52,455,232</u>	<u>\$55,552,968</u>	<u>\$49,070,662</u>	<u>\$46,260,403</u>	<u>\$47,305,032</u>
Net pension liability (Asset)–ending (A)–(B)	<u>\$ 7,235,907</u>	<u>\$ 332,504</u>	<u>\$ 6,279,407</u>	<u>\$ 5,628,964</u>	<u>\$ 1,235,141</u>
Plan fiduciary net position as a percentage of the total pension liability	87.88%	99.41%	88.66%	89.15%	97.46%
Covered payroll	\$11,311,613	\$11,220,342	\$11,081,043	\$10,729,728	\$10,154,725
Net pension liability (asset) as a percentage of covered payroll	63.97%	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, 2018. 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, 2018:

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	7.25%
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, 2018 IMRF annual actuarial valuation report.

IMRF Single Discount Rate

Single Discount Rates of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount 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 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

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

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Net Pension Liability (Asset) – Regular Plan	\$14,508,671	\$7,235,907	\$1,265,579

Schedule of District Contributions
Regular Plan

Fiscal Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2019	\$1,094,126	\$1,094,126	\$ -	\$11,682,741	9.37%
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 2018 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 2018 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age = normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 25-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (three employers were financed over 29 years).
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.50%
<i>Price Inflation:</i>	2.75%
<i>Salary Increases:</i>	3.75% to 14.50%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
<i>Mortality:</i>	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, 2016, actuarial valuation.

Financial Statement Findings

Current Year Findings:

Finding No: 2019-001 (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 revenues in the incorrect account and expenditures in the incorrect function or object. Audit adjustments were posted to correct the classifications.

Context:

Audit adjustments were recorded to reclassify \$1,009,559 of revenue and \$1,158,095 of expenditures. Expenditure adjustments in the amount of \$953,482 were posted to the Capital Projects Fund.

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.

Management's response:

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

Financial Statement Findings

Current Year Findings:

Finding No: 2019-002 (Repeat from Prior Year: Originally reported in 2017)

Criteria or specified requirement:

Audit adjustments should be posted correctly to the District's general ledger. Beginning fund balances should agree to prior year audited amounts.

Condition:

Fiscal year 2018 audit adjustments were not posted correctly to the general ledger, causing beginning fund balances to be misstated prior to audit adjustments.

Context:

Beginning fund balances for fiscal year 2019 were incorrect: the Educational Fund was overstated \$170,522; the Capital Projects Fund was materially overstated by \$102,559.

Effect:

Prior to audit adjustments, the beginning fund balances were incorrect, which could impact decision-making by management and the board related to budgeting and spending.

Cause:

The fund balances were not reviewed adequately after posting the audit adjustments.

Recommendation:

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

Management's response:

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

Financial Statement Findings

Current Year Findings:

Finding No: 2019-003 (Repeat from Prior Year: Originally reported in 2018)

Criteria or specified requirement:

Reconciliations should be performed timely to detect and correct errors for all cash and investment accounts.

Condition:

Accurate reconciliations were not prepared timely for cash and investments during fiscal year 2019, which resulted in material audit adjustments and delayed the issuance of the audit.

Context:

Audit adjustments to cash resulted in a net reduction to the operating cash account of \$859,729. These included adjustments to recording payroll taxes and IMRF payments which were previously unrecorded, and corrections of prior year adjustments being posted twice. Audit adjustments to investments resulted in a net addition to investments of \$112,161. These included recording \$214,720 of investment income which was previously unrecorded, and corrections for prior year adjustments being posted twice.

Effect:

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

Cause:

The District did not have effective controls and processes in place to prevent and detect errors. Prior year adjustments and beginning fund balances were not reviewed for accuracy. The District was unable to prepare accurate and timely cash and investment reconciliations on a monthly basis during fiscal year 2019.

Recommendation:

Cash and investment reconciliations should be performed monthly and reviewed by the Assistant Superintendent of Business services. The District should consider obtaining outside assistance to develop and implement controls and processes around the bank reconciliation process to prevent and detect errors.

Management's response:

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

Financial Statement Findings

Current Year Findings:

Finding No: 2019-004 (New)

Criteria or specified requirement:

A capital asset listing should be maintained by the District that includes cost, purchase date, description, and amount to support the balance reported in the General Fixed Asset Account Group.

Condition:

A District-wide capital asset listing is not being maintained that includes cost, purchase date, description, and amount to support the balance reported in the General Fixed Asset Account Group.

Effect:

The auditor's opinion is qualified for the General Fixed Asset Account Group.

Cause:

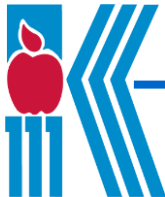
The asset listing that the District maintained at one point in time cannot be located.

Recommendation:

The District should create an asset listing using actual historical records or best estimates and account for additions and reductions going forward.

Management's response:

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



Finding Number: 2019-001

Finding: The District recorded revenues in the incorrect account and expenditures in the incorrect function or object. Audit adjustments were posted to correct the classifications.

Planned Corrective Action: The District will refer to Title 23 of the Illinois Administrative Code, Part 100, when unsure about where to classify revenues and expenditures. Members within the business department will work together as a team to classify revenues and expenditures.

Anticipated completion date: June 30, 2020

Contact/responsible person: Robert Grossi, Assistant Superintendent of Business Services/CSBO



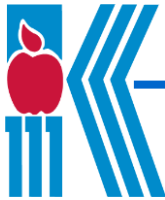
Finding Number: 2019-002

Finding: Fiscal year 2018 audit adjustments were not posted correctly to the general ledger, causing beginning fund balances to be materially misstated prior to audit adjustments.

Planned Corrective Action: The business department will accurately post audit adjustments to the general ledger.

Anticipated completion date: June 30, 2020

Contact/responsible person: Robert Grossi, Assistant Superintendent of Business Services/CSBO



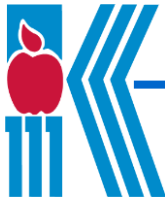
Finding Number: 2019-003

Finding: Accurate reconciliations were not prepared timely for cash and investments during fiscal year 2019, which resulted in material audit adjustments and delayed the issuance of the audit.

Planned Corrective Action: The business department has already been implementing a new procedure to effectively perform its reconciliations. Prior to the 2020 audit, the District will use outside assistance to review its audit process and/or receive additional support.

Anticipated completion date: June 30, 2020

Contact/responsible person: Robert Grossi, Assistant Superintendent of Business Services/CSBO



Finding Number: 2019-004

Finding: A capital asset listing should be maintained by the District that includes cost, purchase date, description, and amount to support the balance reported in the General Fixed Asset Account Group.

Planned Corrective Action: The District will begin keeping a fixed asset list of all new purchases effective January 2020. This list will be kept in conjunction with the District's statement of values for its buildings.

Anticipated completion date: June 30, 2020

Contact/responsible person: Robert Grossi, Assistant Superintendent of Business Services/CSBO