
**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**ANNUAL FINANCIAL REPORT,
SUPPLEMENTARY INFORMATION,
AND OTHER INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Marion Community Unit School District #2
1700 W. Cherry Street
Marion, Illinois 62959

Report on the Financial Statements

We have audited the accompanying financial statements, as listed in the table of contents, of Marion Community Unit School District #2 (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

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; this includes 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As described in Note 1, the financial statements are prepared by Marion Community Unit School District #2 on the basis of the financial reporting provisions of the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Illinois State Board of Education as defined by Title 23 Education and Cultural Resources of the Illinois Administrative Code Part 100. 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 matters discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly the financial position of Marion Community Unit School District #2, as of June 30, 2019, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion on Postemployment Healthcare Benefits

As described in Note 9, the District’s financial statements do not include disclosures regarding postemployment healthcare benefits required under Government Accounting Standards Board Statement 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*. In our opinion, disclosure of that information is required to conform to the financial reporting provisions of the Illinois State Board of Education. The amount by which this disclosure would affect the financial statements is not reasonably determinable.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the omission of the information disclosed in the “Basis for Qualified Opinion on Postemployment Healthcare Benefits” paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets and liabilities arising from cash transactions of Marion Community Unit School District #2 as of June 30, 2019, and their respective revenues received and expenditures disbursed for the year then ended on the basis of the financial reporting provisions of the Illinois State Board of Education as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Marion Community Unit School District #2’s basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, in the Federal Compliance Section, is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Marion Community Unit School District #2's basic financial statements. The Other Information, as listed in the table of contents, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2019 on our consideration of Marion Community Unit School District #2'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 the effectiveness of Marion Community Unit School District #2's 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 Marion Community Unit School District #2's internal control over financial reporting and compliance.



KEMPER CPA GROUP LLP

Certified Public Accountants and Consultants

Marion, Illinois
October 8, 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***

To the Board of Education
Marion Community Unit School District #2
1700 W. Cherry Street
Marion, Illinois 62959

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Marion Community Unit School District #2 as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Marion Community Unit School District #2's basic financial statements and have issued our report thereon dated October 8, 2019. Our opinion was adverse because the financial statements are not prepared in accordance with accounting principles generally accepted in the United States of America. However, the financial statements were found to be fairly stated, except for the effects of the omitted disclosures required by Governmental Accounting Standards Board Statement 75, *Accounting and Financial Reporting for Post-Retirement Benefits Other than Pensions*, on the modified cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marion Community Unit School District #2's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Marion Community Unit School District #2'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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marion Community Unit School District #2'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*.

Purpose of this Report

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

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
October 8, 2019

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

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	ASSETS (Enter Whole Dollars)	Acct. #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
3	CURRENT ASSETS (100)										
4	Cash (Accounts 111 through 115) ¹		5,111,774	581,496	10,338	316,590	521,291	1,313,038	5,288	148,591	229,333
5	Investments	120									
6	Taxes Receivable	130									
7	Interfund Receivables	140									
8	Intergovernmental Accounts Receivable	150									
9	Other Receivables	160									
10	Inventory	170									
11	Prepaid Items	180									
12	Other Current Assets (Describe & Itemize)	190									
13	Total Current Assets		5,111,774	581,496	10,338	316,590	521,291	1,313,038	5,288	148,591	229,333
14	CAPITAL ASSETS (200)										
15	Works of Art & Historical Treasures	210									
16	Land	220									
17	Building & Building Improvements	230									
18	Site Improvements & Infrastructure	240									
19	Capitalized Equipment	250									
20	Construction in Progress	260									
21	Amount Available in Debt Service Funds	340									
22	Amount to be Provided for Payment on Long-Term Debt	350									
23	Total Capital Assets										
24	CURRENT LIABILITIES (400)										
25	Interfund Payables	410									
26	Intergovernmental Accounts Payable	420									
27	Other Payables	430									
28	Contracts Payable	440									
29	Loans Payable	460									
30	Salaries & Benefits Payable	470									
31	Payroll Deductions & Withholdings	480									
32	Deferred Revenues & Other Current Liabilities	490						652			
33	Due to Activity Fund Organizations	493									
34	Total Current Liabilities		0	0	0	0	0	652	0	0	0
35	LONG-TERM LIABILITIES (500)										
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511									
37	Total Long-Term Liabilities										
38	Reserved Fund Balance	714		1,742			123,518	1,312,386			
39	Unreserved Fund Balance	730	5,111,774	579,754	10,338	316,590	397,773		5,288	148,591	229,333
40	Investment in General Fixed Assets										
41	Total Liabilities and Fund Balance		5,111,774	581,496	10,338	316,590	521,291	1,313,038	5,288	148,591	229,333

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

Print Date: 10/7/2019

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

	A	B	L	M	N
1	ASSETS (Enter Whole Dollars)		Account Groups		
2			Acct. #	Agency Fund	General Fixed Assets
3	CURRENT ASSETS (100)				
4	Cash (Accounts 111 through 115) ¹		374,407		
5	Investments	120			
6	Taxes Receivable	130			
7	Interfund Receivables	140			
8	Intergovernmental Accounts Receivable	150			
9	Other Receivables	160			
10	Inventory	170			
11	Prepaid Items	180			
12	Other Current Assets (Describe & Itemize)	190			
13	Total Current Assets		374,407		
14	CAPITAL ASSETS (200)				
15	Works of Art & Historical Treasures	210			
16	Land	220		1,754,743	
17	Building & Building Improvements	230		109,621,283	
18	Site Improvements & Infrastructure	240		2,268,788	
19	Capitalized Equipment	250		2,515,637	
20	Construction in Progress	260			
21	Amount Available in Debt Service Funds	340			10,338
22	Amount to be Provided for Payment on Long-Term Debt	350			23,264,662
23	Total Capital Assets			116,160,451	23,275,000
24	CURRENT LIABILITIES (400)				
25	Interfund Payables	410			
26	Intergovernmental Accounts Payable	420			
27	Other Payables	430			
28	Contracts Payable	440			
29	Loans Payable	460			
30	Salaries & Benefits Payable	470			
31	Payroll Deductions & Withholdings	480			
32	Deferred Revenues & Other Current Liabilities	490			
33	Due to Activity Fund Organizations	493	374,407		
34	Total Current Liabilities		374,407		
35	LONG-TERM LIABILITIES (500)				
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511			23,275,000
37	Total Long-Term Liabilities				23,275,000
38	Reserved Fund Balance	714			
39	Unreserved Fund Balance	730			
40	Investment in General Fixed Assets			116,160,451	
41	Total Liabilities and Fund Balance		374,407	116,160,451	23,275,000

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

Print Date: 10/7/2019

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

1	A	B	C	D	E	F	G	H	I	J	K
2	Description (Enter Whole Dollars)	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
3	RECEIPTS/REVENUES										
4	LOCAL SOURCES	1000	16,994,406	3,919,527	1,778,080	1,131,174	982,740	2,681,658	944	457,491	252,638
5	FLOW-THROUGH RECEIPTS/REVENUES FROM ONE DISTRICT TO ANOTHER DISTRICT	2000	0	0		0	0				
6	STATE SOURCES	3000	10,519,573	153,217	0	382,892	0	29,244	0	0	0
7	FEDERAL SOURCES	4000	2,590,200	0	0	0	0	0	0	0	0
8	Total Direct Receipts/Revenues		30,104,179	4,072,744	1,778,080	1,514,066	982,740	2,710,902	944	457,491	252,638
9	Receipts/Revenues for "On Behalf" Payments ²	3998	12,720,775								
10	Total Receipts/Revenues		42,824,954	4,072,744	1,778,080	1,514,066	982,740	2,710,902	944	457,491	252,638
11	DISBURSEMENTS/EXPENDITURES										
12	Instruction	1000	18,808,089				245,669				
13	Support Services	2000	6,590,156	4,466,951		1,296,994	659,256	276,792		455,617	201,795
14	Community Services	3000	135,218	0		0	8,087				
15	Payments to Other Districts & Governmental Units	4000	4,128,388	0	0	199,306	0	0		0	0
16	Debt Service	5000	0	0	4,080,247	0	0			0	0
17	Total Direct Disbursements/Expenditures		29,661,851	4,466,951	4,080,247	1,496,300	913,012	276,792		455,617	201,795
18	Disbursements/Expenditures for "On Behalf" Payments ²	4180	12,720,775	0	0	0	0	0		0	0
19	Total Disbursements/Expenditures		42,382,626	4,466,951	4,080,247	1,496,300	913,012	276,792		455,617	201,795
20	Excess of Direct Receipts/Revenues Over (Under) Direct Disbursements/Expenditures ³		442,328	(394,207)	(2,302,167)	17,766	69,728	2,434,110	944	1,874	50,843
21	OTHER SOURCES/USES OF FUNDS										
22	OTHER SOURCES OF FUNDS (7000)										
23	PERMANENT TRANSFER FROM VARIOUS FUNDS										
24	Abolishment of the Working Cash Fund ¹²	7110									
25	Abatement of the Working Cash Fund ¹²	7110									
26	Transfer of Working Cash Fund Interest	7120									
27	Transfer Among Funds	7130									
28	Transfer of Interest	7140									
29	Transfer from Capital Project Fund to O&M Fund	7150									
30	Transfer of Excess Fire Prevention & Safety Tax and Interest Proceeds to O&M Fund ⁴	7160									
31	Transfer to Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund ⁵	7170									
32	SALE OF BONDS (7200)										
33	Principal on Bonds Sold	7210									
34	Premium on Bonds Sold	7220									
35	Accrued Interest on Bonds Sold	7230									
36	Sale or Compensation for Fixed Assets ⁶	7300									
37	Transfer to Debt Service to Pay Principal on Capital Leases	7400			1,898,780						
38	Transfer to Debt Service to Pay Interest on Capital Leases	7500			413,234						
39	Transfer to Debt Service to Pay Principal on Revenue Bonds	7600			0						
40	Transfer to Debt Service Fund to Pay Interest on Revenue Bonds	7700			0						
41	Transfer to Capital Projects Fund	7800						0			
42	ISBE Loan Proceeds	7900									
43	Other Sources Not Classified Elsewhere	7990									
44	Total Other Sources of Funds		0	0	2,312,014	0	0	0	0	0	0
45	OTHER USES OF FUNDS (8000)										

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

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

1	A	B	C	D	E	F	G	H	I	J	K
2	Description (Enter Whole Dollars)	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
46	PERMANENT TRANSFER TO VARIOUS OTHER FUNDS (8100)										
47	Abolishment or Abatement of the Working Cash Fund ¹²	8110							0		
48	Transfer of Working Cash Fund Interest ¹²	8120							0		
49	Transfer Among Funds	8130									
50	Transfer of Interest	8140									
51	Transfer from Capital Project Fund to O&M Fund	8150						0			
52	Transfer of Excess Fire Prevention & Safety Tax & Interest Proceeds to O&M Fund ⁴	8160									0
53	Transfer of Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund ⁵	8170									0
54	Taxes Pledged to Pay Principal on Capital Leases	8410						1,898,780			
55	Grants/Reimbursements Pledged to Pay Principal on Capital Leases	8420									
56	Other Revenues Pledged to Pay Principal on Capital Leases	8430									
57	Fund Balance Transfers Pledged to Pay Principal on Capital Leases	8440									
58	Taxes Pledged to Pay Interest on Capital Leases	8510						413,234			
59	Grants/Reimbursements Pledged to Pay Interest on Capital Leases	8520									
60	Other Revenues Pledged to Pay Interest on Capital Leases	8530									
61	Fund Balance Transfers Pledged to Pay Interest on Capital Leases	8540									
62	Taxes Pledged to Pay Principal on Revenue Bonds	8610									
63	Grants/Reimbursements Pledged to Pay Principal on Revenue Bonds	8620									
64	Other Revenues Pledged to Pay Principal on Revenue Bonds	8630									
65	Fund Balance Transfers Pledged to Pay Principal on Revenue Bonds	8640									
66	Taxes Pledged to Pay Interest on Revenue Bonds	8710									
67	Grants/Reimbursements Pledged to Pay Interest on Revenue Bonds	8720									
68	Other Revenues Pledged to Pay Interest on Revenue Bonds	8730									
69	Fund Balance Transfers Pledged to Pay Interest on Revenue Bonds	8740									
70	Taxes Transferred to Pay for Capital Projects	8810									
71	Grants/Reimbursements Pledged to Pay for Capital Projects	8820									
72	Other Revenues Pledged to Pay for Capital Projects	8830									
73	Fund Balance Transfers Pledged to Pay for Capital Projects	8840									
74	Transfer to Debt Service Fund to Pay Principal on ISBE Loans	8910									
75	Other Uses Not Classified Elsewhere	8990									
76	Total Other Uses of Funds		0	0	0	0	0	2,312,014	0	0	0
77	Total Other Sources/Uses of Funds		0	0	2,312,014	0	0	(2,312,014)	0	0	0
78	Excess of Receipts/Revenues and Other Sources of Funds (Over/Under) Expenditures/Disbursements and Other Uses of Funds		442,328	(394,207)	9,847	17,766	69,728	122,096	944	1,874	50,843
79	Fund Balances - July 1, 2018		4,669,446	975,703	491	298,824	451,563	1,190,290	4,344	146,717	178,490
80	Other Changes in Fund Balances - Increases (Decreases) (Describe & Itemize)										
81	Fund Balances - June 30, 2019		5,111,774	581,496	10,338	316,590	521,291	1,312,386	5,288	148,591	229,333

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

STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2019

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description (Enter Whole Dollars)	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
3	RECEIPTS/REVENUES FROM LOCAL SOURCES (1000)										
4	AD VALOREM TAXES LEVIED BY LOCAL EDUCATION AGENCY	1100									
5	Designated Purposes Levies (1110-1120) ⁷		14,823,326	3,849,790	1,761,186	1,096,789	475,587		869	448,691	249,231
6	Leasing Purposes Levy ⁸	1130									
7	Special Education Purposes Levy	1140	14,507								
8	FICA/Medicare Only Purposes Levies	1150					451,680				
9	Area Vocational Construction Purposes Levy	1160									
10	Summer School Purposes Levy	1170									
11	Other Tax Levies (Describe & Itemize)	1190									
12	Total Ad Valorem Taxes Levied By District		14,837,833	3,849,790	1,761,186	1,096,789	927,267	0	869	448,691	249,231
13	PAYMENTS IN LIEU OF TAXES	1200									
14	Mobile Home Privilege Tax	1210	37,117								
15	Payments from Local Housing Authorities	1220			10,000						
16	Corporate Personal Property Replacement Taxes ⁹	1230	621,990				45,000				
17	Other Payments in Lieu of Taxes (Describe & Itemize)	1290	26,363								
18	Total Payments in Lieu of Taxes		709,899	0	10,000	0	45,000	0	0	0	0
19	TUITION	1300									
20	Regular - Tuition from Pupils or Parents (In State)	1311									
21	Regular - Tuition from Other Districts (In State)	1312									
22	Regular - Tuition from Other Sources (In State)	1313									
23	Regular - Tuition from Other Sources (Out of State)	1314									
24	Summer Sch - Tuition from Pupils or Parents (In State)	1321									
25	Summer Sch - Tuition from Other Districts (In State)	1322									
26	Summer Sch - Tuition from Other Sources (In State)	1323									
27	Summer Sch - Tuition from Other Sources (Out of State)	1324									
28	CTE - Tuition from Pupils or Parents (In State)	1331									
29	CTE - Tuition from Other Districts (In State)	1332									
30	CTE - Tuition from Other Sources (In State)	1333									
31	CTE - Tuition from Other Sources (Out of State)	1334									
32	Special Ed - Tuition from Pupils or Parents (In State)	1341									
33	Special Ed - Tuition from Other Districts (In State)	1342									
34	Special Ed - Tuition from Other Sources (In State)	1343									
35	Special Ed - Tuition from Other Sources (Out of State)	1344									
36	Adult - Tuition from Pupils or Parents (In State)	1351									
37	Adult - Tuition from Other Districts (In State)	1352									
38	Adult - Tuition from Other Sources (In State)	1353									
39	Adult - Tuition from Other Sources (Out of State)	1354									
40	Total Tuition		0								
41	TRANSPORTATION FEES	1400									
42	Regular -Transp Fees from Pupils or Parents (In State)	1411									
43	Regular - Transp Fees from Other Districts (In State)	1412									
44	Regular - Transp Fees from Other Sources (In State)	1413									
45	Regular - Transp Fees from Co-curricular Activities (In State)	1415									
46	Regular Transp Fees from Other Sources (Out of State)	1416									
47	Summer Sch - Transp. Fees from Pupils or Parents (In State)	1421									
48	Summer Sch - Transp. Fees from Other Districts (In State)	1422									
49	Summer Sch - Transp. Fees from Other Sources (In State)	1423									
50	Summer Sch - Transp. Fees from Other Sources (Out of State)	1424									
51	CTE - Transp Fees from Pupils or Parents (In State)	1431									
52	CTE - Transp Fees from Other Districts (In State)	1432									

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

**STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2019**

1	A	B	C	D	E	F	G	H	I	J	K
2	Description (Enter Whole Dollars)	Acct #	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
3			Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
53	CTE - Transp Fees from Other Sources (In State)	1433									
54	CTE - Transp Fees from Other Sources (Out of State)	1434									
55	Special Ed - Transp Fees from Pupils or Parents (In State)	1441									
56	Special Ed - Transp Fees from Other Districts (In State)	1442									
57	Special Ed - Transp Fees from Other Sources (In State)	1443									
58	Special Ed - Transp Fees from Other Sources (Out of State)	1444									
59	Adult - Transp Fees from Pupils or Parents (In State)	1451									
60	Adult - Transp Fees from Other Districts (In State)	1452									
61	Adult - Transp Fees from Other Sources (In State)	1453									
62	Adult - Transp Fees from Other Sources (Out of State)	1454									
63	Total Transportation Fees					0					
64	EARNINGS ON INVESTMENTS	1500									
65	Interest on Investments	1510	112,097	20,433	6,894	8,182	10,473	13,573	75	2,948	3,407
66	Gain or Loss on Sale of Investments	1520									
67	Total Earnings on Investments		112,097	20,433	6,894	8,182	10,473	13,573	75	2,948	3,407
68	FOOD SERVICE	1600									
69	Sales to Pupils - Lunch	1611	345,857								
70	Sales to Pupils - Breakfast	1612									
71	Sales to Pupils - A la Carte	1613									
72	Sales to Pupils - Other (Describe & Itemize)	1614									
73	Sales to Adults	1620									
74	Other Food Service (Describe & Itemize)	1690		12,071							
75	Total Food Service		357,928								
76	DISTRICT/SCHOOL ACTIVITY INCOME	1700									
77	Admissions - Athletic	1711	143,870								
78	Admissions - Other (Describe & Itemize)	1719									
79	Fees	1720									
80	Book Store Sales	1730									
81	Other District/School Activity Revenue (Describe & Itemize)	1790	12,640								
82	Total District/School Activity Income		156,510	0							
83	TEXTBOOK INCOME	1800									
84	Rentals - Regular Textbooks	1811	80,193								
85	Rentals - Summer School Textbooks	1812	9,004								
86	Rentals - Adult/Continuing Education Textbooks	1813									
87	Rentals - Other (Describe & Itemize)	1819									
88	Sales - Regular Textbooks	1821									
89	Sales - Summer School Textbooks	1822									
90	Sales - Adult/Continuing Education Textbooks	1823									
91	Sales - Other (Describe & Itemize)	1829									
92	Other (Describe & Itemize)	1890									
93	Total Textbook Income		89,197								
94	OTHER REVENUE FROM LOCAL SOURCES	1900									
95	Rentals	1910									
96	Contributions and Donations from Private Sources	1920	203,870								
97	Impact Fees from Municipal or County Governments	1930									
98	Services Provided Other Districts	1940									
99	Refund of Prior Years' Expenditures	1950									
100	Payments of Surplus Moneys from TIF Districts	1960									
101	Drivers' Education Fees	1970	10,480								
102	Proceeds from Vendors' Contracts	1980									
103	School Facility Occupation Tax Proceeds	1983						2,668,085			

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

STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2019

1	A	B	C	D	E	F	G	H	I	J	K
2	Description (Enter Whole Dollars)	Acct #	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
			Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
104	Payment from Other Districts	1991									
105	Sale of Vocational Projects	1992	143,570								
106	Other Local Fees (Describe & Itemize)	1993	8,893								
107	Other Local Revenues (Describe & Itemize)	1999	364,129	49,304		26,203				5,852	
108	Total Other Revenue from Local Sources		730,942	49,304	0	26,203	0	2,668,085	0	5,852	0
109	Total Receipts/Revenues from Local Sources	1000	16,994,406	3,919,527	1,778,080	1,131,174	982,740	2,681,658	944	457,491	252,638
110	FLOW-THROUGH RECEIPTS/REVENUES FROM ONE DISTRICT TO ANOTHER DISTRICT (2000)										
111	Flow-through Revenue from State Sources	2100									
112	Flow-through Revenue from Federal Sources	2200									
113	Other Flow-Through (Describe & Itemize)	2300									
114	Total Flow-Through Receipts/Revenues from One District to Another District	2000	0	0		0	0				
115	RECEIPTS/REVENUES FROM STATE SOURCES (3000)										
116	UNRESTRICTED GRANTS-IN-AID (3001-3099)										
117	Evidence Based Funding Formula (Section 18-8.15)	3001	10,205,022	100,000							
118	General State Aid - Hold Harmless/Supplemental	3002									
119	Reorganization Incentives (Accounts 3005-3021)	3005									
120	General State Aid - Fast Growth District Grant	3030									
121	Other Unrestricted Grants-In-Aid from State Sources (Describe & Itemize)	3099									
122	Total Unrestricted Grants-In-Aid		10,205,022	100,000	0	0	0	0		0	0
123	RESTRICTED GRANTS-IN-AID (3100 - 3900)										
124	SPECIAL EDUCATION										
125	Special Education - Private Facility Tuition	3100									
126	Special Education - Funding for Children Requiring Sp ED Services	3105									
127	Special Education - Personnel	3110									
128	Special Education - Orphanage - Individual	3120	106,885								
129	Special Education - Orphanage - Summer Individual	3130									
130	Special Education - Summer School	3145									
131	Special Education - Other (Describe & Itemize)	3199									
132	Total Special Education		106,885	0		0					
133	CAREER AND TECHNICAL EDUCATION (CTE)										
134	CTE - Technical Education - Tech Prep	3200									
135	CTE - Secondary Program Improvement (CTEI)	3220	100,770								
136	CTE - WECEP	3225									
137	CTE - Agriculture Education	3235	16,378								
138	CTE - Instructor Practicum	3240									
139	CTE - Student Organizations	3270									
140	CTE - Other (Describe & Itemize)	3299									
141	Total Career and Technical Education		117,148	0			0				
142	BILINGUAL EDUCATION										
143	Bilingual Ed - Downstate - TPI and TBE	3305									
144	Bilingual Education Downstate - Transitional Bilingual Education	3310									
145	Total Bilingual Ed		0				0				

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STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2019

1	A	B	C	D	E	F	G	H	I	J	K
2	Description (Enter Whole Dollars)	Acct #	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
			Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
146	State Free Lunch & Breakfast	3360	21,632								
147	School Breakfast Initiative	3365									
148	Driver Education	3370	56,312								
149	Adult Ed (from ICCB)	3410									
150	Adult Ed - Other (Describe & Itemize)	3499									
151	TRANSPORTATION										
152	Transportation - Regular and Vocational	3500				382,892					
153	Transportation - Special Education	3510									
154	Transportation - Other (Describe & Itemize)	3599									
155	Total Transportation		0	0		382,892	0				
156	Learning Improvement - Change Grants	3610									
157	Scientific Literacy	3660									
158	Truant Alternative/Optional Education	3695									
159	Early Childhood - Block Grant	3705		53,217							
160	Chicago General Education Block Grant	3766									
161	Chicago Educational Services Block Grant	3767									
162	School Safety & Educational Improvement Block Grant	3775									
163	Technology - Technology for Success	3780									
164	State Charter Schools	3815									
165	Extended Learning Opportunities - Summer Bridges	3825									
166	Infrastructure Improvements - Planning/Construction	3920						29,244			
167	School Infrastructure - Maintenance Projects	3925									
168	Other Restricted Revenue from State Sources (Describe & Itemize)	3999	12,574								
169	Total Restricted Grants-In-Aid		314,551	53,217	0	382,892	0	29,244	0	0	0
170	Total Receipts from State Sources	3000	10,519,573	153,217	0	382,892	0	29,244	0	0	0
171	RECEIPTS/REVENUES FROM FEDERAL SOURCES (4000)										
172	UNRESTRICTED GRANTS-IN-AID RECEIVED DIRECTLY FROM FEDERAL GOVT (4001-4009)										
173	Federal Impact Aid	4001									
174	Other Unrestricted Grants-In-Aid Received Directly from the Fed Govt (Describe & Itemize)	4009									
175	Total Unrestricted Grants-In-Aid Received Directly from the Federal Govt		0	0	0	0	0	0	0	0	0
176	RESTRICTED GRANTS-IN-AID RECEIVED DIRECTLY FROM FEDERAL GOVT (4045-4090)										
177	Head Start	4045									
178	Construction (Impact Aid)	4050									
179	MAGNET	4060									
180	Other Restricted Grants-In-Aid Received Directly from the Federal Govt (Describe & Itemize)	4090									
181	Total Restricted Grants-In-Aid Received Directly from Federal Govt		0	0		0	0	0			0
182	RESTRICTED GRANTS-IN-AID RECEIVED FROM FEDERAL GOVT THRU THE STATE (4100-4999)										
183	TITLE V										
184	Title V - Innovation and Flexibility Formula	4100									
185	Title V - District Projects	4105									

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

STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2019

1	A	B	C	D	E	F	G	H	I	J	K
2	Description (Enter Whole Dollars)	Acct #	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
			Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
186	Title V - Rural Education Initiative (REI)	4107									
187	Title V - Other (Describe & Itemize)	4199									
188	Total Title V		0	0		0	0				
189	FOOD SERVICE										
190	Breakfast Start-Up Expansion	4200									
191	National School Lunch Program	4210	840,284								
192	Special Milk Program	4215									
193	School Breakfast Program	4220	281,759								
194	Summer Food Service Program	4225									
195	Child Adult Care Food Program	4226									
196	Fresh Fruits & Vegetables	4240									
197	Food Service - Other (Describe & Itemize)	4299									
198	Total Food Service		1,122,043				0				
199	TITLE I										
200	Title I - Low Income	4300	1,412,211								
201	Title I - Low Income - Neglected, Private	4305									
202	Title I - Migrant Education	4340									
203	Title I - Other (Describe & Itemize)	4399	4,700								
204	Total Title I		1,416,911	0		0	0				
205	TITLE IV										
206	Title IV - Safe & Drug Free Schools - Formula	4400									
207	Title IV - 21st Century Comm Learning Centers	4421									
208	Title IV - Other (Describe & Itemize)	4499									
209	Total Title IV		0	0		0	0				
210	FEDERAL - SPECIAL EDUCATION										
211	Fed - Spec Education - Preschool Flow-Through	4600									
212	Fed - Spec Education - Preschool Discretionary	4605									
213	Fed - Spec Education - IDEA - Flow Through	4620	1,386								
214	Fed - Spec Education - IDEA - Room & Board	4625									
215	Fed - Spec Education - IDEA - Discretionary	4630									
216	Fed - Spec Education - IDEA - Other (Describe & Itemize)	4699									
217	Total Federal - Special Education		1,386	0		0	0				
218	CTE - PERKINS										
219	CTE - Perkins - Title III E - Tech Prep	4770									
220	CTE - Other (Describe & Itemize)	4799									
221	Total CTE - Perkins		0	0			0				
222	Federal - Adult Education	4810									
223	ARRA - General State Aid - Education Stabilization	4850									
224	ARRA - Title I - Low Income	4851									
225	ARRA - Title I - Neglected, Private	4852									
226	ARRA - Title I - Delinquent, Private	4853									
227	ARRA - Title I - School Improvement (Part A)	4854									
228	ARRA - Title I - School Improvement (Section 1003g)	4855									
229	ARRA - IDEA - Part B - Preschool	4856									
230	ARRA - IDEA - Part B - Flow-Through	4857									
231	ARRA - Title IID - Technology-Formula	4860									
232	ARRA - Title IID - Technology-Competitive	4861									
233	ARRA - McKinney - Vento Homeless Education	4862									
234	ARRA - Child Nutrition Equipment Assistance	4863									
235	Impact Aid Formula Grants	4864									
236	Impact Aid Competitive Grants	4865									

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

**STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2019**

1	A	B	C	D	E	F	G	H	I	J	K
2	Description (Enter Whole Dollars)	Acct #	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2			Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
237	Qualified Zone Academy Bond Tax Credits	4866									
238	Qualified School Construction Bond Credits	4867									
239	Build America Bond Tax Credits	4868									
240	Build America Bond Interest Reimbursement	4869									
241	ARRA - General State Aid - Other Govt Services Stabilization	4870									
242	Other ARRA Funds - II	4871									
243	Other ARRA Funds - III	4872									
244	Other ARRA Funds - IV	4873									
245	Other ARRA Funds - V	4874									
246	ARRA - Early Childhood	4875									
247	Other ARRA Funds VII	4876									
248	Other ARRA Funds VIII	4877									
249	Other ARRA Funds IX	4878									
250	Other ARRA Funds X	4879									
251	Other ARRA Funds Ed Job Fund Program	4880									
252	Total Stimulus Programs		0	0	0	0	0	0		0	0
253	Race to the Top Program	4901									
254	Race to the Top - Preschool Expansion Grant	4902									
255	Title III - Immigrant Education Program (IEP)	4905									
256	Title III - Language Inst Program - Limited Eng (LIPLEP)	4909									
257	McKinney Education for Homeless Children	4920									
258	Title II - Eisenhower Professional Development Formula	4930									
259	Title II - Teacher Quality	4932									
260	Federal Charter Schools	4960									
261	State Assessment Grants	4981									
262	Grant for State Assessments and Related Activities	4982									
263	Medicaid Matching Funds - Administrative Outreach	4991	20,661								
264	Medicaid Matching Funds - Fee-for-Service Program	4992	13,728								
265	Other Restricted Revenue from Federal Sources (Describe & Itemize)	4999	15,471								
266	Total Restricted Grants-In-Aid Received from the Federal Govt Thru the State		2,590,200	0	0	0	0	0		0	0
267	Total Receipts/Revenues from Federal Sources	4000	2,590,200	0	0	0	0	0	0	0	0
268	Total Direct Receipts/Revenues		30,104,179	4,072,744	1,778,080	1,514,066	982,740	2,710,902	944	457,491	252,638

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

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2019**

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description (Enter Whole Dollars)	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
3	10 - EDUCATIONAL FUND (ED)											
4	INSTRUCTION (ED)	1000										
5	Regular Programs	1100	12,754,892	3,634,945	218,301	349,647	57,908	10,512		47,043	17,073,248	16,793,048
6	Tuition Payment to Charter Schools	1115									0	0
7	Pre-K Programs	1125									0	0
8	Special Education Programs (Functions 1200-1220)	1200									0	5,000
9	Special Education Programs Pre-K	1225									0	0
10	Remedial and Supplemental Programs K-12	1250	600,787	240,438	11,360	207,016	6,999				1,066,600	1,022,926
11	Remedial and Supplemental Programs Pre-K	1275									0	0
12	Adult/Continuing Education Programs	1300									0	0
13	CTE Programs	1400	47,347	38	5,987	74,388					127,760	124,875
14	Interscholastic Programs	1500	287,762	26,010	86,586	75,919	15,430	26,411			518,118	590,825
15	Summer School Programs	1600	20,659	1,704							22,363	39,260
16	Gifted Programs	1650									0	0
17	Driver's Education Programs	1700									0	0
18	Bilingual Programs	1800									0	0
19	Truant Alternative & Optional Programs	1900									0	0
20	Pre-K Programs - Private Tuition	1910									0	0
21	Regular K-12 Programs - Private Tuition	1911									0	0
22	Special Education Programs K-12 - Private Tuition	1912									0	0
23	Special Education Programs Pre-K - Tuition	1913									0	0
24	Remedial/Supplemental Programs K-12 - Private Tuition	1914									0	0
25	Remedial/Supplemental Programs Pre-K - Private Tuition	1915									0	0
26	Adult/Continuing Education Programs - Private Tuition	1916									0	0
27	CTE Programs - Private Tuition	1917									0	0
28	Interscholastic Programs - Private Tuition	1918									0	0
29	Summer School Programs - Private Tuition	1919									0	0
30	Gifted Programs - Private Tuition	1920									0	0
31	Bilingual Programs - Private Tuition	1921									0	0
32	Truants Alternative/Optional Ed Progrms - Private Tuition	1922									0	0
33	Total Instruction ¹⁰	1000	13,711,447	3,903,135	322,234	706,970	80,337	36,923	0	47,043	18,808,089	18,575,934
34	SUPPORT SERVICES (ED)	2000										
35	SUPPORT SERVICES - PUPILS											
36	Attendance & Social Work Services	2110									0	0
37	Guidance Services	2120	596,306	178,393							774,699	762,465
38	Health Services	2130	237,050	40,026	1,133	7,869					286,078	292,074
39	Psychological Services	2140									0	0
40	Speech Pathology & Audiology Services	2150									0	0
41	Other Support Services - Pupils (Describe & Itemize)	2190	193,571	8,435		4,667					206,673	221,650
42	Total Support Services - Pupils	2100	1,026,927	226,854	1,133	12,536	0	0	0	0	1,267,450	1,276,189
43	SUPPORT SERVICES - INSTRUCTIONAL STAFF											
44	Improvement of Instruction Services	2210	201,496	56,536	86,512	632					345,176	400,216
45	Educational Media Services	2220	214,583	34,792	99,201	368,693	56,703				773,972	616,703
46	Assessment & Testing	2230			50,001	1,558					51,559	79,883
47	Total Support Services - Instructional Staff	2200	416,079	91,328	235,714	370,883	56,703	0	0	0	1,170,707	1,096,802
48	SUPPORT SERVICES - GENERAL ADMINISTRATION											
49	Board of Education Services	2310			22,406	3,132		11,313			36,851	40,500
50	Executive Administration Services	2320	237,068	46,447	2,923	213		2,667			289,318	294,243
51	Special Area Administration Services	2330									0	0
52	Tort Immunity Services	2360 - 2370									0	26,178
53	Total Support Services - General Administration	2300	237,068	46,447	25,329	3,345	0	13,980	0	0	326,169	360,921

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

Print Date: 10/7/2019

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STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2019

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description (Enter Whole Dollars)	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
54	SUPPORT SERVICES - SCHOOL ADMINISTRATION											
55	Office of the Principal Services	2410	1,501,237	428,639	1,786	1,768		6,090			1,939,520	1,979,079
56	Other Support Services - School Admin (Describe & Itemize)	2490									0	0
57	Total Support Services - School Administration	2400	1,501,237	428,639	1,786	1,768	0	6,090	0	0	1,939,520	1,979,079
58	SUPPORT SERVICES - BUSINESS											
59	Direction of Business Support Services	2510	88,918	17,107	11,350	9,756		589			127,720	135,325
60	Fiscal Services	2520	88,755	14,573	59,330						162,658	162,921
61	Operation & Maintenance of Plant Services	2540			5,455	2,839	21,155				29,449	20,670
62	Pupil Transportation Services	2550									0	0
63	Food Services	2560	606,565	150,903	61,476	686,065	34,848	152			1,540,009	1,652,779
64	Internal Services	2570									0	0
65	Total Support Services - Business	2500	784,238	182,583	137,611	698,660	56,003	741	0	0	1,859,836	1,971,695
66	SUPPORT SERVICES - CENTRAL											
67	Direction of Central Support Services	2610									0	0
68	Planning, Research, Development, & Evaluation Services	2620									0	0
69	Information Services	2630									0	0
70	Staff Services	2640									0	0
71	Data Processing Services	2660									0	0
72	Total Support Services - Central	2600	0	0	0	0	0	0	0	0	0	0
73	Other Support Services (Describe & Itemize)	2900	23,734	1,119		1,621					26,474	27,279
74	Total Support Services	2000	3,989,283	976,970	401,573	1,088,813	112,706	20,811	0	0	6,590,156	6,711,965
75	COMMUNITY SERVICES (ED)	3000	112,986	22,232							135,218	152,364
76	PAYMENTS TO OTHER DISTRICTS & GOVT UNITS (ED)	4000										
77	PAYMENTS TO OTHER GOVT UNITS (IN-STATE)											
78	Payments for Regular Programs	4110									0	0
79	Payments for Special Education Programs	4120			3,965,375						3,965,375	3,955,909
80	Payments for Adult/Continuing Education Programs	4130									0	0
81	Payments for CTE Programs	4140									0	0
82	Payments for Community College Programs	4170									0	0
83	Other Payments to In-State Govt. Units (Describe & Itemize)	4190			163,013						163,013	166,831
84	Total Payments to Other Govt Units (In-State)	4100			4,128,388				0		4,128,388	4,122,740
85	Payments for Regular Programs - Tuition	4210									0	0
86	Payments for Special Education Programs - Tuition	4220									0	0
87	Payments for Adult/Continuing Education Programs - Tuition	4230									0	0
88	Payments for CTE Programs - Tuition	4240									0	0
89	Payments for Community College Programs - Tuition	4270									0	0
90	Payments for Other Programs - Tuition	4280									0	0
91	Other Payments to In-State Govt Units	4290									0	0
92	Total Payments to Other Govt Units -Tuition (In State)	4200						0			0	0
93	Payments for Regular Programs - Transfers	4310									0	0
94	Payments for Special Education Programs - Transfers	4320									0	0
95	Payments for Adult/Continuing Ed Programs-Transfers	4330									0	0
96	Payments for CTE Programs - Transfers	4340									0	0
97	Payments for Community College Program - Transfers	4370									0	0
98	Payments for Other Programs - Transfers	4380									0	0
99	Other Payments to In-State Govt Units - Transfers	4390									0	0
100	Total Payments to Other Govt Units -Transfers (In-State)	4300			0			0			0	0
101	Payments to Other Govt Units (Out-of-State)	4400									0	0
102	Total Payments to Other Govt Units	4000			4,128,388			0			4,128,388	4,122,740
103	DEBT SERVICES (ED)	5000										
104	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											

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

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2019

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description (Enter Whole Dollars)	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
105	Tax Anticipation Warrants	5110									0	0
106	Tax Anticipation Notes	5120									0	0
107	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	0
108	State Aid Anticipation Certificates	5140									0	0
109	Other Interest on Short-Term Debt	5150									0	0
110	Total Interest on Short-Term Debt	5100						0			0	0
111	Debt Services - Interest on Long-Term Debt	5200									0	0
112	Total Debt Services	5000						0			0	0
113	PROVISIONS FOR CONTINGENCIES (ED)	6000										0
114	Total Direct Disbursements/Expenditures		17,813,716	4,902,337	4,852,195	1,795,783	193,043	57,734	0	47,043	29,661,851	29,563,003
115	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										442,328	
116												
117	20 - OPERATIONS & MAINTENANCE FUND (O&M)											
118	SUPPORT SERVICES (O&M)	2000										
119	SUPPORT SERVICES - PUPILS											
120	Other Support Services - Pupils (Func. 2190 Describe & Itemize)	2100									0	0
121	SUPPORT SERVICES - BUSINESS											
122	Direction of Business Support Services	2510									0	0
123	Facilities Acquisition & Construction Services	2530					738,358				738,358	730,241
124	Operation & Maintenance of Plant Services	2540	1,193,344	274,132	1,006,703	1,212,208	40,021	2,185			3,728,593	3,975,394
125	Pupil Transportation Services	2550									0	0
126	Food Services	2560									0	0
127	Total Support Services - Business	2500	1,193,344	274,132	1,006,703	1,212,208	778,379	2,185	0	0	4,466,951	4,705,635
128	Other Support Services (Describe & Itemize)	2900									0	0
129	Total Support Services	2000	1,193,344	274,132	1,006,703	1,212,208	778,379	2,185	0	0	4,466,951	4,705,635
130	COMMUNITY SERVICES (O&M)	3000									0	0
131	PAYMENTS TO OTHER DIST & GOVT UNITS (O&M)	4000										
132	PAYMENTS TO OTHER GOVT UNITS (IN-STATE)											
133	Payments for Regular Programs	4110									0	0
134	Payments for Special Education Programs	4120									0	0
135	Payments for CTE Programs	4140									0	0
136	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	0
137	Total Payments to Other Govt. Units (In-State)	4100			0			0			0	0
138	Payments to Other Govt. Units (Out of State)	4400									0	0
139	Total Payments to Other Govt Units	4000			0			0			0	0
140	DEBT SERVICES (O&M)	5000										
141	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
142	Tax Anticipation Warrants	5110									0	0
143	Tax Anticipation Notes	5120									0	0
144	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	0
145	State Aid Anticipation Certificates	5140									0	0
146	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	0
147	Total Debt Service - Interest on Short-Term Debt	5100						0			0	0
148	DEBT SERVICE - INTERST ON LONG-TERM DEBT	5200									0	0
149	Total Debt Services	5000						0			0	0
150	PROVISIONS FOR CONTINGENCIES (O&M)	6000										0
151	Total Direct Disbursements/Expenditures		1,193,344	274,132	1,006,703	1,212,208	778,379	2,185	0	0	4,466,951	4,705,635
152	Excess (Deficiency) of Receipts/Revenues/Over Disbursements/ Expenditures										(394,207)	
153												

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

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2019

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description (Enter Whole Dollars)	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
154	30 - DEBT SERVICES (DS)											
155	PAYMENTS TO OTHER DIST & GOVT UNITS (DS)	4000										
156	PAYMENTS TO OTHER DIST & GOVT UNITS (In-State)											
157	Payments for Regular Programs	4110									0	0
158	Payments for Special Education Programs	4120									0	0
159	Other Payments to In-State Govt Units (Describe & Itemize)	4190									0	0
160	Total Payments to Other Districts & Govt Units (In-State)	4000						0			0	0
161	DEBT SERVICES (DS)	5000										
162	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
163	Tax Anticipation Warrants	5110									0	0
164	Tax Anticipation Notes	5120									0	0
165	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	0
166	State Aid Anticipation Certificates	5140									0	0
167	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	0
168	Total Debt Services - Interest On Short-Term Debt	5100						0			0	0
169	DEBT SERVICES - INTEREST ON LONG-TERM DEBT	5200						1,415,194			1,415,194	1,426,051
	DEBT SERVICES - PAYMENTS OF PRINCIPAL ON LONG-TERM DEBT (Lease/Purchase Principal Retired) ¹¹	5300						2,663,780			2,663,780	2,663,780
170												
171	DEBT SERVICES - OTHER (Describe & Itemize)	5400			1,273						1,273	1,272
172	Total Debt Services	5000			1,273			4,078,974			4,080,247	4,091,103
173	PROVISION FOR CONTINGENCIES (DS)	6000										
174	Total Disbursements/ Expenditures				1,273			4,078,974			4,080,247	4,091,103
175	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										(2,302,167)	
176												
177	40 - TRANSPORTATION FUND (TR)											
178	SUPPORT SERVICES (TR)											
179	SUPPORT SERVICES - PUPILS											
180	Other Support Services - Pupils (Func. 2190 Describe & Itemize)	2100									0	0
181	SUPPORT SERVICES - BUSINESS											
182	Pupil Transportation Services	2550	22,189	3,643	1,267,919	3,243					1,296,994	1,330,833
183	Other Support Services (Describe & Itemize)	2900									0	0
184	Total Support Services	2000	22,189	3,643	1,267,919	3,243	0	0	0	0	1,296,994	1,330,833
185	COMMUNITY SERVICES (TR)	3000									0	0
186	PAYMENTS TO OTHER DIST & GOVT UNITS (TR)	4000										
187	PAYMENTS TO OTHER GOVT UNITS (IN-STATE)											
188	Payments for Regular Programs	4110									0	0
189	Payments for Special Education Programs	4120			199,306						199,306	199,306
190	Payments for Adult/Continuing Education Programs	4130									0	0
191	Payments for CTE Programs	4140									0	0
192	Payments for Community College Programs	4170									0	0
193	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	0
194	Total Payments to Other Govt. Units (In-State)	4100			199,306			0			199,306	199,306
195	PAYMENTS TO OTHER GOVT UNITS (OUT-OF-STATE)	4400									0	0
196	Total Payments to Other Govt Units	4000			199,306			0			199,306	199,306

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

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2019

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description (Enter Whole Dollars)	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
197	DEBT SERVICES (TR)	5000										
198	DEBT SERVICE - INTEREST ON SHORT-TERM DEBT											
199	Tax Anticipation Warrants	5110									0	0
200	Tax Anticipation Notes	5120									0	0
201	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	0
202	State Aid Anticipation Certificates	5140									0	0
203	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	0
204	Total Debt Services - Interest On Short-Term Debt	5100						0			0	0
205	DEBT SERVICES - INTEREST ON LONG-TERM DEBT	5200									0	1,256
206	DEBT SERVICE - PAYMENTS OF PRINCIPAL ON LONG-TERM DEBT (Lease/Purchase Principal Retired) ¹¹	5300									0	18,164
207	DEBT SERVICES - OTHER (Describe & Itemize)	5400									0	0
208	Total Debt Services	5000						0			0	19,420
209	PROVISION FOR CONTINGENCIES (TR)	6000										
210	Total Disbursements/ Expenditures		22,189	3,643	1,467,225	3,243	0	0	0	0	1,496,300	1,549,559
211	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										17,766	
212												
213	50 - MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND (MR/SS)											
214	INSTRUCTION (MR/SS)	1000										
215	Regular Programs	1100		221,351							221,351	244,500
216	Pre-K Programs	1125									0	0
217	Special Education Programs (Functions 1200-1220)	1200									0	0
218	Special Education Programs - Pre-K	1225									0	0
219	Remedial and Supplemental Programs - K-12	1250		8,470							8,470	9,150
220	Remedial and Supplemental Programs - Pre-K	1275									0	0
221	Adult/Continuing Education Programs	1300									0	0
222	CTE Programs	1400		518							518	600
223	Interscholastic Programs	1500		15,036							15,036	21,775
224	Summer School Programs	1600		294							294	600
225	Gifted Programs	1650									0	0
226	Driver's Education Programs	1700									0	0
227	Bilingual Programs	1800									0	0
228	Truants' Alternative & Optional Programs	1900									0	0
229	Total Instruction	1000		245,669							245,669	276,625
230	SUPPORT SERVICES (MR/SS)	2000										
231	SUPPORT SERVICES - PUPILS											
232	Attendance & Social Work Services	2110									0	0
233	Guidance Services	2120		8,496							8,496	8,850
234	Health Services	2130		37,413							37,413	46,450
235	Psychological Services	2140									0	0
236	Speech Pathology & Audiology Services	2150									0	0
237	Other Support Services - Pupils (Describe & Itemize)	2190		25,491							25,491	28,575
238	Total Support Services - Pupils	2100		71,400							71,400	83,875
239	SUPPORT SERVICES - INSTRUCTIONAL STAFF											
240	Improvement of Instruction Services	2210		9,579							9,579	10,300
241	Educational Media Services	2220		47,359							47,359	51,300
242	Assessment & Testing	2230									0	0
243	Total Support Services - Instructional Staff	2200		56,938							56,938	61,600
244	SUPPORT SERVICES - GENERAL ADMINISTRATION											
245	Board of Education Services	2310									0	0
246	Executive Administration Services	2320		12,101							12,101	12,800

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

Print Date: 10/7/2019

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**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2019**

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description (Enter Whole Dollars)	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
247	Service Area Administrative Services	2330									0	0
248	Claims Paid from Self Insurance Fund	2361									0	0
249	Workers' Compensation or Workers' Occupation Disease Acts Pymts	2362									0	0
250	Unemployment Insurance Pymts	2363									0	0
251	Insurance Payments (Regular or Self-Insurance)	2364									0	0
252	Risk Management and Claims Services Payments	2365									0	0
253	Judgment and Settlements	2366									0	0
254	Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction	2367									0	0
255	Reciprocal Insurance Payments	2368									0	0
256	Legal Services	2369									0	0
257	Total Support Services - General Administration	2300		12,101							12,101	12,800
258	SUPPORT SERVICES - SCHOOL ADMINISTRATION											
259	Office of the Principal Services	2410		103,618							103,618	125,250
260	Other Support Services - School Administration (Describe & Itemize)	2490									0	0
261	Total Support Services - School Administration	2400		103,618							103,618	125,250
262	SUPPORT SERVICES - BUSINESS											
263	Direction of Business Support Services	2510		19,488							19,488	23,000
264	Fiscal Services	2520		19,744							19,744	22,000
265	Facilities Acquisition & Construction Services	2530									0	0
266	Operation & Maintenance of Plant Services	2540		236,667							236,667	263,000
267	Pupil Transportation Services	2550		4,936							4,936	5,600
268	Food Services	2560		129,024							129,024	160,050
269	Internal Services	2570									0	0
270	Total Support Services - Business	2500		409,859							409,859	473,650
271	SUPPORT SERVICES - CENTRAL											
272	Direction of Central Support Services	2610									0	0
273	Planning, Research, Development, & Evaluation Services	2620									0	0
274	Information Services	2630									0	0
275	Staff Services	2640									0	0
276	Data Processing Services	2660									0	0
277	Total Support Services - Central	2600		0							0	0
278	Other Support Services (Describe & Itemize)	2900		5,340							5,340	6,150
279	Total Support Services	2000		659,256							659,256	763,325
280	COMMUNITY SERVICES (MR/SS)	3000		8,087							8,087	13,230
281	PAYMENTS TO OTHER DIST & GOVT UNITS (MR/SS)	4000										
282	Payments for Regular Programs	4110									0	0
283	Payments for Special Education Programs	4120									0	0
284	Payments for CTE Programs	4140									0	0
285	Total Payments to Other Govt Units	4000		0							0	0
286	DEBT SERVICES (MR/SS)	5000										
287	DEBT SERVICE - INTEREST ON SHORT-TERM DEBT											
288	Tax Anticipation Warrants	5110									0	0
289	Tax Anticipation Notes	5120									0	0
290	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	0
291	State Aid Anticipation Certificates	5140									0	0
292	Other (Describe & Itemize)	5150									0	0
293	Total Debt Services - Interest	5000						0			0	0
294	PROVISION FOR CONTINGENCIES (MR/SS)	6000										0
295	Total Disbursements/Expenditures			913,012				0			913,012	1,053,180
296	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										69,728	
297												

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

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2019

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description (Enter Whole Dollars)	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
298	60 - CAPITAL PROJECTS (CP)											
299	SUPPORT SERVICES (CP)	2000										
300	SUPPORT SERVICES - BUSINESS											
301	Facilities Acquisition and Construction Services	2530					276,792				276,792	43,471
302	Other Support Services (Describe & Itemize)	2900									0	0
303	Total Support Services	2000	0	0	0	0	276,792	0	0	0	276,792	43,471
304	PAYMENTS TO OTHER DIST & GOVT UNITS (CP)	4000										
305	PAYMENTS TO OTHER GOVT UNITS (In-State)											
306	Payments to Regular Programs (In-State)	4110									0	0
307	Payments for Special Education Programs	4120									0	0
308	Payments for CTE Programs	4140									0	0
309	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	0
310	Total Payments to Other Govt Units	4000			0			0			0	0
311	PROVISION FOR CONTINGENCIES (S&C/CI)	6000										0
312	Total Disbursements/ Expenditures		0	0	0	0	276,792	0	0	0	276,792	43,471
313	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										2,434,110	
314												
315	70 - WORKING CASH (WC)											
316												
317	80 - TORT FUND (TF)											
318	SUPPORT SERVICES - GENERAL ADMINISTRATION											
319	Claims Paid from Self Insurance Fund	2361									0	0
320	Workers' Compensation or Workers' Occupation Disease Acts Pymts	2362			178,104						178,104	190,000
321	Unemployment Insurance Payments	2363			3,604						3,604	20,000
322	Insurance Payments (Regular or Self-Insurance)	2364			257,697						257,697	300,000
323	Risk Management and Claims Services Payments	2365			7,050						7,050	30,000
324	Judgment and Settlements	2366									0	0
325	Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction	2367									0	0
326	Reciprocal Insurance Payments	2368									0	0
327	Legal Services	2369			9,162						9,162	54,000
328	Property Insurance (Buildings & Grounds)	2371									0	0
329	Vehicle Insurance (Transportation)	2372									0	0
330	Total Support Services - General Administration	2000	0	0	455,617	0	0	0	0	0	455,617	594,000
331	PAYMENTS TO OTHER DIST & GOVT UNITS (TF)	4000										
332	Payments for Regular Programs	4110									0	0
333	Payments for Special Education Programs	4120									0	0
334	Total Payments to Other Dist & Govt Units	4000						0			0	0
335	DEBT SERVICES (TF)	5000										
336	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
337	Tax Anticipation Warrants	5110									0	0
338	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	0
339	Other Interest or Short-Term Debt	5150									0	0
340	Total Debt Services - Interest on Short-Term Debt	5000						0			0	0
341	PROVISIONS FOR CONTINGENCIES (TF)	6000										0
342	Total Disbursements/Expenditures		0	0	455,617	0	0	0	0	0	455,617	594,000
343	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										1,874	

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

Print Date: 10/7/2019

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STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2019

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description (Enter Whole Dollars)	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
345	90 - FIRE PREVENTION & SAFETY FUND (FP&S)											
346	SUPPORT SERVICES (FP&S)	2000										
347	SUPPORT SERVICES - BUSINESS											
348	Facilities Acquisition & Construction Services	2530			9,929		191,866				201,795	217,212
349	Operation & Maintenance of Plant Services	2540									0	0
350	Total Support Services - Business	2500	0	0	9,929	0	191,866	0	0	0	201,795	217,212
351	Other Support Services (Describe & Itemize)	2900									0	0
352	Total Support Services	2000	0	0	9,929	0	191,866	0	0	0	201,795	217,212
353	PAYMENTS TO OTHER DIST & GOVT UNITS (FP&S)	4000										
354	Payments to Regular Programs	4110									0	0
355	Payments to Special Education Programs	4120									0	0
356	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	0
357	Total Payments to Other Govt Units	4000						0			0	0
358	DEBT SERVICES (FP&S)	5000										
359	DEBT SERVICES- INTEREST ON SHORT-TERM DEBT											
360	Tax Anticipation Warrants	5110									0	0
361	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	0
362	Total Debt Service - Interest on Short-Term Debt	5100						0			0	0
363	DEBT SERVICES - INTEREST ON LONG-TERM DEBT	5200									0	0
364	Debt Service - Payments of Principal on Long-Term Debt ¹⁵ (Lease/Purchase Principal Retired)	5300									0	0
365	Total Debt Service	5000						0			0	0
366	PROVISION FOR CONTINGENCIES (FP&S)	6000										0
367	Total Disbursements/Expenditures		0	0	9,929	0	191,866	0	0	0	201,795	217,212
368	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										50,843	

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

This page is provided for detailed itemizations as requested within the body of the report.

Educational

1. Page 9, Line 17 - Other Payments in Lieu of Taxes - Taxes: Refuge Pilot
2. Page 10, Line 74 - Other Food Services - Other Lunch Program (\$4,629), Foodservice Reimbursement (\$962), Pre-K Food Reimbursement (\$6,480)
3. Page 10, Line 81 - Other Pupil Activity Revenue - Student Yearbook: HS
4. Page 11, Line 106 - Other Local Fees -Resale Items, Locks, Shop (\$3,897), HS Parking Fees (\$4,996)
5. Page 11, Line 107 - Other Local Revenues - Other (\$33,222), Foundation Grants (\$9,065), After School Programs (\$104,766), Chromebook Insurance (\$2,944), AROTC Revenue (\$55,157), E-rate Refund (\$140,634), Madigral Revenue (\$7,500) Spring Musical Revenue (\$10,841)
6. Page 12, Line 171 - Other Revenue from State Sources - State Library Grants (\$2,861), PSAT Revenue (\$5,770), Scholarship Award Reimb (\$3,943)
7. Page 13, Line 203 - Title I - Other - Title I School Improvement & Accountability
8. Page 14, Line 272 - Other Restricted Revenue from Federal Sources - WCRVS: Perkins, SP NDS, Tuition
9. Page 15, Line 41 - Other Support Services-Pupils - [100] Salaries - Support Staff Salary (193,571), [200] Employee Benefits - Support Staff (\$8,435) [400] Supplies & Materials - Support Staff (\$4,667)
10. Page 16, Line 73 - Other Support Services - [100] Salaries - Title I Homeless Aide & Tutor (\$23,734) [200] Employee Benefits - Title I Homeless Aide & Tutor IMRF (\$1,119), [400] Supplies & Materials - Homeless Supplies (\$1,621)
11. Page 16, Line 83 - Other Payments to In-State Gov. Units - [300] Purchased Services - Foundation Grants (9,229), U2 Innovate Grants (\$25,035), ROE Tuition Echo Starquest (\$57,240), City of Marion (\$71,509)

Operations and Maintenance

1. Page 11, Line 107 - Other Local Revenues - Other (\$9,697), E-Rate Refund (\$39,607)

Debt Services

1. Page 18, Line 171 - Debt Services - Other - Bond Fees

Transportation

1. Page 11, Line 107 - Other Local Revenues - Trans: Misc. Reimb

Municipal Retirement/Social Security

1. Page 19, Line 237 - Other Support Services-Pupils - [200] Employee Benefits - (\$25,491)
2. Page 20, Line 278 - Other Support Services - [200] Employee Benefits - (\$5,340)

Tort

1. Page 11, Line 107 - Other Local Revenues - Other - Workman's Comp Refund (\$5,852)

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

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District's accounting policies conform to the modified cash basis of accounting as defined by the Illinois State Board of Education within Title 23 Education and Cultural Resources of the Illinois Administrative Code. Part 100 of Title 23 provides the requirements for accounting, budgeting, financial reporting, and auditing of school districts within the State of Illinois.

A. Principles Used to Determine the Scope of the Reporting Entity

The District's reporting entity includes only the District's governing board as the District exercises no oversight responsibility over any related agencies or organizations that could be considered a component unit.

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

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

B. Basis of Presentation - Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities (arising from cash transactions), fund balance, revenue received and expenditures disbursed. The District maintains individual funds required by the 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.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation - Fund Accounting (Continued)

The following funds and account groups are used by the District:

Individual Funds

The Educational and the Operations and Maintenance Funds are the general operating funds of the District. They are used to account for all financial resources except those required to be accounted for in another fund. Self-Insurance and Special Education are included in Educational Fund.

The Debt Services Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The Transportation Fund is used to account for cash received from specific revenue sources that are legally restricted to cash disbursements for transportation purposes.

The Municipal Retirement/Social Security Fund is used to account for cash received from specific revenue sources that are legally restricted to cash disbursements for employee retirement purposes, excluding the employees under the Teacher's Retirement System.

The Capital Projects Fund is used to account for financial resources, including school facility occupation tax proceeds, to be used for the acquisition or construction of major capital facilities,

The Working Cash Fund accounts for financial resources held by the District to be used for temporary interfund loans to the Educational, Operations and Maintenance, and Transportation Funds.

The Tort Fund is used to account for special property tax revenue earmarked to protect school operating budgets from unexpected legal costs, as well as the cost of risk management programs and other tort disbursements.

The Fire Prevention and Safety Fund accounts for all financial resources to be used only for fire prevention, safety, energy conservation, or school security purposes.

The Agency Fund is 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 District has two different types of agency funds:

Student activity funds exist with the explicit approval of, and are subject to revocation by, the District's Board of Education. The accounting reflects the District's agency relationship with the student activity organizations, which is custodial in nature and does not involve the measurement of the results of operation. The amounts due to the student activity organizations are equal to the assets held by the District.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation - Fund Accounting (Concluded)

The convenience funds were established from donations received by the District. Interest earned on the principal is to be used to provide scholarships. The principal is restricted and cannot be used for any purpose without prior approval. A committee comprised of persons from the community and District employees chooses the recipients of the scholarships each year. The District's relationship to the convenience accounts is custodial in nature, and the amounts due to the convenience funds are equal to the assets held by the District.

Measurement Focus

The financial statements of all individual 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 unrestricted fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (cash receipts and other financing sources) and decreases (cash disbursements and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

General Fixed Assets and General Long-Term Debt Account Groups

Fixed assets used by the District are accounted for in the General Fixed Assets Account Group. Long-term liabilities expected to be financed by the District are accounted for in the General Long-Term Debt Account Group. The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

C. Basis of Accounting

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The District maintains its accounting records for all funds and account groups on the modified cash basis of accounting as allowed under the regulatory provisions prescribed by the Illinois State Board of Education within Title 23 Education and Cultural Resources of the Illinois Administrative Code Part 100. 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.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Concluded)

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

Proceeds from sales of bonds and lease-purchase agreements are included as other financing sources 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.

D. Budget and Budgetary Accounting

The budget for the individual funds is prepared using the same basis of accounting that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with 105 ILCS 5/17-1 of the *Illinois Compiled Statutes*. The original budget, which was not amended, was passed on September 18, 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 does not utilize an encumbrance system.

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

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures disbursed and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for the individual funds.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Custodial Credit Risk

Custodial credit risk is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its deposits and investments that are in the possession of an outside party. The District's investment policy requires that all amounts in excess of FDIC insurance limits be collateralized by collateral or private insurance.

F. Common Cash Account

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, individual funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures, which have been approved by the School Board.

G. General Fixed Assets

General fixed assets have been acquired for general educational and transportation purposes. At the time of purchase, assets are recorded as expenditures disbursed in the individual funds and capitalized at cost in the General Fixed Assets Account Group. Fixed assets are defined by the District as individual assets with an initial individual cost of more than \$500 and an estimated useful life of one year or more. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation accounting is not considered applicable (except to determine the per capita tuition charge). Depreciation for the per capita tuition charge is calculated on a straight-line basis with the following estimated useful lives in accordance with the *Illinois Administrative Code*:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50
Site Improvements and Infrastructure	20
Capitalized Equipment	5 - 10

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

H. Vacation and Sick Pay

Because vacation and sick pay will not necessarily be paid with current resources, they are considered to be expenditures in the year paid. Vacation pay does not accumulate if not used in the year earned. Accumulated sick pay benefits are available to all full-time employees to use in future years. Unused sick pay is limited to a maximum of 230 days pay. Upon resignation or termination, the employee is not compensated for any unused sick or vacation days.

I. Insurance Coverage

Significant losses are covered by commercial insurance for all major programs: property, liability, and workers' compensation. During the year ended June 30, 2019, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

The District is insured under a retrospectively-rated policy for workers' compensation coverage, whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2019, there were no significant adjustments in premiums based on actual experience.

J. Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires the use of management's estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accordingly, actual results may differ from those estimates.

K. Reservation of Fund Equity

Fund balances of individual funds, which are legally restricted to specific future use, are reported as reservations or restrictions of fund balances.

L. Date of Management's Review

Management has evaluated subsequent events through October 8, 2019, the date which the financial statements were available to be issued.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2: CASH

The District has adopted a formal written investment management policy in which the District is allowed to invest in securities as authorized by statute 30 ILCS 235/2 and 235/6.

At June 30, 2019, the carrying amount of the District's cash deposits was \$8,612,146 which includes \$800 in petty cash. The bank balance of these cash deposits was \$8,657,849.

At June 30, 2019, all of the District's cash deposits was insured by the Federal Deposit Insurance Corporation.

NOTE 3: GENERAL FIXED ASSET SUMMARY

Asset Class	Cost			
	July 1, 2018	Additions	Deletions	June 30, 2019
Land	\$ 1,746,343	\$ 8,400	\$ -	\$ 1,754,743
Building & Building Improvements	148,199,424	440,382	-	148,639,806
Site Improvements & Infrastructure	3,750,537	758,234	-	4,508,771
Capitalized Equipment	4,849,905	233,064	(579,191)	4,503,778
Construction in Progress	-	-	-	-
	<u>\$ 158,546,209</u>	<u>\$ 1,440,080</u>	<u>\$ (579,191)</u>	<u>\$ 159,407,098</u>

In accordance with ISBE guidelines, the District has elected to write-off all fully depreciated equipment, other than transportation equipment, during the year ended June 30, 2019.

Although depreciation is not included in the fund expenses, depreciation of \$3,814,061 was included in the calculation of the Per Capita Tuition Charge computation as reported as supplementary information.

NOTE 4: LONG-TERM DEBT

The District is subject to the Municipal Finance Law of Illinois which limits the amount of debt that may be incurred (exclusive of revenue bonds) by the District to 13.8% of its assessed valuation. Therefore, the District's debt limitation and debt margin at June 30, 2019 were \$76,355,863 and \$53,080,863; respectively.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 4: LONG-TERM DEBT (CONTINUED)

A. Summary of Debt Transactions

The following is a summary of the debt transactions of the District for the year ended June 30, 2019:

	Bonds	
	2011 General Obligation Building Bonds	2017 General Obligation Refunding Bonds
	Balance, July 1, 2018	\$ 9,615,000
Additions	-	-
Debt retired	(660,000)	(105,000)
Balance, June 30, 2019	\$ 8,955,000	\$ 9,105,000

	Lease Certificates	
	2011 General Obligation Lease Certificates	2016A General Obligation Lease Certificates
	Balance, July 1, 2018	\$ 6,305,000
Additions	-	-
Debt retired	(1,090,000)	(808,780)
Balance, June 30, 2019	\$ 5,215,000	\$ -

Total summary of debt transactions is as follows:

	Bonds	Lease Certificates
	Balance, July 1, 2018	\$ 18,825,000
Additions	-	-
Debt retired	(765,000)	(1,898,780)
Balance, June 30, 2019	\$ 18,060,000	\$ 5,215,000

	Total
Balance, July 1, 2018	\$ 25,938,780
Additions	-
Debt retired	(2,663,780)
Balance, June 30, 2019	\$ 23,275,000

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 4: LONG-TERM DEBT (CONTINUED)

B. Future Debt Service Requirements

At June 30, 2019, the annual cash flow requirements for debt obligations are as follows:

Bonds

General Obligation Building Bonds Series 2011

Dated: February 18, 2011

Interest Rate: 5.75% to 7.25%

Principal: \$20,000,000

Defeased in FY2017: \$8,000,000

Interest Due: June 1 and December 1

Maturity Date: December 1, 2030

Fiscal Year Ended June 30,	Principal	Interest	Total
2020	\$ 745,000	\$ 591,756	\$ 1,336,756
2021	830,000	542,537	1,372,537
2022	930,000	484,050	1,414,050
2023	1,035,000	415,275	1,450,275
2024	1,155,000	338,625	1,493,625
2025-2027	4,260,000	467,250	4,727,250
	<u>\$ 8,955,000</u>	<u>\$ 2,839,493</u>	<u>\$ 11,794,493</u>

General Obligation School Refunding Bonds Series 2017

Dated: January 31, 2017

Interest Rate: 4.00%

Principal: \$9,310,000

Interest Due: June 1 and December 1

Maturity Date: December 1, 2030

Fiscal Year Ended June 30,	Principal	Interest	Total
2020	\$ 105,000	\$ 362,100	\$ 467,100
2021	110,000	357,800	467,800
2022	115,000	353,300	468,300
2023	120,000	348,600	468,600
2024	125,000	343,700	468,700
2025-2029	4,215,000	1,499,700	5,714,700
2030-2031	4,315,000	175,300	4,490,300
	<u>\$ 9,105,000</u>	<u>\$ 3,440,500</u>	<u>\$ 12,545,500</u>

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 4: LONG-TERM DEBT (CONCLUDED)

B. Future Debt Service Requirements (Concluded)

Lease Certificates

General Obligation (Limited Tax) Lease Certificates Series 2011

Dated: February 16, 2011

Interest Rate: 7.00%

Principal: \$12,000,000

Interest Due: April 15 and October 15

Maturity Date: October 15, 2022

Fiscal Year Ended June 30,	Principal	Interest	Total
2020	\$ 1,170,000	\$ 324,100	\$ 1,494,100
2021	1,255,000	239,225	1,494,225
2022	1,345,000	148,225	1,493,225
2023	1,445,000	50,575	1,495,575
	<u>\$ 5,215,000</u>	<u>\$ 762,125</u>	<u>\$ 5,977,125</u>

Total Future Debt Service Requirements are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2020	\$ 2,020,000	\$ 1,277,956	\$ 3,297,956
2021	2,195,000	1,139,562	3,334,562
2022	2,390,000	985,575	3,375,575
2023	2,600,000	814,450	3,414,450
2024	1,280,000	682,325	1,962,325
2025-2029	8,475,000	1,966,950	10,441,950
2030-2031	4,315,000	175,300	4,490,300
	<u>\$ 23,275,000</u>	<u>\$ 7,042,118</u>	<u>\$ 30,317,118</u>

C. Debt Defeasance

On January 31, 2017, the District issued \$9,310,000 in General Obligation School Refunding Bonds, Series 2017 with an interest rate of 4.00% to advance refund \$8,000,000 of the General Obligation Building Bonds Series 2011. Proceeds from the bond issue were put in an irrevocable trust with an escrow agent to provide all future debt payments on the refunded debt. As a result, \$8,000,000 of the Series 2011 bonds are considered defeased and the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2019, the defeased debt outstanding totaled \$8,000,000.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 5: INTERFUND TRANSFERS

The following interfund transfers were made during the year ended June 30, 2019:

Fund	Transfers In	Transfers Out
Debt Services	\$ 2,312,014	\$ -
Capital Projects	-	2,312,014
	\$ 2,312,014	\$ 2,312,014

The \$2,312,014 transferred to the Debt Services Fund represents the transfer of monies from the Capital Projects Fund (\$2,312,014) in order to make payments on the District's lease certificate agreements.

NOTE 6: OPERATING LEASES

Lease 1: On December 1, 2015, the District entered into an equipment lease agreement to lease 28 Toshiba copiers. This lease replaced all of the District's other copier leases. The operating lease is for a period of 60 months at \$4,131 per month beginning December 2015. Lease expense for the year ended June 30, 2019 was \$49,567. The future minimum lease payments for this operating lease are:

Fiscal Year Ended June 30,	
2020	\$ 49,567
2021	20,653
	\$ 70,220

Lease 2: On April 30, 2018, the District entered into an equipment lease agreement with American Capital Financial Services for 3,000 Lenovo Chromebook Laptops. The operating lease is for a period of 3 years at \$174,202 per year beginning July 2018. Lease expense for the year ended 2019 was \$174,202. The future minimum lease payments for this operating lease are:

Fiscal Year Ended June 30,	
2020	\$ 174,202
2021	174,202
	\$ 348,404

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6: OPERATING LEASES (CONTINUED)

Lease 3: On May 1, 2017, the District entered into an equipment lease agreement with American Capital Financial Services, Inc. for 1,055 Lenovo N22 Laptops. The operating lease is for a period of 3 years at \$63,175 per year beginning July 2017. Lease expense for the year ended June 30, 2019 was \$63,175. The future minimum lease payments for this operating lease are:

Fiscal Year Ended June 30,	
2020	\$ 63,175
	<u>\$ 63,175</u>

Lease 4: On December 5, 2018, the District entered into an equipment lease agreement with DeLage Landen Public Finance, LLC for a 2018 Chevy TransTech MFSAB. The operating lease is for a period of 3 years at \$9,072 per year beginning December 2018. Lease expense for the year ended June 30, 2019 was \$9,072. The future minimum lease payments for this operating lease are:

Fiscal Year Ended June 30,	
2020	\$ 9,072
2021	9,072
	<u>\$ 18,144</u>

Lease 5: On January 17, 2017, the District entered into an equipment lease agreement with Sandtander Leasing LLC for a 2016 Chevy Collins 12 passenger school bus. The operating lease is for a period of 5 years with varying annual payments, as detailed below, beginning July 2017. Lease expense for the year ended June 30, 2019 was \$7,420. The future minimum lease payments for this operating lease are:

Fiscal Year Ended June 30,	
2020	\$ 7,420
2021	10,388
2022	22,888
	<u>\$ 40,696</u>

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6: OPERATING LEASES (CONCLUDED)

Lease 6: On January 1, 2017, the District entered into an equipment lease agreement with U.S. Bank for a Toshiba Color Copier. The operating lease is for a period of 5 years with at \$118 per month, beginning January 2017. Lease expense for the year ended June 30, 2019 was \$1,418. The future minimum lease payments for this operating lease are:

Fiscal Year Ended June 30,		
2020	\$	1,418
2021		1,418
2022		709
	<u>\$</u>	<u>3,545</u>

Lease 7: On October 1, 2017, the District entered into an equipment lease agreement with U.S. Bank for a Toshiba Copier. The operating lease is for a period of 5 years at \$155 per month, beginning July 2017. Lease expense for the year ended June 30, 2019 was \$1,855. The future minimum lease payments for this operating lease are:

Fiscal Year Ended June 30,		
2020	\$	1,855
2021		1,855
2022		1,855
2023		464
	<u>\$</u>	<u>6,029</u>

Total future minimum lease payments are as follows:

Fiscal Year Ended June 30,		
2020	\$	306,709
2021		217,588
2022		25,452
2023		464
	<u>\$</u>	<u>550,213</u>

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7: PROPERTY TAXES

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The most recent levy (2018 payable 2019 levy) was passed by the board on December 18, 2018. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments in July and September. The District receives significant distributions of tax receipts approximately one month after these due dates. The property tax revenue shown in the financial statements are the taxes received from the 2017 tax levy collected in late 2018, as adopted by the District's Board on December 19, 2017.

The following are the tax rate limits permitted by the School Code and by local referendum and the actual rates levied per \$100 of assessed valuation:

Fund	Limit	2018 Payable 2019 Levy	2017 Payable 2018 Levy
Educational	4.00000	2.80209	2.72818
Operations and Maintenance	0.75000	0.70811	0.65514
Bond and Interest	As Needed	0.32589	0.32414
Municipal Retirement	As Needed	0.07681	0.08753
Social Security	As Needed	0.08133	0.08313
Transportation	As Needed	0.22592	0.20186
Working Cash	0.05000	0.00016	0.00016
Tort Immunity	As Needed	0.08133	0.08258
Fire Prevention and Safety	0.10000	0.00090	0.04587
Special Education	0.80000	0.00264	0.00267
Facility Leasing	0.10000	0.05259	0.05340
Prior Year Adjustment	As Needed	(0.0000)	(0.0000)
		<u>4.35777</u>	<u>4.26466</u>

NOTE 8: RETIREMENT FUND COMMITMENTS

A. Teachers' Retirement System of the State of Illinois

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 nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8: RETIREMENT FUND COMMITMENTS (CONTINUED)

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

Plan Description (Concluded)

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

Benefits Provided

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but 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.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8: RETIREMENT FUND COMMITMENTS (CONTINUED)

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

Contributions

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

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

On-Behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the district. For the year ended June 30, 2019, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$11,450,610 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 \$99,043 and are deferred because they were paid after the June 30, 2018 measurement date.

Federal and Special Trust Fund Contributions

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

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

For the year ended June 30, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$868,659 were paid from federal and special trust funds that required District contributions of \$85,563. These contributions are deferred because they were paid after the June 30, 2018 measurement date.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8: RETIREMENT FUND COMMITMENTS (CONTINUED)

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

Contributions (Concluded)

Employer Retirement Cost Contributions

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

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

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

At June 30, 2019, the District disclosed a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the District. The State's support and total are for disclosure purposes only. The amount disclosed by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District follows below:

District's proportionate share of the net pension liability	\$ 1,779,794
State's proportionate share of the net pension liability associated with the District	121,923,329
Total	<u>\$ 123,703,123</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 and rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2018, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2018, the District's proportion was 0.0023 percent, which was a decrease of 0.0062 from its proportion measured as of June 30, 2017.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8: RETIREMENT FUND COMMITMENTS (CONTINUED)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Concluded)

For the year ended June 30, 2019, the District recognized pension expense of \$11,450,610 and revenue of \$11,450,610 for support provided by the State. At June 30, 2019, the District is disclosing deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,770	\$ (388)
Net difference between projected and actual earnings on pension plan investments	-	(5,449)
Changes of assumptions	78,061	(50,443)
Changes in proportion and differences between District contributions and proportionate share of contributions	784	(4,419,749)
District contributions subsequent to the measurement date	184,606	-
Total	<u>\$ 299,221</u>	<u>\$ (4,476,029)</u>

\$184,606 disclosed as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be disclosed as a reduction of the net pension liability in the reporting year ended June 30, 2020. Other amounts disclosed as deferred outflows of resources and (deferred inflows of resources) related to pensions will be disclosed in pension expense as follows in these reporting years:

Year ended June 30:	
2020	\$ (1,177,289)
2021	(1,010,745)
2022	(950,897)
2023	(842,223)
2024	(380,260)
	<u>\$ (4,361,414)</u>

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8: RETIREMENT FUND COMMITMENTS (CONTINUED)

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

Actuarial Assumptions

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

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

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

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

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8: RETIREMENT FUND COMMITMENTS (CONTINUED)

A. Teachers' Retirement System of the State of Illinois (Concluded)

Discount Rate

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

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 2,182,749	\$ 1,779,794	\$ 1,455,294

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*.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8: RETIREMENT FUND COMMITMENTS (CONTINUED)

B. Illinois Municipal Retirement Fund

IMRF Plan Description

Marion Community Unit School District #2's defined benefit pension plan for Regular employees provides retirement, disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. Marion Community Unit School District #2's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP), which the District's non-certified staff participate in. The plan has 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
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8: RETIREMENT FUND COMMITMENTS (CONTINUED)

B. Illinois Municipal Retirement Fund (Continued)

Employees Covered by Benefit Terms

As of December 31, 2018, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	246
Inactive Plan Members entitled to but not yet receiving benefits	115
Active Plan Members	114
Total	<u>475</u>

Contributions

As set by statute, Marion Community Unit School District #2's Regular Plan Members are required to contribute 4.50% 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. Marion Community Unit School District #2's annual contribution rate for calendar year 2018 was 14.76%. For the fiscal year ended June 30, 2019, Marion Community Unit School District #2 contributed \$439,239 to the plan. Marion Community Unit School District #2 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.

Net Pension Liability

Marion Community Unit School District #2'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.

Actuarial Assumptions

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

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, including inflation.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8: RETIREMENT FUND COMMITMENTS (CONTINUED)

B. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Concluded)

- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- For **Non-disabled Retirees**, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates for **Mortality** were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2018:

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

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8: RETIREMENT FUND COMMITMENTS (CONTINUED)

B. Illinois Municipal Retirement Fund (Continued)

Single Discount Rate

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

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

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

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2017	\$ 24,647,743	\$ 23,460,242	\$ 1,187,501
Changes for the year:			
Service Cost	312,220	-	312,220
Interest on the Total Pension Liability	1,799,059	-	1,799,059
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual			
Experience of the Total Pension Liability	172,621	-	172,621
Changes of Assumptions	630,230	-	630,230
Contributions - Employer	-	458,309	(458,309)
Contributions - Employees	-	140,545	(140,545)
Net Investment Income	-	(1,441,028)	1,441,028
Benefit Payments, including Refunds			
of Employee Contributions	(1,632,809)	(1,632,809)	-
Other (Net Transfer)	-	565,406	(565,406)
Net Changes	1,281,321	(1,909,577)	3,190,898
Balances at December 31, 2018	\$ 25,929,064	\$ 21,550,665	\$ 4,378,399

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8: RETIREMENT FUND COMMITMENTS (CONTINUED)

B. Illinois Municipal Retirement Fund (Continued)

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 Single Discount Rate Assumption (7.25%)	1% Higher (8.25%)
Net Pension Liability (Asset)	\$ 7,214,109	\$ 4,378,399	\$ 2,010,302

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

For the year ended June 30, 2019, Marion Community Unit School District #2 disclosed pension expense of \$427,962. At June 30, 2019, the Marion Community Unit School District #2 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ 168,219	\$ -
Changes of assumptions	337,222	(117,493)
Net difference between projected and actual earnings on pension plan investments	2,879,232	(1,399,786)
Total deferred amounts to be recognized in pension expense in future periods	3,384,673	(1,517,279)
<i>Pension contributions made subsequent to the measurement date</i>	214,116	-
Total deferred amounts related to pensions	\$	\$ (3,034,588)

\$214,116 disclosed as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be disclosed as a reduction of the net pension liability in the reporting year ended June 30, 2019.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8: RETIREMENT FUND COMMITMENTS (CONCLUDED)

B. Illinois Municipal Retirement Fund (Concluded)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Concluded)

Other amounts disclosed as deferred outflows of resources and deferred inflows of resources related to pensions will be disclosed in pension expense in future periods as follows:

Year Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2019	\$ 812,598
2020	248,201
2021	169,999
2022	636,596
2023	-
Thereafter	-
Total	<u>\$ 1,867,394</u>

C. Social Security

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "non-participating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$209,296 to Social Security, the total required contribution for the current fiscal year.

NOTE 9: OTHER POSTEMPLOYMENT COMMITMENTS

A. Teacher Health Insurance Security Fund

THIS Plan Description

The District participates in the Teachers' Health Insurance Security (THIS) fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision,

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: OTHER POSTEMPLOYMENT COMMITMENTS (CONTINUED)

A. Teacher Health Insurance Security Fund (Continued)

THIS Plan Description (Concluded)

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 THIS 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).

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 THIS Fund.

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

Contributions

On-behalf contributions to the THIS Fund - The State of Illinois makes employer 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 collective net OPEB liability associated with the District, and recognized revenue and expenditures of \$1,270,165 in OPEB contributions from the State of Illinois.

Employer contributions to the THIS Fund - The District also makes contributions to the THIS Fund. The employer THIS fund contribution was 0.92 percent during the year ended June 30, 2019, and 0.88 and 0.84 percent during the years ended June 30, 2018 and 2017, respectively. For the year ended June 30, 2019, the District paid \$157,102 to the THIS fund, which was 100% of the required contribution. For the years ended June 30, 2018 and 2017, the paid \$144,275 and \$134,127, respectively, which was 100% of the required contribution.

Further Information on the THIS Fund

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

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: OTHER POSTEMPLOYMENT COMMITMENTS (CONTINUED)

A. Teacher Health Insurance Security Fund (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.75%
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare costs on and after 2022 to account for the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

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

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Since the THIS fund is financed on a pay-as-you-go basis, the sponsor has selected a discount rate consistent with the 20-year general obligation bond index described above. The discount rates are 3.56 percent as of June 30, 2017, and 3.62 percent as of June 30, 2018.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: OTHER POSTEMPLOYMENT COMMITMENTS (CONTINUED)

A. Teacher Health Insurance Security Fund (Continued)

Sensitivity of the Employer's Proportionate Share of the Collective Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net OPEB liability, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current discount rate:

	1% Decrease (2.62%)	Current Discount Rate (3.56%)	1% Increase (4.62%)
Employer's proportionate share of the collective net OPEB liability	\$ 21,908,117	\$ 18,220,668	\$ 15,309,514

Sensitivity of the Employer's Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table shows the District's net OPEB liability as of June 30, 2018, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.86% in 2026, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.50% in 2028 for Medicare coverage.

	1% Decrease (a)	Healthcare Cost Trend Rates	1% Increase (b)
Employer's proportionate share of the collective net OPEB liability	\$ 14,773,908	\$ 18,220,668	\$ 22,863,894

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

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

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: OTHER POSTEMPLOYMENT COMMITMENTS (CONTINUED)

A. Teacher Health Insurance Security Fund (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the District disclosed a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the District. The amount disclosed by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

Employers proportionate share of the net OPEB liability	\$	18,220,668
State's proportionate share of the net OPEB liability associated with the employer		<u>24,446,508</u>
Total		<u>\$ 42,667,176</u>

The collective net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2017 and was rolled forward to the June 30, 2018 measurement date. The District's proportion of the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of the District, actuarially determined. At June 30, 2018, the District's proportion was 0.069159 percent, which was a decrease of 0.000251 from its proportion measured as of June 30, 2017 (0.069410 percent). The State's support and total are for disclosure purposes only.

For the year ended June 30, 2019, the District reported OPEB expense of \$1,270,165 and revenue of \$1,270,165 for support provided by the State. For the year ended June 30, 2019, the District disclosed OPEB expense of \$1,045,230. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (65,376)
Change in assumptions		(2,653,235)
Net difference between projected and actual earnings on OPEB plan investments	-	(559)
Changes in proportion and differences between employer contributions and proportionate share of contributions	420,807	(71,848)
Employer contributions subsequent to the measurement date	<u>157,102</u>	<u>-</u>
Total Deferred Amounts Related to OPEB	<u>\$ 577,909</u>	<u>\$ (2,791,018)</u>

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: OTHER POSTEMPLOYMENT COMMITMENTS (CONCLUDED)

A. Teacher Health Insurance Security Fund (Concluded)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Concluded)

\$157,102 disclosed as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2020. Other amounts disclosed as deferred outflows of resources and deferred inflows of resources related to OPEB will be disclosed in the District's OPEB expense as follows:

Year Ending June 30,	Net Deferred Inflows of Resources
2020	\$ (469,485)
2021	(469,485)
2022	(469,436)
2023	(469,333)
2024	(307,736)
Thereafter	(184,736)
Total	\$ (2,370,211)

THIS Fiduciary Net Position

Detailed information about the THIS Fund fiduciary net position as of June 30, 2018, is available in the separately issued THIS Financial Report.

B. Cobra Benefits

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium and, if applicable, a 2% administration fee, is paid in full by the insured each month. This program is offered for a duration of 18 months after termination date, and is subject to extension. There is no associated cost to the District under this Program.

C. Other Postemployment Healthcare Benefits

In accordance with rules established through participation in the Illinois Municipal Retirement Fund, the District offers health insurance coverage to retirees. The cost for retirees to purchase coverage is the same as the amount active employees pay. Accounting standards require numerous disclosures about postemployment benefits, including amounts that can only be determined through an actuarial study. The District has elected not to incur the cost of having an actuarial study completed; therefore, the amounts that should be disclosed are not known.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

As part of the June 30, 2019 financial statements, accounting principles generally accepted in the United States of America require disclosure of certain information concerning individual funds including:

A. Total disbursements exceeded the budget in the following fund:

Educational Fund	\$	98,848
Capital Projects Fund	\$	233,321

B. No fund had a deficit fund balance at June 30, 2019.

NOTE 11: COMMITMENTS AND CONTINGENCIES

Litigation

The District is party to various legal proceedings which normally occur in governmental operations. Although the final outcomes of these proceedings are not known at this time, the loss to the District related to these proceedings is estimated to be between \$175,000 and \$350,000.

NOTE 12: FUND BALANCE REPORTING

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make the nature and the extent of the constraints placed on a government's fund balances more transparent. The five classifications are Nonspendable, Restricted, Committed, Assigned, and Unassigned. The District's Regulatory Model only reports Reserved and Unreserved Fund Balances. Below are definitions of the District's applicable classifications and reconciliation of how these balances are reported.

A. Nonspendable Fund Balance

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

B. Restricted Fund Balance

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

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 12: FUND BALANCE REPORTING (CONTINUED)

B. Restricted Fund Balance (Concluded)

1. Special Education

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

2. State Grants

Proceeds from State grants and the related expenditures have been included in the Educational, Operations and Maintenance, Transportation, and Capital Projects Funds. At June 30, 2019, expenditures disbursed equaled or exceeded revenues received from State grants, resulting in no restricted balances.

3. Federal Grants

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

4. Social Security

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. At June 30, 2019, cumulative revenues received for this purpose exceeded expenditures disbursed, resulting in a restricted balance of \$123,518. This balance is included in the financial statements as Reserved in the Municipal Retirement/Social Security Fund.

5. Occupational Tax

Proceeds from sales tax money and the related expenditures have been included in the Capital Projects Fund. At June 30, 2019, cumulative revenues received from sales tax money exceeded expenditures disbursed for the same purpose by this fund which resulted in a restricted fund balance of \$1,312,386. This balance is included in the financial statements as Reserved in the Capital Projects Fund.

6. Leasing Levy

Proceeds from leasing levies and the related expenditures have been included in the Operations and Maintenance Fund. Revenues received for this purpose exceeded expenditures disbursed, resulting in a restricted balance of \$1,742. This balance is included in the financial statements as Reserved in the Operations and Maintenance Fund.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 12: FUND BALANCE REPORTING (CONTINUED)

C. Committed Fund Balance

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

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

1. Contracted Employees

Employee contracts for services rendered during the school year for employees electing twelve month pay schedules are recorded as expenditures in the fiscal year when such checks are drawn. The total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2019 amounted to \$2,424,645. This amount is shown as Unreserved in the Educational Fund.

2. Contingent Health Liability Insurance

The District records funds equal to the estimated liability for health care costs. Claims liabilities are based on estimates of the ultimate cost or reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience. The District has committed \$655,578 of its cash balance for future health care expenses as of June 30, 2019. This amount is shown as Unreserved in the Educational Fund.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the School Board itself or (b) the finance committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes. At June 30, 2019, the District had no assigned fund balances.

E. Unassigned Fund Balance

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

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 12: FUND BALANCE REPORTING (CONCLUDED)

F. Reconciliation of GASB No. 54 to the District’s Regulatory Reporting Model

Using the School District’s Regulatory model, Reserved Fund Balances are those balances that are reserved for a specified purpose, other than the “regular purpose of any given fund.” Unreserved Fund Balances are all balances that are not reserved for a specific purpose other than the specified purpose of a fund.

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

Fund	Generally Accepted Accounting Principles			Regulatory Basis Financial Statements	
	Restricted	Committed	Unassigned	Reserved	Unreserved
Educational	\$ -	\$ 3,080,223	\$ 2,031,551	\$ -	\$ 5,111,774
Operations & Maintenance	1,742	-	579,754	1,742	579,754
Debt Service	10,338	-	-	-	10,338
Transportation	-	-	316,590	-	316,590
IMRF/Social Security	521,291	-	-	123,518	397,773
Capital Projects	1,312,386	-	-	1,312,386	-
Working Cash	-	-	5,288	-	5,288
Tort	148,591	-	-	-	148,591
Fire Prevention and Safety	229,333	-	-	-	229,333

G. Expenditures of Fund Balance

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

AUDITOR'S QUESTIONNAIRE

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

PART A - FINDINGS

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

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

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

PART C - OTHER ISSUES

- 19. Student Activity Funds, Imprest Funds, or other funds maintained by the district were excluded from the audit.
- 20. Findings, other than those listed in Part A (above), were reported (e.g. student activity findings). These findings may be described extensively in the financial notes.
- 21. Federal Stimulus Funds were not maintained and expended in accordance with the American Recovery and Reinvestment Act (ARRA) of 2009. If checked, an explanation must be provided.
- 22. Check this box if the district is subject to the Property Tax Extension Limitation Law. Effective Date: **11/1/1997** (Ex: 00/00/0000)
- 23. If the type of Auditor Report designated on the cover page is other than an unqualified opinion and is due to reason(s) other than solely Cash Basis Accounting, please check and explain the reason(s) in the box below.

#23 - The District has prepared these financial statements using accounting practices prescribed or permitted by the Illinois State Board of Education, which practices differ from accounting principles generally accepted in the United States of America. Also, the District prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The report was also qualified due to the omission of the disclosures regarding postemployment health insurance benefits required by the financial reporting provisions of the ISBE.

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

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

School districts that report on the accrual/modified accrual basis of accounting must identify where late mandated categorical payments (Acct Codes 3100, 3105, 3110, 3500, 3510, 3120, 3950) are recorded. Depending on the accounting procedure these amounts will be used to adjust the Direct Receipts/Revenues in calculation 1 and 2 of the Financial Profile Score. In FY2019, identify those late payments recorded as Intergovernmental Receivables, Other Receivables, or Deferred Revenue & Other Current Liabilities or Direct Receipts/Revenue. Payments should only be listed once.

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

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

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

PART E - QUALIFICATIONS OF AUDITING FIRM

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

Comments Applicable to the Auditor's Questionnaire:

Kemper CPA Group, LLP
Name of Audit Firm (print)

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

Kemper CPA Group LLP

Signature

10/08/2019

mm/dd/yyyy

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

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	FINANCIAL PROFILE INFORMATION												
2													
3	<i>Required to be completed for School Districts only.</i>												
4													
5	A. Tax Rates (Enter the tax rate - ex: .0150 for \$1.50)												
6													
7	Tax Year <u>2018</u>			Equalized Assessed Valuation (EAV):					553,303,353				
8													
9	Educational		Operations & Maintenance		Transportation		Combined Total		Working Cash				
10	Rate(s):		0.028021		+ 0.007081		+ 0.002259		= 0.037360		0.000002		
11													
12													
13	B. Results of Operations *												
14													
15	Receipts/Revenues			Disbursements/Expenditures			Excess/ (Deficiency)			Fund Balance			
16	35,691,933			35,625,102			66,831			6,015,148			
17	* The numbers shown are the sum of entries on Pages 7 & 8, lines 8, 17, 20, and 81 for the Educational, Operations & Maintenance, Transportation and Working Cash Funds.												
18													
19													
20	C. Short-Term Debt **												
21													
22	CPPRT Notes		TAWs		TANs		TO/EMP. Orders		GSA Certificates				
23	0		0		0		0		0				
24	Other		Total										
25	0		0										
26	** The numbers shown are the sum of entries on page 24.												
27													
28	D. Long-Term Debt												
29	Check the applicable box for long-term debt allowance by type of district.												
30													
31	<input type="checkbox"/> a. 6.9% for elementary and high school districts,		76,355,863										
32	<input checked="" type="checkbox"/> b. 13.8% for unit districts.												
33													
34	Long-Term Debt Outstanding:												
35													
36	c. Long-Term Debt (Principal only)		Acct										
37	Outstanding:.....		511		23,275,000								
38													
39													
40	E. Material Impact on Financial Position												
41	If applicable, check any of the following items that may have a material impact on the entity's financial position during future reporting periods.												
42	Attach sheets as needed explaining each item checked.												
43													
44	<input type="checkbox"/> Pending Litigation												
45	<input type="checkbox"/> Material Decrease in EAV												
46	<input type="checkbox"/> Material Increase/Decrease in Enrollment												
47	<input type="checkbox"/> Adverse Arbitration Ruling												
48	<input type="checkbox"/> Passage of Referendum												
49	<input type="checkbox"/> Taxes Filed Under Protest												
50	<input type="checkbox"/> Decisions By Local Board of Review or Illinois Property Tax Appeal Board (PTAB)												
51	<input type="checkbox"/> Other Ongoing Concerns (Describe & Itemize)												
52													
53	Comments:												
54													
55													
56													
57													
58													
59													
60													
61													

	A	B	C	D	E	F	G	H	I	K	L	M	N	O	Q	R	
1	ESTIMATED FINANCIAL PROFILE SUMMARY																
2	(Go to the following website for reference to the Financial Profile)																
3	https://www.isbe.net/Pages/School-District-Financial-Profile.aspx																
4																	
5																	
6																	
7	District Name:	Marion Community Unit School District #2															
8	District Code:	21-100-0020-26															
9	County Name:	Williamson															
10																	
11	1. Fund Balance to Revenue Ratio:																
12	Total Sum of Fund Balance (P8, Cells C81, D81, F81 & I81)	Funds 10, 20, 40, 70 + (50 & 80 if negative)				Total	6,015,148.00	Ratio	0.169	Score	3	Weight	0.35				
13	Total Sum of Direct Revenues (P7, Cell C8, D8, F8 & I8)	Funds 10, 20, 40, & 70,					35,691,933.00			Value	1.05						
14	Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)	Minus Funds 10 & 20					0.00										
15	(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)																
16	2. Expenditures to Revenue Ratio:																
17	Total Sum of Direct Expenditures (P7, Cell C17, D17, F17, I17)	Funds 10, 20 & 40				Total	35,625,102.00	Ratio	0.998	Score	4	Adjustment	0				
18	Total Sum of Direct Revenues (P7, Cell C8, D8, F8, & I8)	Funds 10, 20, 40 & 70,					35,691,933.00			Weight	0.35						
19	Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)	Minus Funds 10 & 20					0.00										
20	(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)																
21	Possible Adjustment:																
22																	
23	3. Days Cash on Hand:																
24	Total Sum of Cash & Investments (P5, Cell C4, D4, F4, I4 & C5, D5, F5 & I5)	Funds 10, 20 40 & 70				Total	6,015,148.00	Days	60.78	Score	2	Weight	0.10				
25	Total Sum of Direct Expenditures (P7, Cell C17, D17, F17 & I17)	Funds 10, 20, 40 divided by 360					98,958.62			Value	0.20						
26																	
27	4. Percent of Short-Term Borrowing Maximum Remaining:																
28	Tax Anticipation Warrants Borrowed (P24, Cell F6-7 & F11)	Funds 10, 20 & 40				Total	0.00	Percent	100.00	Score	4	Weight	0.10				
29	EAV x 85% x Combined Tax Rates (P3, Cell J7 and J10)	(.85 x EAV) x Sum of Combined Tax Rates					17,570,701.28			Value	0.40						
30																	
31	5. Percent of Long-Term Debt Margin Remaining:																
32	Long-Term Debt Outstanding (P3, Cell H37)					Total	23,275,000.00	Percent	69.51	Score	3	Weight	0.10				
33	Total Long-Term Debt Allowed (P3, Cell H31)						76,355,862.71			Value	0.30						
34																	
35																	
36																	
37																	
38																	
39																	
40																	
41																	
42																	
													Total Profile Score:	3.35 *			
													Estimated 2020 Financial Profile Designation:	<u>REVIEW</u>			
* Total Profile Score may change based on data provided on the Financial Profile Information, page 3 and by the timing of mandated categorical payments. Final score will be calculated by ISBE.																	

	A	B	C	D	E	F
1	SCHEDULE OF AD VALOREM TAX RECEIPTS					
2	Description (Enter Whole Dollars)	Taxes Received 7-1-18 thru 6-30-19 (from 2017 Levy & Prior Levies) *	Taxes Received (from the 2018 Levy)	Taxes Received (from 2017 & Prior Levies)	Total Estimated Taxes (from the 2018 Levy)	Estimated Taxes Due (from the 2018 Levy)
3				(Column B - C)		(Column E - C)
4		Educational	14,823,326		14,823,326	15,504,058
5	Operations & Maintenance	3,849,790		3,849,790	3,917,996	3,917,996
6	Debt Services **	1,761,186		1,761,186	1,803,160	1,803,160
7	Transportation	1,096,789		1,096,789	1,250,023	1,250,023
8	Municipal Retirement	475,587		475,587	424,992	424,992
9	Capital Improvements	0		0	0	0
10	Working Cash	869		869	885	885
11	Tort Immunity	448,691		448,691	450,002	450,002
12	Fire Prevention & Safety	249,231		249,231	4,980	4,980
13	Leasing Levy	0		0	290,982	290,982
14	Special Education	14,507		14,507	14,607	14,607
15	Area Vocational Construction	0		0	0	0
16	Social Security/Medicare Only	451,680		451,680	450,002	450,002
17	Summer School	0		0	0	0
18	Other (Describe & Itemize)	0		0	0	0
19	Totals	23,171,656	0	23,171,656	24,111,688	24,111,688
20						
21	* The formulas in column B are unprotected to be overridden when reporting on a ACCRUAL basis.					
22	** All tax receipts for debt service payments on bonds must be recorded on line 6 (Debt Services).					

	A	B	C	D	E	F	G	H	I	J
1	SCHEDULE OF SHORT-TERM DEBT									
2	Description (Enter Whole Dollars)		Outstanding Beginning July 1, 2018	Issued July 1, 2018 thru June 30, 2019	Retired July 1, 2018 thru June 30, 2019	Outstanding Ending June 30, 2019				
3	CORPORATE PERSONAL PROPERTY REPLACEMENT TAX ANTICIPATION NOTES (CPPRT)									
4	Total CPPRT Notes					0				
5	TAX ANTICIPATION WARRANTS (TAW)									
6	Educational Fund					0				
7	Operations & Maintenance Fund					0				
8	Debt Services - Construction					0				
9	Debt Services - Working Cash					0				
10	Debt Services - Refunding Bonds					0				
11	Transportation Fund					0				
12	Municipal Retirement/Social Security Fund					0				
13	Fire Prevention & Safety Fund					0				
14	Other - (Describe & Itemize)					0				
15	Total TAWs		0	0	0	0				
16	TAX ANTICIPATION NOTES (TAN)									
17	Educational Fund					0				
18	Operations & Maintenance Fund					0				
19	Fire Prevention & Safety Fund					0				
20	Other - (Describe & Itemize)					0				
21	Total TANs		0	0	0	0				
22	TEACHERS'/EMPLOYEES' ORDERS (T/EO)									
23	Total T/EOs (Educational, Operations & Maintenance, & Transportation Funds)					0				
24	GENERAL STATE-AID ANTICIPATION CERTIFICATES (GSAAC)									
25	Total GSAACs (All Funds)					0				
26	OTHER SHORT-TERM BORROWING									
27	Total Other Short-Term Borrowing (Describe & Itemize)					0				
28										
29	SCHEDULE OF LONG-TERM DEBT									
30	Identification or Name of Issue	Date of Issue (mm/dd/yy)	Amount of Original Issue	Type of Issue *	Outstanding Beginning July 1, 2018	Issued July 1, 2018 thru June 30, 2019	Any differences (Described and Itemize)	Retired July 1, 2018 thru June 30, 2019	Outstanding Ending June 30, 2019	Amount to be Provided for Payment on Long-Term Debt
31	G.O. (Limited Tax) Lease Certificates Series 2011	02/16/11	12,000,000	7	6,305,000			1,090,000	5,215,000	5,204,662
32	G.O. Building Series 2011	02/18/11	20,000,000	6	9,615,000			660,000	8,955,000	8,955,000
33	G.O. School Refunding Bonds Series 2017	01/31/17	9,310,000	3	9,210,000			105,000	9,105,000	9,105,000
34	G.O. (Limited Tax) Lease Certificates Series 2016A	10/28/16	2,740,000	7	808,780			808,780	0	0
35									0	0
36									0	0
37									0	0
38									0	0
39									0	0
40									0	0
41									0	0
42									0	0
43									0	0
44									0	0
45									0	0
46									0	0
47									0	0
48									0	0
49			44,050,000		25,938,780	0	0	2,663,780	23,275,000	23,264,662
50										
51	* Each type of debt issued must be identified separately with the amount:									
52	1. Working Cash Fund Bonds			4. Fire Prevent, Safety, Environmental and Energy Bonds			7. Other Lease Certificates			
53	2. Funding Bonds			5. Tort Judgment Bonds			8. Other			
54	3. Refunding Bonds			6. Building Bonds			9. Other			

**Schedule of Restricted Local Tax Levies and Selected Revenues Sources
Schedule of Tort Immunity Expenditures**

	A	B	C	D	E	F	G	H	I	J	K	
1	SCHEDULE OF RESTRICTED LOCAL TAX LEVIES AND SELECTED REVENUE SOURCES											
2	Description (Enter Whole Dollars)					Account No	Tort Immunity ^a	Special Education	Area Vocational Construction	School Facility Occupation Taxes ^b	Driver Education	
3	Cash Basis Fund Balance as of July 1, 2018									1,167,622		
4	RECEIPTS:											
5	Ad Valorem Taxes Received by District					10, 20, 40 or 50-1100		14,507				
6	Earnings on Investments					10, 20, 40, 50 or 60-1500				13,261		
7	Drivers' Education Fees					10-1970					10,480	
8	School Facility Occupation Tax Proceeds					30 or 60-1983				2,668,085		
9	Driver Education					10 or 20-3370					56,312	
10	Other Receipts (Describe & Itemize)					--						
11	Sale of Bonds					10, 20, 40 or 60-7200						
12	Total Receipts						0	14,507	0	2,681,346	66,792	
13	DISBURSEMENTS:											
14	Instruction					10 or 50-1000		14,507			66,792	
15	Facilities Acquisition & Construction Services					20 or 60-2530				2,536,582		
16	Tort Immunity Services					10, 20, 40-2360-2370						
17	DEBT SERVICE											
18	Debt Services - Interest on Long-Term Debt					30-5200						
19	Debt Services - Principal Payments on Long-Term Debt (Lease/Purchase Principal Retired)					30-5300						
20	Debt Services Other (Describe & Itemize)					30-5400						
21	Total Debt Services									0		
22	Other Disbursements (Describe & Itemize)					--						
23	Total Disbursements						0	14,507	0	2,536,582	66,792	
24	Ending Cash Basis Fund Balance as of June 30, 2019						0	0	0	1,312,386	0	
25	Reserved Fund Balance					714						
26	Unreserved Fund Balance					730	0	0	0	1,312,386	0	

28	SCHEDULE OF TORT IMMUNITY EXPENDITURES ^a				
29					
30	Yes <input type="checkbox"/> No <input type="checkbox"/> Has the entity established an insurance reserve pursuant to 745 ILCS 10/9-103?				
31	If yes, list in the aggregate the following:				
32					Total Claims Payments:
32					Total Reserve Remaining:
34	<i>In the following categories, list all other Tort Immunity expenditures not included in line 30 above. Enter total dollar amount for each category.</i>				
35	Expenditures:				
36	Workers' Compensation Act and/or Workers' Occupational Disease Act				
37	Unemployment Insurance Act				
38	Insurance (Regular or Self-Insurance)				
39	Risk Management and Claims Service				
40	Judgments/Settlements				
41	Educational, Inspectional, Supervisory Services Related to Loss Prevention and/or Reduction				
42	Reciprocal Insurance Payments (Insurance Code 72, 76, and 81)				
43	Legal Services				
44	Principal and Interest on Tort Bonds				
45					
46	^a Schedules for Tort Immunity are to be completed only if expenditures have been reported in any fund other than the Tort Immunity Fund (80) during the fiscal year as a result of existing (restricted) fund balances in those other funds that are being spent down. Cell G6 above should include interest earnings only from these restricted tort immunity monies and only if reported in a fund other than Tort Immunity Fund (80).				
47					
48	^b 55 ILCS 5/5-1006.7				

	A	B	C	D	E	F	G	H	I	J	K	L
1	SCHEDULE OF CAPITAL OUTLAY AND DEPRECIATION											
2	Description of Assets (Enter Whole Dollars)	Acct #	Cost Beginning July 1, 2018	Add: Additions July 1, 2018 thru June 30, 2019	Less: Deletions July 1, 2018 thru June 30 2019	Cost Ending June 30, 2019	Life In Years	Accumulated Depreciation Beginning July 1, 2018	Add: Depreciation Allowable July 1, 2018 thru June 30, 2019	Less: Depreciation Deletions July 1, 2018 thru June 30, 2019	Accumulated Depreciation Ending June 30, 2019	Ending Balance Undepreciated June 30, 2019
3	Works of Art & Historical Treasures	210				0					0	0
4	Land	220										
5	Non-Depreciable Land	221	1,746,343	8,400		1,754,743						1,754,743
6	Depreciable Land	222				0	50				0	0
7	Buildings	230										
8	Permanent Buildings	231	148,199,424	440,382		148,639,806	50	35,849,057	3,169,466		39,018,523	109,621,283
9	Temporary Buildings	232				0	20				0	0
10	Improvements Other than Buildings (Infrastructure)	240	3,750,537	758,234		4,508,771	20	2,082,321	157,662		2,239,983	2,268,788
11	Capitalized Equipment	250										
12	10 Yr Schedule	251	4,849,905	233,064	579,191	4,503,778	10	2,080,399	486,933	579,191	1,988,141	2,515,637
13	5 Yr Schedule	252				0	5				0	0
14	3 Yr Schedule	253				0	3				0	0
15	Construction in Progress	260				0	--					0
16	Total Capital Assets	200	158,546,209	1,440,080	579,191	159,407,098		40,011,777	3,814,061	579,191	43,246,647	116,160,451
17	Non-Capitalized Equipment	700				0	10		0			
18	Allowable Depreciation								3,814,061			

	A	B	C	D	E	F
1	ESTIMATED OPERATING EXPENSE PER PUPIL (OEPP)/PER CAPITA TUITION CHARGE (PCTC) COMPUTATIONS (2018-2019)					
2	<i>This schedule is completed for school districts only.</i>					
4	Fund	Sheet, Row	ACCOUNT NO - TITLE			Amount
6	OPERATING EXPENSE PER PUPIL					
7	EXPENDITURES:					
8	ED	Expenditures 15-22, L114	Total Expenditures		\$	29,661,851
9	O&M	Expenditures 15-22, L151	Total Expenditures			4,466,951
10	DS	Expenditures 15-22, L174	Total Expenditures			4,080,247
11	TR	Expenditures 15-22, L210	Total Expenditures			1,496,300
12	MR/SS	Expenditures 15-22, L295	Total Expenditures			913,012
13	TORT	Expenditures 15-22, L342	Total Expenditures			455,617
14			Total Expenditures		\$	41,073,978
16	LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:					
18	TR	Revenues 9-14, L43, Col F	1412 Regular - Transp Fees from Other Districts (In State)		\$	0
19	TR	Revenues 9-14, L47, Col F	1421 Summer Sch - Transp. Fees from Pupils or Parents (In State)			0
20	TR	Revenues 9-14, L48, Col F	1422 Summer Sch - Transp. Fees from Other Districts (In State)			0
21	TR	Revenues 9-14, L49, Col F	1423 Summer Sch - Transp. Fees from Other Sources (In State)			0
22	TR	Revenues 9-14, L50 Col F	1424 Summer Sch - Transp. Fees from Other Sources (Out of State)			0
23	TR	Revenues 9-14, L52, Col F	1432 CTE - Transp Fees from Other Districts (In State)			0
24	TR	Revenues 9-14, L56, Col F	1442 Special Ed - Transp Fees from Other Districts (In State)			0
25	TR	Revenues 9-14, L59, Col F	1451 Adult - Transp Fees from Pupils or Parents (In State)			0
26	TR	Revenues 9-14, L60, Col F	1452 Adult - Transp Fees from Other Districts (In State)			0
27	TR	Revenues 9-14, L61, Col F	1453 Adult - Transp Fees from Other Sources (In State)			0
28	TR	Revenues 9-14, L62, Col F	1454 Adult - Transp Fees from Other Sources (Out of State)			0
29	O&M-TR	Revenues 9-14, L149, Col D & F	3410 Adult Ed (from ICCB)			0
30	O&M-TR	Revenues 9-14, L150, Col D & F	3499 Adult Ed - Other (Describe & Itemize)			0
31	O&M-TR	Revenues 9-14, L211, Col D,F	4600 Fed - Spec Education - Preschool Flow-Through			0
32	O&M-TR	Revenues 9-14, L212, Col D,F	4605 Fed - Spec Education - Preschool Discretionary			0
33	O&M	Revenues 9-14, L222, Col D	4810 Federal - Adult Education			0
34	ED	Expenditures 15-22, L7, Col K - (G+)	1125 Pre-K Programs			0
35	ED	Expenditures 15-22, L9, Col K - (G+)	1225 Special Education Programs Pre-K			0
36	ED	Expenditures 15-22, L11, Col K - (G+)	1275 Remedial and Supplemental Programs Pre-K			0
37	ED	Expenditures 15-22, L12, Col K - (G+)	1300 Adult/Continuing Education Programs			0
38	ED	Expenditures 15-22, L15, Col K - (G+)	1600 Summer School Programs			22,363
39	ED	Expenditures 15-22, L20, Col K	1910 Pre-K Programs - Private Tuition			0
40	ED	Expenditures 15-22, L21, Col K	1911 Regular K-12 Programs - Private Tuition			0
41	ED	Expenditures 15-22, L22, Col K	1912 Special Education Programs K-12 - Private Tuition			0
42	ED	Expenditures 15-22, L23, Col K	1913 Special Education Programs Pre-K - Tuition			0
43	ED	Expenditures 15-22, L24, Col K	1914 Remedial/Supplemental Programs K-12 - Private Tuition			0
44	ED	Expenditures 15-22, L25, Col K	1915 Remedial/Supplemental Programs Pre-K - Private Tuition			0
45	ED	Expenditures 15-22, L26, Col K	1916 Adult/Continuing Education Programs - Private Tuition			0
46	ED	Expenditures 15-22, L27, Col K	1917 CTE Programs - Private Tuition			0
47	ED	Expenditures 15-22, L28, Col K	1918 Interscholastic Programs - Private Tuition			0
48	ED	Expenditures 15-22, L29, Col K	1919 Summer School Programs - Private Tuition			0
49	ED	Expenditures 15-22, L30, Col K	1920 Gifted Programs - Private Tuition			0
50	ED	Expenditures 15-22, L31, Col K	1921 Bilingual Programs - Private Tuition			0
51	ED	Expenditures 15-22, L32, Col K	1922 Truants Alternative/Optional Ed Progrms - Private Tuition			0
52	ED	Expenditures 15-22, L75, Col K - (G+)	3000 Community Services			135,218
53	ED	Expenditures 15-22, L102, Col K	4000 Total Payments to Other Govt Units			4,128,388
54	ED	Expenditures 15-22, L114, Col G	- Capital Outlay			193,043
55	ED	Expenditures 15-22, L114, Col I	- Non-Capitalized Equipment			0
56	O&M	Expenditures 15-22, L130, Col K - (G+)	3000 Community Services			0
57	O&M	Expenditures 15-22, L139, Col K	4000 Total Payments to Other Govt Units			0
58	O&M	Expenditures 15-22, L151, Col G	- Capital Outlay			778,379
59	O&M	Expenditures 15-22, L151, Col I	- Non-Capitalized Equipment			0
60	DS	Expenditures 15-22, L160, Col K	4000 Payments to Other Dist & Govt Units			0
61	DS	Expenditures 15-22, L170, Col K	5300 Debt Service - Payments of Principal on Long-Term Debt			2,663,780
62	TR	Expenditures 15-22, L185, Col K - (G+)	3000 Community Services			0
63	TR	Expenditures 15-22, L196, Col K	4000 Total Payments to Other Govt Units			199,306
64	TR	Expenditures 15-22, L206, Col K	5300 Debt Service - Payments of Principal on Long-Term Debt			0
65	TR	Expenditures 15-22, L210, Col G	- Capital Outlay			0
66	TR	Expenditures 15-22, L210, Col I	- Non-Capitalized Equipment			0
67	MR/SS	Expenditures 15-22, L216, Col K	1125 Pre-K Programs			0
68	MR/SS	Expenditures 15-22, L218, Col K	1225 Special Education Programs - Pre-K			0
69	MR/SS	Expenditures 15-22, L220, Col K	1275 Remedial and Supplemental Programs - Pre-K			0
70	MR/SS	Expenditures 15-22, L221, Col K	1300 Adult/Continuing Education Programs			0
71	MR/SS	Expenditures 15-22, L224, Col K	1600 Summer School Programs			294
72	MR/SS	Expenditures 15-22, L280, Col K	3000 Community Services			8,087
73	MR/SS	Expenditures 15-22, L285, Col K	4000 Total Payments to Other Govt Units			0
74	Tort	Expenditures 15-22, L334, Col K	4000 Total Payments to Other Govt Units			0
76			Total Deductions for OEPP Computation (Sum of Lines 18 - 74)		\$	8,128,858
77			Total Operating Expenses Regular K-12 (Line 14 minus Line 76)			32,945,120
78			9 Month ADA from District Average Daily Attendance/Prior General State Aid Inquiry 2018-2019			3,702.70
79			Estimated OEPP (Line 77 divided by Line 78)		\$	8,897.59
80						

	A	B	C	D	E	F	
1	ESTIMATED OPERATING EXPENSE PER PUPIL (OEPP)/PER CAPITA TUITION CHARGE (PCTC) COMPUTATIONS (2018-2019)						
2	<i>This schedule is completed for school districts only.</i>						
4	Fund	Sheet_Row	ACCOUNT NO - TITLE			Amount	
5							
81	PER CAPITA TUITION CHARGE						
83	LESS OFFSETTING RECEIPTS/REVENUES:						
84	TR	Revenues 9-14, L42, Col F	1411	Regular -Transp Fees from Pupils or Parents (In State)	\$	0	
85	TR	Revenues 9-14, L44, Col F	1413	Regular - Transp Fees from Other Sources (In State)		0	
86	TR	Revenues 9-14, L45, Col F	1415	Regular - Transp Fees from Co-curricular Activities (In State)		0	
87	TR	Revenues 9-14, L46, Col F	1416	Regular Transp Fees from Other Sources (Out of State)		0	
88	TR	Revenues 9-14, L51, Col F	1431	CTE - Transp Fees from Pupils or Parents (In State)		0	
89	TR	Revenues 9-14, L53, Col F	1433	CTE - Transp Fees from Other Sources (In State)		0	
90	TR	Revenues 9-14, L54, Col F	1434	CTE - Transp Fees from Other Sources (Out of State)		0	
91	TR	Revenues 9-14, L55, Col F	1441	Special Ed - Transp Fees from Pupils or Parents (In State)		0	
92	TR	Revenues 9-14, L57, Col F	1443	Special Ed - Transp Fees from Other Sources (In State)		0	
93	TR	Revenues 9-14, L58, Col F	1444	Special Ed - Transp Fees from Other Sources (Out of State)		0	
94	ED	Revenues 9-14, L75, Col C	1600	Total Food Service		357,928	
95	ED-O&M	Revenues 9-14, L82, Col C,D	1700	Total District/School Activity Income		156,510	
96	ED	Revenues 9-14, L84, Col C	1811	Rentals - Regular Textbooks		80,193	
97	ED	Revenues 9-14, L87, Col C	1819	Rentals - Other (Describe & Itemize)		0	
98	ED	Revenues 9-14, L88, Col C	1821	Sales - Regular Textbooks		0	
99	ED	Revenues 9-14, L91, Col C	1829	Sales - Other (Describe & Itemize)		0	
100	ED	Revenues 9-14, L92, Col C	1890	Other (Describe & Itemize)		0	
101	ED-O&M	Revenues 9-14, L95, Col C,D	1910	Rentals		0	
102	ED-O&M-TR	Revenues 9-14, L98, Col C,D,F	1940	Services Provided Other Districts		0	
103	ED-O&M-DS-TR-MR/SS	Revenues 9-14, L104, Col C,D,E,F,G	1991	Payment from Other Districts		0	
104	ED	Revenues 9-14, L106, Col C	1993	Other Local Fees (Describe & Itemize)		8,893	
105	ED-O&M-TR	Revenues 9-14, L132, Col C,D,F	3100	Total Special Education		106,885	
106	ED-O&M-MR/SS	Revenues 9-14, L141, Col C,D,G	3200	Total Career and Technical Education		117,148	
107	ED-MR/SS	Revenues 9-14, L145, Col C,G	3300	Total Bilingual Ed		0	
108	ED	Revenues 9-14, L146, Col C	3360	State Free Lunch & Breakfast		21,632	
109	ED-O&M-MR/SS	Revenues 9-14, L147, Col C,D,G	3365	School Breakfast Initiative		0	
110	ED-O&M	Revenues 9-14, L148, Col C,D	3370	Driver Education		56,312	
111	ED-O&M-TR-MR/SS	Revenues 9-14, L155, Col C,D,F,G	3500	Total Transportation		382,892	
112	ED	Revenues 9-14, L156, Col C	3610	Learning Improvement - Change Grants		0	
113	ED-O&M-TR-MR/SS	Revenues 9-14, L157, Col C,D,F,G	3660	Scientific Literacy		0	
114	ED-TR-MR/SS	Revenues 9-14, L158, Col C,F,G	3695	Truant Alternative/Optional Education		0	
115	ED-O&M-TR-MR/SS	Revenues 9-14, L160, Col C,D,F,G	3766	Chicago General Education Block Grant		0	
116	ED-O&M-TR-MR/SS	Revenues 9-14, L161, Col C,D,F,G	3767	Chicago Educational Services Block Grant		0	
117	ED-O&M-DS-TR-MR/SS	Revenues 9-14, L162, Col C,D,E,F,G	3775	School Safety & Educational Improvement Block Grant		0	
118	ED-O&M-DS-TR-MR/SS	Revenues 9-14, L163, Col C,D,E,F,G	3780	Technology - Technology for Success		0	
119	ED-TR	Revenues 9-14, L164, Col C,F	3815	State Charter Schools		0	
120	O&M	Revenues 9-14, L167, Col D	3925	School Infrastructure - Maintenance Projects		0	
121	ED-O&M-DS-TR-MR/SS-Tort	Revenues 9-14, L168, Col C-G,J	3999	Other Restricted Revenue from State Sources		12,574	
122	ED	Revenues 9-14, L177, Col C	4045	Head Start (Subtract)		0	
123	ED-O&M-TR-MR/SS	Revenues 9-14, L181, Col C,D,F,G	-	Total Restricted Grants-In-Aid Received Directly from Federal Govt		0	
124	ED-O&M-TR-MR/SS	Revenues 9-14, L188, Col C,D,F,G	4100	Total Title V		0	
125	ED-MR/SS	Revenues 9-14, L198, Col C,G	4200	Total Food Service		1,122,043	
126	ED-O&M-TR-MR/SS	Revenues 9-14, L204, Col C,D,F,G	4300	Total Title I		1,416,911	
127	ED-O&M-TR-MR/SS	Revenues 9-14, L209, Col C,D,F,G	4400	Total Title IV		0	
128	ED-O&M-TR-MR/SS	Revenues 9-14, L213, Col C,D,F,G	4620	Fed - Spec Education - IDEA - Flow Through		1,386	
129	ED-O&M-TR-MR/SS	Revenues 9-14, L214, Col C,D,F,G	4625	Fed - Spec Education - IDEA - Room & Board		0	
130	ED-O&M-TR-MR/SS	Revenues 9-14, L215, Col C,D,F,G	4630	Fed - Spec Education - IDEA - Discretionary		0	
131	ED-O&M-TR-MR/SS	Revenues 9-14, L216, Col C,D,F,G	4699	Fed - Spec Education - IDEA - Other (Describe & Itemize)		0	
132	ED-O&M-MR/SS	Revenues 9-14, L221, Col C,D,G	4700	Total CTE - Perkins		0	
157	ED-O&M-DS-TR-MR/SS-Tort	Revenue Adjustments (C224 thru J251)	4800	Total ARRA Program Adjustments		0	
158	ED	Revenues 9-14, L253, Col C	4901	Race to the Top		0	
159	ED-O&M-DS-TR-MR/SS-Tort	Revenues 9-14, L254, Col C-G,J	4902	Race to the Top-Preschool Expansion Grant		0	
160	ED-TR-MR/SS	Revenues 9-14, L255, Col C,F,G	4905	Title III - Immigrant Education Program (IEP)		0	
161	ED-TR-MR/SS	Revenues 9-14, L256, Col C,F,G	4909	Title III - Language Inst Program - Limited Eng (LIPLEP)		0	
162	ED-O&M-TR-MR/SS	Revenues 9-14, L257, Col C,D,F,G	4920	McKinney Education for Homeless Children		0	
163	ED-O&M-TR-MR/SS	Revenues 9-14, L258, Col C,D,F,G	4930	Title II - Eisenhower Professional Development Formula		0	
164	ED-O&M-TR-MR/SS	Revenues 9-14, L259, Col C,D,F,G	4932	Title II - Teacher Quality		0	
165	ED-O&M-TR-MR/SS	Revenues 9-14, L260, Col C,D,F,G	4960	Federal Charter Schools		0	
166	ED-O&M-TR-MR/SS	Revenues 9-14, L261, Col C,D,F,G	4981	State Assessment Grants		0	
167	ED-O&M-TR-MR/SS	Revenues 9-14, L262, Col C,D,F,G	4982	Grant for State Assessments and Related Activities		0	
168	ED-O&M-TR-MR/SS	Revenues 9-14, L263, Col C,D,F,G	4991	Medicaid Matching Funds - Administrative Outreach		20,661	
169	ED-O&M-TR-MR/SS	Revenues 9-14, L264, Col C,D,F,G	4992	Medicaid Matching Funds - Fee-for-Service Program		13,728	
170	ED-O&M-TR-MR/SS	Revenues 9-14, L265, Col C,D,F,G	4999	Other Restricted Revenue from Federal Sources (Describe & Itemize)		15,471	
171	ED-TR-MR/SS	Revenues (Part of EBF Payment)	3100	Special Education Contributions from EBF Funds **		593,190	
172	ED-MR/SS	Revenues (Part of EBF Payment)	3300	English Learning (Bilingual) Contributions from EBF Funds ***		579	
174	Total Deductions for PCTC Computation Line 84 through Line 172					\$	4,484,936
175	Net Operating Expense for Tuition Computation (Line 77 minus Line 174)						28,460,184
176	Total Depreciation Allowance (from page 26, Line 18, Col I)						3,814,061
177	Total Allowance for PCTC Computation (Line 175 plus Line 176)						32,274,245
178	9 Month ADA from District Average Daily Attendance/Prior General State Aid Inquiry 2018-2019						3,702.70
179	Total Estimated PCTC (Line 177 divided by Line 178) *					\$	8,716.41
181	* The total OEPP/PCTC may change based on the data provided. The final amounts will be calculated by ISBE						
182	** Go to the link below: Under "Reports" select "FY 2019 Special Education Funding Allocation Calculation Details." Open excel file and use the amount in column X for the selected district.						
183	*** Follow the same instructions as above except under "Reports", select "FY 2019 English Learner Education Funding Allocation Calculation Details", and use column V for the selected district.						
184							
185	Evidence Based Funding Link: https://www.isbe.net/Pages/ebfdistribution.aspx						

Illinois State Board of Education
School Business Services Division

Current Year Payment on Contracts For Indirect Cost Rate Computation

If an error message is reported in Column F regarding the function and/or object number and assistance is needed, please call 217-785-8779.

Instructions:

This schedule is to calculate the amount allowed on contracts obligated by the school district for the Indirect Cost Rate calculation. The greatest amount allowed in the indirect cost calculation is \$25,000 for each contract. The contracts should be only for purchase services and not for salary contracts.

1. In column (A) enter the name of the **Fund-Function-Object of the account** where the payment was made on each contract in the current year.
2. In column (B) enter the number of the **Fund-Function-Object (use this format [00-0000-000])** of the account where the payment was made on each contract for the current year. Use only the functions listed on page 30. **Only enter contracts that were paid in the functions listed on the indirect cost calculation, page 30.**
3. In Column (C) enter the name of the Company that is listed on the contract.
4. In column (D) enter the total amount **paid** in the AFR for the contract. The amount must be less than or equal to the amount reported in the AFR's "Expenditures 15-22" tab.
5. Column (E) and (F) are calculated automatically based on the information provided in Columns (A through D).
6. The amount in column (E) is the amount allowed on each contract in the Indirect Cost Rate calculation. The amount in column (F) is the amount that will be deducted from the base in the indirect cost rate (page 30) for Program Year 2021.
7. Do not include contracts for Capital Outlay (500) or Non-Capitalized Equipment (700) on this form, they are excluded from the Indirect Cost Rate calculation.

Fund-Function-Object Name Where the Expenditure was Recorded (Column A)	Fund- Function- Object Number (Column B)	Contracted Company Name (Column C)	Current Year Amount Paid on Contract (Column D)	Contract Amount Applied to the Indirect Cost Rate Base (Column E)	Contract Amount deducted from the Indirect Cost Rate Base (Column F)
<i>Enter as shown here: ED-Instruction-Other</i>	<i>10-1000-600</i>	<i>Company Name</i>	<i>500,000</i>	<i>25,000</i>	<i>475,000</i>
ED-Instruction-Other Purchased Services	10-1000-300	Frontline Education	3,444	3,444	0
ED-Instruction-Other Purchased Services	10-1000-300	Eschool Solutions	7,072	7,072	0
ED-Instruction-Other Purchased Services	10-1000-300	Blackboard	4,925	4,925	0
ED-Instruction-Other Purchased Services	10-1000-300	Fastbridge Learning	8,400	8,400	0
ED-Imp. Of Instruction - Purchased Services	10-2200-300	Fastbridge Learning	14,000	14,000	0
ED-Instruction-Other Purchased Services	10-1000-300	ASC Direct Inc.	11,143	11,143	0
ED-Instruction-Other Purchased Services	10-1000-300	EDMENTUM	21,060	21,060	0
ED-Imp. Of Instruction - Purchased Services	10-2200-300	Rend Lake College	24,000	24,000	0
ED-Technology Purchased Services	10-2200-300	CRISISGO	4,000	4,000	0
ED-Technology Purchased Services	10-2200-300	Powerschool Group LLC	14,276	14,276	0
ED-Technology Purchased Services	10-2200-300	Chalkable	15,947	15,947	0
ED-Technology Purchased Services	10-2200-300	Gov Connection	9,281	9,281	0
ED-Technology Purchased Services	10-2200-300	West Interactive Services	5,406	5,406	0
ED-Technology Purchased Services	10-2200-300	Earth Networks, Inc.	1,500	1,500	0
ED-Technology Purchased Services	10-2200-300	Providence Capital	10,895	10,895	0
ED-Technology Purchased Services	10-2200-300	Blackboard	7,200	7,200	0
ED-Technology Purchased Services	10-2200-300	Gov Connection	1,474	1,474	0
ED-Technology Purchased Services	10-2200-300	Technology Resource Advisors, Inc.	16,605	16,605	0
ED-Technology Purchased Services	10-2200-300	Journey Ed	621	621	0
ED-Technology Purchased Services	10-2200-300	Team Viewer GMBH	1,972	1,972	0
Ed-Board of Educ. - Purchased Services	10-2300-300	Forecast 5 Analytics	10,500	10,500	0
Ed-Fiscal Services - Purchased Services	10-2520-300	Kemper CPA Group, LLP	18,050	18,050	0

Fund-Function-Object Name Where the Expenditure was Recorded (Column A)	Fund- Function- Object Number (Column B)	Contracted Company Name (Column C)	Current Year Amount Paid on Contract (Column D)	Contract Amount Applied to the Indirect Cost Rate Base (Column E)	Contract Amount deducted from the Indirect Cost Rate Base (Column F)
ED-Instruction-Other Purchased Services	10-1000-300	ROE #21	1,800	1,800	0
ED-Instruction-Other Purchased Services	10-1000-300	McGraw-Hill Education	1,598	1,598	0
ED-Instruction-Other Purchased Services	10-1000-300	School Tech Supply	10,000	10,000	0
ED-Instruction-Other Purchased Services	10-1000-300	CDS Office Technologies	538	538	0
ED-Instruction-Other Purchased Services	10-1000-300	Journey Ed	13,146	13,146	0
ED-Instruction-Other Purchased Services	10-1000-300	Rex Encore Promotions LLC	1,750	1,750	0
Ed-Assmt & Testing - Purchased Services	10-2200-300	Univ. of Oregon	500	500	0
Ed-Assmt & Testing - Purchased Services	10-2200-300	CSC Consulting Group	10,750	10,750	0
Ed-Assmt & Testing - Purchased Services	10-2200-300	Lexia Learning	9,275	9,275	0
Ed-Fiscal Services - Purchased Services	10-2520-300	Integrated Systems Corp.	7,722	7,722	0
Ed-Fiscal Services - Purchased Services	10-2520-300	Skyward	24,798	24,798	0
Ed-Fiscal Services - Purchased Services	10-2520-300	Works International Inc.	8,760	8,760	0
O&M-Purchased Services	20-2540-300	Corbell Telephone & Electronics, Inc.	61,707	25,000	36,707
O&M-Purchased Services	20-2540-300	Campbell Fire Extinguishers	5,885	5,885	0
O&M-Purchased Services	20-2540-300	Mathew W Pate	3,296	3,296	0
O&M-Purchased Services	20-2540-300	Security Alarm Corp.	5,981	5,981	0
O&M-Purchased Services	20-2540-300	Novacom Systems Inc.	1,910	1,910	0
O&M-Purchased Services	20-2540-300	Dude Solutions, Inc.	7,180	7,180	0
O&M-Purchased Services	20-2540-300	Thyssenkrupp Elevator	2,059	2,059	0
O&M-Purchased Services	20-2540-300	Thyssenkrupp Elevator	4,509	4,509	0
O&M-Purchased Services	20-2540-300	CRC Thermal Imaging	1,500	1,500	0
O&M-Purchased Services	20-2540-300	L&K Fire Protection	1,470	1,470	0
O&M-Purchased Services	20-2540-300	Thyssenkrupp Elevator	3,776	3,776	0
O&M-Purchased Services	20-2540-300	Applied Power Systems	3,160	3,160	0
Transportation Fund-Purchased Services	40-2550-300	Santander Leasing LLC	7,420	7,420	0
Transportation Fund-Purchased Services	40-2550-300	De Lage Landen Public Finance LLC	9,072	9,072	0
Transportation Fund-Purchased Services	40-2550-300	Southern Bus & Mobility	703	703	0
Transportation Fund-Purchased Services	40-2550-300	Illinois Central School Bus	79,818	25,000	54,818
Transportation Fund-Purchased Services	40-2550-300	Illinois Central School Bus	11,590	11,590	0
Transportation Fund-Purchased Services	40-2550-300	Illinois Central School Bus	73,509	25,000	48,509
Transportation Fund-Purchased Services	40-2550-300	Illinois Central School Bus	11,600	11,600	0
Transportation Fund-Purchased Services	40-2550-300	Illinois Central School Bus	1,073,977	25,000	1,048,977
Lease Fund-Purchased Services	20-2540-300	Kansas State Bank	237,377	25,000	212,377
Lease Fund-Purchased Services	20-2540-300	Us Bank Equipment Finance	52,840	25,000	27,840
O&M-Purchased Services	20-2540-300	Terminix	8,403	8,403	0
O&M-Purchased Services	20-2540-300	Clearwave Communications	105,600	25,000	80,600
O&M-Purchased Services	20-2540-300	Aramark	58,978	25,000	33,978
Tort-Purchased Services	80-2300-300	Winters,Brewster,Crosby & Shafer	580	580	0
Tort-Purchased Services	80-2300-300	Hodges, Loizzi, Eisenhammer	3,495	3,495	0
Tort-Purchased Services	80-2300-300	Gilbert, Huffman, Prosser	96	96	0
Tort-Purchased Services	80-2300-300	Hendricks & Hagan	105	105	0
Tort-Purchased Services	80-2300-300	Howerton,Dorris, Stone & Lambert	5,109	5,109	0

Fund-Function-Object Name Where the Expenditure was Recorded (Column A)	Fund- Function- Object Number (Column B)	Contracted Company Name (Column C)	Current Year Amount Paid on Contract (Column D)	Contract Amount Applied to the Indirect Cost Rate Base (Column E)	Contract Amount deducted from the Indirect Cost Rate Base (Column F)
Tort-Purchased Services	80-2300-300	Illinois School District Agency	44,308	25,000	19,308
Tort-Purchased Services	80-2300-300	School Leaders Risk Mgmt Assoc.	202	202	0
Tort-Purchased Services	80-2300-300	Workers' Compensation	133,594	25,000	108,594
Tort-Purchased Services	80-2300-300	Equifax	2,257	2,257	0
Tort-Purchased Services	80-2300-300	Yewell Insurance	2,596	2,596	0
Tort-Purchased Services	80-2300-300	Cincinnati Life Insurance	830	830	0
Tort-Purchased Services	80-2300-300	Erie Insurance Group	16,365	16,365	0
Tort-Purchased Services	80-2300-300	The Insurance House	238,987	25,000	213,987
Tort-Purchased Services	80-2300-300	Baysinger Architects, PLLC	7,050	7,050	0
O&M-Purchased Services	20-2540-300	Baysinger Architects, PLLC	159,361	25,000	134,361
Total			2,750,663	730,607	2,020,056

ESTIMATED INDIRECT COST DATA

	A	B	C	D	E	F	G	H
1	ESTIMATED INDIRECT COST RATE DATA							
2	SECTION I							
3	Financial Data To Assist Indirect Cost Rate Determination							
4	<i>(Source document for the computation of the Indirect Cost Rate is found in the "Expenditures 15-22" tab.)</i>							
5	<p>ALL OBJECTS EXCLUDE CAPITAL OUTLAY. With the exception of line 11, enter the disbursements/expenditures included within the following functions charged directly to and reimbursed from federal grant programs. Also, include all amounts paid to or for other employees within each function that work with specific federal grant programs in the same capacity as those charged to and reimbursed from the same federal grant programs. For example, if a district received funding for a Title I clerk, all other salaries for Title I clerks performing like duties in that function must be included. Include any benefits and/or purchased services paid on or to persons whose salaries are classified as direct costs in the function listed.</p>							
6	Support Services - Direct Costs (1-2000) and (5-2000)							
7	Direction of Business Support Services (1-2510) and (5-2510)							
8	Fiscal Services (1-2520) and (5-2520)							
9	Operation and Maintenance of Plant Services (1, 2, and 5-2540)							
10	Food Services (1-2560) <i>Must be less than (P16, Col E-F, L63)</i>				661,674			
11	Value of Commodities Received for Fiscal Year 2019 <i>(Include the value of commodities when determining if a Single Audit is required)</i> .				129,435			
12	Internal Services (1-2570) and (5-2570)							
13	Staff Services (1-2640) and (5-2640)							
14	Data Processing Services (1-2660) and (5-2660)							
15	SECTION II							
16	Estimated Indirect Cost Rate for Federal Programs							
17				Restricted Program		Unrestricted Program		
18		Function		Indirect Costs	Direct Costs	Indirect Costs	Direct Costs	
19	Instruction	1000			18,973,421		18,973,421	
20	Support Services:							
21	Pupil	2100			1,338,850		1,338,850	
22	Instructional Staff	2200			1,170,942		1,170,942	
23	General Admin.	2300			793,887		793,887	
24	School Admin	2400			2,043,138		2,043,138	
25	Business:							
26	Direction of Business Spt. Srv.	2510	147,208		0	147,208	0	
27	Fiscal Services	2520	182,402		0	182,402	0	
28	Oper. & Maint. Plant Services	2540			3,933,533	3,933,533	0	
29	Pupil Transportation	2550			1,301,930		1,301,930	
30	Food Services	2560			972,511		972,511	
31	Internal Services	2570	0		0	0	0	
32	Central:							
33	Direction of Central Spt. Srv.	2610			0		0	
34	Plan, Rsrch, Dvlp, Eval. Srv.	2620			0		0	
35	Information Services	2630			0		0	
36	Staff Services	2640	0		0	0	0	
37	Data Processing Services	2660	0		0	0	0	
38	Other:	2900			31,814		31,814	
39	Community Services	3000			143,305		143,305	
40	Contracts Paid in CY over the allowed amount for ICR calculation (from page 29)				(2,020,056)		(2,020,056)	
41	Total			329,610	28,683,275	4,263,143	24,749,742	
42				Restricted Rate		Unrestricted Rate		
43				Total Indirect Costs:	329,610	Total Indirect Costs:	4,263,143	
44				Total Direct Costs:	28,683,275	Total Direct Costs:	24,749,742	
45				=	1.15%	=	17.22%	
46								

	A	B	C	D	E	F
1	REPORT ON SHARED SERVICES OR OUTSOURCING					
2	School Code, Section 17-1.1 (Public Act 97-0357)					
3	Fiscal Year Ending June 30, 2019					
5	Complete the following for attempts to improve fiscal efficiency through shared services or outsourcing in the prior, current and next fiscal years.					
6	Marion Community Unit School					
7	21-100-0020-26					
8	<i>Check box if this schedule is not applicable.....</i>	<input type="checkbox"/>	Prior Fiscal Year	Current Fiscal Year	Next Fiscal Year	Name of the Local Education Agency (LEA) Participating in the Joint Agreement, Cooperative or Shared Service.
9	Indicate with an (X) If Deficit Reduction Plan Is Required in the Budget ➔					
10	Service or Function (<i>Check all that apply</i>)				Barriers to Implementation	(Limit text to 200 characters, for additional space use line 33 and 38)
11	Curriculum Planning					
12	Custodial Services					
13	Educational Shared Programs					
14	Employee Benefits					
15	Energy Purchasing					
16	Food Services					
17	Grant Writing					
18	Grounds Maintenance Services					
19	Insurance		X	X	X	Worker's Compensation Self-Insurance Trust
20	Investment Pools					
21	Legal Services					
22	Maintenance Services					
23	Personnel Recruitment					
24	Professional Development					
25	Shared Personnel					
26	Special Education Cooperatives		X	X	X	Williamson County Education Services (WCES) (see below)
27	STEM (science, technology, engineering and math) Program Offerings					
28	Supply & Equipment Purchasing					
29	Technology Services					
30	Transportation					
31	Vocational Education Cooperatives		X	X	X	Williamson County Regional Vocational System (WCRVS) (see below)
32	All Other Joint/Cooperative Agreements		X	X	X	Williamson County Pre-K Cooperative (WCPRE-K)(see below)
33	Other					
34						
35	<u>Additional space for Column (D) - Barriers to Implementation:</u>					
36						
37						
38						
40	<u>Additional space for Column (E) - Name of LEA :</u>					
41	Line 26: Special Education Cooperative (WCES) Williamson County Education Services: Marion CUSD No.2, Herrin CUSD No. 4, Carterville School District, Johnston City School District, Crab Orchard School District					
42	Line 31: Vocational Education Cooperative (WCRVS) Williamson County Reg. Vocational System: Marion CUSD No. 2, Herrin CUSD No. 4, Carterville School District, Johnston City School District, Crab Orchard School District					
43	Line 32: Other Cooperative Agreement (WCPRE-k) Williamson County Pre-K Cooperative: Marion CUSD No. 2, Herrin CUSD No. 4, Carterville School District, Johnston City School District, Crab Orchard School District					

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

LIMITATION OF ADMINISTRATIVE COSTS WORKSHEET
 (Section 17-1.5 of the School Code)

School District Name: Marion Community Unit School District #2
 RCDT Number: 21-100-0020-26

Description	Funct. No.	Actual Expenditures, Fiscal Year 2019			Budgeted Expenditures, Fiscal Year 2020		
		(10) Educational Fund	(20) Operations & Maintenance Fund	Total	(10) Educational Fund	(20) Operations & Maintenance Fund	Total
1. Executive Administration Services	2320	289,318		289,318	303,742		303,742
2. Special Area Administration Services	2330	0		0			0
3. Other Support Services - School Administration	2490	0		0			0
4. Direction of Business Support Services	2510	127,720	0	127,720	134,106		134,106
5. Internal Services	2570	0		0			0
6. Direction of Central Support Services	2610	0		0			0
7. Deduct - Early Retirement or other pension obligations required by state law and included above.				0			0
8. Totals		417,038	0	417,038	437,848	0	437,848
9. Percent Increase (Decrease) for FY2020 (Budgeted) over FY2019 (Actual)							5%

CERTIFICATION

I certify that the amounts shown above as "Actual Expenditures, Fiscal Year 2019" agree with the amounts on the district's Annual Financial Report for Fiscal Year 2019.
 I also certify that the amounts shown above as "Budgeted Expenditures, Fiscal Year 2020" agree with the amounts on the budget adopted by the Board of Education.

Signature of Superintendent

Date

Contact Name (for questions)

Contact Telephone Number

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

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

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY†
Teacher's Retirement System of the State of Illinois - Unaudited**

	<u>FY2018*</u>	<u>FY2017*</u>	<u>FY2016*</u>	<u>FY2015*</u>	<u>FY2014*</u>
District's proportion of the net pension liability	0.0023%	0.0085%	0.0091%	0.0102%	0.0116%
District's proportionate share of the net pension liability	\$ 1,779,794	\$ 6,503,645	\$ 7,188,776	\$ 6,652,217	\$ 7,085,578
State's proportionate share of the net pension liability associated with the District	121,923,329	118,482,620	124,147,105	99,846,826	93,909,182
Total	<u>\$ 123,703,123</u>	<u>\$ 124,986,265</u>	<u>\$ 131,335,881</u>	<u>\$ 106,499,043</u>	<u>\$ 100,994,760</u>
District's covered-employee payroll	\$ 16,359,937	\$ 15,966,437	\$ 15,676,387	\$ 15,429,115	\$ 15,244,098
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.9%	40.7%	45.9%	43.1%	46.5%
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 EMPLOYER CONTRIBUTIONS†
Teacher's Retirement System of the State of Illinois - Unaudited**

	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>
Statutorily-required contribution	\$ 184,606	\$ 171,834	\$ 324,515	\$ 357,387	\$ 352,263	\$ 416,014
Contributions in relation to the statutorily-required contribution	184,606	171,834	324,515	357,387	352,263	416,014
Contribution deficiency (excess)	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 17,076,329	\$ 16,359,937	\$ 15,966,437	\$ 15,676,387	\$ 15,429,115	\$ 15,244,098
Contributions as a percentage of covered-employee payroll	1.08%	1.05%	2.03%	2.28%	2.28%	2.73%

†The information in both schedules will accumulate until a full 10-year trend is presented as required by GASB Statement No. 68.

Notes to Supplementary Information

Changes of assumptions

For the 2018, 2017 and 2016 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and 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.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST FIVE CALENDAR YEARS - UNAUDITED**

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	\$ 312,220	\$ 325,051	\$ 331,622	\$ 339,141	\$ 349,629
Interest on the Total Pension Liability	1,799,059	1,782,555	1,746,299	1,686,924	1,566,193
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	172,621	534,591	(99,559)	197,447	101,893
Changes of Assumptions	630,230	(828,059.00)	(77,985.00)	25,868.00	970,496
Benefit Payments, including Refunds of Employee Contributions	(1,632,809)	(1,542,532)	(1,471,853)	(1,369,309)	(1,256,855)
Net Change in Total Pension Liability	<u>1,281,321</u>	<u>271,606</u>	<u>428,524</u>	<u>880,071</u>	<u>1,731,356</u>
Total Pension Liability - Beginning	<u>24,647,743</u>	<u>24,376,137</u>	<u>23,947,613</u>	<u>23,067,542</u>	<u>21,336,186</u>
Total Pension Liability - Ending (A)	<u>\$ 25,929,064</u>	<u>\$ 24,647,743</u>	<u>\$ 24,376,137</u>	<u>\$ 23,947,613</u>	<u>\$ 23,067,542</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 458,309	\$ 448,601	\$ 461,056	\$ 457,417	\$ 456,751
Contributions - Employees	140,545	143,184	144,033	132,392	145,152
Net Investment Income	(1,441,028)	3,860,742	1,402,532	101,997	1,205,447
Benefit Payments, including Refunds of Employee Contributions	(1,632,809)	(1,542,532)	(1,471,853)	(1,369,309)	(1,256,855)
Other (Net Transfer)	565,406	(590,681)	25,904	467,559	149,801
Net Change in Plan Fiduciary Net Position	<u>(1,909,577)</u>	<u>2,319,314</u>	<u>561,672</u>	<u>(209,944)</u>	<u>700,296</u>
Plan Fiduciary Net Position - Beginning (Restated)	<u>23,460,242</u>	<u>21,140,928</u>	<u>20,579,256</u>	<u>20,789,200</u>	<u>20,088,904</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 21,550,665</u>	<u>\$ 23,460,242</u>	<u>\$ 21,140,928</u>	<u>\$ 20,579,256</u>	<u>\$ 20,789,200</u>
Net Pension Liability - Ending (A) - (B)	<u>\$ 4,378,399</u>	<u>\$ 1,187,501</u>	<u>\$ 3,235,209</u>	<u>\$ 3,368,357</u>	<u>\$ 2,278,342</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.11%	95.18%	86.73%	85.93%	90.12%
Covered Valuation Payroll	\$ 3,105,074	\$ 3,064,217	\$ 2,936,349	\$ 2,917,207	\$ 2,865,445
Net Pension Liability as a Percentage of Covered Valuation Payroll	141.01%	38.75%	110.18%	115.47%	79.51%

Notes to Schedule

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

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Five Calendar Years**

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2014	\$ 461,011	\$ 456,751	\$ 4,260	\$ 2,892,162	15.79%
2015	447,791	457,417	(9,626)	2,917,207	15.68%
2016	452,491	461,056	(8,565)	2,936,349	15.70%
2017	448,601	448,601	-	3,064,217	14.64%
2018	458,309	458,309	-	3,105,074	14.76%

Notes to Schedule:

*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 are 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>	25-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.5%
<i>Price Inflation:</i>	2.75%, approximate; no explicit price inflation assumption is used in this valuation.
<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 to 2013.
<i>Mortality:</i>	For non-disable 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 adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 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; note two-year lag between valuation and rate setting.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2
MARION, ILLINOIS**

**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY†
Teachers' Health Insurance Security Fund - Unaudited**

	FY2018*	FY2017*	FY2016*
District's proportion of the net OPEB liability (asset)	0.069159%	0.069410%	0.067312%
District's proportionate share of the net OPEB liability (asset)	\$ 18,200,668	\$ 18,011,609	\$ 18,400,284
State's proportionate share of the net OPEB liability associated with the District	24,466,508	23,653,716	25,513,934
Total	<u>\$ 42,667,176</u>	<u>\$ 41,665,325</u>	<u>\$ 43,914,218</u>
District's covered payroll	\$ 16,359,937	\$ 15,966,437	\$ 15,676,387
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	111.3%	112.8%	117.4%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.17%	-0.17%	-0.22%

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

**SCHEDULE OF EMPLOYER CONTRIBUTIONS†
Teachers' Health Insurance Security Fund - Unaudited**

	FY2019	FY2018	FY2017	FY2016
Statutorily-required contribution	\$ 157,102	\$ 144,275	\$ 134,127	\$ 125,425
Contributions in relation to the statutorily-required contribution	157,102	144,275	134,127	125,425
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 17,076,329	\$ 16,359,937	\$ 15,966,437	\$ 15,676,387
Contributions as a percentage of covered payroll	0.92%	0.88%	0.84%	0.80%

†The information in both schedules will accumulate until a full 10-year trend is presented as required by GASB Statement No. 75.

Notes to Required Supplementary Information

Changes of Benefit Terms

In the June 30, 2019 actuarial valuation, there have been no changes of benefit terms from the prior period.

Changes of assumptions

For the purpose of developing changes in OPEB's Liability for GASB 74/75 reporting, there have been no changes in assumptions from the prior period.

ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)
DISTRICT/JOINT AGREEMENT
Year Ending June 30, 2019

DISTRICT/JOINT AGREEMENT NAME Marion Community Unit School District #	RCDT NUMBER 21-100-0020-26	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER 066-003998	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable) Dr. Keith Oates		NAME AND ADDRESS OF AUDIT FIRM Kemper CPA Group, LLP 3401 Professional Park Drive, PO Box 129 Marion	
ADDRESS OF AUDITED ENTITY <i>(Street and/or P.O. Box, City, State, Zip Code)</i> 1700 W. Cherry Street Marion		E-MAIL ADDRESS: kwalker@kcpag.com	
		NAME OF AUDIT SUPERVISOR Kimberly Walker, CPA	
		CPA FIRM TELEPHONE NUMBER 618-997-3055	FAX NUMBER 618-997-5121
		62959	

THE FOLLOWING INFORMATION MUST BE INCLUDED IN THE SINGLE AUDIT REPORT:

- A copy of the CPA firm's most recent peer review report and acceptance letter has been submitted to ISBE (either with the audit or under separate cover).
- Financial Statements including footnotes (Title 2 CFR §200.510 (a))
- Schedule of Expenditures of Federal Awards including footnotes (Title 2 CFR §200.510 (b))
- Independent Auditor's Report on the Financial Statements (Title 2 CFR §200.515 (a))
- Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* (Title 2 CFR §200.515 (b))
- Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance (Title 2 CFR §200.515 (c))
- Schedule of Findings and Questioned Costs (Title 2 CFR §200.515 (d))
- Summary Schedule of Prior Audit Findings (Title 2 CFR §200.511 (b))
- Corrective Action Plan on LEA letterhead (Title 2 CFR §200.511 (c))

THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:

- A Copy of the Federal Data Collection Form (Title 2 CFR §200.512 (b))
- A Copy of each Management Letter

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education
Marion Community Unit School District #2
1700 W. Cherry Street
Marion, Illinois 62959

Report on Compliance for Each Major Federal Program

We have audited Marion Community Unit School District #2's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Marion Community Unit School District #2's major federal programs for the year ended June 30, 2019. Marion Community Unit School District #2's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Marion Community Unit School District #2's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Marion Community Unit School District #2's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Marion Community Unit School District #2's compliance.

Opinion on Each Major Federal Program

In our opinion, Marion Community Unit School District #2 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Marion Community Unit School District #2 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Marion Community Unit School District #2's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Marion Community Unit School District #2's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

Marion, Illinois
October 8, 2019

**Marion Community Unit School District #2
21-100-0020-26**

**RECONCILIATION OF FEDERAL REVENUES
Year Ending June 30, 2019
Annual Financial Report to Schedule of Expenditures of Federal Awards**

TOTAL FEDERAL REVENUE IN AFR

Account Summary 7-8, Line 7	Account 4000	\$ 2,590,200
Flow-through Federal Revenues Revenues 9-14, Line 112	Account 2200	-
Value of Commodities Indirect Cost Info 29, Line 11		129,435
Less: Medicaid Fee-for-Service Program Revenues 9-14, Line 264	Account 4992	(13,728)
AFR TOTAL FEDERAL REVENUES:		\$ 2,705,907

ADJUSTMENTS TO AFR FEDERAL REVENUE AMOUNTS:

Reason for Adjustment:

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ADJUSTED AFR FEDERAL REVENUES \$ 2,705,907

Total Current Year Federal Revenues Reported on SEFA:
Federal Revenues Column D \$ 2,705,907

Adjustments to SEFA Federal Revenues:

Reason for Adjustment:

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ADJUSTED SEFA FEDERAL REVENUE: \$ 2,705,907

DIFFERENCE: \$ -

Marion Community Unit School District #2
21-100-0020-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2019

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/17-6/30/18 (C)	Year 7/1/18-6/30/19 (D)	Year 7/1/17-6/30/18 (E)	Year 7/1/17-6/30/18 Pass through to Subrecipients	Year 7/1/18-6/30/19 (F)			
U.S. DEPARTMENT OF AGRICULTURE										
Passed through the IL State Board of Education										
CHILD NUTRITION CLUSTER										
School Breakfast Program (M)	10.553	18-4220-00	236,129	46,104	236,129		46,104		282,233	N/A
School Breakfast Program (M)	10.553	19-4220-00		235,655			235,655		235,655	N/A
National School Lunch Program (M)	10.555	18-4210-00	703,165	145,559	703,165		145,559		848,724	N/A
National School Lunch Program (M)	10.555	19-4210-00		694,725			694,725		694,725	N/A
Commodities (non-cash) (M)	10.555	N/A		111,120			111,120		111,120	N/A
Dept. of Defense Fresh Fruits & Vegetables (non-cash) (M)	10.555	N/A		18,315			18,315		18,315	N/A
TOTAL U.S. DEPARTMENT OF AGRICULTURE			939,294	1,251,478	939,294	0	1,251,478	0	2,190,772	
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES										
Passed through IL Department of Healthcare and Family Services and Williamson County Education Services										
Medicaid Matching - Administrative Outreach	93.778	N/A		20,661			20,661		20,661	N/A

• (M) Program was audited as a major program as defined by §200.518.

***Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).**

The accompanying notes are an integral part of this schedule.

¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

³ When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

⁴ The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

Marion Community Unit School District #2
21-100-0020-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2019

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/17-6/30/18 (C)	Year 7/1/18-6/30/19 (D)	Year 7/1/17-6/30/18 (E)	Year 7/1/17-6/30/18 Pass through to Subrecipients	Year 7/1/18-6/30/19 (F)			
U.S. DEPARTMENT OF EDUCATION										
Passed through IL State Board of Education TITLE I, PART A CLUSTER										
Title I - Low Income	84.010A	18-4300-00	896,541	349,845	1,004,381		241,721		1,246,102	1,303,133
Title I - Low Income	84.010A	19-4300-00	284	1,062,366			1,144,740		1,144,740	1,497,803
Title I - School Improvement & Accountability	84.010A	19-4331-19		4,700			19,189		19,189	118,756
Total CFDA #84.010A			896,825	1,416,911	1,004,381	0	1,405,650	0	2,410,031	
Passed through IL State Board of Education and Williamson County Education Services										
V.E. - Perkins - Title IIC - Secondary	84.048A	N/A		15,471			15,471		15,471	N/A
Fed. Sp. Ed. - IDEA - FlowThrough	84.027A	N/A		1,386			1,386		1,386	N/A
TOTAL U.S. DEPARTMENT OF EDUCATION			896,825	1,433,768	1,004,381	0	1,422,507	0	2,426,888	
TOTAL FEDERAL AWARDS			1,836,119	2,705,907	1,943,675	0	2,694,646	0	4,638,321	

• (M) Program was audited as a major program as defined by §200.518.

***Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).**

The accompanying notes are an integral part of this schedule.

¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

³ When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

⁴ The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

Marion Community Unit School District #2
21-100-0020-26
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)
Year Ending June 30, 2019

Note 1: Basis of Presentation⁵

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Marion Community Unit School District #2 and is presented on the modified cash basis that demonstrates compliance with regulatory provisions prescribed by the Illinois State Board of Education, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2: Indirect Facilities & Administration costs⁶

Auditee elected to use 10% de minimis cost rate? _____ YES _____ X NO

Note 3: Subrecipients

Of the federal expenditures presented in the schedule, Marion Community Unit School District #2 provided federal awards to subrecipients as follows:

Program Title/Subrecipient Name	Federal CFDA Number	Amount Provided to Subrecipient
N/A		

Note 4: Non-Cash Assistance

The following amounts were expended in the form of non-cash assistance by Tri-County Special Education Joint Agreement and **should be** included in the Schedule of Expenditures of Federal Awards:

NON-CASH COMMODITIES (CFDA 10.555)**:	<u>\$111,120</u>	
OTHER NON-CASH ASSISTANCE - DEPT. OF DEFENSE FRUITS & VEGETABLES	<u>\$18,315</u>	Total Non-Cash \$129,435

Note 5: Other Information

Insurance coverage in effect paid with Federal funds during the fiscal year:

Property	<u>\$0</u>
Auto	<u>\$0</u>
General Liability	<u>\$0</u>
Workers Compensation	<u>\$0</u>
Loans/Loan Guarantees Outstanding at June 30:	<u>\$0</u>
District had Federal grants requiring matching expenditures	<u>No</u>
	(Yes/No)

** The amount reported here should match the value reported for non-cash Commodities on the Indirect Cost Rate Computation page.

⁵ This note is included to meet the Uniform Guidance requirement that the schedule include notes that describe the significant accounting policies used in preparing the schedule. (§200.510 (b)(6))
⁶ The Uniform Guidance requires the Schedule of Expenditures of Federal Awards to note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs. §200.510 (b)(6)

Marion Community Unit School District #2
21-100-0020-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Adverse
 (Unmodified, Qualified, Adverse, Disclaimer)

INTERNAL CONTROL OVER FINANCIAL REPORTING:

- Material weakness(es) identified? YES X None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? YES X None Reported
- Noncompliance material to the financial statements noted? YES X NO

FEDERAL AWARDS

INTERNAL CONTROL OVER MAJOR PROGRAMS:

- Material weakness(es) identified? YES X None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? YES X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified
 (Unmodified, Qualified, Adverse, Disclaimer⁷)

Any audit findings disclosed that are required to be reported in accordance with §200.516 (a)? YES X NO

IDENTIFICATION OF MAJOR PROGRAMS:⁸

CFDA NUMBER(S) ⁹	NAME OF FEDERAL PROGRAM or CLUSTER ¹⁰	AMOUNT OF FEDERAL PROGRAM
10.553 & 10.555	CHILD NUTRITION CLUSTER	1,251,478
Total Amount Tested as Major		\$1,251,478

Total Federal Expenditures for 7/1/18-6/30/19 \$2,694,646

% tested as Major 46.44%

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.00

Auditee qualified as low-risk auditee? YES X NO

⁷ If the audit report for one or more major programs is other than unmodified, indicate the type of report issued for each program. Example: "Unmodified for all major programs except for [name of program], which was modified and [name of program], which was a disclaimer."

⁸ Major programs should generally be reported in the same order as they appear on the SEFA.

⁹ When the CFDA number is not available, include other identifying number, if applicable.

¹⁰ The name of the federal program or cluster should be the same as that listed in the SEFA. For clusters, auditors are only required to list the name of the cluster.

Marion Community Unit School District #2
21-100-0020-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2019

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ **2019- None** 2. THIS FINDING IS: New Repeat from Prior Year?
Year originally reported? _____

3. Criteria or specific requirement

4. Condition

5. Context¹²

6. Effect

7. Cause

8. Recommendation

9. Management's response¹³

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2018 would be assigned a reference number of 2018-001, 2018-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

¹² Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

¹³ See §200.521 *Management decision* for additional guidance on reporting management's response.

Marion Community Unit School District #2
21-100-0020-26
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹
Year Ending June 30, 2019

[If there are no prior year audit findings, please submit schedule and indicate **NONE**]

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status²⁰</u>
NONE		

When possible, all prior findings should be on the same page

¹⁹ Explanation of this schedule - §200.511 (b)

²⁰ Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.