BRADLEY SCHOOL DISTRICT NO. 61

Annual Financial Report

As of and for the Year Ended
June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Bradley School District No. 61
111 North Crosswell Avenue
Bradley, Illinois 60915

Report on Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Bradley School District No. 61, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Bradley School District No. 61's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bradley School District No. 61 as of June 30, 2019, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Other Supplementary Information on pages 40 to 62 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 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* (Uniform Guidance), and is also not a required part of the basic financial statements.

The Other Supplementary Information on pages 40 to 62 and the schedule of expenditures of federal awards for the year ended June 30, 2019, 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 as of and for the year ended June 30, 2019. 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 Other Supplementary Information on pages 40 to 62 and the schedule of expenditures of federal awards for the year ended June 30, 2019, are fairly stated in all material respects in relation to the basic financial statements as a whole.

The schedule of expenditures of federal awards for the year ended June 30, 2018, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements as of and for the year ended June 30, 2018. Such information has been subjected to the auditing procedures applied in our audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule of expenditures of federal awards for the year ended June 30, 2018, is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

The Additional TRS and IMRF Information on pages 33-39 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2019, on our consideration of Bradley School District No. 61'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 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 Bradley School District No. 61's internal control over financial reporting and compliance.

Smith, Kelling, Dykstra and Ohm, P.C.

Bourbonnais, Illinois
November 7, 2019

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

To the Board of Education
Bradley School District No. 61
111 North Crosswell Avenue
Bradley, Illinois 60915

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Bradley School District No. 61, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Bradley School District No. 61's basic financial statements, and have issued our report thereon dated November 7, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of Bradley School District No. 61'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 the 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 the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Smith, Kelling, Dykstra and Ohm, P.C.

Bourbonnais, Illinois
November 7, 2019

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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
Bradley School District No. 61
111 North Crosswell Avenue
Bradley, Illinois 60915

Report on Compliance for Each Major Federal Program

We have audited Bradley School District No. 61'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 Bradley School District No. 61's major federal programs for the year ended June 30, 2019. Bradley School District No. 61'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, contracts, 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 the District'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 the District'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 the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District 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 the District 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 the District'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 the District'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.

Smith, Kelling, Dykstra and Ahm, P.C.

Bourbonnais, Illinois
November 7, 2019

Bradley School District No. 61
Statement of Net Position-Modified Cash Basis
June 30, 2019

	Governmental Activities
Assets	
Cash	$ 7,895,136
Investments	2,022,157
Land	984,531
Capital assets, net of accumulated depreciation	16,484,222
Total assets	27,386,046
Liabilities	
Payroll deductions and withholdings	(952)
Noncurrent liabilities:	
Bonds payable - due within one year	200,000
Bonds payable - due in more than one year	2,005,000
Total noncurrent liabilities	2,205,000
Total liabilities	2,204,048
Net Position	
Net investment in capital assets	15,263,753
Restricted for:	
Debt service	1,385
Other purposes	145,781
Unrestricted	9,771,079
Total net position	$ 25,181,998

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

Bradley School District No. 61
Statement of Activities-Modified Cash Basis
For the year ended June 30, 2019

Functions/Programs:	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Governmental activities					
Instruction:					
Regular programs	$ 5,353,862	$ 51,428	$ 571,059	$ -	$ (4,731,375)
Pre-K programs	548,984	-	-	-	(548,984)
Special education programs	3,009,466	176,404	880,170	-	(1,952,892)
Other instructional programs	915,592	20,857	740,006	-	(154,729)
State retirement contributions	5,387,193	-	5,387,193	-	-
Support services:				-	
Pupils	910,233	-	114,213	-	(796,020)
Instructional staff	716,877	-	-	-	(716,877)
General administration	869,092	-	-	-	(869,092)
School administration	970,709	-	-	-	(970,709)
Business	770,490	104,802	491,527	-	(174,161)
Transportation	551,266	-	218,806	-	(332,460)
Operation and maintenance	1,672,304	-	-	-	(1,672,304)
Central	235,351	-	-	-	(235,351)
Community services	211,337	-	-	-	(211,337)
Interest and fees	70,763	-	-	-	(70,763)
Depreciation expense-unallocated *	740,234	-	-	-	(740,234)
Total governmental activities	$ 22,933,753	$ 353,491	$ 8,402,974	$ -	(14,177,288)
General revenues:					
Taxes:					
Property taxes					9,146,470
Corporate personal property replacement taxes					395,400
State grants					5,825,895
Investment income					246,536
Gain (loss) on sale of assets					(129,575)
Miscellaneous					22,198
Total general revenues					15,506,924
Change in net position					1,329,636
Net position - beginning					23,852,362
Net position - ending					$ 25,181,998

* No depreciation expense has been allocated as a direct expense.

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

Bradley School District No. 61
Governmental Funds
Balance Sheet-Modified Cash Basis
June 30, 2019

	General (Educational) Fund	Operations and Maintenance	Transportation	Working Cash	Total Non-major Funds	Total Governmental Funds
Assets:						
Cash	$ 4,794,244	$ 866,837	$ 525,333	$ 1,561,556	$ 147,166	$ 7,895,136
Investments	1,972,157	-	25,000	25,000	-	2,022,157
Total assets	$ 6,766,401	$ 866,837	$ 550,333	$ 1,586,556	$ 147,166	$ 9,917,293
Liabilities						
Payroll deductions and withholdings	$ (8,721)	$ 5,689	$ 2,080	$ -	$ -	$ (952)
Fund balances:						
Restricted for:						
Municipal retirement/social security	-		-	-	144,547	144,547
Debt service	-		-	-	1,385	1,385
Tort	-	-	-	-	1,234	1,234
Committed for:						
Working cash	-	-	-	1,586,556	-	1,586,556
Assigned:						
Operations and maintenance	-	861,148	-	-	-	861,148
Transportation	-	-	548,253	-	-	548,253
Unassigned	6,775,122	-	-	-	-	6,775,122
Total fund balances	6,775,122	861,148	548,253	1,586,556	147,166	9,918,245
Total liabilities and fund balances	$ 6,766,401	$ 866,837	$ 550,333	$ 1,586,556	$ 147,166	$ 9,917,293

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

Bradley School District No. 61
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2019

Total fund balances - governmental funds	$	9,918,245
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds as assets		17,468,753
Long-term liabilities are not due and payable in the current period and therefore, are not reported as a fund liability in governmental funds		(2,205,000)
Net position of governmental activities	$	25,181,998

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

Bradley School District No. 61
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances-Modified Cash Basis
For the year ended June 30, 2019

	Educational	Operations and Maintenance	Transportation	Working Cash	Total Non-Major Funds	Total Governmental Funds
Revenues:						
Local sources:						
Property taxes	$ 7,099,645	$ 951,406	$ 169,384	$ 95,014	$ 831,021	$ 9,146,470
Corporate personal property replacement taxes	340,400	-	-	-	55,000	395,400
Other	237,560	-	-	-	-	237,560
State sources	6,338,794	694,300	218,806	-	-	7,251,900
Federal sources	1,727,905	-	-	-	-	1,727,905
Investment income	155,681	13,787	8,966	62,550	5,552	246,536
Total revenues	15,899,985	1,659,493	397,156	157,564	891,573	19,005,771
Revenues for "on behalf" payments	5,387,193	-	-	-	-	5,387,193
Total revenues	21,287,178	1,659,493	397,156	157,564	891,573	24,392,964
Expenditures:						
Instruction:						
Regular programs	5,294,000	-	-	-	59,862	5,353,862
Pre-K Programs	525,836	-	-	-	23,148	548,984
Special education programs	2,175,448	-	-	-	112,850	2,288,298
Other instructional programs	883,414	-	-	-	40,815	924,229
Supporting services:						
Pupils	867,178	-	-	-	44,801	911,979
Instructional staff	678,306	-	-	-	38,571	716,877
General administration	858,659	-	-	-	10,433	869,092
School administration	927,719	-	-	-	42,990	970,709
Business	204,083	130,054	-	-	24,927	359,064
Transportation	-	-	501,865	-	49,401	551,266
Food	506,791	-	-	-	34,689	541,480
Operations and maintenance	196,070	1,280,241	-	-	65,938	1,542,249
Central	228,749	-	-	-	6,602	235,351
Community services	208,778	-	-	-	2,559	211,337
Payments to other districts/governmental units	710,785	-	-	-	-	710,785
Debt services:						
Principal	-	-	-	-	256,477	256,477
Interest	-	-	-	-	69,907	69,907
Other	-	-	-	-	856	856
Capital outlay	98,782	266,570	22,637	-	-	387,989
Total direct expenditures	14,364,598	1,676,865	524,502	-	884,826	17,450,791
Expenditures for "on behalf" payments	5,387,193	-	-	-	-	5,387,193
Total expenditures	19,751,791	1,676,865	524,502	-	884,826	22,837,984
Excess (deficiency) of revenues over expenditures	1,535,387	(17,372)	(127,346)	157,564	6,747	1,554,980
Other financing sources (uses):						
Transfers in (out)	(68,080)	40,000	-	(40,000)	68,080	-
Sale of equipment	96,420	-	-	-	-	96,420
Total other financing sources (uses)	28,340	40,000	-	(40,000)	68,080	96,420
Net change in fund balance	1,563,727	22,628	(127,346)	117,564	74,827	1,651,400
Fund balance - beginning of year	5,211,395	838,520	675,599	1,468,992	72,339	8,266,845
Fund balance - end of year	$ 6,775,122	$ 861,148	$ 548,253	$ 1,586,556	$ 147,166	$ 9,918,245

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

Bradley School District No. 61
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2019

Net change in fund balances - total governmental funds	$ 1,651,400
Amounts reported for governmental activities in the statement of activities are different because:	
The payment/refunding of principal on long-term debt is reflected as an expense/other use on the fund level statements, but is reported as a reduction of liabilities on the entity wide statements	256,477
Depreciation on capital assets is not reflected on the fund level statements, but is reported as an expense on the entity wide statements	(740,234)
Proceeds from the sale of capital assets are reported as revenue on the fund level statements, but only the gain/loss on the sale is reported on the entity wide statements	(225,995)
The acquisition of capital assets is reported as an expense on the fund level statements, but is capitalized as an asset on the entity wide statements	387,988
Change in net positon of governmental activities - entity wide statements	$ 1,329,636

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

Bradley School District No. 61
Statement of Fiduciary Net Position-Modified Cash Basis
June 30, 2019

	Medical Trust Fund	Agency Funds	Total
Assets			
Cash	$ 1,379,949	$ 46,439	$ 1,426,388
Total assets	1,379,949	46,439	1,426,388
Liabilities			
Due to activity fund organizations	-	46,439	46,439
Net Position			
Assets held in trust for medical claims	$ 1,379,949	$ -	$ 1,379,949

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

Bradley School District No. 61
Statement of Changes in Fiduciary Net Position-Modified Cash Basis
For the year ended June 30, 2019

	Medical Trust Fund
Additions	
District contributions	$ 1,890,757
Employee contributions	440,468
Retiree contributions	56,498
Investment income	28,486
Total additions	2,416,209
Deductions	
Medical benefits	1,948,990
Professional fees	450,047
Insurance benefits	41,124
Miscellaneous charges	8,138
Total deductions	2,448,299
Change in net position	(32,090)
Net position, beginning of the year	1,412,039
Net position, end of the year	$ 1,379,949

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

Note 1 – Summary of Significant Accounting Policies

Bradley School District No. 61 (the "District") operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type within the limitations of the modified cash basis of accounting. The following is a summary of the more significant accounting policies of the District:

Reporting Entity

Accounting principles generally accepted in the United States of America (GAAP) require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided by the Government Accounting Standards Board have been considered and there are no agencies or entities which should be presented with the District. Using the same criteria, the District is not included as a component unit of any other governmental entity.

The District is a member of one joint agreement, the Kankakee Area Special Education Cooperative. There are seven school districts in this joint agreement. Each member district has a financial responsibility for annual and special assessments. Financial statements can be obtained from the administrative offices at P.O. Box 71, St. Anne, Illinois 60964.

The joint agreement has been determined not to be part of the reporting entity after applying the manifesting of oversight, scope of public service and special financing relationship criteria; and is therefore excluded from the accompanying financial statements.

Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e, the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's operating activities are all considered "governmental activities", that is, activities normally supported by taxes and governmental revenues. The District has no operating activities that would be considered "business activities".

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) amounts paid by the recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Note 1 – Summary of Significant Accounting Policies

Governmental Funds Financial Statements

Governmental Funds financial statements are organized and operated on the basis of funds and are used to account for the District's general governmental activities. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

Measurement Focus and Basis of Accounting

Measurement Focus
Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

The government-wide financial statements and fiduciary funds are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below.

Governmental fund statements are reported using a "current financial resources" measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting
The financial statements are presented using a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position or balance sheets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, capital assets and related depreciation, and short-term and long-term liabilities arising from cash transactions or events.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value. Lastly, the net pension and OPEB assets and/or liabilities as calculated under GASB 68 and GASB 75 have not been recorded, and pension and other postemployment benefit expenses in the financial statements represents cash paid during the year rather than the amounts calculated under GASB 68 and GASB 75.

Note 1 – Summary of Significant Accounting Policies (Continued)

If the District utilized the basis of accounting recognized as generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide and fiduciary financials would be presented on the accrual basis of accounting.

Major Governmental Funds:

General Fund – (Educational Fund) the general operating fund of the District. It accounts for and reports all financial resources not accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid.

Operations and Maintenance Fund – accounts for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes.

Transportation Fund – accounts for revenues and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

Working Cash Fund – accounts for financial resources held by the District to be used as temporary interfund loans for working capital requirements to the General Fund and the Operations and Maintenance and Transportation Funds. Money loaned by the Working Cash Fund to other funds must be repaid within one year. As allowed by the School Code of Illinois, this fund may be permanently abolished and become a part of the General (Educational) Fund or it may be partially abated to any other fund of the District.

Non-Major Funds:

Debt Service Fund – accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service.

Municipal Retirement/Social Security Fund – accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System. Revenue to finance the contributions is derived primarily from local property taxes and personal property replacement taxes.

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

Tort Fund – accounts for revenue levied for tort immunity purposes and the related expenditures.

Note 1 – Summary of Significant Accounting Policies (Continued)

Fiduciary Funds – account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. These funds are custodial in nature and do not involve measurement of results of operations; therefore, they are not included in the governmental financial statements.

Agency Funds – include Student Activity Funds. Although the Board of Education has the ultimate responsibility for Activity Funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational or cultural purposes.

Medical Trust Fund – The Medical Expense Benefit Trust Funds are for payment of health insurance benefits, professional fees and miscellaneous charges incurred by the District related to employee health care coverage.

Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2018 levy resolution was approved during the December 13, 2018 Board of Education meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

Property taxes are collected by the County Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two equal installments the following year: the first due on June 1 and the second due on September 1. Property taxes are normally collected by the District within 30 days of the respective installment dates. The 2017 levy was recognized as income during fiscal year 2019.

Personal Property Replacement Taxes

Personal property replacement taxes are first allocated to the Municipal Retirement/Social Security Fund, and the balance is then allocated to the remaining funds at the discretion of the District.

Capital Assets

Capital assets, which include land, land improvements, buildings, building improvements, maintenance vehicles and various equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $500 and useful life greater than one year. Such assets are recorded at historical cost or estimated historical costs if purchased or constructed. Donated capital assets are not recorded since they do not result from a cash transaction.

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	20
Buildings	20-50
Equipment	3-10

Note 1 – Summary of Significant Accounting Policies (Continued)

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-Term Obligations

In the government-wide financial statements, long-term debt obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental funds report the face amount of debt issued as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

In the government-wide and proprietary fund financial statements, net position is classified as follows:

Net Position in Capital Assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This consists of the portion of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted – This consists of the portion of net position that does not meet the definition of "unrestricted" or "net investment in capital assets".

Fund Balance Classifications

The governmental fund financial statements present fund balances that are based on classifications representing the extent to which the School District is bound to honor the constraints or restrictions on the specific purposes for which the amounts in these respective governmental funds may be used. The classifications used in these governmental fund financial statements are as follows:

- Non-spendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form (i.e., not cash or cash equivalents) or (b) are legally or contractually required to be maintained intact. Examples of such items might include inventories and prepaid items.
- Restricted: This classification includes amounts for which constraints have been placed on their use by either (a) externally imposed creditors, grantors, contributors, laws or regulations, or (b) imposed or restricted by law through constitutional provisions or enabling legislation. Such restricted funds might include amounts for capital projects related to developer donations and impact fees, debt service retirement monies, municipal retirement fund and social security fund contributions, tort related activities, health and life safety approved projects, and any funds or assets donated or bequeathed to the school district for a particular purpose.

Note 1 – Summary of Significant Accounting Policies (Continued)

- Committed: This classification includes amounts that can only be used for a specific purpose pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purposes, unless the constraints are removed by subsequent similar action of the Board of Education. This classification may also include contractual obligations to the extent that existing resources have specifically been committed for use in satisfying those contractual requirements.
- Assigned: This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose, but are neither formally restricted nor committed. This intent can be expressed by the Board of Education or their delegation to the Superintendent through the budgetary process. This classification also includes any remaining fund balances for governmental funds except for the Educational Fund.
- Unassigned: This classification includes any residual fund balances for the Educational Fund, including interest earned as long as it is not restricted in use by law or decree, except as any of those amounts may be restricted, committed or assigned as described above. This classification also includes any negative residual fund balances of any other governmental funds that cannot be eliminated or offset by use of assigned fund balance amounts.

The School District typically uses restricted fund balances first whenever possible, followed by committed fund balances next, and then assigned fund balances third, before using any unassigned fund balances last, as described above. However, the School District reserves the right to spend unassigned resources first and defer the use of the other classified funds if the Board of Education and Administration believe it is in the best interest of the School District to do so.

Eliminations and Reclassifications

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses/expenditures. Actual results could differ from these estimates.

Other

In accordance with GASB No. 24, on-behalf payments (payments made by a third party for the benefit of the District, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements.

Note 2 – Deposits and Investments

Deposits and Investments

The District is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235/2 and 6) and Section 8-7 of the Illinois School Code.

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

The District also follows the practice of pooling excess cash for investment purposes. Each fund's portion of total investments is under accounting control. Earnings are prorated to each fund when recognized as revenue. Non-negotiable certificates of deposit are stated at cost or amortized cost. Money market mutual funds and Illinois School District Liquid Asset Fund Plus (ISDLAF+) investments are carried at the net asset value (NAV) per share. The NAV per share is calculated using the amortized cost method which approximates fair value. Gains or losses on the sale of investments are recognized upon realization.

At year-end, the District had the following investments:

	Standard & Poor's Rating	Carrying Value	Fair Value	Percent of Portfolio
Illinois School District Liquid Asset Fund Plus Multi-Class Series	AAAm	$ 2,013,504	$ 2,013,504	48.83%
Illinois Funds Money Market	AAAm	105,720	105,720	2.55%
Certificates of Deposit	N/A	2,013,504	2,013,504	48.62%
Total Investments		$4,141,381	$4,141,381	100.00%

Reported on:	Cash	Investments
Statement of Net Position	$2,119,224	$2,022,157

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

Note 2 – Deposits and Investments (Continued)

The Illinois Funds Money Market Fund is an investment pool managed by the Illinois State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Illinois Funds Money Market Fund uses amortized cost, which is the share price, to value portfolio assets and follows the criteria for GASB Statement No. 79 for use of amortized cost. Illinois Funds Money Market Fund does not place any limitations or restrictions on withdrawals. Illinois Funds Money Market Fund has a credit rating of AAAm from Standard & Poor's (S&P). Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principal. Illinois Funds Money Market Fund invests in a high quality portfolio of debt securities, money market funds and commercial paper rated in one of the two highest rating categories by S&P with a maximum of final maturity of 270 days. These investments are legally permissible for local governments in the state. Audited financial statements for the Illinois Funds are available at www.illinoistreasurer.gov.

The District has adopted a formal written investments and cash management policy.

Interest Rate Risk. The District's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the District's policy states investments shall provide sufficient liquidity to enable the District to meet all operating requirements that may be reasonably anticipated. Additionally, the District's policy is in conformance with the provisions of the Illinois Public Funds Investment Act.

Credit Risk. Under State law, limits are imposed as to investments in commercial paper, corporate bonds, and mutual funds in which the District may invest. The District's investment policy does not further limit its investment choices.

Concentration of Credit Risk. The District's investment policy states investments shall be diversified to avoid incurring unreasonable risks regarding specific security types and/or individual financial institutions. The District shall diversify its investments to the best of its ability based upon the type of funds invested, available institutions to invest in, and the cash flow needs of those funds. Diversification can be by type of investment, number of institutions invested in, and length of maturity.

Custodial Credit Risk – Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral or additional insurance in the event of default or failure of the financial institution holding the funds. As of June 30, 2019, the deposits of the District were insured or collateralized with collateral held by the District's agent in the District's name.

Custodial Credit Risk – Investments. With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring all investments to be secured by private insurance or collateral.

Note 3 – Long-Term Liabilities

Changes in Long-Term Liabilities. The following is the long-term liability activity for the District for the year ended June 30, 2019.

	Beginning Balance	Additions	Payments/Refundings	Ending Balance
General obligation bonds:				
Series 2012A	$ 820,000	$ -	$190,000	$ 630,000
Series 2012B	1,575,000	-	-	1,575,000
	$2,395,000	$ -	$190,000	$2,205,000
Capital lease obligations:				
Computer lease – 2015	$ 66,477	$ -	$ 66,477	$ -0-

Series 2012A bonds, original issue $1,355,000, dated November 29, 2012, provide for serial retirement of principal on October 1 beginning in fiscal year 2016 and interest payable on October 1 and April 1 of each year at rates of 1.23 to 2.65 percent. The purpose of this bond issue was to provide the District with working cash funds.

Series 2012B bonds, original issue $1,575,000, dated November 29, 2012, provide for serial retirement of principal on October 1 beginning in fiscal year 2023 and interest payable on October 1 and April 1 of each year at rates of 3.0 to 4.0 percent. The purpose of this bond issue was to provide the District with working cash funds and to partial refund the Series 2006 bond issue.

Capital lease for Apple computers, dated July 15, 2015, providing for annual payments of $68,081, including interest at a rate of 2.7% per annum through July 15, 2018. Amount recorded as equipment at June 30, 2019, was $261,770 with accumulated depreciation of $78,531. Interest expense of $3,437 has been recorded as an expense on the Statement of Activities.

Annual debt service requirements to maturity for general obligation bonds are as follows for governmental type activities:

	Principal	Interest	Total
2020	$ 200,000	$ 63,596	$ 263,596
2021	210,000	58,163	268,163
2022	220,000	52,465	272,465
2023	230,000	44,950	274,950
2024	245,000	36,675	281,675
2025-2028	1,100,000	67,950	1,167,950
Total	$2,205,000	$323,799	$2,528,799

Note 4 – Legal Debt Margin

The legal debt margin is calculated as follows:

Assessed valuation – 2018	$224,700,800
Debt limit – 6.9% of assessed valuation	$ 15,504,355
Less general long-term debt	2,205,000
Legal debt margin	$ 13,299,355

Note 5 – Capital Assets

Capital asset activity for the District for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 984,531	$ -	$ -	$ 984,531
Total capital assets not being depreciated	$ 984,531	$ -	$ -	$ 984,531
Capital assets being depreciated:				
Buildings	$24,087,273	$ 62,392	$ -	$24,149,665
Temporary buildings	462,346	-	-	462,346
Improvements	2,265,867	67,325	-	2,333,192
Equipment	5,511,026	258,271	323,904	5,445,393
Total capital assets being depreciated	32,326,512	387,988	323,904	32,390,596
Less Accumulated Depreciation for:				
Buildings	9,184,458	482,734	-	9,667,192
Temporary buildings	164,512	18,493	-	183,005
Improvements	1,486,525	75,953	-	1,562,478
Equipment	4,428,554	163,054	97,909	4,493,699
Total accumulated depreciation	15,264,049	740,234	97,909	15,906,374
Net capital assets being depreciated	$17,062,463	$(352,256)	$225,995	$16,484,222

Depreciation expense was recognized in the operating activities of the District as follows:

Depreciation expenses – governmental activities – unallocated	$740,234

Note 6 – Restricted Net Position

The government-wide statement of net position reports the following restricted balances:

Restricted by enabling legislation	$144,547
Tort purpose	1,234
	145,781
Debt service	1,385
	$147,166

Note 7 – Interfund Transfers

The District made the following transfers during the year:

From	To	Amount	Purpose
General (Educational)	Debt service	$68,080	Capital lease payments
Working Cash	Operations and Maintenance	$40,000	Operating funds

Note 8 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Except for workers' compensation insurance, described in the following paragraph, the District purchases commercial insurance for these risks. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

During the year, the District had entered into an agreement with the Workers Compensation Self-Insurance Trust. The pooling agreement permits public agencies within the meaning of the Intergovernmental Cooperation Act of the State of Illinois to provide a means whereby members could contract with each other to protect against liability or loss under the Workers' Compensation and Occupational Diseases Laws of the State of Illinois.

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

Note 9 – Pension Plans

General Information about the TRS Pension Plan

TRS Plan Description

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

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

TRS Benefits Provided

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

Note 9 – Retirement Systems (Continued)

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 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.

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2019, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2019, State of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective net pension liability associated with the employer, and the District recognized revenue and expenditures of $5,297,840 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 $44,406.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay a District pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2019. Previously, District contributions for employees paid from federal and special trust funds were the same as the state contribution rate to TRS and were much higher.

Note 9 – Retirement Systems (Continued)

For the year ended June 30, 2019, the District pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling $39,701 were paid from federal and special trust funds that required District contributions of $3,911.

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

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

On the cash basis of accounting for the year ended June 30, 2019, the District recognized pension expense of $48,317 and revenue and expense of $5,297,840 for support provided by the state.

Illinois Municipal Retirement Fund (IMRF)

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

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

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

Note 9 – Pension Plans (Continued)

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

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

IMRF Employees Covered by Benefit Terms
As of December 31, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries	64
Inactive, non-retired members	75
Active members	97
Total	236

IMRF Contributions
As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's required annual contribution rate for calendar years 2019 and 2018 were 9.92% and 12.15%, respectively. For the fiscal year ended June 30, 2019, the District contributed $259,411 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Total Pension Expense
The District's total pension expense for all plans was $307,728 for the year ended June 30, 2019.

Note 10 – Social Security

Employees not qualifying for coverage under the Teachers' Retirement System are covered under Social Security. The District paid $158,689, the total required contribution for the current fiscal year.

Note 11 – Other Post-Employment Benefits

THIS Fund Employer Contributions

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to TRIP were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the Teachers' Retirement System (TRS).

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the TRS, who are not employees of a department, make contributions to the plan at a rate of 1.24% of salary and for every employer of a teacher to contribute an amount equal to 0.92% of each teacher's salary. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the THISF, an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year.

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) requires that the Department's Director determine the rates and premiums of annuitants and dependent beneficiaries and establish the cost-sharing parameters, as well as funding. Member premiums are set by this statute, which provides for a subsidy of either 50% or 75%, depending upon member benefit choices. Dependents are eligible for coverage, at a rate of 100% of the cost of coverage.

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

- **On behalf contributions to the THIS Fund**.
  The State of Illinois makes employer retiree health insurance contributions on behalf of the employer. For the year ended June 30, 2019, State of Illinois contributions recognized by the District were based on the State's proportionate share of the fiscal year 2018 contributions associated with the District. State of Illinois contributions were $89,353, and the District recognized revenue and expenditures of this amount during the year.

- **Employer contributions to THIS Fund**.
  The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.92 percent during the year ended June 30, 2019. For the year ended June 30, 2019, the District paid $70,438 to the THIS Fund, which was 100 percent of the required contribution.

Note 11 – Other Post-Employment Benefits (Continued)

Further information on the THIS Fund

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

IMRF

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

Note 12 – Health Insurance Plan

The District's Postemployment Health and Other OPEB Benefits Plan (the "Plan") is a single-employer defined benefit plan which provides for varying amounts of health insurance for eligible retired employees until age 65, based on the employment agreement in existence at the date of their retirement. The benefit is offered to all full-time employees who retire on or after attaining age 60 with at least fifteen years of service or age 55 with at least 35 years of service. The benefit is also offered to all IMRF full-time employees who retire on or after age 55 with at least 8 years of service (Tier I) or age 62 with at least 10 years of service (Tier II). The District covers either none or a portion of the cost of a single premium based on the applicable employment agreement. The District via the School Board can establish and amend the Plan's benefit provisions and funding and contribution requirements.

The District established a Trust (the "Trust") for the purpose of holding assets for the payment of benefits to the members of the Plan, as provided in the agreement. The Trust is reported as a fiduciary fund in District's basic financial statements. Separate financial statements are not prepared for the Trust.

Note 13 – Leases

The District is committed under a noncancelable operating lease for a modular classroom. Future minimum operating lease commitments are as follows:

Year ending June 30,	
2020	$ 47,760
2021	47,760
2022	47,760
2023	47,760
2024	3,980
Total	$195,020

Rent expenditures were $43,780 for the year ended June 30, 2019.

Note 14 – Joint Agreement

During the current year, the District paid the Kankakee Area Special Education Cooperative $94,507 for tuition, professional development, and supplies and received $409,634 in flow through grants from the Cooperative.

Note 15 – Tax Abatements

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

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

The total TIF abatements from the District during the year ended June 30, 2018 were approximately $40,700.

The District has various Enterprise Zones that were created under the Illinois Enterprise Zone Act (20 ILCS 655).

Businesses that build new commercial property or improve existing industrial, manufacturing, and commercial properties in these zones may qualify for an abatement of the increased property taxes that arise due to the increase in value of their property. The abatements are for five years in which tax increase is abated as follows:

Year	Percent Abated
1	100%
2	80%
3	60%
4	40%
5	20%

The total Enterprise Zone abatements from the District during the year ended June 30, 2019 were approximately $12,600.

Note 16 – Contingencies

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

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

	FY2018*	FY2017*	FY2016*	FY2015*	FY2014*
District's proportion of the net pension liability	0.0011%	0.0012%	0.0012%	0.0022%	0.0019%
District's proportionate share of the net pension liability	$ 823,455	$ 901,311	$ 929,084	$ 1,425,833	$ 1,174,812
State's proportionate share of the net pension liability associated with the District	56,410,119	53,529,706	59,066,240	49,141,686	46,375,339
Total	$57,233,574	$54,431,017	$59,995,324	$50,567,519	$47,550,151
District's covered payroll	$ 7,536,106	$ 7,231,299	$ 7,461,747	$ 7,587,302	$ 7,517,624
District's proportionate share of the net pension liability as a percentage of its covered payroll	10.93%	12.46%	12.45%	18.79%	15.63%
Plan fiduciary net position as a percentage of the total pension liability	40.0%	39.3%	36.4%	41.5%	43.0%

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

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

	FY2018	FY2017	FY2016	FY2015	FY2014
Contractually-required contribution	$ 45,709	$ 48,433	$ 46,722	$ 75,985	$ 68,292
Contributions in relation to the contractually-required contribution	(45,709)	(48,433)	(46,722)	(75,985)	(68,292)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 7,536,106	$ 7,231,299	$ 7,461,747	$ 7,587,302	$ 7,517,624
Contributions as a percentage of employee payroll	0.61%	0.67%	0.62%	1.00%	0.90%

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

Notes to Other Supplementary Information

Changes of assumptions

For the 2018, 2017 and 2016 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit, but the rates of increase in the 2018 measurement year were slightly higher.

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

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

TRS Pension Liabilities and Pension Expense

The District's proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 823,455
State's proportionate share of the net pension liability associated with the District	56,410,119
Total	$57,233,574

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 0.0011 percent, which was a decrease of 0.0001 from its proportion measured as of June 30, 2017.

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

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

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

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

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

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

TRS Discount rate

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

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

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

The following presents the 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	$1,009,890	$823,455	$673,319

TRS fiduciary net position

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

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

Calendar Year Ended December 31,	2018	2017	2016	2015	2014
Total Pension Liability					
Service Cost	$ 228,382	$ 253,308	$ 250,246	$ 236,441	$ 258,992
Interest on the total pension liability	820,502	841,951	769,707	731,072	655,706
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience of the total pension liability	150,205	(319,439)	558,909	77,892	143,641
Changes of assumptions	322,680	(355,048)	(39,642)	12,640	416,309
Benefit payments, including refunds of employee contributions	(753,052)	(635,520)	(601,914)	(467,415)	(420,801)
Net change in total pension liability	768,717	(214,748)	937,306	590,630	1,053,847
Total pension liability – beginning	11,202,365	11,417,113	10,479,807	9,889,177	8,835,330
Total pension liability – ending (A)	$11,971,082	$11,202,365	$11,417,113	$10,479,807	$9,889,177
Plan Fiduciary Net Position					
Contributions – Employer	$ 283,751	$ 264,384	$ 286,186	$ 264,737	$ 258,403
Contributions – Employees	105,094	101,600	105,216	98,524	96,842
Net investment income	(618,211)	1,693,445	561,162	43,057	494,832
Benefit payments, including refunds of employee contributions	(753,052)	(635,520)	(601,914)	(467,415)	(420,801)
Other (net transfer)	325,143	(325,416)	202,607	83,531	89,464
Net change in plan fiduciary net position	(657,275)	1,098,493	553,257	22,434	518,740
Plan fiduciary net position – beginning	10,337,707	9,239,214	8,685,957	8,663,523	8,144,783
Plan fiduciary net position – ending (B)	$ 9,680,432	$10,337,707	$ 9,239,214	$ 8,685,957	$8,663,523
Net pension liability (Asset) – ending (A) – (B)	$ 2,290,650	$ 864,658	$ 2,177,899	$ 1,793,850	$1,225,654
Plan fiduciary net position as a percentage of the total pension liability	80.87%	92.28%	80.92%	82.88%	87.61%
Covered payroll	$2,335,397	$ 2,257,767	$ 2,338,129	$ 2,189,416	$2,152,051
Net pension liability (asset) as a percentage of covered payroll	98.08**%**	38.30%	93.15%	81.93%	(56.95)%

Notes to Schedule:
This schedule is presented to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

IMRF Net Pension Liability

The District's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

IMRF Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.50%
Salary Increases	3.39% to 14.25%
Investment Rate of Return	7.25%
Retirement Age	Experience-based Table of Rates that are specific to the type of eligibility condition, last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF 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 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.

Other Information:

Notes:	There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2018 IMRF annual actuarial valuation report.

IMRF Single Discount Rate

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%.

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher.

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Net Pension Liability (Asset)	$3,753,123	$2,290,650	$1,082,610

Schedule of District Contributions

Fiscal Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2019	$259,411	$259,411	$ -0-	$2,362,774	10.98%
2018	$274,186	$274,186	$ -0-	$2,295,885	11.94%
2017	$283,063	$283,063	$ -0-	$2,363,489	11.98%
2016	$267,512	$267,512	$ -0-	$2,222,260	12.04%
2015	$259,522	$259,522	$ -0-	$2,168,987	11.97%

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

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 is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2018 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	Non-Taxing bodies: 10-year rolling period Taxing bodies (Regular, SLEP and ECO groups): 25-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (three employers were financed over 29 years).
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.50%
Price Inflation:	2.75% approximate
Salary Increases:	3.75% to 14.50%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same 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.

Bradley School District No. 61
Educational Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget to Actual-Cash Basis
For the year ended June 30, 2019

	Final Budget	Actual	Actual Over Or (Under) Budget
Revenues:			
Local Sources:			
General tax levy	$ 6,978,072	$ 7,035,583	$ 57,511
Special education levy	63,534	64,062	528
Corporate personal property replacement taxes	284,943	340,400	55,457
Special education tuition-other districts	70,000	38,275	(31,725)
Earnings on investments	63,000	155,681	92,681
Food services	121,000	104,802	(16,198)
Pupil activities	21,100	20,857	(243)
Textbooks	55,000	51,428	(3,572)
Impact fees	-	1,178	1,178
Contributions	1,000	10,475	9,475
Services provided to other districts	-	1,950	1,950
Prior year refunds	5,000	7,604	2,604
Other	50,500	991	(49,509)
Total local sources	7,713,149	7,833,286	120,137
State sources:			
Evidence based funding formula	4,970,406	5,131,595	161,189
Special education - private facility tuition	601,248	451,393	(149,855)
Special education - orphanage - individual	-	18,526	18,526
Special education - orphanage - summer school	-	617	617
State free lunch & breakfast	4,000	8,620	4,620
Early childhood block grant	689,262	727,027	37,765
Other restricted revenue	1,000	1,016	16
Total state sources	6,265,916	6,338,794	72,878
Federal sources:			
National lunch program	350,000	369,395	19,395
School breakfast program	95,000	113,512	18,512
Title I-low income	484,028	570,043	86,015
Special education - preschool flow-through	15,447	24,888	9,441
Special education - I.D.E.A. flow-through	429,063	384,746	(44,317)
Title III-English language acquisition	13,300	12,263	(1,037)
Title II-teacher quality	-	716	716
Medicaid administrative outreach	84,000	114,213	30,213
Medicaid fee for service	60,000	138,129	78,129
Total federal sources	1,530,838	1,727,905	197,067
Total revenues	$ 15,509,903	$ 15,899,985	$ 390,082

(Continued)

Bradley School District No. 61
Educational Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget to Actual-Cash Basis
For the year ended June 30, 2019

	Final Budget	Actual	Actual Over Or (Under) Budget
Expenditures:			
Instruction:			
Regular programs:			
Salaries	$ 4,423,700	$ 4,194,452	$ (229,248)
Employee benefits	734,380	666,171	(68,209)
Purchased services	87,450	79,095	(8,355)
Supplies and materials	427,502	353,410	(74,092)
Capital outlay	30,000	13,751	(16,249)
Other	1,000	872	(128)
Total regular programs	5,704,032	5,307,751	(396,281)
Pre-K Programs			
Salaries	338,300	365,332	27,032
Employee benefits	105,630	87,310	(18,320)
Supplies and materials	26,635	73,194	46,559
Total Pre-K programs	470,565	525,836	55,271
Special education programs:			
Salaries	1,757,500	1,713,069	(44,431)
Employee benefits	477,850	448,588	(29,262)
Purchased services	2,696	3,251	555
Supplies and materials	36,220	10,436	(25,784)
Other	150	104	(46)
Total special education programs	2,274,416	2,175,448	(98,968)
Special education programs-Pre-K:			
Salaries	8,300	7,593	(707)
Supplies and materials	999	1,373	374
Total special education programs-Pre-K	9,299	8,966	(333)

(Continued)

Bradley School District No. 61
Educational Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget to Actual-Cash Basis
For the year ended June 30, 2019

	Final Budget	Actual	Actual Over Or (Under) Budget
Remedial and supplemental programs K-12:			
Salaries	154,072	139,974	(14,098)
Employee benefits	34,180	31,257	(2,923)
Purchased services	67,396	71,704	4,308
Supplies and materials	31,636	129,705	98,069
Capital outlay	-	3,590	3,590
Total remedial and supplemental programs	287,284	376,230	88,946
CTE programs:			
Supplies and materials	800	274	(526)
Total CTE programs	800	274	(526)
Interscholastic programs:			
Salaries	128,761	118,687	(10,074)
Purchased services	7,360	6,265	(1,095)
Supplies and materials	17,500	10,702	(6,798)
Other	17,800	12,389	(5,411)
Total interscholastic programs	171,421	148,043	(23,378)
Gifted:			
Salaries	76,650	76,645	(5)
Employee benefits	10,060	9,551	(509)
Total gifted	86,710	86,196	(514)
Bilingual programs:			
Salaries	253,414	203,646	(49,768)
Employee benefits	70,420	59,409	(11,011)
Purchased services	500	-	(500)
Supplies and materials	886	4,240	3,354
Total bilingual programs	325,220	267,295	(57,925)
Total instruction	9,329,747	8,896,039	(433,708)

(Continued)

Bradley School District No. 61
Educational Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget to Actual-Cash Basis
For the year ended June 30, 2019

	Final Budget	Actual	Actual Over Or (Under) Budget
Support services:			
Pupils:			
Attendance and social work services:			
Salaries	201,000	196,147	(4,853)
Employee benefits	30,180	29,143	(1,037)
Purchased services	500	-	(500)
Supplies and materials	999	673	(326)
Other	12,000	8,607	(3,393)
Total attendance and social work services	244,679	234,570	(10,109)
Health services:			
Salaries	187,500	184,644	(2,856)
Employee benefits	50,300	37,961	(12,339)
Purchased services	640	239	(401)
Supplies and materials	6,700	6,089	(611)
Capital outlay	1,500	-	(1,500)
Other	1,500	-	(1,500)
Total health services	248,140	228,933	(19,207)
Psychological services:			
Salaries	114,000	111,549	(2,451)
Employee benefits	20,120	19,496	(624)
Supplies and materials	999	1,027	28
Total psychological services	135,119	132,072	(3,047)
Speech pathology and audiology services:			
Salaries	237,000	221,634	(15,366)
Employee benefits	38,228	37,511	(717)
Purchased services	1,600	857	(743)
Supplies and materials	1,899	2,721	822
Total speech pathology and audiology services	278,727	262,723	(16,004)
Other support services-pupils:			
Salaries	10,000	8,880	(1,120)
Total other support services-pupils	10,000	8,880	(1,120)

(Continued)

Bradley School District No. 61
Educational Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget to Actual-Cash Basis
For the year ended June 30, 2019

	Final Budget	Actual	Actual Over Or (Under) Budget
Instructional staff:			
Improvement of instruction services:			
Salaries	181,225	181,202	(23)
Employee benefits	21,860	25,805	3,945
Purchased services	119,931	128,952	9,021
Supplies and materials	6,500	6,689	189
Other	2,000	266	(1,734)
Total improvement of instruction services	331,516	342,914	11,398
Education media:			
Salaries	209,350	201,989	(7,361)
Employee benefits	50,300	38,912	(11,388)
Purchased services	1,440	1,440	-
Supplies and materials	30,000	31,890	1,890
Capital outlay	19,500	18,308	(1,192)
Other	4,500	4,482	(18)
Total education media	315,090	297,021	(18,069)
Assessment and testing:			
Purchased services	44,400	44,103	(297)
Supplies and materials	673	12,576	11,903
Total assessment and testing	45,073	56,679	11,606
General administration:			
Board of Education:			
Salaries	9,360	7,609	(1,751)
Employee benefits	133,594	127,393	(6,201)
Purchased services	178,210	199,015	20,805
Supplies and materials	1,500	662	(838)
Other	32,500	21,253	(11,247)
Total board of education	355,164	355,932	768

(Continued)

Bradley School District No. 61
Educational Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget to Actual-Cash Basis
For the year ended June 30, 2019

	Final Budget	Actual	Actual Over Or (Under) Budget
Executive administration:			
Salaries	215,000	212,126	(2,874)
Employee benefits	40,240	44,338	4,098
Purchased services	56,000	48,187	(7,813)
Supplies and materials	12,000	15,021	3,021
Capital outlay	2,000	9,066	7,066
Other	21,000	29,763	8,763
Total executive administration	346,240	358,501	12,261
Special area administration:			
Salaries	92,500	92,062	(438)
Employee benefits	10,060	9,713	(347)
Purchased services	-	850	850
Supplies and materials	350	229	(121)
Total special area administration	102,910	102,854	(56)
Tort immunity services:			
Purchased services	49,435	50,438	1,003
Total tort immunity services	49,435	50,438	1,003
School administration:			
Office of the principal:			
Salaries	572,500	564,426	(8,074)
Employee benefits	113,100	103,776	(9,324)
Purchased services	50,900	56,804	5,904
Supplies and materials	22,500	20,748	(1,752)
Capital outlay	6,200	17,403	11,203
Other	14,000	9,237	(4,763)
Total office of the principal	779,200	772,394	(6,806)
Other support services-school administration:			
Salaries	-	148,438	148,438
Employee benefits	-	24,290	24,290
Total other support services-school admin	-	172,728	172,728

(Continued)

Bradley School District No. 61
Educational Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget to Actual-Cash Basis
For the year ended June 30, 2019

	Final Budget	Actual	Actual Over Or (Under) Budget
Business:			
Direction of business support services:			
Salaries	77,250	77,250	-
Employee benefits	10,060	10,052	(8)
Purchased services	2,000	881	(1,119)
Supplies and materials	1,000	563	(437)
Capital outlay	2,000	1,515	(485)
Other	1,500	1,170	(330)
Total business support services	93,810	91,431	(2,379)
Fiscal services:			
Salaries	61,000	56,971	(4,029)
Employee benefits	32,192	28,067	(4,125)
Purchased services	19,500	18,408	(1,092)
Supplies and materials	500	83	(417)
Capital outlay	12,336	947	(11,389)
Other	14,000	10,638	(3,362)
Total fiscal services	139,528	115,114	(24,414)
Operations and maintenance:			
Salaries	25,000	-	(25,000)
Purchased services	30,970	34,197	3,227
Supplies and materials	166,314	161,873	(4,441)
Total operations and maintenance	222,284	196,070	(26,214)
Food services:			
Salaries	236,635	230,562	(6,073)
Employee benefits	40,240	38,234	(2,006)
Purchased services	18,500	13,994	(4,506)
Supplies and materials	257,112	222,903	(34,209)
Capital outlay	5,000	-	(5,000)
Other	2,300	1,098	(1,202)
Total food services	559,787	506,791	(52,996)

(Continued)

Bradley School District No. 61
Educational Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget to Actual-Cash Basis
For the year ended June 30, 2019

	Final Budget	Actual	Actual Over Or (Under) Budget
Central:			
Information services:			
Supplies and materials	500	11,662	11,162
Capital outlay	22,000	14,100	(7,900)
Total information services	22,500	25,762	3,262
Staff services:			
Salaries	115,500	115,150	(350)
Employee benefits	17,820	17,812	(8)
Supplies and materials	-	61	61
Total staff services	133,320	133,023	(297)
Data processing services:			
Salaries	24,000	24,346	346
Employee benefits	10,060	9,551	(509)
Purchased services	18,000	6,366	(11,634)
Supplies and materials	75,000	43,801	(31,199)
Capital outlay	5,000	20,102	15,102
Total data processing services	132,060	104,166	(27,894)
Other support services:			
Supplies and materials	1,000	-	(1,000)
Total other support services	1,000	-	(1,000)
Total support services	4,545,582	4,548,996	3,414
Community services:			
Salaries	191,350	150,778	(40,572)
Employee benefits	22,132	18,693	(3,439)
Purchased services	23,155	10,952	(12,203)
Supplies and materials	35,368	28,355	(7,013)
Total community services	272,005	208,778	(63,227)

(Continued)

Bradley School District No. 61
Educational Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget to Actual-Cash Basis
For the year ended June 30, 2019

	Final Budget	Actual	Actual Over Or (Under) Budget
Payments to other districts and governmental units			
Other payments to in state governments	4,000	11,000	7,000
Payments for special education programs	1,000,000	699,785	(300,215)
Total payments to other districts/gov't units	1,004,000	710,785	(293,215)
Provision for contingencies	100,000	-	(100,000)
Total expenditures	15,251,334	14,364,598	(886,736)
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	$ 258,569	$ 1,535,387	$ (1,271,930)

(Continued)

Bradley School District No. 61
Operations and Maintenance Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget to Actual-Cash Basis
For the year ended June 30, 2019

	Final Budget	Actual	Actual Over Or (Under) Budget
Revenues:			
Local sources:			
General tax levy	$ 943,630	$ 951,406	$ 7,776
Earnings on investments	7,500	13,787	6,287
Rentals	8,000	-	(8,000)
Total local sources	959,130	965,193	6,063
State sources:			
Evidence based funding formula	637,230	656,525	19,295
Early childhood block grant	30,000	37,775	7,775
Total state sources	667,230	694,300	27,070
Total revenues	1,626,360	1,659,493	33,133
Expenditures:			
Facilities acquisition and construction services:			
Purchased services	12,000	129,563	117,563
Supplies and materials	-	491	491
Capital outlay	824,500	198,210	(626,290)
Total facilities acquisition and construction services	836,500	328,264	(508,236)
Operations and maintenance of plant services:			
Salaries	426,500	394,823	(31,677)
Employee benefits	82,105	77,890	(4,215)
Purchased services	362,005	765,488	403,483
Supplies and materials	62,250	42,040	(20,210)
Capital outlay	41,500	68,360	26,860
Other	500	-	(500)
Total operations and maintenance of plant services	974,860	1,348,601	373,741
Provision for contingencies	65,000	-	(65,000)
Total expenditures	1,876,360	1,676,865	(199,495)
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	$ (250,000)	$ (17,372)	$ (232,628)

Bradley School District No. 61
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget to Actual-Cash Basis
For the year ended June 30, 2019

	Final Budget	Actual	Actual Over Or (Under) Budget
Revenues:			
Local sources:			
General tax levy	$ 257,133	$ 257,949	$ 816
Earnings on investments	150	416	266
Total local sources	257,283	258,365	1,082
Total revenues	257,283	258,365	1,082
Expenditures:			
Debt service:			
Bond/lease principal retired	256,340	256,477	137
Bond/lease interest	70,045	69,907	(138)
Debt service - other	856	856	-
Total expenditures	327,241	327,240	(1)
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	$ (69,958)	$ (68,875)	$ 1,083

Bradley School District No. 61
Transportation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget to Actual-Cash Basis
For the year ended June 30, 2019

	Final Budget	Actual	Actual Over Or (Under) Budget
Revenues:			
Local sources:			
General tax levy	$ 168,000	$ 169,384	$ 1,384
Earnings on investments	4,000	8,966	4,966
Total local sources	172,000	178,350	6,350
State sources:			
Transportation - regular	64,065	37,835	(26,230)
Transportation - special education	183,000	162,683	(20,317)
Early childhood block grant	12,000	18,288	6,288
Total state sources	259,065	218,806	(40,259)
Total revenues	431,065	397,156	(33,909)
Expenditures:			
Support services:			
Pupil transportation services:			
Salaries	297,000	313,595	16,595
Employee benefits	40,240	29,043	(11,197)
Purchased services	31,350	119,164	87,814
Supplies and materials	52,500	34,345	(18,155)
Capital outlay	111,000	22,637	(88,363)
Other	5,400	5,718	318
Total pupil transportation services	537,490	524,502	(12,988)
Total expenditures	537,490	524,502	(12,988)
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	$ (106,425)	$ (127,346)	$ (20,921)

Bradley School District No. 61
Municipal Retirement/Social Security Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget to Actual-Cash Basis
For the year ended June 30, 2019

	Final Budget	Actual	Actual Over Or (Under) Budget
Revenues:			
Local sources:			
General tax levies	$ 278,440	$ 280,733	$ 2,293
Social security/medicare only levy	289,955	292,339	2,384
Corporate replacement taxes	55,000	55,000	-
Earnings on investments	1,700	5,136	3,436
Total local sources	625,095	633,208	8,113
Total revenues	625,095	633,208	8,113
Expenditures:			
Instruction:			
Regular programs	68,205	59,862	(8,343)
Pre-K Programs	17,350	23,148	5,798
Special education programs	123,537	112,850	(10,687)
Special education programs-Pre-K	-	1,417	1,417
Remedial and supplemental programs K-12	21,211	17,036	(4,175)
Interscholastic programs	3,968	3,650	(318)
Gifted programs	1,103	1,107	4
Bilingual programs	18,848	17,605	(1,243)
Total instruction	254,222	236,675	(17,547)
Support services:			
Pupils:			
Attendance and social work services	2,635	2,514	(121)
Health services	32,852	34,601	1,749
Psychological services	1,614	1,623	9
Speech pathology and audiology	3,148	4,845	1,697
Other support services	-	1,218	1,218
Instructional staff:			
Improvement of instructional staff	3,271	2,795	(476)
Educational media	36,454	35,776	(678)
General administration:			
Board of education	673	481	(192)
Executive administration	10,640	8,670	(1,970)
Special area administration	1,343	1,282	(61)
School administration:			
Office of the principal	40,645	40,836	191
Other support services	-	2,154	2,154
Business:			
Direction of business support	15,091	14,338	(753)
Fiscal services	13,403	10,589	(2,814)
Operation and maintenance of plant	66,237	65,938	(299)
Pupil transportation	48,659	49,401	742
Food services	37,833	34,689	(3,144)
Central:			
Staff services	2,185	2,131	(54)
Data processing	4,909	4,471	(438)
Total support services	321,592	318,352	(3,240)
Community services	5,702	2,559	(3,143)
Total expenditures	581,516	557,586	(23,930)
Excess (deficiency) of revenues over expenditures	$ 43,579	$ 75,622	$ (32,043)

Bradley School District No. 61
Working Cash Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget to Actual-Cash Basis
For the year ended June 30, 2019

	Final Budget	Actual	Actual Over Or (Under) Budget
Local sources:			
General tax levy	$ 94,235	$ 95,014	$ 779
Earnings on investments	30,000	62,550	32,550
Total local sources	124,235	157,564	33,329
Total revenues	124,235	157,564	33,329
Excess (deficiency) of revenues over expenditures	$ 124,235	$ 117,564	$ (6,671)

Bradley School District No. 61
Student Activity Funds
For the year ended June 30, 2019

	Beginning of Year	Receipts	Disbursements	End of Year
Student Council	$ 807	$ 7,792	$ 8,312	$ 287
District office	63	-	-	63
Central Best Buddies	1,784	887	1,075	1,596
Charitable (nurse's) account	4,047	2,682	2,641	4,088
Flower Fund	603	-	600	3
East	14,528	17,304	21,176	10,656
West	1,350	24,024	23,089	2,285
Central	10,223	16,477	19,827	6,873
Central Band	2,839	2,884	1,541	4,182
Central Chorus	4,412	14,140	14,175	4,377
Yearbook	(172)	2,925	2,665	88
Cap and Gown	3,873	6,699	9,204	1,368
Newspaper	391	-	59	332
Student Council West	4,338	4,326	3,629	5,035
Central Cheerleading	3,480	6,588	10,044	24
Wrestling	450	-	-	450
Other	4,638	142	48	4,732
Total	$ 57,654	$ 106,870	$ 118,085	$ 46,439

The budgeted amounts for the Governmental Funds are adopted on the cash basis.

The Board of Education follows these procedures in establishing the budgetary data:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.

3. Prior to September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.

The budgeted amounts for the Governmental Funds are adopted on the cash basis.

The Board of Education follows these procedures in establishing the budgetary data:

4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.

5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.

6. All budget appropriations lapse at the end of the fiscal year.

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Bradley School District 61
32-046-0610-02
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 Year 7/1/17-6/30/18 (C)	Receipts/Revenues Year 7/1/18-6/30/19 (D)	Expenditure/Disbursements[4] Year 7/1/17-6/30/18 (E)	Expenditure/Disbursements[4] Year 7/1/17-6/30/18 Pass through to Subrecipients	Expenditure/Disbursements[4] Year 7/1/18-6/30/19 (F)	Expenditure/Disbursements[4] Year 7/1/18-6/30/19 Pass through to Subrecipients	Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
US DEPARTMENT OF EDUCATION											
Pass-through from Illinois State Board of Education											
Title I-Low Income (M)	84.010	2018-4300	314,635	195,028	477,998	0	31,665	0	0	509,663	586,213
Title I-Low Income (M)	84.010	2019-4300	0	375,015	0	0	543,378	0	10,935	554,313	625,019
Title I-School Improvement (M)	84.010	2019-4331	0	0	0		7,200		0	7,200	42,372
Total CFDA 84.010 (M)			*314,635*	*570,043*	*477,998*	*0*	*582,243*	*0*		1,060,241	
Title II-Teacher Quality	84.367	2018-4932	0	716	0	0	716	0	0	716	733
Total CFDA 84.367			*0*	*716*	*0*	*0*	*716*	*0*		716	
Title III-Lang Inst Prog-Limited Eng LIPLEP	84.365	2018-4909	7,435	4,649	12,084	0	0	0	0	12,084	12,084
Title III-Lang Inst Prog-Limited Eng LIPLEP	84.365	2019-4909	0	7,614	0	0	13,300	0	0	13,300	13,300
Total CFDA 84.365			*7,435*	*12,263*	*12,084*	*0*	*13,300*	*0*		25,384	
Special Education Cluster:											
Special Education -IDEA Room and Board	84.027	2018-4625	1,414	0	0	0	0	0	0	0	
Total pass- through from Illinois State Board of Education			323,484	583,022	490,082	0	596,259	0		1,086,341	
Pass-through from Kankakee Area Special Education Cooperative											
Spec Ed-IDEA Flow Through (M)	84.027	2018-4620	288,294	129,782	418,076	0	0	0	0	418,076	
Spec Ed-IDEA Flow Through (M)	84.027	2019-4620	0	254,964	0	0	344,885	0	22,642	367,527	N/A
Total CFDA 84.027 (M)			*289,708*	*384,746*	*418,076*	*0*	*344,885*	*0*		762,961	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.

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Bradley School District 61
32-046-0610-02
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 Year 7/1/17-6/30/18 (C)	Receipts/Revenues Year 7/1/18-6/30/19 (D)	Expenditure/Disbursements[4] Year 7/1/17-6/30/18 (E)	Expenditure/Disbursements[4] Year 7/1/17-6/30/18 Pass through to Subrecipients	Expenditure/Disbursements[4] Year 7/1/18-6/30/19 (F)	Expenditure/Disbursements[4] Year 7/1/18-6/30/19 Pass through to Subrecipients	Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
Special Education Cluster (IDEA) - Continued											
Spec Ed-Preschool Flow Through (M)	84.173	2018-4600	15,421	16,416	24,895	0	6,942	0	0	31,837	N/A
Spec Ed-Preschool Flow Through (M)	84.173	2019-4600	0	8,472	0	0	11,264	0	0	11,264	N/A
Total CFDA 84.173 (M)			*15,421*	*24,888*	*24,895*	*0*	*18,206*	*0*		*43,101*	
Total Special Education Cluster (IDEA) (M)			*305,129*	*409,634*	*442,971*	*0*	*363,091*	*0*		*806,062*	
Total pass-through from Kankakee Area Special Education Cooperative			303,715	409,634	442,971	0	363,091	0		806,062	
TOTAL US DEPARTMENT OF EDUCATION			**627,199**	**992,656**	**933,053**	**0**	**959,350**	**0**		**1,892,403**	
Child Nutrition Cluster:											
US DEPARTMENT OF AGRICULTURE											
Pass-through from Illinois State Board of Education											
School Breakfast Program	10.553	2018-4220	86,031	18,700	86,031	0	18,700	0	0	104,731	N/A
School Breakfast Program	10.553	2019-4220	0	94,812	0	0	94,812	0	0	94,812	N/A
Total CFDA 10.553			*86,031*	*113,512*	*86,031*	*0*	*113,512*	*0*		*199,543*	
National School Lunch Program	10.555	2018-4210	307,071	58,734	307,071	0	58,734	0	0	*365,805*	N/A
National School Lunch Program	10.555	2019-4210	0	310,661	0	0	310,661	0	0	310,661	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.

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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.

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Bradley School District 61
32-046-0610-02
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 Year 7/1/17-6/30/18 (C)	Receipts/Revenues Year 7/1/18-6/30/19 (D)	Expenditure/Disbursements[4] Year 7/1/17-6/30/18 (E)	Expenditure/Disbursements[4] Year 7/1/17-6/30/18 Pass through to Subrecipients	Expenditure/Disbursements[4] Year 7/1/18-6/30/19 (F)	Expenditure/Disbursements[4] Year 7/1/18-6/30/19 Pass through to Subrecipients	Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
Child Nutrition Cluster- Continued										0	
Food Donation (Commodities, non-cash)	10.555	2018	43,813	0	43,813	0	0	0	0	43,813	N/A
Food Donation (Commodities, non-cash)	10.555	2019	0	34,487	0	0	34,487	0	0	34,487	N/A
Total pass-through from Illinois State Board of Education			436,915	517,394	436,915	0	517,394	0		954,309	
TOTAL US DEPARTMENT OF AGRICULTURE			**436,915**	**517,394**	**436,915**	**0**	**517,394**	**0**	**0**	**954,309**	
US DEPARTMENT OF DEFENSE											
Pass-through from Illinois State Board of Education											
Food Donation (Commodities, non-cash)	10.555	32038004026A1	24,785	9,993	24,785	0	9,993	0	0	34,778	N/A
TOTAL US DEPARTMENT OF DEFENSE			**24,785**	**9,993**	**24,785**	**0**	**9,993**	**0**		**34,778**	
Total CFDA 10.555			*375,669*	*413,875*	*375,669*	*0*	*413,875*	*0*		*789,544*	
Total Child Nutrition Cluster			*461,700*	*527,387*	*461,700*	*0*	*527,387*	*0*		*989,087*	
US DEPARTMENT OF HEALTH AND HUMAN SERVICES											
Pass-through from Illinois Healthcare & Family Services											
Medical Assistance Program	93.778	Jul '18-Jun '19	0	118,971	0	0	57,206	0	0	57,206	N/A
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES			**0**	**118,971**	**0**	**0**	**57,206**	**0**		**57,206**	
TOTAL FEDERAL AWARDS			***1,088,899***	***1,639,014***	***1,394,753***	***0***	***1,543,943***	***0***		***2,938,696***	

• **(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.

Bradley School District No. 61
Notes to the Schedule of Expenditures of Federal Awards
As of and for the year ended June 30, 2019

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Bradley School District No. 61 and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CRT),* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Other Disclosures

Subrecipients – None

Amount of federal insurance in effect during the year – None

Loan/Loan guarantees outstanding at year-end - $-0-

The following were expended in the form of non-cash assistance and are included in the Schedule of Expenditures of Federal Awards:

Non-cash commodities (CFDA 10.555)	$44,480

The District has elected not to use the 10% deminimus indirect cost rate allowed under the Uniform Guidance.

Bradley School District No. 61
Summary of Auditor's Results
As of and for the year ended June 30, 2019

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____yes __X__no
- Significant deficiency(ies)? ____yes __X__none reported

Noncompliance material to financial statements noted? ____yes __X__no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ____yes __X__no
- Significant deficiency(ies) identified? ____yes __X__none reported

Type of auditor's report issued on compliance on major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR §200.516(a)? ____yes __X__no

Identification of major programs

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I – Low Income
84.027/84.173	Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee? ____yes __X__no

Bradley School District No. 61
Schedule of Findings and Questioned Costs
As of and for the year ended June 30, 2019

Section II – Financial Statement Findings Required to be Reported Under Generally Accepted Government Auditing Standards

Finding No: None

Section III – Federal Award Findings and Questioned Costs

Finding No: None

Bradley School District No. 61
Summary Schedule of Prior Year Endings
As of and for the year ended June 30, 2019

Summary Schedule of Prior Year Findings

Prior Year Findings: None