

Peotone Community Unit
School District 207U

Annual Financial Report

Peotone, Illinois

June 30, 2020

PEOTONE COMMUNITY UNIT
SCHOOL DISTRICT 207U
PEOTONE, ILLINOIS

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SCHOOL DISTRICT 207U
PEOTONE, ILLINOIS

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Independent Auditors' Report

To The Board of Education
Peotone Community Unit
School District 207U
Peotone, Illinois

We have audited the accompanying basic financial statements of Peotone Community Unit School District 207U (District), Peotone, Illinois, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District'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 financial reporting provisions of the Illinois State Board of Education. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

To The Board of Education
Peotone Community Unit
School District 207U

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.

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

As described more fully in Note #1, the District has prepared these financial statements using accounting practices prescribed or permitted by the Illinois State Board of Education, which practices differ from accounting principles generally accepted in the United States of America. Also, as described in Note #1, the District prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2020, or changes in financial position for the fiscal year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets and liabilities arising from cash transactions of the District as of June 30, 2020, its revenue received and expenditures disbursed during the fiscal year then ended, on the basis of accounting described in Note #1.

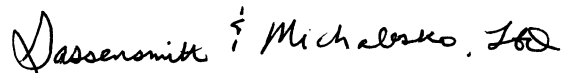
To The Board of Education
Peotone Community Unit
School District 207U

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated October 7, 2020, on our consideration of the District's internal control over financial reporting and on our test 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 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 the District's internal control over financial reporting and compliance.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedules listed in the table of contents as "Supplemental Information" are presented for purposes of additional analysis and are not a required part of the financial statements. The "Supplementary Information" is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.



Gassensmith & Michalesko, Ltd.
Certified Public Accountants

October 7, 2020

Independent Auditors' 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
Peotone Community Unit School
District 207U
Peotone, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of Peotone Community Unit School District 207U (District) as of and for the year ended June 30, 2020, and have issued our report thereon dated October 7, 2020. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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

To the Board of Education
Peotone Community Unit School District 207U

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 7, 2020


Gassensmith & Michalesko, Ltd.
Certified Public Accountants

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS

JUNE 30, 2020

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Debt Services</u>	<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>
<u>Assets</u>					
Cash and Cash Equivalents	5,761,905	1,333,618	1,945,561	983,489	258,996
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Improvements other than Buildings	-	-	-	-	-
Equipment	-	-	-	-	-
Transportation Equipment	-	-	-	-	-
Amounts Available in Debt Service Funds	-	-	-	-	-
Amounts to be provided for Payment of Bonds	-	-	-	-	-
Total Assets	<u>5,761,905</u>	<u>1,333,618</u>	<u>1,945,561</u>	<u>983,489</u>	<u>258,996</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities</u>					
Due to Organizations	-	-	-	-	-
Bonds Payable	-	-	-	-	-
Other Long-term Liabilities	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances:</u>					
Reserved	-	-	-	-	-
Unreserved	5,761,905	1,333,618	1,945,561	983,489	258,996
Investments in General Fixed Assets	-	-	-	-	-
Total Fund Balances	<u>5,761,905</u>	<u>1,333,618</u>	<u>1,945,561</u>	<u>983,489</u>	<u>258,996</u>
Total Liabilities and Fund Balances	<u>5,761,905</u>	<u>1,333,618</u>	<u>1,945,561</u>	<u>983,489</u>	<u>258,996</u>

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

<u>Capital Projects</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Fire Prevention and Safety</u>	<u>Trust and Agency Funds</u>	<u>General Fixed Assets</u>	<u>General Long Term Debt</u>	<u>Total (Memorandum Only)</u>
3,929	2,599,374	230,291	4,238	215,883	-	-	13,337,284
-	-	-	-	-	2,973,996	-	2,973,996
-	-	-	-	-	28,474,702	-	28,474,702
-	-	-	-	-	1,547,652	-	1,547,652
-	-	-	-	-	4,997,930	-	4,997,930
-	-	-	-	-	3,333,389	-	3,333,389
-	-	-	-	-	-	1,945,561	1,945,561
-	-	-	-	-	-	6,379,439	6,379,439
<u>3,929</u>	<u>2,599,374</u>	<u>230,291</u>	<u>4,238</u>	<u>215,883</u>	<u>41,327,669</u>	<u>8,325,000</u>	<u>62,989,953</u>
-	-	-	-	215,883	-	-	215,883
-	-	-	-	-	-	8,325,000	8,325,000
-	-	-	-	-	-	-	-
-	-	-	-	<u>215,883</u>	-	<u>8,325,000</u>	<u>8,540,883</u>
-	-	-	-	-	-	-	-
3,929	2,599,374	230,291	4,238	-	-	-	13,121,401
-	-	-	-	-	41,327,669	-	41,327,669
<u>3,929</u>	<u>2,599,374</u>	<u>230,291</u>	<u>4,238</u>	-	<u>41,327,669</u>	-	<u>54,449,070</u>
<u>3,929</u>	<u>2,599,374</u>	<u>230,291</u>	<u>4,238</u>	<u>215,883</u>	<u>41,327,669</u>	<u>8,325,000</u>	<u>62,989,953</u>

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

STATEMENT OF REVENUE RECEIVED, EXPENDITURES DISBURSED,
OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCES -
ALL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Educational</u>	Operations and <u>Maintenance</u>	Debt <u>Services</u>
Revenue Received:			
Local Sources	10,083,855	1,303,509	4,384,429
State Sources	1,964,007	50,000	-
Federal Sources	611,937	-	-
Total Direct Receipts	<u>12,659,799</u>	<u>1,353,509</u>	<u>4,384,429</u>
Receipts for On-Behalf Payments	<u>6,674,329</u>	-	-
Total Revenues	<u>19,334,128</u>	<u>1,353,509</u>	<u>4,384,429</u>
Expenditures Disbursed:			
Instruction	8,833,640	-	-
Support Services	3,402,019	2,385,880	-
Community Services	2,052	-	-
Payments to Other Districts and Governmental Units	636,593	-	-
Debt Service	-	-	<u>5,259,536</u>
Total Direct Disbursements	<u>12,874,304</u>	<u>2,385,880</u>	<u>5,259,536</u>
Disbursements for On-Behalf Payments	<u>6,674,329</u>	-	-
Total Expenditures	<u>19,548,633</u>	<u>2,385,880</u>	<u>5,259,536</u>
Excess (Deficiency) of Revenues Over Expenditures	(214,505)	(1,032,371)	(875,107)
Other Financing Sources:			
Abatement of the Working Cash Fund	1,100,000	1,800,000	-
Transfer among funds			-
Other Financing (Uses):			
Abatement of the Working Cash Fund	-	-	-
Transfer among funds	-	-	-
Total Other Financing Sources and (Uses)	<u>1,100,000</u>	<u>1,800,000</u>	-
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	885,495	767,629	(875,107)
Beginning Fund Balance	<u>4,876,410</u>	<u>565,989</u>	<u>2,820,668</u>
Ending Fund Balance	<u>5,761,905</u>	<u>1,333,618</u>	<u>1,945,561</u>

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

<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Capital Projects</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Fire Prevention and Safety</u>	<u>Total (Memorandum Only)</u>
682,726	598,163	44	152,075	88,147	56	17,293,004
968,340	-	-	-	-	-	2,982,347
-	-	-	-	-	-	611,937
<u>1,651,066</u>	<u>598,163</u>	<u>44</u>	<u>152,075</u>	<u>88,147</u>	<u>56</u>	<u>20,887,288</u>
-	-	-	-	-	-	6,674,329
<u>1,651,066</u>	<u>598,163</u>	<u>44</u>	<u>152,075</u>	<u>88,147</u>	<u>56</u>	<u>27,561,617</u>
-	212,207	-	-	-	-	9,045,847
1,703,136	368,059	-	-	203,665	-	8,062,759
-	-	-	-	-	-	2,052
-	-	-	-	-	-	636,593
-	-	-	-	-	-	5,259,536
<u>1,703,136</u>	<u>580,266</u>	<u>-</u>	<u>-</u>	<u>203,665</u>	<u>-</u>	<u>23,006,787</u>
-	-	-	-	-	-	6,674,329
<u>1,703,136</u>	<u>580,266</u>	<u>-</u>	<u>-</u>	<u>203,665</u>	<u>-</u>	<u>29,681,116</u>
(52,070)	17,897	44	152,075	(115,518)	56	(2,119,499)
330,000	-	-	-	-	-	3,230,000
-	-	-	-	-	-	-
-	-	-	(3,230,000)	-	-	(3,230,000)
-	-	-	-	-	-	-
<u>330,000</u>	<u>-</u>	<u>-</u>	<u>(3,230,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
277,930	17,897	44	(3,077,925)	(115,518)	56	(2,119,499)
<u>705,559</u>	<u>241,099</u>	<u>3,885</u>	<u>5,677,299</u>	<u>345,809</u>	<u>4,182</u>	<u>15,240,900</u>
<u>983,489</u>	<u>258,996</u>	<u>3,929</u>	<u>2,599,374</u>	<u>230,291</u>	<u>4,238</u>	<u>13,121,401</u>

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

STATEMENT OF REVENUE RECEIVED - ALL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Debt Services</u>
Revenue Received:			
Revenue from Local Sources			
Ad Valorem Taxes Levied By Local Education Agency			
Designated Purpose Levies	8,854,824	1,118,712	4,366,493
Tort Immunity Levy	-	-	-
Leasing Levy	1,087	-	-
Special Education Levy	80,365	-	-
Social Security/Medicare Only Levy	-	-	-
Payments In Lieu Of Taxes			
Corporate Personal Property Replacement Taxes	452,344	-	-
Tuition			
Special Education - Tuition From Other Leas (In State)	37,242	-	-
Transportation Fees			
Regular Transportation Fees From Other Leas (In State)	-	-	-
CTE - Transportation Fees From Pupils Or Parents (In State)	-	-	-
Earnings On Investments			
Interest On Investments	57,265	5,241	17,936
Food Service			
Sales To Pupils - Lunch	116,902	-	-
Sales To Pupils - A La Carte	38,865	-	-
Sales To Adults	818	-	-
Other Food Service	566	-	-
District/School Activity Income			
Admissions - Athletic	45,179	-	-
Fees	93,260	-	-
Textbook Income			
Rentals - Regular Textbook	254,398	-	-
Other Revenue From Local Sources			
Rentals	-	19,710	-
Contributions And Donations From Private Sources	15,508	-	-
Impact Fees From Municipal Or County Governments	-	127,095	-
Services Provided Other LEAs	-	-	-
Payments of Surplus Moneys from TIF Districts	-	-	-
Drivers' Education Fees	5,630	-	-
Refund Prior Years' Expenditures	796	241	-
Sale of Vocational Products	63	-	-
Other Local Revenues	<u>28,743</u>	<u>32,510</u>	<u>-</u>
Total Revenue From Local Sources	<u>10,083,855</u>	<u>1,303,509</u>	<u>4,384,429</u>

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

<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Capital Projects</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Fire Prevention and Safety</u>	<u>Total (Memorandum Only)</u>
671,520	203,058	-	1,087	-	-	15,215,694
-	-	-	-	83,083	-	83,083
-	-	-	-	-	-	1,087
-	-	-	-	-	-	80,365
-	203,058	-	-	-	-	203,058
-	189,100	-	-	-	-	641,444
-	-	-	-	-	-	37,242
2,211	-	-	-	-	-	2,211
3,885	-	-	-	-	-	3,885
5,042	2,947	44	150,988	2,993	56	242,512
-	-	-	-	-	-	116,902
-	-	-	-	-	-	38,865
-	-	-	-	-	-	818
-	-	-	-	-	-	566
-	-	-	-	-	-	45,179
-	-	-	-	-	-	93,260
-	-	-	-	-	-	254,398
-	-	-	-	-	-	19,710
-	-	-	-	-	-	15,508
-	-	-	-	-	-	127,095
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	5,630
-	-	-	-	-	-	1,037
-	-	-	-	-	-	63
68	-	-	-	2,071	-	63,392
<u>682,726</u>	<u>598,163</u>	<u>44</u>	<u>152,075</u>	<u>88,147</u>	<u>56</u>	<u>17,293,004</u>

(Continued)

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

STATEMENT OF REVENUE RECEIVED - ALL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Debt Services</u>
Revenue From State Sources			
Unrestricted Grants-In-Aid			
Evidence Based Funding Formula (Section 18-8.15)	1,568,110	-	-
Restricted Grants-In-Aid			
Special Education - Private Facility Tuition	266,271	-	-
Special Education - Orphanage - Individual	93,822	-	-
Special Education - Orphanage - Summer	13,720	-	-
CTE - Agriculture Education	12,204	-	-
State Free Lunch And Breakfast	1,037	-	-
Driver Education	8,843	-	-
Transportation - Regular/Vocational	-	-	-
Transportation - Special Education	-	-	-
School Infrastructure - Maintenance	-	50,000	-
Other Restricted Revenue From State Sources	-	-	-
Total Receipts From State Sources	<u>1,964,007</u>	<u>50,000</u>	<u>-</u>
Revenue From Federal Sources			
Restricted Grants-In-Aid Received From Federal Government Thru The State			
National School Lunch Program	80,899	-	-
Summer Food Service Administration/Program	6,183	-	-
Title I - Low Income	121,120	-	-
Title IV - Student Support & Academic Enrich	11,431	-	-
Federal - Special Education - Preschool Flow - Through	21,556	-	-
Federal - Special Education - IDEA - Flow Through / Low Incidence	226,285	-	-
Title II - Teacher Quality	31,411	-	-
Medicaid Matching Funds - Administrative Outreach	36,449	-	-
Medicaid Matching Funds - Fee-For-Service Program	76,603	-	-
Other Restricted Revenue From Federal Sources	-	-	-
Total Receipts From Federal Sources	<u>611,937</u>	<u>-</u>	<u>-</u>
Total Direct Receipts	<u>12,659,799</u>	<u>1,353,509</u>	<u>4,384,429</u>

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

Statement 3

<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Capital Projects</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Fire Prevention and Safety</u>	<u>Total (Memorandum Only)</u>
-	-	-	-	-	-	1,568,110
-	-	-	-	-	-	266,271
-	-	-	-	-	-	93,822
-	-	-	-	-	-	13,720
-	-	-	-	-	-	12,204
-	-	-	-	-	-	1,037
-	-	-	-	-	-	8,843
505,486	-	-	-	-	-	505,486
462,854	-	-	-	-	-	462,854
-	-	-	-	-	-	50,000
-	-	-	-	-	-	-
<u>968,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,982,347</u>
-	-	-	-	-	-	80,899
-	-	-	-	-	-	6,183
-	-	-	-	-	-	121,120
-	-	-	-	-	-	11,431
-	-	-	-	-	-	21,556
-	-	-	-	-	-	226,285
-	-	-	-	-	-	31,411
-	-	-	-	-	-	36,449
-	-	-	-	-	-	76,603
-	-	-	-	-	-	-
-	-	-	-	-	-	611,937
<u>1,651,066</u>	<u>598,163</u>	<u>44</u>	<u>152,075</u>	<u>88,147</u>	<u>56</u>	<u>20,887,288</u>

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 4

STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
EDUCATIONAL FUND
JUNE 30, 2020

Expenditures Disbursed:	Actual	Budget	Unexpended Budget
Instruction			
Regular Programs			
Salaries	3,924,831	3,977,714	52,883
Employee Benefits	1,015,610	1,066,199	50,589
Purchased Services	8,608	9,783	1,175
Supplies And Materials	335,777	360,591	24,814
Other Objects	384	194	(190)
Termination Benefits	649	4,714	4,065
Total Regular Programs	<u>5,285,859</u>	<u>5,419,195</u>	<u>133,336</u>
Pre-K Programs			
Salaries	62,731	62,999	268
Employee Benefits	18,435	19,138	703
Purchased Services	430	624	194
Supplies And Materials	6,168	8,641	2,473
Non-Capitalized Equipment	-	1,000	1,000
Total Pre-K Programs	<u>87,764</u>	<u>92,402</u>	<u>4,638</u>
Special Education Programs			
Salaries	1,603,238	1,623,489	20,251
Employee Benefits	383,373	404,021	20,648
Purchased Services	109,804	124,488	14,684
Supplies And Materials	11,039	14,944	3,905
Total Special Education Programs	<u>2,107,454</u>	<u>2,166,942</u>	<u>59,488</u>
Remedial and Suppl. Programs K-12			
Salaries	152,251	153,896	1,645
Employee Benefits	51,777	55,098	3,321
Purchased Services	956	1,386	430
Total Remedial and Suppl. Programs K-12	<u>204,984</u>	<u>210,380</u>	<u>5,396</u>
CTE Programs			
Salaries	133,292	137,040	3,748
Employee Benefits	42,749	45,118	2,369
Supplies And Materials	5,774	11,050	5,276
Non-Capitalized Equipment	2,554	2,809	255
Total Vocational Programs	<u>184,369</u>	<u>196,017</u>	<u>11,648</u>

The accompanying notes are an integral part of these financial statements

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 4
(continued)

STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
EDUCATIONAL FUND
JUNE 30, 2020

Expenditures Disbursed:	Actual	Budget	Unexpended Budget
Interscholastic Programs			
Salaries	247,003	239,514	(7,489)
Employee Benefits	34,822	31,212	(3,610)
Purchased Services	123,667	159,160	35,493
Supplies And Materials	28,578	36,736	8,158
Other Objects	8,219	7,337	(882)
Non-Capitalized Equipment	5,450	5,995	545
Total Interscholastic Programs	447,739	479,954	32,215
Summer School Programs			
Salaries	21,196	23,882	2,686
Employee Benefits	4,771	9,240	4,469
Supplies And Materials	456	1,258	802
Other Objects	56	162	106
Total Summer School Programs	26,479	34,542	8,063
Driver's Education Programs			
Salaries	8,159	10,381	2,222
Employee Benefits	610	715	105
Supplies And Materials	421	576	155
Other Objects	10	15	5
Total Driver's Education Programs	9,200	11,687	2,487
Truant Alternative & Optional Programs			
Other Objects	-	350,000	350,000
Regular K-12 Programs - Private Tuition			
Other Objects	2,637	3,824	1,187
Special Education Programs K-12 - Private Tuition			
Other Objects	477,155	435,234	(41,921)
Total Instruction	8,833,640	9,400,177	566,537
Support Services - Pupils			
Support Services - Pupils			
Attendance And Social Work Services			
Salaries	130,112	140,769	10,657
Employee Benefits	42,698	46,745	4,047
Total Social Work Services	172,810	187,514	14,704

The accompanying notes are an integral part of these financial statements

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 4
(continued)

STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
EDUCATIONAL FUND
JUNE 30, 2020

Expenditures Disbursed:	Actual	Budget	Unexpended Budget
Guidance Services			
Salaries	169,758	162,090	(7,668)
Employee Benefits	45,952	45,084	(868)
Purchased Services	11,966	14,080	2,114
Supplies And Materials	1,112	1,491	379
Other Objects	680	465	(215)
Total Guidance Services	<u>229,468</u>	<u>223,210</u>	<u>(6,258)</u>
Health Services			
Salaries	135,520	134,317	(1,203)
Employee Benefits	21,090	22,873	1,783
Purchased Services	2,019	2,200	181
Supplies And Materials	2,573	6,333	3,760
Other Objects	146	-	(146)
Total Health Services	<u>161,348</u>	<u>165,723</u>	<u>4,375</u>
Psychological Services			
Salaries	168,433	167,170	(1,263)
Employee Benefits	33,451	33,805	354
Total Psychological Services	<u>201,884</u>	<u>200,975</u>	<u>(909)</u>
Speech Pathology & Audiology			
Salaries	175,026	177,235	2,209
Employee Benefits	41,809	43,043	1,234
Total Speech Pathology & Audiology	<u>216,835</u>	<u>220,278</u>	<u>3,443</u>
Other Support Services - Pupils			
Purchased Services	850	-	(850)
Supplies and Materials	5,802	3,311	(2,491)
Total Other Support Services - Pupils	<u>6,652</u>	<u>3,311</u>	<u>(3,341)</u>
Total Support Services - Pupils	<u>988,997</u>	<u>1,001,011</u>	<u>12,014</u>
Improvement Of Instruction Services			
Salaries	65,035	65,938	903
Employee Benefits	20,883	20,723	(160)
Purchased Services	40,429	49,755	9,326
Supplies And Materials	15,847	19,837	3,990
Other Objects	2,257	2,485	228
Non-Capitalized Equipment	4,473	5,920	1,447
Total Improvement Of Instruction Services	<u>148,924</u>	<u>164,658</u>	<u>15,734</u>

The accompanying notes are an integral part of these financial statements

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 4
(continued)

STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
EDUCATIONAL FUND
JUNE 30, 2020

Expenditures Disbursed:	Actual	Budget	Unexpended Budget
Support Services - Instructional Staff			
Educational Media Services			
Salaries	55,287	56,146	859
Employee Benefits	12,853	13,283	430
Purchased Services	3,051	-	(3,051)
Supplies And Materials	15,198	19,336	4,138
Total Educational Media Services	<u>86,389</u>	<u>88,765</u>	<u>2,376</u>
Assessment And Testing			
Purchased Services	7,926	11,493	3,567
Total Assessment And Testing	<u>7,926</u>	<u>11,493</u>	<u>3,567</u>
Total Support Services - Instructional Staff	<u>243,239</u>	<u>264,916</u>	<u>21,677</u>
Support Services - General Administration			
Board Of Education Services			
Salaries	45,107	45,872	765
Employee Benefits	24,738	29,588	4,850
Purchased Services	76,094	76,319	225
Supplies And Materials	17,999	18,492	493
Other Objects	19,776	24,157	4,381
Total Board Of Education Services	<u>183,714</u>	<u>194,428</u>	<u>10,714</u>
Executive Administration Services			
Salaries	163,879	163,879	-
Employee Benefits	45,310	42,448	(2,862)
Purchased Services	1,629	1,250	(379)
Supplies And Materials	285	300	15
Other Objects	1,261	1,250	(11)
Total Executive Administration Services	<u>212,364</u>	<u>209,127</u>	<u>(3,237)</u>
Total Support Services - Gen Admin.	<u>396,078</u>	<u>403,555</u>	<u>7,477</u>
Support Services - School Administration			
Office Of The Principal Services			
Salaries	475,012	481,606	6,594
Employee Benefits	111,156	116,889	5,733
Purchased Services	1,020	1,479	459
Supplies And Materials	2,217	2,853	636
Other Objects	2,937	3,231	294
Total Office Of The Principal Services	<u>592,342</u>	<u>606,058</u>	<u>13,716</u>

The accompanying notes are an integral part of these financial statements

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 4
(continued)

STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
EDUCATIONAL FUND
JUNE 30, 2020

Expenditures Disbursed:	Actual	Budget	Unexpended Budget
Support Services - Business:			
Direction of Business Support			
Salaries	98,000	98,000	-
Employee Benefits	31,454	27,136	(4,318)
Purchased Services	3,593	4,498	905
Supplies and Materials	45	100	55
Other Objects	1,324	1,325	1
Total Direction of Business Support	<u>134,416</u>	<u>131,059</u>	<u>(3,357)</u>
Fiscal Services			
Salaries	94,121	95,105	984
Employee Benefits	22,292	24,069	1,777
Purchased Services	21,467	21,677	210
Supplies And Materials	27,097	18,176	(8,921)
Other Objects	249	283	34
Total Fiscal Services	<u>165,226</u>	<u>159,310</u>	<u>(5,916)</u>
Operation & Maintenance of Plant Services			
Purchased Services	31,017	35,051	4,034
Supplies And Materials	12,556	14,412	1,856
Total Operation & Maintenance of Plant Services	<u>43,573</u>	<u>49,463</u>	<u>5,890</u>
Food Services			
Salaries	152,812	153,247	435
Employee Benefits	23,025	24,848	1,823
Purchased Services	2,234	2,501	267
Supplies And Materials	76,530	97,869	21,339
Other Objects	752	828	76
Non-Capitalized Equipment	-	1,000	1,000
Total Food Services	<u>255,353</u>	<u>280,293</u>	<u>24,940</u>
Internal Services			
Purchased Services	110,253	108,922	(1,331)
Supplies and Materials	15,655	14,800	(855)
Total Internal Services	<u>125,908</u>	<u>123,722</u>	<u>(2,186)</u>
Total Support Services - Business	<u>724,476</u>	<u>743,847</u>	<u>19,371</u>

The accompanying notes are an integral part of these financial statements

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 4
(continued)

STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
EDUCATIONAL FUND
JUNE 30, 2020

Expenditures Disbursed:	Actual	Budget	Unexpended Budget
Information Services			
Salaries	203,784	204,265	481
Employee Benefits	27,941	29,467	1,526
Purchased Services	64,962	60,245	(4,717)
Supplies And Materials	136,147	173,593	37,446
Capital Outlay	9,159	50,000	40,841
Non-Capitalized Equipment	13,157	24,548	11,391
Total Information Services	455,150	542,118	86,968
Staff Services			
Purchased Services	1,737	1,857	120
Total Staff Services	1,737	1,857	120
Total Support Services	3,402,019	3,563,362	161,343
Community Services			
Salaries	60	-	(60)
Purchased Services	950	1,378	428
Supplies and Materials	1,042	1,482	440
Total Community Services	2,052	2,860	808
Payments To Other Governments			
Payments For Special Education Programs			
Purchased Services	547,888	558,236	10,348
Payments for CTE			
Purchased Services	88,705	128,622	39,917
Total Payments To Other Governments	636,593	686,858	50,265
Total Expenditures	12,874,304	13,653,257	778,953

The accompanying notes are an integral part of these financial statements

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 5

STATEMENT OF EXPENDITURES DISBURSED
 (AND COMPARISON WITH BUDGET)
 OPERATIONS AND MAINTENANCE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Facilities Acquisition and Construction Services			
Purchased Services	<u>41,632</u>	<u>43,118</u>	<u>1,486</u>
Total Facilities Acquisition and Construction Services	<u>41,632</u>	<u>43,118</u>	<u>1,486</u>
Operation and Maintenance of Plant Services:			
Salaries	541,993	564,951	22,958
Employee Benefits	84,913	90,042	5,129
Purchased Services	902,136	606,332	(295,804)
Supplies and Materials	413,020	463,764	50,744
Capital Outlay	377,877	869,018	491,141
Other Objects	679	531	(148)
Non-Capitalized Equipment	<u>23,630</u>	<u>40,445</u>	<u>16,815</u>
Total Operation and Maintenance of Plant Services	<u>2,344,248</u>	<u>2,635,083</u>	<u>290,835</u>
Total Support Services - Business	<u>2,385,880</u>	<u>2,678,201</u>	<u>292,321</u>
Total Expenditures	<u>2,385,880</u>	<u>2,678,201</u>	<u>292,321</u>

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 6

STATEMENT OF EXPENDITURES DISBURSED
 (AND COMPARISON WITH BUDGET)
 DEBT SERVICES FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Debt Services:			
Debt Service - Interest	386,692	404,885	18,193
Debt Service - Principal	4,870,000	5,016,100	146,100
Debt Service - Other	<u>2,844</u>	<u>4,120</u>	<u>1,276</u>
Total Expenditures	<u><u>5,259,536</u></u>	<u><u>5,425,105</u></u>	<u><u>165,569</u></u>

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 7

STATEMENT OF EXPENDITURES DISBURSED
 (AND COMPARISON WITH BUDGET)
 TRANSPORTATION FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Supporting Services:			
Support Services - Business			
Pupil Transportation Services:			
Salaries	920,577	938,422	17,845
Employee Benefits	32,511	35,389	2,878
Purchased Services	568,058	586,349	18,291
Supplies and Materials	176,905	232,802	55,897
Other Objects	5,085	5,162	77
Non-Capitalized	-	1,000	1,000
Total Pupil Transportation			
Services	<u>1,703,136</u>	<u>1,799,124</u>	<u>95,988</u>
Total Support Services -			
Business	<u>1,703,136</u>	<u>1,799,124</u>	<u>95,988</u>
Total Expenditures	<u><u>1,703,136</u></u>	<u><u>1,799,124</u></u>	<u><u>95,988</u></u>

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 8

STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Expenditures Disbursed:	Actual	Budget	Unexpended Budget
Instruction:			
Regular Programs:			
Employee Benefits	83,847	83,283	(564)
Pre-K Programs:			
Employee Benefits	876	865	(11)
Special Education Programs:			
Employee Benefits	117,899	115,307	(2,592)
Special Education Programs-Pre-K:			
Employee Benefits	2,141	2,145	4
CTE Programs:			
Employee Benefits	1,918	1,951	33
Interscholastic Programs			
Employee Benefits	4,513	4,480	(33)
Summer School			
Employee Benefits	896	840	(56)
Driver's Education Programs:			
Employee Benefits	117	146	29
Total Instruction	212,207	209,017	(3,190)
Supporting Services:			
Support Services - Pupils			
Attendance & Social Work Services:			
Employee Benefits	1,821	1,931	110
Guidance Services:			
Employee Benefits	11,239	10,995	(244)
Health Services:			
Employee Benefits	23,009	22,137	(872)
Speech Pathology & Audiology Services			
Employee Benefits	2,395	2,337	(58)
Other Support Services - Pupils:			
Employee Benefits	2,486	2,480	(6)
Total Support Services - Pupils	40,950	39,880	(1,070)
Support Services - Instructional Staff:			
Improvement of Instruction Services:			
Employee Benefits	1,910	1,929	19
Educational Media Services:			
Employee Benefits	627	625	(2)
Total Support Services - Instructional Staff	2,537	2,554	17

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 8
(continued)

STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Expenditures Disbursed:	Actual	Budget	Unexpended Budget
Support Services - General			
Administration:			
Board of Education Services:			
Employee Benefits	9,116	6,617	(2,499)
Executive Administration Services:			
Employee Benefits	<u> -</u>	<u> 2,385</u>	<u> 2,385</u>
Total Support Services - General Administration	<u> 9,116</u>	<u> 9,002</u>	<u> (114)</u>
Support Services - School Administration:			
Office of the Principal Svc:			
Employee Benefits	<u> 6,844</u>	<u> 6,867</u>	<u> 23</u>
Support Services - Business:			
Director of Business Support:			
Employee Benefits	2,739	2,768	29
Fiscal Services:			
Employee Benefits	15,374	14,919	(455)
Operation and Maintenance of Plant Services:			
Employee Benefits	87,401	85,781	(1,620)
Pupil Transportation Svc:			
Employee Benefits	155,119	152,358	(2,761)
Food Services:			
Employee Benefits	<u> 22,314</u>	<u> 21,567</u>	<u> (747)</u>
Total Support Services - Business	<u> 282,947</u>	<u> 277,393</u>	<u> (5,554)</u>
Support Services - Central:			
Information Services:			
Employee Benefits	<u> 25,665</u>	<u> 24,739</u>	<u> (926)</u>
Total Support Services - Central	<u> 25,665</u>	<u> 24,739</u>	<u> (926)</u>
Total Support Services	<u> 368,059</u>	<u> 360,435</u>	<u> (7,624)</u>
Total Expenditures	<u> 580,266</u>	<u> 569,452</u>	<u> (10,814)</u>

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 9

STATEMENT OF EXPENDITURES DISBURSED
 (AND COMPARISON WITH BUDGET)
 TORT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Support Services:			
General Administration			
Unemployment insurance Payments			
Purchased Services	522	757	235
Insurance payments			
Purchased Services	195,202	204,962	9,760
Risk Mgmt and Claims			
Purchased Services	2,071	3,003	932
Educational, Inspectional, Supervisory Services Related to Loss Prevention			
Purchased Services	<u>5,870</u>	<u>7,352</u>	<u>1,482</u>
Total Support Services - General Administration	<u>203,665</u>	<u>216,074</u>	<u>12,409</u>
Total Expenditures	<u><u>203,665</u></u>	<u><u>216,074</u></u>	<u><u>12,409</u></u>

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #1 Summary of Significant Accounting Policies

The District's accounting policies conform to the cash basis of accounting as defined by the Illinois State Board of Education Audit Guide.

A. Principles Used to Determine Scope of the Reporting Entity

The District's reporting entity includes the District's governing board and all related organizations for which the District exercises oversight responsibility.

Component Units

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

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

B. Basis of Presentation - Fund Accounting

The Annual Financial Report is a regulatory report prepared in accordance with the requirements of the Illinois State Board of Education and does not include the government-wide financial statements including the statement of net assets and the statement of activities required by accounting principles generally accepted in the United States of America.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #1 Summary of Significant Accounting Policies (continued)

B. Basis of Presentation - Fund Accounting (continued)

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

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

Governmental Funds -

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities (arising from cash transactions) are accounted for through governmental funds.

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

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

The Transportation Fund and the Illinois Municipal Retirement/Social Security Fund are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #1 Summary of Significant Accounting Policies (continued)

B. Basis of Presentation - Fund Accounting (continued)

Governmental Funds - (continued)

The Working Cash Fund accounts for financial resources held by the District to be used for temporary interfund loans to other funds.

The Tort Fund accounts for financial resources to be used for the payment of insurance and tort related expenses.

The Fire Prevention and Safety Fund is used to account for financial resources to be used for the acquisition or construction of major facilities (other than those financed by Trust Funds).

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

The Agency Funds include Student Activity Funds. They account for assets held by the District as an agent for the students, teachers, and other entities. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the activity fund organizations are equal to the assets.

Governmental Funds - Measurement Focus

The financial statements of all Governmental Funds focus on the measurement of spending or “financial flow” and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered a measure of “available spendable resources”. Governmental fund operating statements present increases (cash receipts and other financing sources) and decreases (cash disbursements and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #1 Summary of Significant Accounting Policies (continued)

B. Basis of Presentation - Fund Accounting (continued)

General Fixed Assets and General Long-term Debt Account Group

Capital assets purchased or acquired with an original cost of \$1,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. The District records purchases of property and equipment as expenditures of various funds when paid. The District maintains a detailed list of property and equipment purchased for insurance purposes.

No depreciation has been provided on fixed assets in these financial statements. Current depreciation of \$673,679 has been utilized for the calculation of the per capita tuition charge and accumulated depreciation totaling \$22,280,463 has been reported on the Illinois Local Education Agency annual financial report (ISBE Form 50-35). Depreciation has been computed over the estimated useful lives of the assets using the straight-line method.

The estimated useful lives are as follows:

Buildings	50 years
Improvements	20 years
Transportation Equipment	5 years
Other Equipment	3 - 10 years

Long-term liabilities expected to be financed from Debt Service Funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. Proceeds from sales of bonds are included as receipts in the appropriate fund on the date received. Related principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

The two account groups are not “funds”. They are concerned only with the measurement of financial position. They are not involved with the measurement of results of operations.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

Note #1 Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The District maintains its accounting records for all funds and account groups on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

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

Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

D. Budgets and Budgetary Accounting

The budget for all Governmental Funds and for the Expendable Trust Fund is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5, Paragraph 17.1 of the Illinois Compiled Statutes. The budget was passed on September 16, 2019 and amended March 13, 2020.

For each fund, total fund expenditures may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

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

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures disbursed and the means of financing them.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #1 Summary of Significant Accounting Policies (continued)

D. Budgets and Budgetary Accounting (continued)

2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits and time deposit (savings) accounts. Cash equivalents include amounts in time deposits and other investments with original maturities of less than 90 days.

F. Investments

Investments are stated at cost or amortized cost, which approximates market. The District, under 30 ILCS 235/2, may legally invest in all securities guaranteed by the full faith and credit of the United States, as well as interest-bearing savings accounts, certificates of deposit or time deposits constituting direct obligations of banks insured by FDIC. The District may also invest in short-term obligations of the Federal National Mortgage Association, the Public Treasurer's Investment Pool as well as all interest-bearing obligations of the State of Illinois.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #1 Summary of Significant Accounting Policies (continued)

G. Total Memorandum Only

The “Total Memorandum Only” column represents the aggregation (by addition) of the line-item amounts reported for each fund type and account group. No consolidations or other eliminations were made in arriving at the totals; thus, they do not present consolidated information.

These totals are presented only to facilitate financial analysis and are not intended to reflect the financial position or results of operations of the District as a whole.

Note #2 Property Taxes

The District’s property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The 2019 levy was passed by the Board on December 16, 2019. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1. The District receives significant distributions of tax receipts approximately one month after these due dates. The balance of taxes shown in these financial statements are from the 2019 and prior tax levies.

The following are the tax rates applicable to the various levies per \$100 of assessed valuation:

	<u>Maximum</u> <u>Rate</u>	<u>Actual</u> <u>2019 Rate</u>	<u>Actual</u> <u>2018 Rate</u>
Educational	None	2.4552	2.4326
Operations & Maintenance	0.7500	0.3065	0.3114
Transportation	None	0.1840	0.1869
Bond & Interest	None	0.9994	1.4326
Municipal Retirement	None	0.0552	0.0570
Social Security	None	0.0552	0.0570
Tort Immunity	None	0.0032	0.0447
Special Education	0.8000	0.0219	0.0225
Working Cash	0.0500	0.0003	0.0003
Lease Purchase	0.1000	<u>0.0003</u>	<u>0.0003</u>
TOTAL		<u>4.0812</u>	<u>4.5453</u>

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #3 Fund Balance Reporting

In a prior year, the District implemented, “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints:

A. Non-spendable Fund Balance

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

B. Restricted Fund Balance

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

1. Special Education

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

2. Leasing

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #3 Fund Balance Reporting (continued)

B. Restricted Fund Balance (continued)

3. State Grants

Proceeds from state grants and the related expenditures have been included in the Educational and Transportation Funds. At June 30, 2020, expenditures disbursed exceeded revenue received from state grants, resulting in no restricted fund balance.

4. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the Educational Fund. At June 30, 2020, expenditures disbursed from federal grants exceeded revenues received for those specific purposes in the Educational Fund, resulting in no restricted fund balance.

5. Social Security

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Revenue received did not exceed expenditures disbursed for this purpose, resulting in no restricted fund balance.

C. Committed Fund Balance

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

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

Employee contracts for services rendered during the school year for employees electing twelve month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. At year end, the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2020 amounted to \$653,290, resulting in committed fund balance for this purpose

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #3 Fund Balance Reporting (continued)

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the governments' intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the School Board itself or (b) the financial committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes.

Under the assigned fund balance definition \$442,229 of the Transportation Fund Balance is assigned for lease of school buses. This balance is included in the financial statements as Unreserved in the Transportation Fund.

E. Unassigned Fund Balance

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

F. Regulatory - Fund Balance Definitions

Reserved Fund Balances are those balances that are reserved for a specified purpose, other than the regular purpose of any given fund. Unreserved Fund Balances are all balances that are not reserved for a specific purpose other than the specified purpose of a fund.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #3 Fund Balance Reporting (continued)

G. Reconciliation of Fund Balance Reporting

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

Fund	Generally Accepted Accounting Principles					Regulatory Basis	
	Nonspend- able	Restricted	Committed	Assigned	Unassigned	Financial Statements - Reserved	Financial Statements - Unreserved
Educational	-	-	653,290	-	5,108,615	-	5,761,905
Operations & Maintenance	-	1,333,618	-	-	-	-	1,333,618
Debt Service	-	1,945,561	-	-	-	-	1,945,561
Transportation Municipal	-	541,260	-	442,229	-	-	983,489
Retirement	-	258,996	-	-	-	-	258,996
Capital Projects	-	3,929	-	-	-	-	3,929
Working Cash	-	-	-	-	2,599,374	-	2,599,374
Tort Liability	-	230,691	-	-	-	-	230,691
Fire Prevention & Safety	-	4,238	-	-	-	-	4,238

H. Expenditures of Fund Balance

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #4 Deposits and Investments

The District is allowed to invest in securities as authorized by the District's investment policy, Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235) and Section 8-7 of the School Code of Illinois. These include the following items:

1. bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
2. interest-bearing savings accounts, interest-bearing certificates of deposits or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act;
3. money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations described in (1) or (2) above and to agreements to repurchase such obligations;
4. the Illinois Funds. Any public agency may also invest any public funds in a fund managed, operated and administered by a bank, subsidiary of a bank or subsidiary of a bank holding company or use the services of such an entity to hold and invest or advise regarding the investment of any public funds;
5. the Illinois School District Liquid Asset Fund Plus;
6. any investment as authorized by the Public Funds Investment Act and Acts amendatory thereto. Paragraph 6 supersedes paragraphs 1-5 and controls in the event of conflict.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #4 Deposits and Investments (continued)

Custodial Credit Risk Related to Deposits with Financial Institutions

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's general investment policy requires all amounts deposited or invested with financial institutions in excess of any insurance limit shall be collateralized by securities eligible for District investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating services to include Standard & Poor's, Moody's or Fitch. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization.

The District's investment policy states the preferred method for safekeeping of collateral is to have securities registered in the District's name and held by a third-party custodian.

At June 30, 2020, the carrying amount of the District's deposits with financial institutions, which includes demand deposits, savings accounts and certificates of deposits was \$13,337,284, (includes \$160 petty cash and includes activity funds of \$215,792) and the bank balance was \$13,535,619 (includes activity funds of \$213,560). As of June 30, 2020, all of the bank balances are insured or collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #5 Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>7/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2020</u>
Non-depreciable fixed assets:				
Land	2,973,996	-	-	2,973,996
Depreciable fixed assets:				
Buildings:	28,474,702	-	-	28,474,702
Improvements	1,335,576	212,076	-	1,547,652
Transportation				
Equipment	3,255,437	77,952	-	3,333,389
Equipment	<u>4,826,956</u>	<u>170,974</u>	-	<u>4,997,930</u>
Total Fixed Assets	40,866,667	461,002	-	41,327,669
Accumulated Depreciation:				
Buildings:	12,905,223	569,494	-	13,474,717
Improvements	869,398	39,099	-	908,497
Transportation				
Equipment	3,205,210	19,609	-	3,224,819
Equipment	<u>4,631,944</u>	<u>40,486</u>	-	<u>4,672,430</u>
Total Accumulated Depreciation	<u>21,611,775</u>	<u>668,688</u>	-	<u>22,280,463</u>
Fixed Assets, Net	<u><u>19,254,892</u></u>	<u><u>(207,686)</u></u>	-	<u><u>19,047,206</u></u>

Note #6 Lease Commitments

Operating Leases

The district leases various transportation equipment and a bus barn. The District is currently obligated under operating lease agreements for office equipment. During the current year, the District paid \$592,241 for lease expenses

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #6 Lease Commitments (continued)

The annual future obligation for the District is as follows:

Fiscal Year Ended	Transportation Equipment	Bus Barn	Office Equipment	Total
6/30/2021	442,229	33,000	82,892	558,121
6/30/2022	442,229	33,000	-	475,229
6/30/2023	442,229	33,000	-	475,229
6/30/2024	442,229	-	-	442,229

Note #7 Retirement Fund Commitments

The District contributes to two defined benefit pension plans: the Teachers Retirement System (TRS), and the Illinois Municipal Retirement Fund (IMRF). TRS is administered by the TRS board of trustees and is a cost sharing multiple employer plan. IMRF is administered by IMRF board of trustees and is an agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions and employer contributions for both plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The aggregate employer recognized pension expense on a cash basis for the year ended June 30, 2020, was \$259,297.

A. Teachers' Retirement System of the State of Illinois:

Plan description

The school 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 <https://www.trsil.org/financial/cafrs/fy2019>; by writing to TRS at 2815 West Washington Street, P O Box 19253, Springfield, IL 62794 or by calling (888) 678-3675, option 2.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #7 Retirement Fund Commitments: (continued)

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

Benefits provided

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

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

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

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 began in 2019 and will be funded by bonds issued by the state of Illinois.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

Note #7 Retirement Fund Commitments: (continued)

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

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 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 district. For the year ended June 30, 2020, State of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective NPL associated with the employer, and the employer recognized revenue and expenditures of \$6,581,306 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, 2020 were \$43,511, while \$39,685 was actually paid toward this obligation in the current fiscal year.

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #7 Retirement Fund Commitments: (continued)

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

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

For the year ended June 30, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, salaries totaling \$103,598 were paid from federal and special trust funds that required employer contributions of \$11,044. \$11,942 was actually paid toward this obligation in the current fiscal year.

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer 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.

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, 2020, the employer paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, \$2,125 for salary increases in excess of 3 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

Pension Expense

For the year ended June 30, 2020, the District recognized TRS pension expense of \$16,846 on a cash basis under this plan.

B. THIS Fund:

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #7 Retirement Fund Commitments: (continued)

B. THIS Fund: (continued)

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

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

On behalf contributions to the THIS Fund.

The State of Illinois makes employer retiree health insurance contributions on behalf of the district. State contributions are intended to match contributions to the THIS Fund from active members which were 1.24 percent of pay during the year ended June 30, 2020. State of Illinois contributions were \$93,023, and the district recognized revenue and expenditures of this amount during the year.

Employer contributions to the THIS Fund.

The district also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2020. For the year ended June 30, 2020, the district paid \$69,017 to the THIS Fund, which was 100 percent of the required contribution.

Further information on the THIS Fund.

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #7 Retirement Fund Commitments: (continued)

C. Illinois Municipal Retirement Fund

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 a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). 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.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #7 Retirement Fund Commitments: (continued)

C. Illinois Municipal Retirement Fund (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
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

At June 30, 2020, the following employees were covered by the benefit terms:

	Number of	
Retirees and Beneficiaries		101
Inactive, Non-Retired Members		96
Active Members		113
Total		<u>310</u>
Covered Valuation Payroll		\$ 2,696,075

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 annual contribution rate for calendar year 2019 was 8.45%. For the calendar year ended 2019, the District contributed \$242,451 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.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #8 Long-Term Debt

As of June 30, 2020, the District had long-term debt outstanding in the amount of \$8,325,000. During the fiscal year, the following changes occurred in long-term debt account:

	Balance <u>June 30, 2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2020</u>
General Obligation Bonds	13,195,000	-	4,870,000	8,325,000
Total	<u>13,195,000</u>	<u>-</u>	<u>4,870,000</u>	<u>8,325,000</u>

The long-term debt consists of the following and is reflected in the General Long-Term Debt Account Group:

The summary of bonds and notes payable at June 30, 2020 is as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Carrying Amount</u>
General Obligation Refunding School Bonds, Series 2012, dated October 1, 2012	2.35%-2.75%	1,075,000
Taxable General Obligation Limited School Bonds, Series 2015B, dated December 17, 2015	3.00%-4.00%	2,225,000
Taxable General Obligation Limited School Bonds, Series 2018A, dated December 5, 2018	3.35%-3.55%	4,725,000
Taxable General Obligation Refunding School Bonds, Series 2018B, dated December 5, 2018	2.94%-3.16%	<u>300,000</u>
Total General Obligations		<u>8,325,000</u>

The principal and interest payments for these general obligations are paid from Debt Service Fund.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

Note #8 Long-Term Debt (continued)

Annual debt service payments required to service all outstanding obligations at June 30, 2020 are as follows:

Year Ending			
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	3,600,000	226,084	3,826,084
2022	1,870,000	130,740	2,000,740
2023	1,935,000	66,039	2,001,039
2024	<u>920,000</u>	<u>16,330</u>	<u>936,330</u>
TOTALS	<u>8,325,000</u>	<u>439,193</u>	<u>8,764,193</u>

Advance Refunding of Debt

In the current and prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. The District has \$1,380,000, of defeased bonds outstanding at June 30, 2020.

Legal Debt Margin

Under Section 5/19-1 of the Illinois School Code, the District is allowed to incur qualifying debt up to 13.8% of its latest equalized assessed value. As of June 30, 2020, the District's legal debt limit was \$53,362,145. Qualifying outstanding debt as of June 30, 2020 totaled \$8,325,000, leaving a debt margin of \$45,037,145.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #9 Other Postemployment Benefits

The District is legally required to provide postemployment healthcare benefits to former employees and retirees. Former employees, who are not retirees, are provided healthcare benefits mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Former employees, who are qualified under COBRA, may apply for coverage by the District's health plan. The cost is 100% funded on a monthly pay-as-you-go basis by the former employee based upon the actual cost of the health plan for the chosen level of coverage. In addition, the District is responsible for paying the actual dollar amount of Teachers' Retirement Insurance Program (TRIP) insurance for certain eligible employees under the retirement provision of the contractual agreement.

Illinois Statutes mandate that a municipal government must offer its retirees a health insurance plan equivalent to that offered to active employees. Illinois statutes enable a government to make the health plan benefits supplemental to Medicare and to offer these supplemental benefits at a different retiree contribution rate than regular benefits provided by the group plan. State statutes do not presently require the government to pay any portion of the cost of the plan for retired employees. Retired employees covered under the District's plan are required to pay 100% of the cost of their insurance based on the rates paid by the District. Retired employees must be covered under the District's health insurance plan at the time of retirement to receive this benefit and must continue coverage with the District's plan to maintain this benefit. Although the actuarial cost of health benefits for retirees exceeds the average amount paid by retirees, based on historical turnover rates, number of active employees, age of active employees and participation rate, management of the District does not consider the effects of implementing Governmental Accounting Standards board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions and calculating the actuarial determined liability to be material to the June 30, 2020 financial statements.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note #10 Required Individual Fund Disclosures

The Working Cash Fund was partially abated per Board approval, funds were transferred in the amount of \$1,100,000 to the Educational Fund, \$1,800,000 to the Operation and Maintenance Fund, and \$330,000 to the Transportation Fund.

As of June 30, 2020, individual fund expenditures exceeded appropriations by \$10,814 in the IMRF/SS Fund.

Note #11 Common Bank Accounts

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.

Note #12 Self-Insurance Plan

All employees of the District are covered under the State of Illinois Unemployment Insurance Act. The District elected to be self-insured and therefore is liable to the State for any payments made to an unemployed worker claiming benefits. During the current year, the District paid \$522 for unemployment claims.

Note #13 Commitments and contingencies

Litigation

From time to time, the District is involved in legal and administrative proceedings with respect to employment, civil rights, property tax protests and other matters. Although the District is unable to predict the outcome of these matters, the District believes that the final outcome of any actions will not have a material adverse effect on the results of operations or the financial position of the District.

Grant Programs

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 School Board believes any adjustments that may arise from these audits will be insignificant to District operations.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

Note #14 Joint Venture - Southern Will County Cooperative for Special Education (SOWIC)

The Southern Will County Cooperative for Special Education is a jointly governed organization that was formed for the purpose of providing special education for the handicapped children in the ten member school districts. The governing board consists of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. Financial information can be obtained by writing to Southern Will County Cooperative for Special Education, 1207 North Larkin Ave, Joliet, IL 60435.

Note #15 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. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. During the year ended June 30, 2020, there were no significant reductions in coverage. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
(Dollar amounts in thousands)

	6/30/19	6/30/18	6/30/17	6/30/16	6/30/15
Employer's proportion of the net pension liability	0.00105%	0.00092%	0.00220%	0.00204%	0.00280%
Employer's proportionate share of the net pension liability	\$ 851,710	\$ 712,928	\$ 1,725,711	\$ 1,610,670	\$ 1,831,299
State's proportionate share of the net pension liability associated with the employer	<u>60,615,266</u>	<u>48,838,582</u>	<u>56,327,240</u>	<u>56,327,240</u>	<u>48,584,866</u>
Total	<u>\$61,466,976</u>	<u>\$49,551,510</u>	<u>\$58,052,951</u>	<u>\$57,937,910</u>	<u>\$50,416,165</u>
Employer's covered-employee payroll	\$ 7,501,894	\$ 7,199,281	\$ 6,689,246	\$ 6,684,246	\$ 7,123,399
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	11.4%	9.9%	25.8%	24.1%	25.7%
Plan fiduciary net position as a percentage of the total pension liability	39.6%	40.0%	39.3%	36.4%	41.5%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Teachers' Retirement System of the State of Illinois
(Dollar amounts in thousands)

	6/30/19	6/30/18	6/30/17	6/30/16	6/30/15
Statutorily-required contribution	54,555	52,303	83,115	79,499	85,174
Contributions in relation to the statutorily-required contributions	<u>(54,555)</u>	<u>(52,303)</u>	<u>(83,115)</u>	<u>(79,499)</u>	<u>(85,174)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered-employee payroll	7,501,894	7,199,281	6,689,246	6,684,246	7,123,399
Contributions as a percentage of covered-employee payroll	0.73%	0.73%	1.24%	1.19%	1.20%

Notes to other Information

Changes of assumptions

For the 2019, 2018, 2017, and 2016 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit, 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.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

SCHEDULES OF OTHER INFORMATION - IMRF
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Calendar Years
(schedule to be built prospectively from 2014)

Calendar year ending December 31,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Total Pension Liability										
Service Cost	287,213	233,361	278,374	312,292	322,840	307,602				
Interest on the Total Pension Liability	913,544	856,206	861,339	818,719	778,849	686,376				
Benefit Changes	-	-	-	-	-	-				
Difference between Expected and Actual Experience	(171,570)	423,274	(172,811)	32,221	13,321	282,978				
Assumption Changes	-	328,075	(350,794)	(40,093)	26,009	487,377				
Benefit Payments and Refunds	<u>(655,933)</u>	<u>(710,713)</u>	<u>(613,371)</u>	<u>(550,127)</u>	<u>(598,203)</u>	<u>(452,039)</u>				
Net Change in Total Pension Liability	373,254	1,130,203	2,737	573,012	542,816	1,312,294				
Total Pension Liability - Beginning	<u>12,784,964</u>	<u>11,654,761</u>	<u>11,652,024</u>	<u>11,079,012</u>	<u>10,536,196</u>	<u>9,223,902</u>				
Total Pension Liability - Ending (a)	<u>13,158,218</u>	<u>12,784,964</u>	<u>11,654,761</u>	<u>11,652,024</u>	<u>11,079,012</u>	<u>10,536,196</u>				
Plan Fiduciary Net Position										
Employer Contributions	242,451	269,346	236,431	263,384	276,401	278,494				
Employee Contributions	130,487	113,271	103,531	116,141	127,909	123,768				
Pension Plan Net Investment Income	2,093,443	(694,743)	1,829,615	672,799	49,020	567,188				
Benefit payments and Refunds	(655,933)	(710,713)	(613,371)	(550,127)	(598,203)	(452,039)				
Other	<u>(81,696)</u>	<u>240,356</u>	<u>(225,555)</u>	<u>61,746</u>	<u>24,989</u>	<u>60,479</u>				
Net Change in Plan Fiduciary Net Position	1,728,752	(782,483)	1,330,651	563,943	(119,884)	577,890				
Plan Fiduciary Net Position - Beginning	<u>10,893,169</u>	<u>11,675,652</u>	<u>10,345,001</u>	<u>9,781,058</u>	<u>9,900,942</u>	<u>9,323,052</u>				
Plan Fiduciary Net Position - Ending (b)	<u>12,621,921</u>	<u>10,893,169</u>	<u>11,675,652</u>	<u>10,345,001</u>	<u>9,781,058</u>	<u>9,900,942</u>				
Net Pension Liability (Asset) - Ending (a) - (b)	536,297	1,891,795	(20,891)	1,307,023	1,297,954	635,254				
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.92%	85.20%	88.78%	88.78%	88.28%	86.49%				
Covered Valuation Payroll	2,696,075	2,514,911	2,286,002	2,510,880	2,695,386	2,706,683				
Net Pension Liability as a Percentage of Covered Valuation Payroll	19.89%	75.22%	-0.91%	52.05%	48.15%	23.47%				

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

SCHEDULE OF EMPLOYER CONTRIBUTIONS - IMRF

LAST 10 CALENDAR YEARS

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2014	276,894	278,494	(1,600)	2,706,683	10.29%
2015	275,199	276,401	(1,202)	2,695,386	10.25%
2016	263,391	263,384	7	2,510,880	10.49%
2017	236,601	236,431	170	2,286,002	10.34%
2018	269,347	269,346	1	2,514,911	10.71%
2019	227,818	242,451	(14,633)	2,696,075	8.99%

Notes to Schedule:

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

NOTES TO SCHEDULE OF CONTRIBUTIONS - IMRF

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2019 CONTRIBUTION RATE*

Valuation Date:

Notes

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

Methods and Assumptions Used to Determine 2019 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): 24-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 19 years for most employers (three employers were financed over 28 years and four others were financed over 29 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% 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 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 adjustment that were applied for non-disabled lives . For active members , an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information

Notes

There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

DETAILED SCHEDULE OF GENERAL LONG-TERM DEBT
 JUNE 30, 2020

Year Ending June 30	<u>Series 2012</u>		<u>Series 2015B</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	<u>1,075,000</u>	<u>14,781</u>	<u>2,225,000</u>	<u>44,500</u>
	<u>1,075,000</u>	<u>14,781</u>	<u>2,225,000</u>	<u>44,500</u>

Year Ending June 30	<u>Series 2018A</u>		<u>Series 2018B</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	-	162,063	300,000	4,740
2022	1,870,000	130,740	-	-
2023	1,935,000	66,039	-	-
2024	<u>920,000</u>	<u>16,330</u>	<u>-</u>	<u>-</u>
Total	<u>4,725,000</u>	<u>375,172</u>	<u>300,000</u>	<u>4,740</u>

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

SCHEDULE OF TAXES EXTENDED AND COLLECTED

JUNE 30, 2020

		Educational <u>Levy</u>	Special Education <u>Levy</u>	Lease <u>Levy</u>	Tort Immunity <u>Levy</u>
<u>2018 Levy</u>					
Assessed Valuation	370,622,073				
Tax Rate per \$100		<u>2.4326</u>	<u>0.0225</u>	<u>0.0003</u>	<u>0.0447</u>
Taxes Extended		9,013,226	83,367	1,112	165,622
Taxes Collected		<u>9,017,378</u>	<u>83,405</u>	<u>1,112</u>	<u>165,697</u>
<u>2019 Levy</u>					
Assessed Valuation	386,682,210				
Tax Rate per \$100		<u>2.4552</u>	<u>0.0219</u>	<u>0.0003</u>	<u>0.0032</u>
Taxes Extended		9,491,036	84,658	1,160	12,370
Advance Taxes Received Prior to June 30, 2020		<u>4,664,234</u>	<u>41,605</u>	<u>570</u>	<u>6,079</u>
Taxes Receivable		<u><u>4,826,802</u></u>	<u><u>43,053</u></u>	<u><u>590</u></u>	<u><u>6,291</u></u>

<u>Operations & Maintenance Levy</u>	<u>Debt Services Levy</u>	<u>Trans- portation Levy</u>	<u>Municipal Retirement Levy</u>	<u>Social Security Levy</u>	<u>Working Cash Levy</u>	<u>Total All Levies</u>
<u>0.3114</u>	<u>1.4326</u>	<u>0.1869</u>	<u>0.0570</u>	<u>0.0570</u>	<u>0.0003</u>	<u>4.5453</u>
1,153,794	5,308,044	692,498	211,195	211,195	1,112	<u>16,841,165</u>
<u>1,154,325</u>	<u>5,310,489</u>	<u>692,818</u>	<u>211,293</u>	<u>211,293</u>	<u>1,112</u>	<u>16,848,922</u>
<u>0.3065</u>	<u>0.9994</u>	<u>0.1840</u>	<u>0.0552</u>	<u>0.0552</u>	<u>0.0003</u>	<u>4.0812</u>
1,184,833	3,863,368	711,286	213,386	213,386	1,160	<u>15,776,643</u>
<u>582,269</u>	<u>1,898,597</u>	<u>349,552</u>	<u>104,865</u>	<u>104,865</u>	<u>570</u>	<u>7,753,206</u>
<u>602,564</u>	<u>1,964,771</u>	<u>361,734</u>	<u>108,521</u>	<u>108,521</u>	<u>590</u>	<u>8,023,437</u>

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

SCHEDULE OF LEGAL DEBT MARGIN

JUNE 30, 2020

Assessed Valuation as of January 1, 2019	386,682,210
Debt Limitation Percentage	13.8%
Debt Limitation	<u>53,362,145</u>
Total Bonded Indebtedness Subject to Debt Limitation Provisions	8,325,000
Other Indebtedness Subject to Debt Limitation Provisions	<u>-</u>
Total Indebtedness Subject to Debt Limitation Provisions	<u>8,325,000</u>
Legal Debt Margin	<u><u>45,037,145</u></u>

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

STATEMENT OF ASSETS, LIABILITIES AND
FUND BALANCES
TRUST AND AGENCY FUND
JUNE 30, 2020

	<u>TRUST AND AGENCY</u>
<u>ASSETS</u>	
Cash	<u>215,883</u>
<u>LIABILITIES</u>	
Due to Organizations	215,883
Fund Balance - Unreserved	<u>-</u>
Total Liabilities and Fund Equity	<u>215,883</u>

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

STATEMENT OF REVENUES RECEIVED AND
EXPENDITURES DISBURSED
TRUST AND AGENCY FUND
JUNE 30, 2020

STUDENT ACTIVITY ACCOUNTS:	Cash Balance			Cash Balance
	June 30, <u>2019</u>	<u>Revenues</u>	<u>Expenditures</u>	June 30, <u>2020</u>
Class of 2023	-	1,206	593	613
Class of 2022	271	2,512	1,616	1,167
Class of 2021	(256)	2,085	2,461	(632)
Class of 2020	3,336	942	4,278	-
Class of 2019	1,170	-	1,170	-
Class of 2018	1,439	-	1,439	-
Class of 2017	185	-	185	-
Class of 2016	185	-	185	-
Class of 2015	1,127	-	1,127	-
Class of 2014	1,684	-	1,684	-
Class of 2013	5,802	-	5,802	-
Class of 2011	425	-	425	-
Class of 2009	448	-	132	316
Class of 2007	278	-	278	-
Class of 2006	80	-	80	-
Class of 2005	80	-	80	-
Prom	195	-	195	-
International Culture Club	2	105	-	107
FFA	11,628	5,246	4,709	12,165
JH Boys Basketball	-	3,274	2,181	1,093
HS Golf	1,075	206	180	1,101
PIC Intramural	3,879	-	545	3,334
HS Skills USA	2,563	3,298	1,130	4,731
HS Best Buddies	415	652	741	326
HS Bowling	87	-	-	87
HS Boys Baseball	403	2,660	1,529	1,534
HS Boys Basketball Team	3,370	5,783	3,135	6,018
HS General Athletic	968	2,896	331	3,533
Industrial Tech Resale	815	1,000	2,200	(385)
JH Behavior Incentive Prog	1,114	73	104	1,083
HS Track	4,378	2,514	2,150	4,742
HS Cheerleaders	3,568	848	2,714	1,702

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

STATEMENT OF REVENUES RECEIVED AND
EXPENDITURES DISBURSED
TRUST AND AGENCY FUND
JUNE 30, 2020

STUDENT ACTIVITY ACCOUNTS:	Cash Balance			Cash Balance
	June 30, <u>2019</u>	<u>Revenues</u>	<u>Expenditures</u>	June 30, <u>2020</u>
HS Girls BB team	145	1,974	2,022	97
HS Auditorium	23,776	-	2,736	21,040
HS Girls Volleyball Team	4,167	6,299	5,200	5,266
HS Girls Softball	1,271	510	733	1,048
HS Student Council	5,920	11,720	10,094	7,546
JH Baseball	-	400	-	400
JH Girls Basketball	-	329	308	21
HS Dance Team	1,036	1,493	1,289	1,240
Lettermen	2,404	-	-	2,404
HS Yearbook	6,779	5,425	5,493	6,711
HS Band	1,084	1,546	1,241	1,389
HS Choir	393	3,616	3,623	386
HS Show Choir	950	6,195	5,656	1,489
National Honor Society	3,602	2,077	3,905	1,774
CSC Preschool	217	-	200	17
HS Football	16,833	6,289	9,993	13,129
PHS Pop Fund	3,010	-	-	3,010
Performing Arts	12,436	7,109	3,712	15,833
PIC Drama	1,163	2,160	2,587	736
JH Cross Country	381	300	437	244
Thespians	1,140	2,275	2,866	549
HS Wrestlers	873	-	873	-
Scholastic Bowl	92	-	-	92
Jake Baumgartner Memorial	-	175	-	175
JH Athletic Concessions	2,896	10,479	12,375	1,000
JH Activities Account	3,374	32,485	30,171	5,688
JH Cheerleaders	-	160	146	14
JH Band	1,764	150	227	1,687
JH Chorus	135	341	310	166
IESA Speech	1,995	-	1,995	-
JH Science	964	-	964	-
JH Student Council	1,586	1,779	-	3,365

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

STATEMENT OF REVENUES RECEIVED AND
EXPENDITURES DISBURSED
TRUST AND AGENCY FUND
JUNE 30, 2020

STUDENT ACTIVITY ACCOUNTS:	Cash Balance		Cash Balance	
	June 30, <u>2019</u>	<u>Revenues</u>	<u>Expenditures</u>	June 30, <u>2020</u>
JH Yearbook	1,780	2,340	-	4,120
PHS FB Tunnel	478	-	478	-
PIC Band	-	-	-	-
Choose to Include	-	409	127	282
Peotone Elementary	6,614	8,669	7,016	8,267
Peotone Elem Sunshine	369	395	429	335
JH Wrestling	-	-	-	-
PIC	2,360	4,649	3,769	3,240
PIC Faculty Fund	3	-	-	3
General Fund	8,556	24	54	8,526
Interest	4,405	1,367	-	5,772
Gym Suits	863	-	863	-
Education Foundation	1,094	7,125	8,161	58
Booster Club	2,733	-	2,733	-
High School Staff	1,877	830	517	2,190
HS Tad	16	250	-	266
PHS Math Club	277	-	75	202
FB Cheer	-	-	-	-
PIC Library	218	830	969	79
HS AP & Proctor	211	-	-	211
JH PE Gym Suits	600	130	-	730
Soccer Summer Camp	2,197	570	338	2,429
JH PALS	477	1,378	1,006	849
High School Library	4,568	233	304	4,497
HS Boys Soccer	7,798	2,588	1,348	9,038
Peotone Elem Library	704	-	490	214
HS Girls BKB Summer Camp	48	-	-	48
HS Speech	-	-	-	-
JH Athletics	342	-	-	342
Junior High Library	5,813	794	864	5,743
FFA/Skills Concessions	-	14,068	6,472	7,596
HS Football Summer Camp	570	-	570	-

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U


STATEMENT OF REVENUES RECEIVED AND
EXPENDITURES DISBURSED
TRUST AND AGENCY FUND
JUNE 30, 2020

STUDENT ACTIVITY ACCOUNTS:	Cash Balance			Cash Balance
	June 30, <u>2019</u>	<u>Revenues</u>	<u>Expenditures</u>	June 30, <u>2020</u>
PIC Yearbook Club	1,758	69	-	1,827
HS Science Club	984	-	-	984
JH Play Activity	2,944	2,713	1,857	3,800
Junior High Track	158	-	-	158
HS Girls Soccer	1,795	464	-	2,259
JH Art	624	-	-	624
HS Devil Dash	883	330	-	1,213
PHS Special Olympics Unified	90	-	-	90
PHS Spanish Club	1	324	324	1
PIC Friends Making Friends	89	1,374	972	491
PHS Sign Fund	2,289	17,206	19,495	-
PJHS SkillsUSA	187	510	448	249
	<u>217,872</u>	<u>210,225</u>	<u>212,214</u>	<u>215,883</u>

To the Board of Education
Peotone Community Unit School District 207U
Peotone, Illinois

Independent Auditor's Report on Supplementary Information

We have audited the basic financial statements of the Peotone Community Unit School District 207U (District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 7, 2020, which contained an adverse opinion on the basic financial statements because there were not presented in accordance with accounting principles generally accepted in the United States of America. The basic financial statements were issued to comply with regulatory provisions prescribed by the Illinois State Board of Education on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. In our opinion, the basic financial statements were presented fairly, in all material respects, on the basis of the financial provisions of the Illinois State Board of Education as described in Note 1 of the District's basic financial statements. Our audit was conducted for the purpose of forming opinions on those financial statements that collectively comprise the basic financial statements. The accompanying Consolidated Year-End Financial Report is presented for purposes of additional analysis as required by the Illinois Grant Authority and Transparency Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


Gassensmith & Michalesko, Ltd.
Certified Public Accountants

October 7, 2020

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

Grantee Name	Peotone CUSD 207U
ID Numbers	AUDIT:22954 Grantee:674779 DUNS:108710286 FEIN:366007278
Audit Period	7/1/2019 - 6/30/2020
Submitted	10/08/2020; Trevor J. Moore; Chief School Business Official; tmoore@peotoneschools.org; 7082580991
Accepted	
Program Count	11

All Programs Total				
Category	State	Federal	Other	Total
Personal Services (Salaries and Wages)	0.00	0.00	0.00	0.00
Fringe Benefits	0.00	0.00	0.00	0.00
Travel	0.00	0.00	0.00	0.00
Equipment	0.00	0.00	0.00	0.00
Supplies	0.00	0.00	0.00	0.00
Contractual Services	0.00	0.00	0.00	0.00
Consultant (Professional Services)	0.00	0.00	0.00	0.00
Construction	0.00	0.00	0.00	0.00
Occupancy - Rent and Utilities	0.00	0.00	0.00	0.00
Research and Development	0.00	0.00	0.00	0.00
Telecommunications	0.00	0.00	0.00	0.00
Training and Education	0.00	0.00	0.00	0.00
Direct Administrative Costs	0.00	0.00	0.00	0.00
Miscellaneous Costs	0.00	76,603.00	29,042,531.00	29,119,134.00
All Grant Specific Categories	0.00	561,981.93	0.00	561,981.93
TOTAL DIRECT EXPENDITURES	0.00	638,584.93	29,042,531.00	29,681,115.93
Indirect Costs	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	0.00	638,584.93	29,042,531.00	29,681,115.93

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

State Agency	Department Of Healthcare And Family Services (478)
Program Name	Medical Assistance Program (478-00-0251)
Program Limitations	No
Mandatory Match	No
Indirect Cost Rate	0.00 Base:

Category	State	Federal	Other	Total
1st Quarter (Jul.-Sept.) Admin. Expenditures	0.00	17,791.46	0.00	17,791.46
4th Quarter (Apr.-Jun.) Admin. Expenditures	0.00	18,657.47	0.00	18,657.47
TOTAL DIRECT EXPENDITURES	0.00	36,448.93	0.00	36,448.93

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

State Agency	State Board Of Education (586)
Program Name	Agricultural Education (586-00-1581)
Program Limitations	No
Mandatory Match	No
Indirect Cost Rate	0.00 Base:

Category	State	Federal	Other	Total
	0.00	0.00	0.00	0.00
TOTAL DIRECT EXPENDITURES	0.00	0.00	0.00	0.00

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

State Agency	State Board Of Education (586)
Program Name	Fed - Sp Ed - IDEA - Flow Through (586-64-0417) <i>This program was added by the grantee</i>
Program Limitations	No
Mandatory Match	No
Indirect Cost Rate	0.00 Base:

Category	State	Federal	Other	Total
Expenditure-Grant Projects during the Audit Period	0.00	226,285.00	0.00	226,285.00
TOTAL DIRECT EXPENDITURES	0.00	226,285.00	0.00	226,285.00

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

State Agency	State Board Of Education (586)
Program Name	Fed. - Sp. Ed. - Pre-School Flow Through (586-57-0420) <i>This program was added by the grantee</i>
Program Limitations	No
Mandatory Match	No
Indirect Cost Rate	0.00 Base:

Category	State	Federal	Other	Total
Expenditure-Grant Projects during the Audit Period	0.00	21,556.00	0.00	21,556.00
TOTAL DIRECT EXPENDITURES	0.00	21,556.00	0.00	21,556.00

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

State Agency	State Board Of Education (586)
Program Name	National School Lunch Program (586-18-0407)
Program Limitations	No
Mandatory Match	No
Indirect Cost Rate	0.00 Base:

Category	State	Federal	Other	Total
Revenues-Grant Projects during the Audit Period	0.00	80,899.00	0.00	80,899.00
TOTAL DIRECT EXPENDITURES	0.00	80,899.00	0.00	80,899.00

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

State Agency	State Board Of Education (586)
Program Name	Non-Cash Commodity Value (586-18-2330) <i>This program was added by the grantee</i>
Program Limitations	No
Mandatory Match	No
Indirect Cost Rate	0.00 Base:

Category	State	Federal	Other	Total
Revenues-Grant Projects during the Audit Period	0.00	26,648.00	0.00	26,648.00
TOTAL DIRECT EXPENDITURES	0.00	26,648.00	0.00	26,648.00

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

State Agency	State Board Of Education (586)
Program Name	Summer Food Service Program (586-18-0410) <i>This program was added by the grantee</i>
Program Limitations	No
Mandatory Match	No
Indirect Cost Rate	0.00 Base:

Category	State	Federal	Other	Total
Revenues-Grant Projects during the Audit Period	0.00	6,183.00	0.00	6,183.00
TOTAL DIRECT EXPENDITURES	0.00	6,183.00	0.00	6,183.00

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

State Agency	State Board Of Education (586)
Program Name	Title I - Low Income (586-44-0414)
Program Limitations	No
Mandatory Match	No
Indirect Cost Rate	0.00 Base:

Category	State	Federal	Other	Total
Expenditure-Grant Projects during the Audit Period	0.00	121,120.00	0.00	121,120.00
TOTAL DIRECT EXPENDITURES	0.00	121,120.00	0.00	121,120.00

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

State Agency	State Board Of Education (586)
Program Name	Title II - Teacher Quality (586-43-0430)
Program Limitations	No
Mandatory Match	No
Indirect Cost Rate	0.00 Base:

Category	State	Federal	Other	Total
Expenditure-Grant Projects during the Audit Period	0.00	31,411.00	0.00	31,411.00
TOTAL DIRECT EXPENDITURES	0.00	31,411.00	0.00	31,411.00

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

State Agency	State Board Of Education (586)
Program Name	Title IV Safe and Drug Free Formula (586-18-0421)
Program Limitations	No
Mandatory Match	No
Indirect Cost Rate	0.00 Base:

Category	State	Federal	Other	Total
	0.00	0.00	0.00	0.00
TOTAL DIRECT EXPENDITURES	0.00	0.00	0.00	0.00

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

State Agency	State Board Of Education (586)
Program Name	Title IVA Student Support and Academic Enrichment (586-44-1588) <i>This program was added by the grantee</i>
Program Limitations	No
Mandatory Match	No
Indirect Cost Rate	0.00 Base:

Category	State	Federal	Other	Total
Expenditure-Grant Projects during the Audit Period	0.00	11,431.00	0.00	11,431.00
TOTAL DIRECT EXPENDITURES	0.00	11,431.00	0.00	11,431.00

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

Program Name	Other grant programs and activities
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Category	State	Federal	Other	Total
Miscellaneous Costs	0.00	76,603.00	0.00	76,603.00
TOTAL DIRECT EXPENDITURES	0.00	76,603.00	0.00	76,603.00

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

Program Name	All other costs not allocated
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Category	State	Federal	Other	Total
Miscellaneous Costs	0.00	0.00	29,042,531.00	29,042,531.00
TOTAL DIRECT EXPENDITURES	0.00	0.00	29,042,531.00	29,042,531.00