

ALTON COMMUNITY UNIT SCHOOL  
DISTRICT NO. 11  
ALTON, ILLINOIS

ANNUAL REPORT AND  
FINANCIAL STATEMENTS INCLUDING  
FEDERAL COMPLIANCE SECTION

JUNE 30, 2019

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11

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ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON

October 3, 2019

## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
Alton Community Unit School District No. 11  
Alton, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Alton Community Unit School District No. 11 (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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



## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Alton Community Unit School District No. 11 as of June 30, 2019, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

## Basis of Accounting

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

## Other Matters

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Alton Community Unit School District No. 11's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

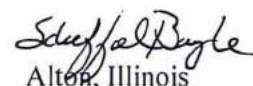
The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing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

### *Other Information*

The management's discussion and analysis and the schedules included as Other Information as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 3, 2019, on our consideration of Alton Community Unit School District No. 11's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Alton Community Unit School District No. 11's internal control over financial reporting and compliance.

  
Alton, Illinois



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON

October 3, 2019

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

To the Board of Education  
Alton Community Unit School District No. 11  
Alton, 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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Alton Community Unit School District No. 11 as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Alton Community Unit School District No. 11's basic financial statements, and have issued our report thereon dated October 3, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Alton Community Unit School District No. 11'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 Alton Community Unit School District No. 11's internal control. Accordingly, we do not express an opinion on the effectiveness of the Alton Community Unit School District No. 11's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control as Finding Number 2019-001.

## **Compliance and Other Matters**


As part of obtaining reasonable assurance about whether Alton Community Unit School District No. 11'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Finding Number 2019-002.

### **Alton Community Unit School District No. 11's Response to Findings**

Alton Community Unit School District No. 11's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Alton Community Unit School District No. 11's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.

  
Alton, Illinois

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

June 30, 2019

### USING THIS ANNUAL REPORT

The School District's annual report consists of a series of financial statements that show information for the School District as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities (on pages 10 and 11) provide information about the activities of the School District as a whole and present a longer-term view of the School District's finances. Our fund financial statements start on page 12. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School District's overall financial health. Fund financial statements also report the School District's operations in more detail than the government-wide financial statements providing information about the School District's most significant funds – such as the School District's General Fund, Municipal Retirement/Social Security Fund, Debt Service Fund, and Transportation Fund. The remaining statement – the Statement of Fiduciary Net Position presents financial information about activities for which the School District acts solely as an agent for the benefit of students and parents.

Our auditor's have provided assurance in their Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the auditors regarding the supplemental information and the other information identified above. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts in the financial section.

#### Reporting the School District as a Whole

##### *The Statement of Net Position and the Statement of Activities*

Our analysis of the School District as a whole begins on page 6. One of the most important questions asked about the School District is "Is the School District as a whole better off or worse off financially as a result of the year's activities". The Statement of Net Position and the Statement of Activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include *all* assets and liabilities, using the *modified cash basis of accounting*.

These two statements report the School District's *net position* – the difference between assets and liabilities, as reported in the Statement of Net Position – as one way to measure the School District's financial health, or *financial position*. Over time, *increases or decreases* in the School District's net position – as reported in the Statement of Activities – are one indicator of whether its *financial health* is improving or deteriorating. The relationship between revenues and expenses is the School District's *operating results*. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools to assess the *overall health* of the School District.

The Statement of Net Position and Statement of Activities report the following activity for the School District:

**Governmental Activities** – All of the School District's services are reported here, including instruction, supporting services, transportation, and food services. Property taxes, corporate personal property replacement taxes, and state and federal grants finance most of these activities.

## Fund Financial Statements

The School District's fund financial statements, which begin on page 12, provide detailed information about the most significant funds – not the School District as a whole. These funds are required to be established by State law. However, the School District establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money (like the Title I Grant). The School District's governmental funds use the following accounting approach:

**Governmental Funds** – All of the School District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called *modified cash accounting*, which measures detailed short-term view of the School District's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation on Exhibits "D" and "F".

## THE SCHOOL DISTRICT AS TRUSTEE

### *Reporting the School District's Fiduciary Responsibilities*

The School District is the trustee, or *fiduciary*, for the student activity funds. All of the School District's fiduciary activities are reported in a separate Statement of Assets Liabilities and Fund Balance on page 16. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## THE SCHOOL DISTRICT AS A WHOLE

The School District's net position was \$36.5 million at June 30, 2019 and \$31.8 million at June 30, 2018. Of the \$36.5 million total net position at June 30, 2019, \$30.5 million was unrestricted or invested in capital assets. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use its net position for day-to-day operations. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the School District's governmental activities.

Table 1  
Net Position  
June 30,  
(in millions)

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Current and Other Assets	\$ 13.4	\$ 11.7
Capital Assets	<u>80.7</u>	<u>85.3</u>
Total Assets	<u>\$ 94.1</u>	<u>\$ 97.0</u>
Current and Other Liabilities	\$ 7.6	\$ 7.0
Long-term Liabilities	<u>50.0</u>	<u>56.7</u>
Total Liabilities	<u>\$ 57.6</u>	<u>\$ 63.7</u>
Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 1.5</u>
Invested in Capital Assets, Net of Related Debt	\$ 34.7	\$ 38.6
Restricted	6.0	4.6
Unrestricted	<u>(4.2)</u>	<u>(11.4)</u>
Total Net Position	<u>\$ 36.5</u>	<u>\$ 31.8</u>

The results of this year's operations for the School District as a whole are reported in the Statement of Activities on page 11. Table 2, below, takes the information from that Statement and rounds off the numbers so you can see our total revenues for the year compared to the prior year.

Table 2  
Changes in Net Position  
Year Ended June 30,  
(in millions)

	<u>2019</u>	<u>2018</u>
Revenues:		
Program Revenues:		
Charges for Service	\$ 1.1	\$ 1.0
Federal Grants	10.1	9.0
State Grants	6.6	8.1
General Revenues:		
Property Taxes	34.8	33.1
Payments in Lieu of Property Taxes	4.9	4.5
Evidence Based Funding	21.4	20.4
Other General Revenues	0.4	0.2
Total Revenues	<u>\$ 79.3</u>	<u>\$ 76.3</u>
Functions/Programs Expenses:		
Instruction	\$ 39.7	\$ 42.3
Supporting Services	30.5	26.8
Community Services	1.5	0.5
Non-Programmed Charges	0.1	0.1
Interest, Net of Amortization	2.6	6.4
Other	0.2	0.5
Total Expenses	<u>\$ 74.6</u>	<u>\$ 76.6</u>
Increase (Decrease) in Net Position	<u>\$ 4.7</u>	<u>\$ (0.3)</u>

### *Governmental Activities*

As reported in the Statement of Activities on page 11, the cost of all of our *governmental* activities this year was \$74.6 million. The amount that our taxpayers ultimately financed for these activities was \$56.8 million because some of the cost was paid by those who benefited from the programs (\$1.1 million) or by other governments and organizations who subsidized certain programs with grants and contributions (\$16.7 million). We paid for the remaining "public benefit" portion of our governmental activities with \$34.8 million in real estate taxes, \$4.9 million in payments in lieu of property taxes (primarily Corporate Personal Property Replacement Tax), \$21.8 million in evidence-based funding, and with other revenues, such as interest earnings.

### THE SCHOOL DISTRICT'S FUNDS

As we noted earlier, the School District uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School District is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the School District's overall financial health.

As the School District completed this year, our governmental funds reported a combined fund balance of \$13.1 million, which is an increase of \$3.2 million from last year. The primary reasons for the increase are:

Increases in the General fund (which consists of the Educational, Operations & Maintenance, Working Cash, and Tort Funds) are due to the Evidence Based Funding Model which resulted in increased revenue from the State of Illinois. Additionally, the State of Illinois has been making more timely payments, reducing delinquent revenue.

The debt service fund balance increased from the prior year with an ending fund balance of \$76 thousand compared to an ending fund balance of \$(163) thousand the prior year. This was due to transfers to the fund from the working cash fund.

The transportation fund balance was higher from the prior year with an ending fund balance of \$371 thousand compared to an ending fund balance of \$218 thousand last year. This is solely due to a transfer of working cash to cover the operational expenditures of this fund.

The fire prevention and safety fund had a decrease in ending fund balance from \$1.1 million to \$.7 million. The District completed approved Health Life Safety projects; thus the lower balance.

### *General Fund Budgetary Highlights*

The School District adopts its budget annually prior to the end of September. Budgetary Comparison for all major fund expenditures required to be budgeted are shown, beginning on page 56, compared to actual expenditures.

The following table summarizes the amendments to the original budget and actual expenditures in the General Fund:

### General Fund Budgetary Highlights For the Year Ended June 30, 2019 (in Thousands)

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
Expenditures			
Instruction	\$ 36,080	\$ 35,802	\$ 36,020
Supporting Services	20,583	21,794	21,185
Community Services	888	623	1,591
Non-Programmed Charges	<u>133</u>	<u>85</u>	<u>52</u>
Total Expenditures Disbursed	<u>\$ 57,684</u>	<u>\$ 58,304</u>	<u>\$ 58,848</u>

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### *Capital Assets*

At June 30, 2019 and 2018, the School District had \$80.7 million and \$85.3 million, respectively invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a \$4.6 million net decrease (including additions, deductions and depreciation) from the prior year.

Capital Assets, Net of Depreciation as of Year-End (in millions)

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Land	\$ 2.2	\$ 2.2
Buildings and Improvements	76.9	81.2
Furniture and Equipment	1.5	1.8
Construction in Progress	<u>0.1</u>	<u>0.1</u>
Totals	<u>\$ 80.7</u>	<u>\$ 85.3</u>

## *Debt*

At the end of this year, the School District had \$56.4 million in long term debt outstanding which is a decrease of \$5.8 million from last year. The bulk of this total is debt service on general obligation bonds issued by the District to finance its fire life safety improvements to existing buildings and equipment purchases, but some of the debt is due to Working Cash Bond sales that occurred in 2014, 2016, and 2017. A detailed discussion on debt is presented in Note 8 of the financial statements.

The state limits the amount of debt that School Districts can issue to 13.8 percent of the assessed valuation of all taxable property within the School District's limits. The current debt limitation for the District is \$97.8 million, which is \$41.5 million greater than the District's outstanding debt as of June 30, 2019.

## CURRENTLY KNOWN FACTS, CONDITIONS, OR DECISIONS

Health Life Safety projects are finishing up at Alton Middle School, Eunice Smith, Gilson Brown, and Lovejoy Elementary Schools. A new district wide 10 year Health Life Safety Survey was just completed and will be presented to the Board of Education during the October 2019 Board of Education meeting.

## CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Mary Schell, Director of Financial Services, at Alton Community Unit School District No. 11, 550 Landmarks Blvd, Suite A, Alton, Illinois 62002.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11STATEMENT OF NET POSITIONMODIFIED CASH BASISJUNE 30, 2019GOVERNMENTAL  
ACTIVITIESASSETS

## Current Assets:

Cash and Invested Cash	\$ 13,122,158
Assets Held for Sale	59,200
Total Current Assets	<u>\$ 13,181,358</u>

## Non-Current Assets:

Discount on Bonds Payable, Net	\$ 49,802
Bond Insurance Costs, Net	171,452
Capital Assets, Net of Accumulated Depreciation	80,672,856
Total Non-Current Assets	<u>\$ 80,894,110</u>

## TOTAL ASSETS

\$ 94,075,468LIABILITIES

## Current Liabilities:

Current Portion of Long-Term Debt	\$ 7,600,203
Total Current Liabilities	<u>\$ 7,600,203</u>

## Long-Term Liabilities:

General Obligation Bonds Payable	\$ 47,525,107
Premium on Bonds Payable, Net	1,197,070
Lease Purchase Agreements	1,239,795
Total Long-Term Liabilities	<u>\$ 49,961,972</u>
Total Liabilities	<u>\$ 57,562,175</u>

NET POSITION

Invested in Capital Assets, Net of Related Debt	\$ 34,651,951
Restricted for:	
Federal and State Grants	3,518,289
Tort	645,199
Municipal Retirement/Social Security	1,206,366
Fire Prevention and Safety	689,392
Unrestricted	(4,197,904)
Total Net Position	<u>\$ 36,513,293</u>

## TOTAL LIABILITIES AND NET POSITION

\$ 94,075,468

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
STATEMENT OF ACTIVITIES  
MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2019

<u>FUNCTIONS/PROGRAMS</u>	<u>PROGRAM REVENUES</u>				<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION GOVERNMENTAL ACTIVITIES</u>
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	
Primary Government:					
Governmental Activities:					
Instruction	\$ 39,698,898	\$ 323,580	\$ 12,834,678		\$ (26,540,640)
Supporting Services	30,517,317	804,262	3,762,393	\$ 16,100	(25,934,562)
Community Services	1,507,364				(1,507,364)
Nonprogrammed Charges	52,449				(52,449)
Debt Services	4,254				(4,254)
Interest, Net of Amortization	2,603,468				(2,603,468)
Loss on Impairment on Asset Held for Sale	249,585				(249,585)
Total Primary Government	<u>\$ 74,633,335</u>	<u>\$ 1,127,842</u>	<u>\$ 16,597,071</u>	<u>\$ 16,100</u>	<u>\$ (56,892,322)</u>
General Revenues:					
Property Taxes					\$ 34,837,389
Intergovernmental					4,910,156
Unrestricted Grants-In-Aid-State					21,426,678
Unrestricted Grants-In-Aid-Federal					10,310
Earnings on Invested Cash					371,879
Total General Revenues					<u>\$ 61,556,412</u>
CHANGE IN NET POSITION					\$ 4,664,090
NET POSITION, BEGINNING OF YEAR					<u>31,849,203</u>
NET POSITION, END OF YEAR					<u>\$ 36,513,293</u>

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES  
MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
JUNE 30, 2019

	<u>GENERAL</u> <u>FUND</u>	<u>MUNICIPAL</u> <u>RETIREMENT/</u> <u>SOCIAL</u> <u>SECURITY</u> <u>FUND</u>	<u>TRANSPORTATION</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>FIRE</u> <u>PREVENTION</u> <u>AND SAFETY</u> <u>FUND</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUND</u>	<u>TOTALS</u>
<u>ASSETS</u>							
Cash and Invested Cash	\$ 10,701,211	\$ 1,251,127	\$ 371,648		\$ 722,246	\$ 75,926	\$ 13,122,158
TOTAL ASSETS	<u>\$ 10,701,211</u>	<u>\$ 1,251,127</u>	<u>\$ 371,648</u>	<u>\$ 0</u>	<u>\$ 722,246</u>	<u>\$ 75,926</u>	<u>\$ 13,122,158</u>
<u>LIABILITIES AND FUND BALANCES</u>							
<u>Fund Balances</u>							
Restricted	\$ 4,163,488	\$ 1,206,366			\$ 689,392	\$ 75,926	\$ 6,135,172
Committed	4,646,657		\$ 274,912				4,921,569
Assigned	40,596	44,761	96,736		32,854		214,947
Unassigned - Working Cash	4,533,729						4,533,729
Unassigned	(2,683,259)						(2,683,259)
Total Fund Balances (Deficit)	<u>\$ 10,701,211</u>	<u>\$ 1,251,127</u>	<u>\$ 371,648</u>	<u>\$ 0</u>	<u>\$ 722,246</u>	<u>\$ 75,926</u>	<u>\$ 13,122,158</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,701,211</u>	<u>\$ 1,251,127</u>	<u>\$ 371,648</u>	<u>\$ 0</u>	<u>\$ 722,246</u>	<u>\$ 75,926</u>	<u>\$ 13,122,158</u>

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES  
MODIFIED CASH BASIS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019

Total Governmental Fund Balances	\$ 13,122,158
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Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:

Governmental Funds expense discounts and bond insurance costs when paid or issued, but are amortized over the life of the bonds issued in the Statement of Net Position.	221,254
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Governmental Funds receipt bond premiums when received but are amortized over the life of the bonds in the Statement of Net Position	(1,197,070)
--	-------------

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.

Those assets consist of:

Land	\$ 2,204,599	
Buildings and Improvements, Net of		
\$78,574,304 Accumulated Depreciation	76,952,227	
Equipment and Improvements, Net of		
\$7,151,909 Accumulated Depreciation	1,474,690	
Construction in Progress	41,340	

Total Capital Assets	80,672,856
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Assets held for sale used in Governmental Activities are not financial resources and therefore are not reported in the funds.	59,200
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Long-Term Liabilities applicable to the District's Governmental Activities are not due and payable in the current period and accordingly, are not reported as fund liabilities.	(56,365,105)
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Total Net Position of Governmental Activities	\$ 36,513,293
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The accompanying notes are an integral part of the financial statements.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019

	<u>GENERAL</u> <u>FUND</u>	<u>MUNICIPAL</u> <u>RETIREMENT/</u> <u>SOCIAL</u> <u>SECURITY</u> <u>FUND</u>	<u>TRANSPORTATION</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>FIRE</u> <u>PREVENTION</u> <u>AND SAFETY</u> <u>FUND</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUND</u>	<u>TOTALS</u>
REVENUES RECEIVED:							
Local Sources	\$ 28,807,095	\$ 1,875,363	\$ 1,371,053		\$ 342,764	\$ 8,459,327	\$ 40,855,602
State Sources	24,180,809	30,519	3,762,393				27,973,721
Federal Sources	9,332,157	201,287	82,579			444,314	10,060,337
Charges for Services			35,883				35,883
Earnings on Invested Cash	261,263	32,367	18,381		14,884	44,981	371,876
Total Revenues Received	<u>\$ 62,581,324</u>	<u>\$ 2,139,536</u>	<u>\$ 5,270,289</u>	<u>\$ 0</u>	<u>\$ 357,648</u>	<u>\$ 8,948,622</u>	<u>\$ 79,297,419</u>
EXPENDITURES DISBURSED:							
Current							
Instruction	\$ 35,925,470	\$ 838,110					\$ 36,763,580
Supporting Services	20,783,243	676,827	\$ 6,317,255		\$ 760,745		28,538,070
Community Services	1,124,146	13,326					1,137,472
Nonprogrammed Charges	52,448						52,448
Debt Services						\$ 10,005,992	10,005,992
Capital Outlay							
Instruction	94,695						94,695
Supporting Services	401,401						401,401
Community Services	467,328						467,328
Total Expenditures Disbursed	<u>\$ 58,848,731</u>	<u>\$ 1,528,263</u>	<u>\$ 6,317,255</u>	<u>\$ 0</u>	<u>\$ 760,745</u>	<u>\$ 10,005,992</u>	<u>\$ 77,460,986</u>
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	<u>\$ 3,732,593</u>	<u>\$ 611,273</u>	<u>\$ (1,046,966)</u>	<u>\$ 0</u>	<u>\$ (403,097)</u>	<u>\$ (1,057,370)</u>	<u>\$ 1,836,433</u>
OTHER FINANCING SOURCES (USES):							
Permanent Transfers, Net	\$ (2,287,876)		\$ 1,200,000			\$ 1,087,876	\$ 0
Lease Purchase Agreement Proceeds	1,165,249					207,980	1,373,229
Receipts for State "On-Behalf" Payments	21,457,119						21,457,119
Disbursements for State "On-Behalf" Payments	(21,457,119)						(21,457,119)
Total Other Financing Sources (Uses)	<u>\$ (1,122,627)</u>	<u>\$ 0</u>	<u>\$ 1,200,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,295,856</u>	<u>\$ 1,373,229</u>
NET CHANGE IN FUND BALANCES	\$ 2,609,966	\$ 611,273	\$ 153,034	\$ 0	\$ (403,097)	\$ 238,486	\$ 3,209,662
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>8,091,245</u>	<u>639,854</u>	<u>218,614</u>	<u>0</u>	<u>1,125,343</u>	<u>(162,560)</u>	<u>9,912,496</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 10,701,211</u>	<u>\$ 1,251,127</u>	<u>\$ 371,648</u>	<u>\$ 0</u>	<u>\$ 722,246</u>	<u>\$ 75,926</u>	<u>\$ 13,122,158</u>

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
RECONCILIATION OF THE STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019

Net Change in Fund Balances - Total Governmental Funds	\$ 3,209,662
Amounts reported for governmental activities in the Statement of Activities are different because:	
Proceeds from debt issuance is reported as Other Financing Sources in the governmental funds, but a debt issue increases long-term liabilities in the Statement of Net Position.	(1,373,229)
Premium on Bonds sold is amortized over the life of the debt in the Statement of Net Position, but is reported as Other Financing Sources in the year the debt is issued in the governmental funds.	202,912
Discounts are expenditures in the governmental funds, but are amortized over the life of the debt in the Statement of Net Position.	(7,351)
Bond insurance costs are expenditures in the governmental funds in the year the debt is issued, but are amortized over the life of the debt in the Statement of Net Position.	(38,660)
Governmental funds report capital outlay (\$1,152,602) as expenditures while governmental activities report depreciation expense (\$5,243,655) to allocate those expenditures over the life of the assets. This is the amount by which depreciation expense exceeds capital outlay in the current period.	(4,091,053)
Disposal of capital assets reported in the Statement of Activities does not require the use of current financial resources and therefore is not reported as expenditures in the governmental funds.	(229,972)
Loss on Impairment of Assets Held for Sale in the Statement of Activities does not require the use of current financial resources and therefore is not reported as expenditures in the governmental funds.	(249,585)
Repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position.	7,241,366
Change in Net Position of Governmental Activities	<u>\$ 4,664,090</u>

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
STATEMENT OF NET POSITION  
MODIFIED CASH BASIS  
FIDUCIARY FUNDS  
JUNE 30, 2019

DISTRICT NO. 11  
ACTIVITY  
FUNDS

ASSETS

Cash and Invested Cash	\$ 815,809
TOTAL ASSETS	<u>\$ 815,809</u>

LIABILITIES AND NET POSITION

Liabilities:

Due to Students and Organizations	\$ 815,809
TOTAL LIABILITIES AND NET POSITION	<u>\$ 815,809</u>

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Alton Community Unit School District No. 11 (the District), conform to the modified cash basis of accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The District's funds are grouped into one broad fund category and several generic fund types for financial statement presentation purposes. Governmental funds include the General, Municipal Retirement/Social Security, Transportation, Capital Projects, Fire Prevention and Safety, and Debt Service. The District has one fiduciary agency fund.

B. Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District, the primary government, as a whole.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. The government-wide statements are prepared using the economic resources measurement focus and the modified cash basis of accounting. This basis recognizes assets, liabilities, net position, revenues, and expenditures when they result from cash transactions modified to include capital assets, long-term liabilities such as bonds and capital leases and the related premiums, discounts, and bond insurance costs, interfund loans, deferred revenue related to property taxes, and a provision for depreciation of fixed assets.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the District and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients for the goods or services offered by the programs and grants and contributions that are restricted to meeting operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

Net position is the difference between assets and liabilities and deferred inflows. Net position invested in capital assets, net of related debt represents capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by other governments, creditors or grantors.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting (Continued)

FUND FINANCIAL STATEMENTS

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. All funds are reported as major funds and are presented in separate columns. The General Fund consists of the Educational, Operation and Maintenance, Working Cash, and Tort Funds.

Transportation Fund and the Municipal Retirement/Social Security Fund – These funds are used to account for cash received from specific sources (other than those accounted for in the Debt Service Fund or Fiduciary Funds) that is legally restricted to expenditures for specified purposes.

Debt Service Fund – This fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs.

Capital Projects Fund and the Fire Prevention and Safety Fund – These funds are used to account for the proceeds of debt and related construction costs of a specific capital project or the financial resources to be used for the repairs of facilities that are found to be required in a life safety survey.

GOVERNMENTAL FUNDS

Governmental fund financial statements are prepared using the modified cash basis method of accounting as described in the "Illinois Program Accounting Manual for Local Education Agencies". Governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The modified cash basis differs from generally accepted accounting principles because the District has not recognized balances, and the related effects on changes in net position, of accounts receivable from certain federal, state, and local funding sources, accounts payable to vendors and other accrued and deferred items. Additionally, allocations of costs, such as depreciation and amortization, are recognized in the governmental funds as capital outlay expenditures when incurred and debt issuance costs are fully expensed as incurred. Only assets representing a right to receive cash arising from a previous payment of cash are recorded as assets of a fund. In the same manner, only liabilities resulting from previous cash transactions are recorded as liabilities of a particular fund.

FIDUCIARY FUNDS

The District currently has one agency fiduciary fund. Agency funds are unlike all other types of funds, reporting only assets and liabilities. Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Activity Funds are custodial in nature, do not involve measurement of results of operations, and are treated as Agency Funds. The amounts due to the activity fund organizations are equal to assets.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Principles Used to Determine the 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.

The District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the District, including joint agreements which serve pupils from the District, should be included within its financial reporting entity. The criteria include, 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. There are no component units within the District.

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.

D. Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as disbursements in the governmental funds and are capitalized in the government-wide statements. The District's capitalization threshold for capital assets other than computers is \$5,000. All computers are capitalized unless they are used by students similar to textbooks in such case they are expensed. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 2 to 15 years.

E. Invested Cash

Invested Cash is stated at cost or amortized cost, which approximates market and is invested in the state investment pool.

F. Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs-other than quoted prices included within level 1- that are observable for an asset or liability, either directly or indirectly.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Fair Value Hierarchy (Continued)

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

As of June 30, 2019, the District has no assets that are required to be fair valued.

G. Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

H. Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expense toward restricted resources then toward unrestricted resources.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District only has one type of item that qualifies for reporting in this category, property taxes levied during the current fiscal year but not to be received until the next fiscal year. These amounts are recognized as an inflow of resources in the period that the amounts become available.

NOTE 2. CASH, INVESTED CASH, AND INVESTMENTS – SEGMENTED TIME DISTRIBUTION

Cash and Invested Cash as of June 30, 2019 consist of the following:

Deposits with Financial Institutions	\$ 6,402,511
Investments in State Investment Pool	<u>6,719,647</u>
Total Cash and Investment Cash	<u>\$ 13,122,158</u>

The District also holds fiduciary cash of \$815,809 at June 30, 2019.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 2. CASH AND INVESTED CASH – SEGMENTED TIME DISTRIBUTION (CONTINUED)

The District is allowed to invest in securities as authorized in the School Code of Illinois, Chapter 30, Section 235/6, Chapter 105 Section 5/34A-202 and Section 5/8-7. The District shall ensure that the loss of capital, whether from credit or market risk, is avoided, the District's anticipated cash flows are met, and the highest rate of return on investments is sought. The District should avoid any investment transaction which in appearance or fact might impair public confidence. The District should consider investments with local financial institutions. As of June 30, 2019 the District's invested cash is with the Illinois Liquid Asset Fund MAX and LIQ accounts which are money market accounts whose fair value approximates cost.

a) Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity.

Remaining Maturity

	<u>Total</u>	<u>12 months or less</u>
State Investment Pool	\$ 6,719,647	\$ 6,719,647
Total Investments and Invested Cash	<u>\$ 6,719,647</u>	<u>\$ 6,719,647</u>

b) Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's state investment pool has earned Standard and Poor's highest rating (AAAm).

c) Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. As of June 30, 2019, 54.2 percent of the District's deposits and investments were held at Liberty Bank, 45.1 percent was held at Illinois School District Liquid Asset Fund Plus (ISDLAF+), and 0.7 percent was held at UMB Bank.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 2. CASH AND INVESTED CASH – SEGMENTED TIME DISTRIBUTION (CONTINUED)

d) Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

At June 30, 2019, all deposit accounts held with a financial institution were covered either through federal depository insurance or by collateral held by the depository institutions in the District's name.

Also at year end, none of the district's deposits held in ISDLAF+ were subject to custodial credit risk due to them being part of an insured pool. The Illinois School District Liquid Asset Fund is an external investment pool that is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, and it is controlled by the Illinois State Treasurer.

NOTE 3. PROPERTY TAXES

The District's property taxes are levied each year on all taxable real property located in the District on or before the last Tuesday in December. The 2017 levy was passed by the Board on December 19, 2017. Property taxes attach as an enforceable lien on property as of January 1 and are payable in four installments on July 5, September 5, October 5, and December 5. The District receives significant distributions of tax receipts approximately one month after these due dates. Taxes recorded in these financial statements are from the 2017 and prior tax levies.

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

<u>LEVY</u>	<u>MAXIMUM 2017 LEVY</u>		<u>ACTUAL</u>	<u>ACTUAL</u>
	<u>WITHOUT</u>	<u>WITH</u>	<u>2017</u>	<u>2016</u>
	<u>REFERENDUM</u>	<u>REFERENDUM</u>	<u>LEVY</u>	<u>LEVY</u>
Educational	2.1500	4.0000	2.1500	2.1500
Operations & Maintenance	0.5250	0.7500	0.5250	0.5250
Bond and Interest	N/A	AS NEEDED	1.2334	1.0807
Transportation	0.200	AS NEEDED	0.2000	0.2000
Municipal Retirement	AS NEEDED	N/A	0.1005	0.1319
Social Security	AS NEEDED	N/A	0.1640	0.1319
Liability Insurance	AS NEEDED	N/A	0.5223	0.4165
Fire Prevention & Safety	0.050	0.100	0.0500	0.0500
Special Education	0.040	0.800	0.0400	0.0400
Working Cash	0.050	N/A	0.0500	0.0500
Leased Facilities	0.050	0.100	0.0500	0.0500
Total			<u>5.0852</u>	<u>4.8260</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 3. PROPERTY TAXES (CONTINUED)

Various property owners have appealed their property tax assessments. Any assessment reduction could result in lost revenue, with the possibility of refund liabilities and/or interest payments associated with any such reduction. The financial statements do not include accrual or provisions for loss contingencies that may result from these assessments.

NOTE 4. FUND BALANCE REPORTING

According to Government Accounting Standards Statement No. 54, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Following are definitions and details of how these balances are reported.

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories or 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 law 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. Additionally, the District has several revenue sources received within different funds that fall into these restricted categories:

1. Special Education

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

2. Leasing Levy

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Debt Service Fund. At June 30, 2019, expenditures disbursed for those specific purposes have exceeded revenues received from this restricted tax levy in the Debt Service Fund, resulting in no restricted fund balance.

3. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the Educational Fund. At June 30, 2019, expenditures disbursed from federal grants exceeded the revenues received for those specific purposes in the Educational Fund, resulting in no restricted fund balance. The Child Nutrition Cluster Program requires the District to restrict any food service profit to be used only to operate and improve its food service resulting in a cumulative restricted fund balance of \$3,263,315.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 4. FUND BALANCE REPORTING (CONTINUED)

B. Restricted Fund Balance (Continued)

4. State Grants

Proceeds from state grants and the related expenditures have been included in the Educational and Transportation Funds. At June 30, 2019, revenue received exceeded expenditures disbursed from state, resulting in a restricted fund balance of \$254,974 in the Educational Fund.

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. At June 30, 2019, there is restricted fund balance of \$346,174.

6. Tort

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the General Fund. At June 30, 2019, revenues received for this purpose exceeded expenditures disbursed, resulting in a restricted fund balance of \$645,199.

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 to 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 June 30, 2019, the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2019 amounted to \$4,641,048 in the Educational Fund.

The Transportation Fund has committed fund balance of \$274,912. This was due to the School Board passing a resolution abating \$1,200,000 of the Working Cash Fund due to the negative fund balance of the Transportation. This abatement was committed to be spent on Transportation Fund expenses.

The School Board committed lease purchase proceeds towards technological equipment in the current year in the amount of \$5,609. This is committed in the Educational Fund.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 4. FUND BALANCE REPORTING (CONTINUED)

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the District's Board itself or by the Superintendent or the Director of Finance when the School Board has delegated the authority to assign amounts to be used for specific purposes. Interest is assigned in the restricted funds as well as the transportation fees 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 Fund. The General Fund showed unassigned fund balances in all funds besides Working Cash of \$(2,683,259) as of June 30, 2019. Negative fund balances in funds other than the General Fund are also shown as unassigned.

Fund	Nonspendable	Restricted	Committed	Assigned	Unassigned
General	\$ 0	\$ 4,163,488	\$ 4,646,657	\$ 40,596	\$ 1,850,470
Municipal Retirement/ Social Security	0	1,206,366	0	44,761	0
Transportation	0	0	274,912	96,736	0
Capital Projects	0	0	0	0	0
Fire Prevention & Safety	0	689,392	0	32,854	0
Debt Service	0	75,926	0	0	0
Totals	\$ 0	\$ 6,135,172	\$ 4,921,569	\$ 214,947	\$ 1,850,470

F. 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.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 5. CAPITAL ASSETS

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

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Not Being Depreciated:				
Land	\$ 2,204,599			\$ 2,204,599
Construction in Progress	41,915	\$ 41,341	\$ 41,915	41,341
Subtotal	<u>\$ 2,246,514</u>	<u>\$ 41,341</u>	<u>\$ 41,915</u>	<u>\$ 2,245,940</u>
Other Capital Assets:				
Buildings and Improvements	\$ 147,290,100	\$ 746,992	\$ 2,774,059	\$ 145,263,033
Equipment Other Than				
Transportation/Food Services	9,709,556	284,074	2,056,843	7,936,787
Improvements	10,248,034	103,069		10,351,103
Transportation Equipment	475,049	11,025		486,074
Food Services Equipment	108,116	8,016		116,132
Subtotal	<u>\$ 167,830,855</u>	<u>\$ 1,153,176</u>	<u>\$ 4,830,902</u>	<u>\$ 164,153,129</u>
Accumulated Depreciation:				
Buildings and Improvements	\$ 72,943,783	\$ 4,248,901	\$ 2,465,274	\$ 74,727,410
Equipment Other Than				
Transportation/Food Services	8,005,779	471,366	1,826,871	6,650,274
Improvements	3,345,375	501,705		3,847,080
Transportation Equipment	446,717	10,738		457,455
Food Services Equipment	33,049	10,945		43,994
Subtotal	<u>\$ 84,774,703</u>	<u>\$ 5,243,655</u>	<u>\$ 4,292,145</u>	<u>\$ 85,726,213</u>
Net Other Capital Assets	<u>\$ 83,056,152</u>			<u>\$ 78,426,916</u>
Net Capital Assets	<u>\$ 85,302,666</u>			<u>\$ 80,672,856</u>

Fully depreciated equipment over 10 years old were removed, in addition to any equipment no longer in use that is not yet fully depreciated.

During the year, the District purchased laptop computers for students totaling \$1,373,229. These computers were considered to be instructional materials as they were replacements for classroom textbooks, and thus, were not capitalized by the District as of June 30, 2019.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 6. PENSION PLANS

(a) Teachers' Retirement System of the State of Illinois

**General Information about the Pension Plan**

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

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

**Benefits Provided.** TRS provides retirement, disability, and death benefits. Tier 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. Disability and death benefits are also provided.

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 6. PENSION PLANS (CONTINUED)

(a) Teachers' Retirement System of the State of Illinois (Continued)

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

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

**On behalf contributions to TRS.** The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2019, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$21,082,139 in pension contributions from the state of Illinois.

**2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2019 were \$175,394, and are deferred because they were paid after the June 30, 2018 measurement date.

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

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, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$1,862,330 were paid from federal and special trust funds that required employer contributions of \$183,440. These contributions are deferred because they were paid after the June 30, 2018 measurement date.

**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. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contribution for salary increases over 3 percent if members are not exempted by current collective bargaining agreements or contract.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 6. PENSION PLANS (CONTINUED)

(a) Teachers' Retirement System of the State of Illinois (Continued)

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

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

At June 30, 2018, the District disclosed a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount disclosed by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 3,276,844
State's proportionate share of the net pension liability associated with the employer	224,477,520
<b>Total</b>	<u><u>\$ 227,754,364</u></u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 and rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2018, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2018, the District's proportion was 0.0042 percent, which was a decrease of 0.0141 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District disclosed pension expense of \$21,082,139 and revenue of \$21,082,139 for support provided by the state. At June 30, 2019, the District disclosed deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 65,858	\$ 714
Net difference between projected and actual earnings on pension plan investments		10,033
Changes of assumptions	143,721	92,873
Changes in proportion and differences between employer contributions and proportionate share of contributions	243,796	10,246,993
Employer contributions subsequent to the measurement date	358,834	
<b>Total</b>	<u><u>\$ 812,209</u></u>	<u><u>\$ 10,350,613</u></u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 6. PENSION PLANS (CONTINUED)

(a) Teachers' Retirement System of the State of Illinois (Continued)

\$358,834 disclosed as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be disclosed as a reduction of the net pension liability in the reporting year ended June 30, 2020. Other amounts disclosed as deferred outflows of resources and deferred inflows of resources related to pensions will be disclosed in pension expense as follows in these reporting years:

Year ending June 30,	
2020	\$ (2,568,831)
2021	(2,178,206)
2022	(2,347,268)
2023	(1,943,122)
2024	(859,811)

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

Inflation	2.50 percent
Salary Increases	varies by amount of service credit
Investment Rate of Return	7.00 percent, net of pension plan investment expense, including inflation

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

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 6. PENSION PLANS (CONTINUED)

(a) Teachers' Retirement System of the State of Illinois (Continued)

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. large cap	15.0%	6.7%
U.S. equities small/mid cap	2.0%	7.9%
International equities developed	13.6%	7.0%
Emerging market equities	3.4%	9.4%
U.S. bonds core	8.0%	2.2%
U.S. bonds high yield	4.2%	4.4%
International debt developed	2.2%	1.3%
Emerging international debt	2.6%	4.5%
Real estate	16.0%	5.4%
Commodities (real return)	4.0%	1.8%
Hedge funds (absolute return)	14.0%	3.9%
Private equity	15.0%	10.2%
<b>Total</b>	<b>100%</b>	

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

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

**Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
District's proportionate share of the net pension liability	\$ 4,018,739	\$ 3,276,844	\$ 2,679,394

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 6. PENSION PLANS (CONTINUED)

(b) Illinois Municipal Retirement Fund

**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 plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multiple-employer public pension plan. 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 may be obtained on-line at [www.imrf.org](http://www.imrf.org).

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

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

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

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

Active Employees	322
Inactive employees or beneficiaries currently receiving benefits	400
Inactive employees entitled to but not yet receiving benefits	<u>284</u>
Total	<u>1,006</u>



ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 6. PENSION PLANS (CONTINUED)

(b) Illinois Municipal Retirement Fund (Continued)

The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table as of December 31, 2018:

Asset Class	Target Allocation	Projected Returns/Risk
		Ten Year Geometric
Equities	37.00%	7.15%
International Equities	18.00%	7.25%
Fixed Income	28.00%	3.75%
Real Estate	9.00%	6.25%
Alternatives	7.00%	
Private Equity		8.50%
Hedge Funds		5.50%
Commodities		3.20%
Cash Equivalents	1.00%	2.50%
Total	100.00%	

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

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

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

**Changes in District's Net Pension Liability.** Changes in the District's net pension liability for the year ended December 31, 2018, were as follows:

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 6. PENSION PLANS (CONTINUED)

(b) Illinois Municipal Retirement Fund (Continued)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, December 31, 2017	\$ 54,410,368	\$ 57,258,176	\$ (2,847,808)
Changes for the year:			
Service Cost	678,152		678,152
Interest	3,956,494		3,956,494
Difference between expected and actual experience	(234,300)		(234,300)
Changes in assumptions	1,260,683		1,260,683
Contributions-employees		310,157	(310,157)
Contributions- employer		699,982	(699,982)
Net investment income		(3,684,722)	3,684,722
Benefit payments including refunds of employee contributions	(3,992,385)	(3,992,385)	0
Other (Net Transfer)		340,732	(340,732)
Net Changes	1,668,644	(6,326,236)	7,994,880
Balance, December 31, 2018	\$ 56,079,012	\$ 50,931,940	\$ 5,147,072

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate.** The following presents the net pension liability calculated using the discount rate of 7.25 percent, as well as, what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Discount Rate	Net Pension Liability (Asset)
1% decrease	6.25%	\$ 10,775,854
Current discount rate	7.25%	5,147,072
1% increase	8.25%	396,397

**Plan Fiduciary Net Position.** Detailed information about the Plan's fiduciary net position is available in the separately issued report.

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources.** For the year ended June 30, 2019, the District disclosed pension expense of \$957,155. At June 30, 2019, the District disclosed deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 6. PENSION PLANS (CONTINUED)

(b) Illinois Municipal Retirement Fund (Continued)

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 108,693	\$ 149,292
Changes of assumptions	803,284	600,617
Net difference between projected and actual earnings on Plan investments	7,120,198	3,545,897
Total Deferred Amounts to be realized in pension expense in future periods	8,032,175	4,295,806
Pension Contributions made subsequent to the Measurement Date	451,927	
Total Deferred Amounts Related to Pensions	\$ 8,484,102	\$ 4,295,806

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

Year ending December 31,

2019	\$ 1,488,022
2020	730,231
2021	394,039
2022	1,576,004
2023	0
Thereafter	0
Total	\$ 4,188,296

(c) Aggregate Pension Reporting

The District disclosed pension income of \$3,005,682 for TRS and pension expense \$957,155 for IMRF, for an aggregate net pension income of \$2,048,527 for all retirement fund commitments for the year ending June 30, 2019.

(d) Social Security

Employees not qualifying for coverage under the Illinois Downstate Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$438,597, the total required contribution for the current fiscal year.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The District participates in two Post Employment benefit plans Other than Pensions. The two plans are the Teacher's Health Insurance Security (THIS) Fund and their own health insurance plan. All IMRF employers are required to allow retirees to continue on their health plans.

(a) Teacher Health Insurance Security Fund

**General Information about the Postemployment Benefit Plan Other than Pensions**

**Plan Description.** The District participates in the Teachers' Health Insurance Security (THIS) Fund which accounts for the Teacher Retirement Insurance Program of Illinois (TRIP or Plan). TRIP is 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. TRIP health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. TRIP is administered in accordance with the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) which established the eligibility and benefit provisions of the plan.

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

A summary of the post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General (<http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>). The current reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>).

**On behalf contributions to the THIS Fund**

The state of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to cover the actuarial costs to the THIS Fund that are not covered by contributions from active members which were 1.24 percent of pay for the year ended June 30, 2019. State of Illinois contributions were \$85,605, and the employer recognized revenue and expenditures of this amount during the year.

**Employer contributions to the THIS Fund**

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2019. For the year ended June 30, 2019, the employer paid \$278,211 to the THIS Fund.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

(b) Other Postemployment Benefits

The District provides post-retirement health care benefits for retirees and their dependents. All retirees are eligible to continue their health coverage under the District's self-funded health insurance plan. The retirees are responsible for the entire premium payment to secure coverage. The District finances the plan on a pay-as-you-go basis. The Unfunded Actuarial Liability has not been determined as of June 30, 2019.

**Plan Description** – The District administers a single-employer defined benefit healthcare plan. The Educational support employees who contribute to IMRF are eligible for post-retirement medical coverage. The District's plan does not have a trust fund and therefore does not issue a separate publicly available financial report.

**Funding Policy** – The contribution requirements for the District's plan may be amended by the School Board. Current policy is to pay for post-retirement medical and insurance premiums as they occur. Insurance premiums are the same for retirees as for active employees, but the District requires retirees to contribute 100% of the premium for their desired coverage. Premiums vary depending on the benefits elected and covered family members. These premiums currently range from \$560 to \$670 per month for individual coverage and from \$1,130 to \$1,365 per month for family coverage. Although the amount charged to retirees includes an implied rate subsidy by the District through the blended premium covering all current employees and retirees, there is no actuarial valuation performed to determine the amount of such subsidy.

**Contributions Made** – Because the retiree insurance premium is paid entirely by retiree contributions, there is no net cash outflow by the District related to these benefits when paid. Therefore, there are no cash-basis expenditures reported by the District in regard to plan benefits for retirees.

NOTE 8. DEBT SERVICE REQUIREMENTS

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2019.

	<u>Bonds</u>	<u>Lease Purchase Agreements</u>	<u>Total</u>
Balance, June 30, 2018	\$ 61,052,699	\$ 1,180,543	\$ 62,233,242
Retired	6,489,157	752,209	7,241,366
Issued		1,373,229	1,373,229
Balance, June 30, 2019	<u>\$ 54,563,542</u>	<u>\$ 1,801,563</u>	<u>\$ 56,365,105</u>

Bonds Payable

Bonds payable at June 30, 2019 are comprised of the following individual issues:

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8. DEBT SERVICE REQUIREMENTS (CONTINUED)

Bonds Payable (Continued)

- a) \$31,740,676 2002 General Obligation Bonds due in annual installments varying from \$90,000 to \$3,700,000 through December 2022. Interest payments at rates varying from 1.75% to 5% began in June 2003. The first principal payment began in December 2004. In December 2017, part of this bond was refunded leaving five principal payments to be made from December 2018 through December 2022 with interest only payments also to be made during those years varying from 5.25% to 5.60%.

The bonds were sold at a premium of \$1,108,033 and are being amortized over the life of the bonds. Accumulated amortization as of June 30, 2019 was \$917,846.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2019 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,068,436	\$ 1,551,564	\$ 2,620,000
2021	1,489,562	2,415,438	3,905,000
2022	1,721,411	3,128,589	4,850,000
2023	1,657,700	3,342,300	5,000,000
	<u>\$ 5,937,109</u>	<u>\$ 10,437,891</u>	<u>\$ 16,375,000</u>

- b) \$8,295,434 2005 G.O. Health/Life Safety Bonds due in annual installments varying from \$65,000 to \$2,226,917 through November 2024. Interest payments at rates varying from 2.625% to 5.020% began in November 2006. The first principal payment began in November 2006. The bonds were sold at a discount of \$34,459 and are being accreted over the life of the bonds. Accumulated accretion as of June 30, 2019 was \$25,297. In February 2016, part of this bond was refunded leaving only 2 principal payments to be made in 2024 and 2025 with interest payment also only in those years with rates varying from 4.970% to 5.020%.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2019 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,248,517	\$ 3,331,483	\$ 5,580,000
2025	2,226,916	3,633,083	5,859,999
	<u>\$ 4,475,433</u>	<u>\$ 6,964,566</u>	<u>\$ 11,439,999</u>

- c) \$7,685,000 2011 General Obligation Qualified Zone Academy Bonds (QZAB) due in annual installments varying from \$1,450,000 to \$6,235,000 through December 2026. Interest payments at a rate of 5.50% began in July 2011 and will increase to 5.625% in December 2025. The first principal payment will be due December 1, 2025.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8. DEBT SERVICE REQUIREMENTS (CONTINUED)

Bonds Payable (Continued)

The bonds were sold at a discount of \$65,322 and are being accreted over the life of the bonds. Accumulated accretion as of June 30, 2019 was \$33,715.

The District expects to receive QZAB credits semi-annually from the IRS based on an applicable tax credit rate of 5.05% of outstanding principal. However, due to the Balanced Budget and Emergency Deficit Control Act of 1985 (amended), the refundable credit payment has been reduced by 6.20%. This reduction rate will be applied until September 30, 2019 at which time the rate is subject to change.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2019 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>IRS Credit</u> <u>Payment</u>
2020	\$ 0	\$ 430,469	\$ 430,469	\$ 388,093
2021	0	430,469	430,469	388,093
2022	0	430,469	430,469	388,093
2023	0	430,469	430,469	388,093
2024	0	430,469	430,469	388,093
2025	0	430,469	430,469	388,093
2026	1,450,000	390,594	1,840,594	351,480
2027	6,235,000	175,359	6,410,359	157,434
	<u>\$ 7,685,000</u>	<u>\$ 3,148,767</u>	<u>\$ 10,833,767</u>	<u>\$ 2,837,472</u>

- d) \$2,130,000 General Obligation Bonds, Series 2012A due in one installment upon maturity at December 1, 2025. Interest payments at a rate of 3.00% began in June 2013. The bonds were sold at a premium of \$16,273 and are being amortized over the life of the bonds. Accumulated amortization as of June 30, 2019 was \$8,342.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2019 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 0	\$ 63,900	\$ 63,900
2021	0	63,900	63,900
2022	0	63,900	63,900
2023	0	63,900	63,900
2024	0	63,900	63,900
2025	0	63,900	63,900
2026	2,130,000	31,950	2,161,950
	<u>\$ 2,130,000</u>	<u>\$ 415,350</u>	<u>\$ 2,545,350</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8. DEBT SERVICE REQUIREMENTS (CONTINUED)

Bonds Payable (Continued)

- e) \$2,185,000 General Obligation Qualified Zone Academy Bonds, Series 2012B due in one installment upon maturity at December 1, 2025. Interest payments at a rate of 3.85% began in June 2013. The bonds were sold at a discount of \$18,573 and are being accreted over the life of the bonds. Accumulated accretion as of June 30, 2019 was \$9,540.

The District expects to receive QZAB credits semi-annually from the IRS based on an applicable tax credit rate of 5.05% of outstanding principal. However, due to the Balanced Budget and Emergency Deficit Control Act of 1985 (amended), the refundable credit payment has been reduced by 6.20%. This reduction rate will be applied until September 30, 2019 at which time the rate is subject to change.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2019 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>IRS Credit</u> <u>Payment</u>
2020	\$ 0	\$ 84,123	\$ 84,123	\$ 84,123
2021	0	84,123	84,123	84,123
2022	0	84,123	84,123	84,123
2023	0	84,123	84,123	84,123
2024	0	84,123	84,123	84,123
2025	0	84,123	84,123	84,123
2026	2,185,000	42,061	2,227,061	42,061
	<u>\$ 2,185,000</u>	<u>\$ 546,799</u>	<u>\$ 2,731,799</u>	<u>\$ 546,799</u>

- f) \$2,071,000 Debt Certificates, Series 2014 due in annual installments varying from \$119,000 to \$181,000 through December 2028. Interest payments at a rate of 3.24% began in December 2014. The first principal payment was due December 1, 2015.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2019 are as follows:

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8. DEBT SERVICE REQUIREMENTS (CONTINUED)

Bonds Payable (Continued)

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 135,000	\$ 48,713	\$ 183,713
2021	140,000	44,258	184,258
2022	144,000	39,658	183,658
2023	149,000	34,911	183,911
2024	154,000	30,002	184,002
2025	159,000	24,932	183,932
2026	164,000	19,699	183,699
2027	170,000	14,288	184,288
2028	175,000	8,699	183,699
2029	181,000	2,932	183,932
	<u>\$ 1,571,000</u>	<u>\$ 268,092</u>	<u>\$ 1,839,092</u>

- g) \$11,000,000 General Obligation Bonds, Series 2014 due in annual installments varying from \$2,025,000 to \$2,395,000 through December 2019. Interest payments at rates varying from 0.80% to 2.50% began in June 2015. The first principal payment was due December 1, 2015.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2019 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,395,000	\$ 29,938	\$ 2,424,938
	<u>\$ 2,395,000</u>	<u>\$ 29,938</u>	<u>\$ 2,424,938</u>

- h) \$4,375,000 General Obligation Qualified Zone Academy Bonds, Series 2015 due in annual installments varying from \$5,000 to \$3,120,000 starting in December 2017 through December 2027. Interest payments at a rate of 2.40% begin in June 2016.

The District expects to receive QZAB credits semi-annually from the IRS based on an applicable tax credit rate of 5.05% of outstanding principal. However, due to the Balanced Budget and Emergency Deficit Control Act of 1985 (amended), the refundable credit payment has been reduced by 6.20%. This reduction rate will be applied until September 30, 2019 at which time the rate is subject to change.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2019 are as follows:

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8. DEBT SERVICE REQUIREMENTS (CONTINUED)

Bonds Payable (Continued)

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>IRS Credit</u> <u>Payment</u>
2020	\$ 90,000	\$ 99,840	\$ 189,840	\$ 99,840
2021	355,000	94,500	449,500	94,500
2022	260,000	87,120	347,120	87,120
2023	155,000	82,140	237,140	82,140
2024	115,000	78,900	193,900	78,900
2025	5,000	77,460	82,460	77,460
2026	100,000	76,200	176,200	76,200
2027	5,000	74,940	79,940	74,940
2028	3,120,000	37,440	3,157,440	37,440
	<u>\$ 4,205,000</u>	<u>\$ 708,540</u>	<u>\$ 4,913,540</u>	<u>\$ 708,540</u>

- i) \$8,700,000 Working Cash Bonds, Series 2016A due in annual installments (skipping payments in FY 2019 and 2020) varying from \$1,105,000 to \$3,815,000 through December 2020. Interest payments at rates varying from 1.050% to 2.300% began in December 2016. The first principal payment was due December 1, 2016. Prepaid Bond Insurance associated with this bond sale was \$15,488 and is also being amortized over the life of the bonds. Accumulated amortization as of June 30, 2019 was \$10,869.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2019 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 0	\$ 25,415	\$ 25,415
2021	1,105,000	12,708	1,117,708
	<u>\$ 1,105,000</u>	<u>\$ 38,123</u>	<u>\$ 1,143,123</u>

- j) \$7,345,000 Refunding Bonds, Series 2016B due in annual installments varying from \$845,000 to \$2,015,000 through December 2024. Interest payments at a rate of 4.00% began in June 2016. The first principal payment will be due December 1, 2020. The bonds were sold at a premium of \$772,631 and are being amortized over the life of the bonds. Accumulated amortization as of June 30, 2019 was \$294,336. Prepaid Bond Insurance associated with this bond sale was \$16,133 and is also being amortized over the life of the bonds. Accumulated amortization as of June 30, 2019 was \$6,146.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2019 are as follows:

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8. DEBT SERVICE REQUIREMENTS (CONTINUED)

Bonds Payable (Continued)

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 0	\$ 293,800	\$ 293,800
2021	845,000	276,900	1,121,900
2022	1,975,000	220,500	2,195,500
2023	2,015,000	140,700	2,155,700
2024	1,545,000	69,500	1,614,500
2025	965,000	19,300	984,300
	<u>\$ 7,345,000</u>	<u>\$ 1,020,700</u>	<u>\$ 8,365,700</u>

- k) \$3,325,000 Health Life Safety General Obligation Bonds, Series 2017 due in annual installments varying from \$225,000 to \$2,580,000 through March 2028. Interest payments at a rate of 5.00% began in September 2017. The first principal payment will be due March 1, 2026. The bonds were sold at a premium of \$385,312 and are being amortized over the life of the bonds. Accumulated amortization as of June 30, 2019 was \$70,335. Prepaid Bond Insurance associated with this bond sale was \$104,715 and is also being amortized over the life of the bonds. Accumulated amortization as of June 30, 2019 was \$19,115.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2019 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 0	\$ 166,250	\$ 166,250
2021	0	166,250	166,250
2022	0	166,250	166,250
2023	0	166,250	166,250
2024	0	166,250	166,250
2025	0	166,250	166,250
2026	520,000	166,250	686,250
2027	225,000	140,250	365,250
2028	2,580,000	129,000	2,709,000
	<u>\$ 3,325,000</u>	<u>\$ 1,433,000</u>	<u>\$ 4,758,000</u>

- l) \$10,000,000 Working Cash Bonds, Series 2017A due in annual installments varying from \$3,215,000 to \$3,435,000 through March 2021. Interest payments vary at rates of 2.40% to 2.90% began in March 2019. The first principal payment was due March 1, 2019. Prepaid Bond Insurance associated with this bond sale was \$63,671 and is also being amortized over the life of the bonds. Accumulated amortization as of June 30, 2019 was \$31,019.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8. DEBT SERVICE REQUIREMENTS (CONTINUED)

Bonds Payable (Continued)

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2019 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 3,350,000	\$ 188,390	\$ 3,538,390
2021	3,435,000	99,615	3,534,615
	<u>\$ 6,785,000</u>	<u>\$ 288,005</u>	<u>\$ 7,073,005</u>

- m) \$5,420,000 General Obligation Refunding Bonds, Series 2017B due in annual installments varying from \$225,000 to \$2,070,000 through March 2029. Interest payments vary at rates of 3.50% to 4.00% with the first interest payment to begin in September 2019. The first principal payment will be due March 1, 2025. The bonds were sold at a premium of \$239,369 and are being amortized over the life of the bonds. Accumulated amortization as of June 30, 2019 was \$33,689. Prepaid Bond Insurance associated with this bond sale was \$44,915 and is also being amortized over the life of the bonds. Accumulated amortization as of June 30, 2019 was \$6,321.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2019 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 0	\$ 206,450	\$ 206,450
2021	0	206,450	206,450
2022	0	206,450	206,450
2023	0	206,450	206,450
2024	0	206,450	206,450
2025	225,000	206,450	431,450
2026	735,000	197,450	932,450
2027	765,000	168,050	933,050
2028	1,625,000	137,450	1,762,450
2029	2,070,000	72,450	2,142,450
	<u>\$ 5,420,000</u>	<u>\$ 1,814,100</u>	<u>\$ 7,234,100</u>

The annual requirements to amortize all bonded debt outstanding as of June 30, 2019 are as follows:

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8. DEBT SERVICE REQUIREMENTS (CONTINUED)

Bonds Payable (Continued)

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 7,038,436	\$ 3,188,852	\$ 10,227,288
2021	7,369,562	3,894,611	11,264,173
2022	4,100,411	4,427,060	8,527,471
2023	3,976,700	4,551,242	8,527,942
2024	4,062,517	4,461,077	8,523,594
2025	3,580,916	4,705,967	8,286,883
2026	7,284,000	924,204	8,208,204
2027	7,400,000	572,887	7,972,887
2028	7,500,000	312,589	7,812,589
2029	2,251,000	75,382	2,326,382
	<u>\$ 54,563,542</u>	<u>\$ 27,113,871</u>	<u>\$ 81,677,413</u>

Other Debt Payable

Lease purchase agreements were entered into for equipment acquisitions, textbooks, and instructional materials and these items collateralize their respective borrowings. These agreements range from 144 months to 60 months and have interest rates from 1.85% to 4.50%.

The annual requirements to retire these agreements at June 30, 2019 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 561,767	\$ 51,410	\$ 613,177
2021	519,175	31,964	551,139
2022	514,314	13,316	527,630
2023	193,534	2,687	196,221
2024	12,773	47	12,820
	<u>\$ 1,801,563</u>	<u>\$ 99,424</u>	<u>\$ 1,900,987</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 9. INTERFUND RECEIVABLES AND PAYABLES

During the year ended June 30, 2019, the District had the following interfund receivable and payable transactions:

	<u>Balance</u> <u>July 1,</u> <u>2018</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30,</u> <u>2019</u>
Due from Transportation to General Fund	\$ 600,000	_____	\$ 600,000	\$ 0
	<u>\$ 600,000</u>	<u>\$ 0</u>	<u>\$ 600,000</u>	<u>\$ 0</u>

Interfund loans are for operating purposes and will be repaid when property taxes or state funding is received in the next fiscal year.

NOTE 10. COMMON BANK ACCOUNT

Separate bank accounts are not maintained for all District funds; instead, funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain of the funds participating in the common bank account will incur overdrafts in the account. The overdrafts result from expenditures which have been approved by the School Board.

NOTE 11. COMPENSATED ABSENCES

The District's employee sick and personal leave policies provide for granting sick and personal leave with pay. Sick and personal leave pay is only paid out upon retirement at \$30 per day for certified staff and \$3 per hour for non-certified staff. At June 30, 2019, the District's employees had accumulated an unrecorded liability based on management's best estimate of approximately \$13,219,212 that is attributable to services already rendered. This amount is in excess of a normal year's accumulations because they include accumulated benefits carried over from prior years.

NOTE 12. COMMITMENTS AND CONTINGENCIES

The District has entered into construction contracts with various contractors for roof projects at Eunice Smith & Lovejoy Elementary, an intercom system at Alton Middle School, paving projects at Glison Brown & Eunice Smith Elementary, and bleachers at West Elementary, but no payments were made before year end. As of June 30, 2019, the District has \$948,582 remaining to be paid on these various contracts.

NOTE 13. TAX ABATEMENTS

The District is located in Madison County which has the power to negotiate property tax abatement agreements that could affect the District. As of June 30, 2019, the District is affected by two such property tax abatements. Madison County entered into an agreement with Quality Pontiac Inc. in Alton, Illinois to abate the company's 2017 property tax assessment by \$155,550 which equates to \$7,909 in abated property tax dollars. Madison County also entered into an agreement with Shivam Hotels in Alton, Illinois to abate the company's 2017 property tax assessment by \$2,154,530 which equates to \$109,556 in abated property tax dollars. Therefore, the District had total abated 2017 levy property tax dollars of \$117,465 for the year ended June 30, 2019.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 14. DEFINITION OF ACTIVITY FUNDS

The term "Activity Funds" as it is used in this report includes Student Activity Funds, Convenience Accounts, and Trust and Agency Funds.

- a) Student Activity Funds are those which are owned, operated and managed generally by the student body under the guidance and direction of adults or a staff member for educational, recreational or cultural purposes. Although the Board of Education has the ultimate responsibility for Student Activity Funds, they are not local education agency funds.
- b) Convenience accounts are those normally maintained by a local education agency as a convenience for its faculty, staff, parent-teacher associations, etc. Although the Board of Education has the ultimate responsibility for convenience account monies, they are not local education agency funds.
- c) Trust and Agency Funds are local education agency funds. It is permissible for a school district to choose to handle certain regular district funds through its Activity Fund accounting system as Trust and Agency Funds on a temporary basis.

NOTE 15. ACTIVITY FUND TREASURERS

Activity Fund accounting records are maintained in the business offices of the various schools. In each school, the principal has been designated as Activity Fund Treasurer and has been charged with depositing all activity fund monies into a designated depository and with maintaining accounts to show each fund's share of the total cash.

NOTE 16. COMPLIANCE, STEWARDSHIP AND ACCOUNTABILITY

Legal Debt Margin – The District's legal debt limit as set by state statute is limited to 13.8 percent of total assessed value. As of June 30, 2019, the legal debt limit approximates \$97,821,456 and the District's debt is under the debt limit by \$41,456,352.

NOTE 17. RISK MANAGEMENT

The District is party to various legal proceedings, which normally occur in the course of governmental operations. The financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings.

While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the District and the State statute relating to judgment, the District feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the District.

The District is exposed to risks of loss from items typically applicable to all school districts. These include liability, worker's injury, student injury, property damage and others too numerous to mention. The District has purchased insurance through a public entity risk pool, Mississippi Valley Intergovernmental Cooperative, to protect against such loss. The District believes that they are reasonably covered for all possible risks of loss. Any liabilities for unpaid claims would revert back to the members of the pool. As of June 30, 2019, the liability pool and the health pool had a positive fund balance. During the year ended June 30, 2019, there were no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 18. THE SCHOOL DISTRICT FINANCIAL PROFILE

The Illinois State Board of Education is utilizing a system to evaluate a school district's financial status. The financial assessment system is made up of five components which are individually scored and weighted in order to arrive at a composite score. The components consist of the following: Fund Balance to Revenue Ratio, Expenditures to Revenue Ratio, Days Cash on Hand, Percent of Short-Term Borrowing Ability Remaining, and Percent of Long-Term Debt Margin Remaining. Based on the composite score, the school district is assigned to a category of financial strength. The category assignments are based on the following composite score ranges:

<u>Composite Score</u>	<u>Category</u>
3.54-4.00	Financial Recognition
3.08-3.53	Financial Review
2.62-3.07	Financial Early Warning
1.00-2.61	Financial Watch

The District's preliminary composite score is 3.25 as of June 30, 2019 and would be assigned to the category of Financial Review. This means that the Illinois State Board of Education will be giving the District a limited review, but they will be monitored for potential downward trends. Illinois State Board of Education will be assessing the next year's budget for negative trends.

NOTE 19. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure of certain information concerning individual funds. There were no funds that had deficit fund balances for the year ended June 30, 2019.

NOTE 20. INTERFUND TRANSFERS

Transfers are used to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due. Transfers are also used to transfer interest income to the general fund for operational expenses as allowed by Illinois statute. Also, in the year ended June 30, 2019, the District abated the General Fund (Working Cash Fund) to the Transportation Fund for \$1,200,000 and to the Debt Service Fund for \$300,000. This was done to fund operations as these funds used to have large interfund payables and this abatement helped pay those back to the General Fund.

NOTE 21. SUBSEQUENT EVENTS

The District has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued. From this evaluation, no events were identified that met the criteria to be classified as a subsequent event.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND

LAST 10 CALENDAR YEARS  
(schedule to be built prospectively from 2014)

Calendar year ending December 31,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Total Pension Liability</b>										
Service Cost	\$ 678,152	\$ 713,114	\$ 750,031	\$ 712,437	\$ 762,288					
Interest on the Total Pension Liability	3,956,494	4,008,726	3,931,535	3,798,957	3,580,855					
Benefit Changes	0	0	0	0	0					
Difference between Expected and Actual Experience	(234,300)	331,983	85,805	813,783	(401,957)					
Assumption Changes	1,260,683	(1,840,998)	(53,241)	53,178	2,287,641					
Benefit Payments and Refunds	(3,992,385)	(3,791,172)	(3,681,702)	(3,437,229)	(3,154,523)					
<b>Net Change in Total Pension Liability</b>	<b>1,668,644</b>	<b>\$ (578,347)</b>	<b>1,032,428</b>	<b>1,941,126</b>	<b>3,074,304</b>					
<b>Total Pension Liability - Beginning</b>	<b>54,410,368</b>	<b>54,988,715</b>	<b>53,956,287</b>	<b>52,015,161</b>	<b>48,940,857</b>					
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 56,079,012</b>	<b>\$ 54,410,368</b>	<b>\$ 54,988,715</b>	<b>\$ 53,956,287</b>	<b>\$ 52,015,161</b>					
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	\$ 699,982	\$ 653,312	\$ 1,122,417	\$ 1,087,659	\$ 1,119,045					
Employee Contributions	310,157	333,561	299,472	309,039	293,768					
Pension Plan Net Investment Income	(3,684,722)	9,641,414	3,428,179	249,595	2,976,268					
Benefit Payments and Refunds	(3,992,385)	(3,791,172)	(3,681,702)	(3,437,229)	(3,154,523)					
Other (Net Transfers)	340,732	(1,471,176)	491,300	1,084,314	42,503					
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(6,326,236)</b>	<b>5,365,939</b>	<b>1,659,666</b>	<b>(706,622)</b>	<b>1,277,061</b>					
<b>Plan Fiduciary Net Position - Beginning</b>	<b>57,258,176</b>	<b>51,892,237</b>	<b>50,232,571</b>	<b>50,939,193</b>	<b>49,662,132</b>					
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 50,931,940</b>	<b>\$ 57,258,176</b>	<b>\$ 51,892,237</b>	<b>\$ 50,232,571</b>	<b>\$ 50,939,193</b>					
<b>Net Pension Liability/(Asset) -Ending (a)-(b)</b>	<b>5,147,072</b>	<b>(2,847,808)</b>	<b>3,096,478</b>	<b>3,723,716</b>	<b>1,075,968</b>					
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.82%	105.23%	94.37%	93.10%	97.93%					
Covered Valuation Payroll	\$ 6,817,480	\$ 6,548,804	\$ 6,517,408	\$ 6,748,274	\$ 6,396,941					
Net Pension Liability as a Percentage of Covered Valuation Payroll	75.50%	-43.49%	47.51%	55.18%	16.82%					

**Notes to Schedule:**

This schedule is presented to illustrate the requirements 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.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
MULTIYEAR SCHEDULE OF CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

LAST 10 CALENDAR YEARS  
(schedule to be built prospectively from 2014)

<u>Calendar Year</u> <u>Ending</u> <u>December 31,</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Covered</u> <u>Valuation</u> <u>Payroll</u>	<u>Actual Contribution</u> <u>as a % of Covered</u> <u>Valuation Payroll</u>
2014	\$ 1,096,436	\$ 1,119,045	\$ (22,609)	\$ 6,396,941	17.49%
2015	1,072,976	1,087,659	(14,683)	6,748,274	16.12%
2016	1,068,203	1,122,417	(54,214)	6,517,408	17.22%
2017	642,438	653,312	(10,874)	6,548,804	9.98%
2018	694,701	699,982	(5,281)	6,817,480	10.27%

**Notes to Schedule:**

This schedule is presented to illustrate the requirements 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.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO THE SCHEDULE OF CONTRIBUTIONS  
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS  
USED IN THE CALCULATION OF THE 2018 CONTRIBUTION RATE\*  
ILLINOIS MUNICIPAL RETIREMENT FUND

**Valuation Date:**

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

**Methods and Assumptions Used to Determine 2018 Contribution Rates:**

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 25-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (two employers were financed over 29 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMR specific mortality table was used with fully generational projections scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully general projections scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information:**

Notes There were no benefit changes during the year.

\*Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

	<u>FY 18*</u>	<u>FY 17*</u>	<u>FY 16*</u>	<u>FY 15*</u>	<u>FY 14*</u>
District's proportion of the net pension liability	0.0042040547%	0.0182825386%	0.0217734262%	0.02089794%	0.02340322%
District's proportionate share of the net pension liability	\$ 3,276,844	\$ 13,967,520	\$ 17,187,082	\$ 13,690,256	\$ 14,242,796
State's proportionate share of the net pension liability associated with the District	<u>224,477,520</u>	<u>218,552,848</u>	<u>239,649,793</u>	<u>201,253,254</u>	<u>194,193,595</u>
<b>Total</b>	<u><u>\$ 227,754,364</u></u>	<u><u>\$ 232,520,368</u></u>	<u><u>\$ 256,836,875</u></u>	<u><u>\$ 214,943,510</u></u>	<u><u>\$ 208,436,391</u></u>
District's covered-employee payroll	\$ 30,111,062	\$ 29,517,890	\$ 30,207,605	\$ 31,066,145	\$ 31,490,520
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.88%	47.32%	56.90%	44.07%	45.23%
Plan fiduciary net position as a percentage of the total pension liability	40.0%	39.3%	36.4%	41.5%	43.0%

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

	<u>FY 18</u>	<u>FY 17</u>	<u>FY 16</u>	<u>FY 15</u>	<u>FY 14</u>
Statutorily-required contribution	\$ 358,834	\$ 357,432	\$ 752,266	\$ 843,366	\$ 732,119
Contributions in relation to the statutorily-required contribution	358,294	356,785	751,808	842,095	732,262
Contribution deficiency (excess)	<u>\$ 540</u>	<u>\$ 647</u>	<u>\$ 458</u>	<u>\$ 1,271</u>	<u>\$ (143)</u>
District's covered-employee payroll	\$ 30,240,359	\$ 30,111,062	\$ 29,517,890	\$ 30,207,605	\$ 31,066,145
Contributions as a percentage of covered-employee payroll	1.18%	1.18%	2.55%	2.79%	2.36%

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO THE SCHEDULE OF THE DISTRICT'S  
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
AND SCHEDULE OF EMPLOYER CONTRIBUTIONS  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1. CHANGES OF ASSUMPTIONS

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

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

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	GENERAL FUND			
	<u>ORIGINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>FINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET</u>
REVENUES RECEIVED:				
Local Sources	\$ 28,131,557	\$ 28,738,561	\$ 28,807,095	\$ 68,534
State Sources	23,726,770	24,097,379	24,180,809	83,430
Federal Sources	9,163,150	8,642,873	9,332,157	689,284
Earnings on Invested Cash	40,000	244,421	261,263	16,842
Total Revenues Received	<u>\$ 61,061,477</u>	<u>\$ 61,723,234</u>	<u>\$ 62,581,324</u>	<u>\$ 858,090</u>
EXPENDITURES DISBURSED:				
Instruction	\$ 36,079,582	\$ 35,802,355	\$ 36,020,165	\$ (217,810)
Supporting Services	20,583,200	21,793,760	21,184,644	609,116
Community Services	887,562	623,241	1,591,474	(968,233)
Nonprogrammed Charges	130,330	84,500	52,448	32,052
Debt Services	10			0
Provision for Contingencies	3,050			0
Total Expenditures Disbursed	<u>\$ 57,683,734</u>	<u>\$ 58,303,856</u>	<u>\$ 58,848,731</u>	<u>\$ (544,875)</u>
EXCESS (DEFICIENCY) OF REVENUES RECEIVED (UNDER) EXPENDITURES DISBURSED	<u>\$ 3,377,743</u>	<u>\$ 3,419,378</u>	<u>\$ 3,732,593</u>	<u>\$ 313,215</u>
OTHER FINANCING SOURCES (USES):				
Permanent Transfers, Net	\$ (864,100)	\$ (1,987,878)	\$ (2,287,876)	\$ (299,998)
Lease Purchase Agreement Proceeds			1,165,249	1,165,249
Receipts for State "On-Behalf" Payments			21,457,119	21,457,119
Disbursements for State "On-Behalf"			(21,457,119)	(21,457,119)
Total Other Financing Sources	<u>\$ (864,100)</u>	<u>\$ (1,987,878)</u>	<u>\$ (1,122,627)</u>	<u>\$ 865,251</u>
NET CHANGE IN FUND BALANCES	<u>\$ 2,513,643</u>	<u>\$ 1,431,500</u>	<u>\$ 2,609,966</u>	<u>\$ 1,178,466</u>
FUND BALANCE, BEGINNING OF YEAR			<u>8,091,245</u>	
FUND BALANCE, END OF YEAR			<u>\$ 10,701,211</u>	

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

	<u>ORIGINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>FINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET</u>
REVENUES RECEIVED:				
Local Sources	\$ 1,905,369	\$ 1,876,388	\$ 1,875,363	\$ (1,025)
State Sources	40,000	32,400	30,519	(1,881)
Federal Sources	192,325	212,225	201,287	(10,938)
Earnings on Invested Cash	10,000	30,058	32,367	2,309
Total Revenues Received	<u>\$ 2,147,694</u>	<u>\$ 2,151,071</u>	<u>\$ 2,139,536</u>	<u>\$ (11,535)</u>
EXPENDITURES DISBURSED:				
Instruction	\$ 925,800	\$ 931,510	\$ 838,110	\$ 93,400
Supporting Services	832,640	636,130	676,827	(40,697)
Community Services	15,100	15,400	13,326	2,074
Total Expenditures Disbursed	<u>\$ 1,773,540</u>	<u>\$ 1,583,040</u>	<u>\$ 1,528,263</u>	<u>\$ 54,777</u>
NET CHANGE IN FUND BALANCES	<u>\$ 374,154</u>	<u>\$ 568,031</u>	\$ 611,273	<u>\$ 43,242</u>
FUND BALANCE, BEGINNING OF YEAR			<u>639,854</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,251,127</u>	

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	TRANSPORTATION FUND			
	<u>ORIGINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>FINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET</u>
REVENUES RECEIVED:				
Local Sources	\$ 1,384,244	\$ 1,371,052	\$ 1,371,053	\$ 1
State Sources	3,548,068	3,701,415	3,762,393	60,978
Federal Sources	67,000	69,032	82,579	13,547
Charges for Services	40,000	34,420	35,883	1,463
Earnings on Invested Cash	2,500	18,055	18,381	326
Total Revenues Received	<u>\$ 5,041,812</u>	<u>\$ 5,193,974</u>	<u>\$ 5,270,289</u>	<u>\$ 76,315</u>
EXPENDITURES DISBURSED:				
Supporting Services	\$ 5,835,487	\$ 6,321,710	\$ 6,317,255	\$ 4,455
Total Expenditures Disbursed	<u>\$ 5,835,487</u>	<u>\$ 6,321,710</u>	<u>\$ 6,317,255</u>	<u>\$ 4,455</u>
EXCESS (DEFICIENCY) OF REVENUES RECEIVED (UNDER) EXPENDITURES DISBURSED	<u>\$ (793,675)</u>	<u>\$ (1,127,736)</u>	<u>\$ (1,046,966)</u>	<u>\$ 80,770</u>
OTHER FINANCING SOURCES (USES):				
Permanent Transfers, Net	\$ 0	\$ 1,200,000	\$ 1,200,000	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>	<u>\$ 0</u>
NET CHANGE IN FUND BALANCES	<u>\$ (793,675)</u>	<u>\$ 72,264</u>	\$ 153,034	<u>\$ 80,770</u>
FUND BALANCE, BEGINNING OF YEAR			<u>218,614</u>	
FUND BALANCE, END OF YEAR			<u>\$ 371,648</u>	

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>CAPITAL PROJECTS FUND</u>			
	<u>ORIGINAL BUDGET AMOUNTS</u>	<u>FINAL BUDGET AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES RECEIVED:				
Earnings on Invested Cash	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues Received	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
EXPENDITURES DISBURSED:				
Supporting Services	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures Disbursed	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
NET CHANGE IN FUND BALANCES	<u>\$ 0</u>	<u>\$ 0</u>	\$ 0	<u>\$ 0</u>
FUND BALANCE, BEGINNING OF YEAR			<u>0</u>	
FUND BALANCE, END OF YEAR			<u>\$ 0</u>	

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

FIRE PREVENTION AND SAFETY FUND

	<u>ORIGINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>FINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET</u>
REVENUES RECEIVED:				
Local Sources	\$ 354,061	\$ 342,763	\$ 342,764	\$ 1
Earnings on Invested Cash		13,316	14,884	1,568
Total Revenues Received	<u>\$ 354,061</u>	<u>\$ 356,079</u>	<u>\$ 357,648</u>	<u>\$ 1,569</u>
EXPENDITURES DISBURSED:				
Supporting Services	\$ 300,000	\$ 789,650	\$ 760,745	\$ 28,905
Total Expenditures Disbursed	<u>\$ 300,000</u>	<u>\$ 789,650</u>	<u>\$ 760,745</u>	<u>\$ 28,905</u>
NET CHANGE IN FUND BALANCES	<u>\$ 54,061</u>	<u>\$ (433,571)</u>	\$ (403,097)	<u>\$ (27,336)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>1,125,343</u>	
FUND BALANCE, END OF YEAR			<u>\$ 722,246</u>	

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>DEBT SERVICE FUND</u>			
	<u>ORIGINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>FINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET</u>
REVENUES RECEIVED:				
Local Sources	\$ 8,557,932	\$ 8,458,976	\$ 8,459,327	\$ 351
Federal Sources	440,000	444,314	444,314	0
Earnings on Invested Cash		45,439	44,981	(458)
Total Revenues Received	<u>\$ 8,997,932</u>	<u>\$ 8,948,729</u>	<u>\$ 8,948,622</u>	<u>\$ (107)</u>
EXPENDITURES DISBURSED:				
Debt Services	<u>\$ 8,533,629</u>	<u>\$ 9,798,046</u>	<u>\$ 10,005,992</u>	<u>\$ (207,946)</u>
Total Expenditures Disbursed	<u>\$ 8,533,629</u>	<u>\$ 9,798,046</u>	<u>\$ 10,005,992</u>	<u>\$ (207,946)</u>
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	<u>\$ 464,303</u>	<u>\$ (849,317)</u>	<u>\$ (1,057,370)</u>	<u>\$ (208,053)</u>
OTHER FINANCING SOURCES (USES):				
Permanent Transfers, Net	\$ 864,100	\$ 787,878	\$ 1,087,876	\$ 299,998
Lease Purchase Agreement Proceeds			207,980	207,980
Total Other Financing Sources	<u>\$ 864,100</u>	<u>\$ 787,878</u>	<u>\$ 1,295,856</u>	<u>\$ 507,978</u>
NET CHANGE IN FUND BALANCES	<u>\$ 1,328,403</u>	<u>\$ (61,439)</u>	<u>\$ 238,486</u>	<u>\$ 299,925</u>
FUND BALANCE, BEGINNING OF YEAR			<u>(162,560)</u>	
FUND BALANCE, END OF YEAR			<u>\$ 75,926</u>	

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO THE BUDGETARY AND ACTUAL SCHEDULES  
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

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

1. Prior to May 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. This budget is prepared on the cash basis of accounting. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at a public meeting to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education. The Board may amend the budget by the same procedure used in the initial adoption.
5. Budgeted amounts are as originally adopted on September 18, 2018, and as amended by the Board of Education on June 25, 2019.

NOTE 2. EXPENDITURES OVER BUDGET

The following fund had expenditures over budget for the year ended June 30, 2019:

General Fund	\$ 544,875
Debt Service	207,946

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
 COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCES  
 MODIFIED CASH BASIS  
 GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	EDUCATIONAL FUND	OPERATIONS AND MAINTENANCE FUND	WORKING CASH FUND	TORT FUND	TOTALS
<u>ASSETS</u>					
Cash and Invested Cash	\$ 2,737,408	\$ 2,744,279	\$ 4,533,729	\$ 685,795	\$ 10,701,211
Loans to Other Funds		3,850,000			3,850,000
TOTAL ASSETS	<u>\$ 2,737,408</u>	<u>\$ 6,594,279</u>	<u>\$ 4,533,729</u>	<u>\$ 685,795</u>	<u>\$ 14,551,211</u>
<u>LIABILITIES</u>					
Loans from Other Funds	\$ 3,850,000				\$ 3,850,000
Total Liabilities	<u>\$ 3,850,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,850,000</u>
<u>FUND BALANCES</u>					
Restricted	\$ 3,518,289			\$ 645,199	\$ 4,163,488
Committed	4,646,657				4,646,657
Assigned				40,596	40,596
Unassigned	(9,277,538)	\$ 6,594,279	\$ 4,533,729		1,850,470
Total Fund Balances (Deficit)	<u>\$ (1,112,592)</u>	<u>\$ 6,594,279</u>	<u>\$ 4,533,729</u>	<u>\$ 685,795</u>	<u>\$ 10,701,211</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,737,408</u>	<u>\$ 6,594,279</u>	<u>\$ 4,533,729</u>	<u>\$ 685,795</u>	<u>\$ 14,551,211</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2019

	<u>EDUCATIONAL</u> <u>FUND</u>	<u>OPERATIONS AND</u> <u>MAINTENANCE</u> <u>FUND</u>	<u>WORKING</u> <u>CASH</u> <u>FUND</u>	<u>TORT</u> <u>FUND</u>	<u>TOTALS</u>
REVENUES RECEIVED:					
Local Sources	\$ 20,711,140	\$ 4,172,676	\$ 342,763	\$ 3,580,516	\$ 28,807,095
State Sources	24,180,809				24,180,809
Federal Sources	9,332,157				9,332,157
Earnings on Invested Cash	118,439	58,958	53,856	30,010	261,263
Total Revenues Received	<u>\$ 54,342,545</u>	<u>\$ 4,231,634</u>	<u>\$ 396,619</u>	<u>\$ 3,610,526</u>	<u>\$ 62,581,324</u>
EXPENDITURES DISBURSED:					
Instruction	\$ 36,020,165				\$ 36,020,165
Supporting Services	15,105,762	\$ 2,771,773		\$ 3,307,109	21,184,644
Community Services	1,591,474				1,591,474
Nonprogrammed Charges	52,448				52,448
Total Expenditures Disbursed	<u>\$ 52,769,849</u>	<u>\$ 2,771,773</u>	<u>\$ 0</u>	<u>\$ 3,307,109</u>	<u>\$ 58,848,731</u>
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	<u>\$ 1,572,696</u>	<u>\$ 1,459,861</u>	<u>\$ 396,619</u>	<u>\$ 303,417</u>	<u>\$ 3,732,593</u>
OTHER FINANCING SOURCES (USES):					
Permanent Transfers, Net		\$ (787,876)	\$ (1,500,000)		\$ (2,287,876)
Lease Purchase Agreement Proceeds	\$ 1,165,249				1,165,249
Receipts for State "On-Behalf" Payments	21,457,119				21,457,119
Disbursements for State "On-Behalf"	(21,457,119)				(21,457,119)
Total Other Financing Sources (Uses)	<u>\$ 1,165,249</u>	<u>\$ (787,876)</u>	<u>\$ (1,500,000)</u>	<u>\$ 0</u>	<u>\$ (1,122,627)</u>
NET CHANGE IN FUND BALANCES	\$ 2,737,945	\$ 671,985	\$ (1,103,381)	\$ 303,417	\$ 2,609,966
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>(3,850,537)</u>	<u>5,922,294</u>	<u>5,637,110</u>	<u>382,378</u>	<u>8,091,245</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u><u>\$ (1,112,592)</u></u>	<u><u>\$ 6,594,279</u></u>	<u><u>\$ 4,533,729</u></u>	<u><u>\$ 685,795</u></u>	<u><u>\$ 10,701,211</u></u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
ASSESSED VALUATIONS, TAX RATES, EXTENSIONS AND COLLECTIONS  
FOR THE YEAR ENDED JUNE 30, 2019

TAX RATES

<u>LEVY</u> <u>YEAR</u>	<u>ASSESSED</u> <u>VALUATIONS</u>	<u>EDUCA-</u> <u>TIONAL</u>	<u>OPERATIONS</u>	<u>BOND</u>	<u>TRANSPOR-</u> <u>TATION</u>	<u>MUNICIPAL</u>	<u>WORKING</u> <u>CASH</u>	<u>LIABILITY</u> <u>INSURANCE</u>	<u>SOCIAL</u> <u>SECURITY</u>	<u>SPECIAL</u>	<u>FIRE PRE-</u>	<u>FACILITIES</u> <u>LEASING</u>	<u>TOTAL</u>
			<u>AND</u> <u>MAIN-</u> <u>TENANCE</u>	<u>AND</u> <u>INTEREST</u>		<u>RETIRE-</u> <u>MENT</u>				<u>EDUCA-</u> <u>TION</u>	<u>AND</u> <u>SAFETY</u>		
2009	755,657,858	2.1500	.5250	.5943	.2000	.0926	.0500	.2595	.0550	.0400	.0500	.0500	4.0664
2010	742,239,079	2.1500	.5250	.6250	.2000	.1010	.0500	.2883	.0494	.0400	.0500	.0500	4.1287
2011	732,483,600	2.1500	.5250	.6606	.2000	.0568	.0500	.2921	.0956	.0400	.0500	.0500	4.1701
2012	713,376,343	2.1500	.5250	.7101	.2000	.1402	.0500	.3210	.0351	.0400	.0500	.0500	4.2714
2013	687,923,831	2.1500	.5250	.7671	.2000	.1309	.0500	.3328	.0727	.0400	.0500	.0500	4.3685
2014	681,777,386	2.1500	.5250	1.1532	.2000	.1196	.0500	.3359	.1196	.0400	.0500	.0500	4.7933
2015	679,767,716	2.1500	.5250	1.1179	.2000	.1347	.0500	.4104	.1347	.0400	.0500	.0500	4.8627
2016	693,894,205	2.1500	.5250	1.0807	.2000	.1319	.0500	.4165	.1319	.0400	.0500	.0500	4.8260
2017	692,205,473	2.1500	.5250	1.2334	.2000	.1005	.0500	.5223	.1640	.0400	.0500	.0500	5.0852
2018	708,851,133	2.0984	.5124	1.4484	.1952	.0981	.0488	.5098	.1601	.0391	.0488	.0488	5.2079

TAX EXTENSIONS

2009	16,239,839	3,965,543	4,488,994	1,510,682	699,446	377,671	1,960,110	415,438	302,137	377,671	377,670	30,715,201
2010	15,957,004	3,896,477	4,638,664	1,484,372	749,608	371,093	2,139,723	366,640	296,874	371,093	371,093	30,642,641
2011	15,748,397	3,845,539	4,839,051	1,464,967	416,050	366,242	2,139,585	700,254	292,993	366,242	366,242	30,545,562
2012	15,337,591	3,745,226	5,065,685	1,426,753	1,000,153	356,688	2,289,938	250,395	285,351	356,688	356,688	30,471,156
2013	14,790,362	3,611,600	5,278,547	1,375,848	900,011	343,962	2,289,411	500,052	275,170	343,962	343,962	30,052,887
2014	14,658,214	3,579,331	7,862,256	1,363,555	815,405	340,889	2,290,090	815,405	272,711	340,889	340,889	32,679,634
2015	14,614,954	3,568,768	7,599,096	1,359,530	915,644	339,883	2,789,757	915,644	271,906	339,883	339,883	33,054,948
2016	14,910,819	3,641,014	7,494,941	1,387,053	914,761	346,763	2,888,538	914,761	277,411	346,763	346,763	33,469,587
2017	14,874,171	3,632,065	8,532,931	1,383,644	695,281	345,911	3,613,386	1,134,588	276,729	345,911	345,911	35,180,528
2018	14,866,358	3,630,157	10,261,358	1,382,917	695,001	345,729	3,611,737	1,134,247	277,009	345,729	345,729	36,895,971

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
ASSESSED VALUATIONS, TAX RATES, EXTENSIONS AND COLLECTIONS  
FOR THE YEAR ENDED JUNE 30, 2019

	TAX COLLECTIONS		
	<u>TOTAL</u> <u>EXTENSIONS</u>	<u>TOTAL</u> <u>COLLECTIONS*</u>	<u>PERCENT</u> <u>COLLECTED</u>
2009	\$ 30,715,201	\$ 29,679,707	96.63
2010	30,642,641	30,400,418	99.21
2011	30,545,562	30,343,353	99.34
2012	30,471,156	30,291,120	99.41
2013	30,052,887	30,168,229	100.38
2014	32,679,634	29,836,038	91.30
2015	33,054,948	32,386,798	97.98
2016	33,469,587	32,768,539	97.91
2017	35,180,528	34,836,403	99.02
2018	36,895,971	0	0.00

\*Does not include Mobile Home Privilege Tax.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
STUDENT ACTIVITY FUNDS - ALL FUNDS  
SUMMARY SCHEDULE OF CASH RECEIVED AND CASH DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2018</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2019</u>
Alton High School Activity Funds	\$ 326,647	\$ 706,980	\$ 684,785	\$ 348,842
Alton Middle School Activity Funds	113,399	268,907	251,705	130,601
Elementary and Special Schools				
Activity Funds	157,126	283,915	245,715	195,326
Hagen Scholarship	66,916	1,433	1,300	67,049
Chapter I Activity Fund	115	40		155
Administrative Convenience Funds	452	110	354	208
Students in Need Fund	0	6,144	3,369	2,775
J.B. Johnson Scholarship Fund	3,220	67		3,287
Overath Scholarship Fund	42,506	7,965	6,000	44,471
Linda Bruns Memorial Scholarship	20,505	424		20,929
Francie McLaughlin Scholarship	2,165	1		2,166
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 733,051</u>	<u>\$ 1,275,986</u>	<u>\$ 1,193,228</u>	<u>\$ 815,809</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
ALTON HIGH SCHOOL ACTIVITY FUNDS  
SCHEDULE OF CASH RECEIVED AND CASH DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2018</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2019</u>
A-Steppers	\$ 325	\$ 1,478	\$ 1,740	\$ 63
AHS Candy	4,521	9,067	9,069	4,519
AHS Business	97	1		98
AHS Administrative Fund	375	365	226	514
Academy Promo	154	1,604	1,203	555
Advance Placement Test Fees	3,199	9,972	10,761	2,410
Agenda Book Fee	2,329	25		2,354
Alton High Pepsi Fund	7,871	20,620	18,865	9,626
Animation Club	96	1		97
Architectural Drafting	92	1,452		1,544
Art Club	3,200	1,676	1,031	3,845
Athletic Program Fund	7,339	7,307	13,338	1,308
Band Fund	604	8,839	8,681	762
Bank Handling Charge	1,051	4,277	3,823	1,505
Baseball Fund	10,987	53,703	53,114	11,576
Biology Club	1,637	15,812	14,598	2,851
Bounds Scholarship	4,178	44	129	4,093
Boys Tennis	522	3,569	1,441	2,650
Boys Tip-Off Classic	3,906	22,781	22,284	4,403
Boys Soccer	5,520	5,988	8,055	3,453
Boys Track	57	1,350	675	732
BT 816	798	2,506	2,015	1,289
Business Ownership	186	2		188
Cheerleaders Club	1,624	32,707	29,450	4,881
Chemistry Club	2,488	282	29	2,741
Chess Club	67	1		68
Chorus Fund	1,453	7,888	7,220	2,121
Coaches Fundraiser	127	1		128
Commercial Art	5,727	11,940	10,862	6,805
Conservatory of Music	1,530	20,519	21,032	1,017
Cross Country	4,457	2,126	1,865	4,718
Counseling Office Candy (COC)	6,070	1,841	1,883	6,028
Curvey Math	151	2		153
Diversity Awareness	334	4		338
Ecology/Science	260	469	600	129
English Department	6,520	108	413	6,215
YELL	144	2		146
Interest Fund	0	3,795	3,795	0
RB Spirit Scholarship	13,640	143	1,000	12,783
Without Divide	319	3		322
Ping Pong Club	24			24

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
ALTON HIGH SCHOOL ACTIVITY FUNDS  
SCHEDULE OF CASH RECEIVED AND CASH DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2018</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2019</u>
Faculty Flower Fund	\$ 91	\$ 1		\$ 92
Fellowship - Christian Athletes	1,610	16	\$ 239	1,387
FFA	1,674	7,823	8,660	837
FHA/FCCLA	3,154	24,290	24,626	2,818
Football Soda	1,116	6,898	7,814	200
French Club	639	708	640	707
German Club	2,668	1,292	1,465	2,495
German Club (Special)	3,538	34,126	36,856	808
Girls Soccer	2,515	3,733	1,370	4,878
Girls Softball Club	2,870	3,091	2,697	3,264
Girls Tennis	424	6,616	5,899	1,141
Girls Tip-Off Classic	3,695	5,158	2,939	5,914
Girls Track Fund	149	3,435	2,725	859
Golf (Boy's)	1,359	7,018	5,064	3,313
Golf (Girl's)	1,123	4,186	1,487	3,822
Gospel Choir	243	21	198	66
Gym Pepsi Fund	1,924	3,945	4,631	1,238
HOSA	19			19
IEA Score	20	627	381	266
IL 981 ROTC	5,003	19,813	21,755	3,061
Industrial Arts	254	7,948	8,037	165
FBLA (Interact)	44	848	846	46
JB Johnson Activity Fund	211	2,624	2,544	291
L&L Grant	733	2,050	2,779	4
Library	3,029	2,487	1,109	4,407
Lifesavers	1,019	11		1,030
Linda Bruns Scholarship	1,060	1,021	500	1,581
Jan Polk Memorial Scholarship	1,291	2,317	982	2,626
Math Scholarship	669	3,535	1,605	2,599
Math Team	3,584	2,395	2,912	3,067
Memorial Fund	806	9	250	565
Minority Excellence	1,444	9	1,231	222
Musical Equipment	509	5		514
National Honor Society	410	5,556	5,743	223
NEA Foundation	123	2,411	1,255	1,279
Ned Nilsson Scholarship Fund	9,827	1,207	500	10,534
Orchestra Fund	730	1,720	2,031	419
PBIS	1,043	10	296	757
Bowling/Billiards	11,442	3,728	1,620	13,550
Pepsi Rebate	6,106	19,917	19,983	6,040
P.E. Candy/Soda	77	1		78
P.E. Uniforms	1,610	6,962	4,125	4,447

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
ALTON HIGH SCHOOL ACTIVITY FUNDS  
SCHEDULE OF CASH RECEIVED AND CASH DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2018</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2019</u>
Photography Club	\$ 616	\$ 2,435	\$ 1,950	\$ 1,101
Pom-Pom Girls	699	2,108	2,802	5
Pottery Club/Art	92	1,968	1,729	331
Pre-Work Program	32	2,469	1,105	1,396
PRISM	571	6		577
Principal's Activity Fund	2,050	7,407	5,617	3,840
Culinary Arts	2,310	2,851	1,887	3,274
Redbird Bowling	1,695	8,781	7,858	2,618
Redbird Broadcasting	319	42	264	97
Redbird Mission	1,915	21		1,936
Redbird Nest	13,420	12,940	7,315	19,045
Redbird Store	26,025	59,004	64,682	20,347
Redbird Word	458	1,775	1,600	633
Robotics	3,922	7,425	2,723	8,624
River Watchers Science Club	1,271	271	938	604
Scholar Bowl	733	1,796	1,733	796
Science Department	867	8	227	648
Scott's Welding	142	1,415		1,557
Social Studies Club	4,267	47		4,314
Spanish Club	398	4		402
Spanish Video Fund	173	56	27	202
Special Ed Scholarship	145	2		147
Stage Productions	6,057	8,644	7,012	7,689
Miscellaneous - 618 Boys	611	164		775
Student Council	26,759	58,561	61,281	24,039
Student Fund	9,684	24,497	17,613	16,568
Success Scholarship	14	2,624	1,811	827
Summer Scholarship	484	5		489
Tattler	19,762	24,756	29,875	14,643
Thespians	48	6,933	6,158	823
VCR/English	1,049	591	530	1,110
Vocational Welding	1,635	2,021	1,781	1,875
Volleyball	6,373	5,521	10,948	946
Wellness	415	5		420
Wrestling	256	1,262	1,336	182
W.Y.S.E. (Physics)	6,030	4,725	6,992	3,763
Young Adult Class	141	2		143
Petty Cash	1,375			1,375
Total	<u>\$ 326,647</u>	<u>\$ 706,980</u>	<u>\$ 684,785</u>	<u>\$ 348,842</u>

Cash Balance Consists of:

Checking Account	\$ 338,037
Certificates of Deposit	9,430
Petty Cash	1,375
Total	<u>\$ 348,842</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
ALTON MIDDLE SCHOOL ACTIVITY FUNDS  
SCHEDULE OF CASH RECEIVED AND CASH DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2018</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2019</u>
Athletic Fund	\$ 26,979	\$ 54,616	\$ 46,020	\$ 35,575
Band Festival	32	576	576	32
Track Account	1,404	32,805	27,800	6,409
Black History Month	257	1,193	949	501
Boxtops	3	131	131	3
Cheerleader Fund	3,601	22,425	16,170	9,856
Chorus Fund	2,231	10,568	9,081	3,718
Eagles Nest House Account	5,618	7,516	9,833	3,301
Employee Soda Fund	5,454	10,711	10,089	6,076
Fields Summit Account	8,182	12,196	11,844	8,534
GEMS Grant		1,005	984	21
Honors	2,167	4		2,171
Illinois House Account	1,482	5,249	6,294	437
Library Club	2,916	4,807	5,893	1,830
Lighthouse Account	6,911	12,792	13,693	6,010
Mississippi House Account	1,241	2,261	2,551	951
National Junior Honor Society	7,228	8,905	7,438	8,695
Orchestra	140	2,686	2,710	116
PBIS Universal	135		70	65
Piasa House Account	5,685	2,209	3,622	4,272
Peer Leadership	474	1	184	291
School Store	492	101	143	450
Student Council	725	2,888	2,093	1,520
Student of the Month	175	275	450	0
Theatre	1,721	30,881	29,188	3,414
Unified Arts	5,396	1,625	1,697	5,324
Walmart Grant	582	1		583
Yearbook	2,616	2,423	3,916	1,123
Home Grown	1,712	33	1,199	546
Ceramic Tile Murals	9		9	0
Artist Are Inventors	0	350	183	167
Target Field Trip Grant	0	738	510	228
AEF Grant - Miller	4	4	8	0
Girls on the Rise	913	2		915
PTG	13,994	21,958	26,228	9,724
Junior Redbird Word	78			78
Bio Swale Grant	12		12	0
Gentlemen's Club	62			62
Science Olympiad	45	675	709	11
Recycle Green Team	204	100	204	100
AMS Baseball- B. Huff	1,342	10,189	8,445	3,086
Mannie Jackson Grant	1,177	4,008	779	4,406
Total	<u>\$ 113,399</u>	<u>\$ 268,907</u>	<u>\$ 251,705</u>	<u>\$ 130,601</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
ELEMENTARY AND SPECIAL SCHOOLS ACTIVITY FUNDS  
SCHEDULE OF CASH RECEIVED AND CASH DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2018</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2019</u>
East Elementary	\$ 3,872	\$ 13,983	\$ 11,504	\$ 6,351
Eunice Smith	15,351	64,919	56,678	23,592
Gilson Brown	41,894	59,806	57,853	43,847
J.B. Johnson - Early Activity	18,815	3,412	2,752	19,475
James Center	2,767	3,331	955	5,143
Lewis and Clark	48,332	86,063	72,379	62,016
Lovejoy	2,196	20,401	10,382	12,215
Motivational Achievement - MAC	2,792	440	519	2,713
North Elementary	10,106	22,080	19,593	12,593
West Elementary	11,001	9,480	13,100	7,381
Total	<u>\$ 157,126</u>	<u>\$ 283,915</u>	<u>\$ 245,715</u>	<u>\$ 195,326</u>

SCHEDULE "13"

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11

BONDED DEBT DATA

JUNE 30, 2019

<u>DESCRIPTION</u>	<u>INTEREST RATES</u>	<u>INTEREST DATES</u>	<u>AMOUNT ORIGINALLY ISSUED</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2018</u>	<u>AMOUNT ISSUED THIS FISCAL YEAR</u>	<u>AMOUNT PAID OR RETIRED THIS FISCAL YEAR</u>	<u>AMOUNT OUTSTANDING AT JUNE 30, 2019</u>		<u>TOTAL</u>
							<u>PAYABLE IN NEXT FISCAL YEAR</u>	<u>PAYABLE IN SUBSEQUENT FISCAL YEARS</u>	
2002 G.O. Bonds	1.75%-5.00%	6/1 & 12/1	\$ 31,740,676	\$ 6,570,266		\$ 633,157	\$ 1,068,436	\$ 4,868,673	\$ 5,937,109
2005 G.O. Bonds	2.625%-5.02%	5/1 & 11/1	8,295,434	4,475,433				4,475,433	4,475,433
2006 G.O. Bonds	3.82%-4.37%	6/1 & 12/1	1,715,000	400,000		400,000		0	0
2011 G.O. QZAB Bonds	5.50%-5.625%	6/1 & 12/1	7,685,000	7,685,000				7,685,000	7,685,000
2012A G.O. Bonds	3.00%	6/1 & 12/1	2,130,000	2,130,000				2,130,000	2,130,000
2012B G.O. QZAB Bonds	3.85%	6/1 & 12/1	2,185,000	2,185,000				2,185,000	2,185,000
2014 G.O. Bonds	3.24%	6/1 & 12/1	2,071,000	1,702,000		131,000	135,000	1,436,000	1,571,000
2014 G.O. Working Cash Bonds	0.80%-2.50%	6/1 & 12/1	11,000,000	4,420,000		2,025,000	2,395,000	0	2,395,000
2015 G.O. QZAB Bonds	2.40%	6/1 & 12/1	4,375,000	4,290,000		85,000	90,000	4,115,000	4,205,000
2016A G.O. Bonds	1.05%-2.30%	6/1 & 12/1	8,700,000	1,105,000				1,105,000	1,105,000
2016B G.O. Bonds	4.00%	6/1 & 12/1	7,345,000	7,345,000				7,345,000	7,345,000
2017 G.O. HLS Bonds	5.00%	3/1 & 9/1	3,325,000	3,325,000				3,325,000	3,325,000
2017A G.O. Working Cash Bonds	2.40%-2.90%	3/1 & 9/1	10,000,000	10,000,000		3,215,000	3,350,000	3,435,000	6,785,000
2017B G.O. Refunding Bonds	3.50%-4.00%	3/1 & 9/1	5,420,000	5,420,000				5,420,000	5,420,000
Totals			<u>\$ 105,987,110</u>	<u>\$ 61,052,699</u>	<u>\$ 0</u>	<u>\$ 6,489,157</u>	<u>\$ 7,038,436</u>	<u>\$ 47,525,106</u>	<u>\$ 54,563,542</u>

LEGAL DEBT MARGIN

Assessed Valuation

\$ 708,851,133

Debt Limit, 13.8% of

Assessed Value

\$ 97,821,456

Less, Bonded Indebtedness

54,563,542

Less, Lease Purchase Agreements

1,801,562

Legal Debt Margin

\$ 41,456,352

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

DISTRICT/JOINT AGREEMENT NAME <b>ALTON COMMUNITY UNIT SCHOOL DIST</b>	RCDT NUMBER <b>41-057-0110-26</b>	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER <b>066.005101</b>	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable)		NAME AND ADDRESS OF AUDIT FIRM <b>SCHEFFEL BOYLE 322 STATE STREET ALTON</b>	
ADDRESS OF AUDITED ENTITY <i>(Street and/or P.O. Box, City, State, Zip Code)</i>  <b>550 LANDMARKS BLVD ALTON</b>		E-MAIL ADDRESS: <b>steve.pembrook@scheffelboyle.com</b>	
62002		NAME OF AUDIT SUPERVISOR <b>STEVEN C. PEMBROOK</b>	
		CPA FIRM TELEPHONE NUMBER <b>618-465-4288</b>	FAX NUMBER <b>618-462-3818</b>

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

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

**THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:**

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



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON  
October 3, 2019

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

To the Board of Education  
Alton Community Unit School District No. 11  
Alton, Illinois

**Report on Compliance for Each Major Federal Program**

We have audited the Alton Community Unit School District No. 11's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Alton Community Unit School District No. 11's major federal programs for the year ended June 30, 2019. Alton Community Unit School District No. 11's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Alton Community Unit School District No. 11's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Alton Community Unit School District No. 11's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Alton Community Unit School District No. 11's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Alton Community Unit School District No. 11 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.



## Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019-003, 2019-004, 2019-005, 2019-006, 2019-007, and 2019-008. Our opinion on each major federal program is not modified with respect to these matters. In addition, during our audit process we became aware of one single audit finding from the regulatory agency, "Federal and State Monitoring," on a federal program that we did not audit as major in the current year. Federal and State Monitoring had a finding on the 2017-2018 Title IV – 21<sup>st</sup> Century Community Learning Centers federal program with zero questioned costs.

Alton Community Unit School District No. 11's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Alton Community Unit School District No. 11's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.


## Report on Internal Control Over Compliance

The management of Alton Community Unit School District No. 11 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Alton Community Unit School District No. 11's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Alton Community Unit School District No. 11's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2019-003, 2019-004, 2019-005, 2019-006, 2019-007, and 2019-008 that we consider to be significant deficiencies.

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

  
Alton, Illinois

**ALTON COMMUNITY UNIT SCHOOL DISTRICT #11**  
**41-057-0110-26**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2019**

Federal Grantor/Pass-Through Grantor  Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project #  (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget  (I)
			Year 7/1/17-6/30/18 (C)	Year 7/1/18-6/30/19 (D)	Year 7/1/17-6/30/18 (E)	Year 7/1/17-6/30/18 Pass through to Subrecipients	Year 7/1/18-6/30/19 (F)	Year 7/1/18-6/30/19 Pass through to Subrecipients			
US DEPARTMENT OF EDUCATION - PASS THROUGH ILLINOIS STATE BOARD OF EDUCATION										0	
IMPACT AID	84.041	19-4001-00		10,310			10,310			10,310	N/A
										0	
TITLE 1 - LOW INCOME (M)	84.010	18-4300-00	1,589,914	570,663	1,874,649		285,928			2,160,577	2,540,608
TITLE 1 - LOW INCOME (M)	84.010	19-4300-00		1,520,732			1,871,196		258,428	2,129,624	3,160,848
SUBTOTAL TITLE 1 - LOW INCOME (M)			1,589,914	2,091,395	1,874,649		2,157,124		258,428	4,290,201	5,701,456
										0	
TITLE 1 - LOW INCOME - NEGLECTED PRIV	84.013	18-4305-00	8,974	2,423	11,144		253			11,397	12,407
TITLE 1 - LOW INCOME - NEGLECTED PRIV	84.013	19-4305-00		5,060			10,374			10,374	11,380
SUBTOTAL TITLE 1 - LOW INCOME - NEGL PRIV			8,974	7,483	11,144		10,627			21,771	23,787
										0	
TITLE 1 - SCHOOL IMPROVEMENT & ACCOUNTABILITY	84.377	19-4331-00		3,919			12,948			12,948	109,809
										0	
TITLE IV - 21ST CENTURY COMMUNITY LEARNING	84.287	18-4421-12	0	254,361	227,859		26,502			254,361	258,005
TITLE IV - 21ST CENTURY COMMUNITY LEARNING	84.287	19-4421-12		189,017			251,701		6,304	258,005	258,005
SUBTOTAL TITLE IV - 21ST CENT COMM LEARN			0	443,378	227,859		278,203		6,304	512,366	516,010
										0	

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

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

accompanying notes are an integral part of this schedule.

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

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

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

The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees

ALTON COMMUNITY UNIT SCHOOL DISTRICT #11  
41-057-0110-26  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ending June 30, 2019

Federal Grantor/Pass-Through Grantor  Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project #  (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/17-6/30/18 (C)	Year 7/1/18-6/30/19 (D)	Year 7/1/17-6/30/18 (E)	Year 7/1/17-6/30/18 Pass through to Subrecipients	Year 7/1/18-6/30/19 (F)	Year 7/1/18-6/30/19 Pass through to Subrecipients			
ILLINOIS DEPARTMENT OF EDUCATION - PASS THROUGH ILLINOIS STATE BOARD OF EDUCATION (CONT'D)										0	
FEDERAL SP. ED. - PRESCHOOL FLOW THROUGH (M)	84.173	18-4600-00	41,893	19,941	56,943		4,891			61,834	81,572
FEDERAL SP. ED. - PRESCHOOL FLOW THROUGH (M)	84.173	19-4600-00		142,402			154,361		1,700	156,061	156,200
SUBTOTAL FEDERAL SP.ED. - PRESCHOOL FLOW THROUGH (M)			41,893	162,343	56,943		159,252		1,700	217,895	237,772
										0	
FEDERAL SP. ED. - IDEA FLOW THROUGH (M)	84.027	18-4620-00	974,906	445,488	1,366,108		54,286			1,420,394	2,106,757
FEDERAL SP. ED. - IDEA FLOW THROUGH (M)	84.027	19-4620-00		1,837,508			1,927,769		46,013	1,973,782	2,076,080
SUBTOTAL FEDERAL SP.ED. - IDEA FLOW THROUGH (M)			974,906	2,282,996	1,366,108		1,982,055		46,013	3,394,176	4,182,837
										0	
FEDERAL SP. ED. - IDEA ROOM & BOARD (M)	84.027	18-4625-00	0	683	0		0		0	0	N/A
										0	
SUBTOTAL IDEA CLUSTER (M)			1,016,799	2,446,022	1,423,051		2,141,307		47,713	3,612,071	4,420,609
										0	
										0	

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

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

accompanying notes are an integral part of this schedule.

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

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

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

The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees

**ALTON COMMUNITY UNIT SCHOOL DISTRICT #11**  
**41-057-0110-26**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2019**

Federal Grantor/Pass-Through Grantor	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/17-6/30/18 (C)	Year 7/1/18-6/30/19 (D)	Year 7/1/17-6/30/18 (E)	Year 7/1/17-6/30/18 Pass through to Subrecipients	Year 7/1/18-6/30/19 (F)	Year 7/1/18-6/30/19 Pass through to Subrecipients			
Program or Cluster Title and Major Program Designation											
IL DEPARTMENT OF EDUCATION - PASS THROUGH ILLINOIS STATE BOARD OF EDUCATION (CONT'D)										0	
TITLE II - TEACHER QUALITY	84.367	18-4932-00	197,584	77,767	234,087		41,264			275,351	353,818
TITLE II - TEACHER QUALITY	84.367	19-4932-00		239,873			271,831		65,214	337,045	437,711
SUBTOTAL TITLE II - TEACHER QUALITY			197,584	317,640	234,087		313,095		65,214	612,396	791,529
										0	
SCHOOL CLIMATE TRANSFORMATION GRANT	84.184G	S184G140133-18	172,451	38,155	210,606		0			210,606	N/A
SCHOOL CLIMATE TRANSFORMATION GRANT	84.184G	S184G140133-19		170,279			200,177			200,177	N/A
SUBTOTAL SCHOOL CLIMATE TRANSFORMATION GRANT			172,451	208,434	210,606		200,177			410,783	
										0	
TOTAL US DEPT OF EDUCATION - PASS THROUGH ILLINOIS STATE BOARD OF ED			2,985,722	5,528,581	3,981,396		5,123,791		377,659	9,482,846	11,563,200
										0	
IL DEPT OF HEALTH AND HUMAN SERV-PASS THRU IL DEPT OF HEALTHCARE & FAMILY SERV										0	
ADMINISTRATIVE OUTREACH	93.778	19-4991-00		136,370			136,370			136,370	N/A
TOTAL US DEPT OF HEALTH & HUMAN SERV-PASS THRU IL DEPT OF HEALTHCARE & FAMILY SERV				136,370			136,370			136,370	
										0	
										0	
										0	

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

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

The accompanying notes are an integral part of this schedule.

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

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

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

The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees

**ALTON COMMUNITY UNIT SCHOOL DISTRICT #11**  
**41-057-0110-26**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2019**

Federal Grantor/Pass-Through Grantor  Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project #  (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/17-6/30/18 (C)	Year 7/1/18-6/30/19 (D)	Year 7/1/17-6/30/18 Pass through to Subrecipients (E)	Year 7/1/18-6/30/19 Pass through to Subrecipients (F)	Year 7/1/18-6/30/19 Pass through to Subrecipients (F)	Year 7/1/18-6/30/19 Pass through to Subrecipients (F)			
IS DEPT OF AGRICULTURE - PASS THROUGH ILLINOIS STATE BOARD OF ED										0	
SCHOOL LUNCH COMMODITIES (NON-CASH) (M)	10.555			199,065		199,065				199,065	N/A
										0	
NATIONAL SCHOOL LUNCH PROGRAM (M)	10.555	18-4210-00	2,005,278	425,990	2,005,278	425,990				2,431,268	N/A
NATIONAL SCHOOL LUNCH PROGRAM (M)	10.555	19-4210-00		2,065,068		2,065,068				2,065,068	N/A
SUBTOTAL NATIONAL SCHOOL LUNCH PROGRAM (M)			2,005,278	2,491,058	2,005,278	2,491,058				4,496,336	
										0	
SCHOOL BREAKFAST PROGRAM (M)	10.553	18-4220-00	663,908	142,145	663,908	142,145				805,053	N/A
SCHOOL BREAKFAST PROGRAM (M)	10.553	19-4220-00		710,267		710,267				710,267	N/A
SUBTOTAL SCHOOL BREAKFAST PROGRAM (M)			663,908	852,412	663,908	852,412				1,516,320	
										0	
UMMER SCHOOL FOOD SERVICE (M)	10.559	18-4225-00	922	39,290	922	39,290				40,212	N/A
										0	
TAL US DEPT OF AGRICULTURE - PASS THROUGH INOIS STATE BOARD OF ED			2,670,108	3,581,825	2,670,108	3,581,825				6,251,933	
										0	
										0	
										0	

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

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

accompanying notes are an integral part of this schedule.

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

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

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

The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees

**ALTON COMMUNITY UNIT SCHOOL DISTRICT #11**  
**41-057-0110-26**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2019**

Federal Grantor/Pass-Through Grantor  Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project #  (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/17-6/30/18 (C)	Year 7/1/18-6/30/19 (D)	Year 7/1/17-6/30/18 Pass through to Subrecipients (E)	Year 7/1/17-6/30/18 Pass through to Subrecipients (F)	Year 7/1/18-6/30/19 Pass through to Subrecipients (G)	Year 7/1/19-6/30/19 Pass through to Subrecipients (H)			
US DEPT OF DEFENSE - PASS THROUGH ILLINOIS STATE BOARD OF ED										0	
SCHOOL LUNCH COMMODITIES (NON-CASH) - DOD (M)	10.555			22,858			22,858			22,858	N/A
TOTAL US DEPT OF AGRICULTURE - PASS THROUGH ILLINOIS STATE BOARD OF ED				22,858			22,858			22,858	
										0	
SUBTOTAL CHILD NUTRITION CLUSTER (M)			2,670,108	3,604,683	2,670,108		3,604,683			6,274,791	
										0	
US DEPT OF ED - PASS THROUGH ISBE PASS THROUGH MADISON COUNTY CAREER & TEC										0	
CARL PERKINS GRANT III	84.048	19-4770-00		85,732			85,732			85,732	N/A
TOTAL US DEPT OF ED - PASS THROUGH ISBE PASS THROUGH MAD COUNTY CAREER & TECH				85,732			85,732			85,732	
										0	
TOTALS			5,655,830	9,355,366	6,651,504		8,950,576		377,659	15,979,739	11,563,200
										0	
										0	
										0	
										0	
										0	
										0	

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

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

The accompanying notes are an integral part of this schedule.

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

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

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

The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees

**ALTON COMMUNITY UNIT SCHOOL DISTRICT #11**  
**41-057-0110-26**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)**  
**Year Ending June 30, 2019**

**Note 1: Basis of Presentation<sup>5</sup>**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Alton Community Unit School District #11 and is presented on the modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 2: Indirect Facilities & Administration costs<sup>6</sup>**

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

**Note 3: Subrecipients**

Of the federal expenditures presented in the schedule, Alton CUSD #11 provided federal awards to subrecipients as follows:

Program Title/Subrecipient Name	Federal CFDA Number	Amount Provided to Subrecipient
N/A - NO FEDERAL AWARDS WERE PROVIDED TO SUBRECIPIENTS FOR THE		
YEAR ENDED JUNE 30, 2019		

**Note 4: Non-Cash Assistance**

The following amounts were expended in the form of non-cash assistance by Alton Community Unit School District #11 and should be included in the Schedule of Expenditures of Federal Awards:

NON-CASH COMMODITIES (CFDA 10.555)**:	\$199,065	
OTHER NON-CASH ASSISTANCE - DEPT. OF DEFENSE FRUITS & VEGETABLES	\$22,858	
		<b>Total Non-Cash    \$221,923</b>

**Note 5: Other Information**

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

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

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

<sup>5</sup> This note is included to meet the Uniform Guidance requirement that the schedule include notes that describe the significant accounting policies used in preparing the schedule. (§200.510 (b)(6))

<sup>6</sup> The Uniform Guidance requires the Schedule of Expenditures of Federal Awards to note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs. §200.510-82-

**ALTON COMMUNITY UNIT SCHOOL DISTRICT #11**  
**41-057-0110-26**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2019**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

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

**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

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

**FEDERAL AWARDS**

**INTERNAL CONTROL OVER MAJOR PROGRAMS:**

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

Type of auditor's report issued on compliance for major programs: UNMODIFIED  
(Unmodified, Qualified, Adverse, Disclaimer<sup>7</sup>)

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

**IDENTIFICATION OF MAJOR PROGRAMS:<sup>8</sup>**

CFDA NUMBER(S) <sup>9</sup>	NAME OF FEDERAL PROGRAM or CLUSTER <sup>10</sup>	AMOUNT OF FEDERAL PROGRAM
84.010	TITLE 1 - LOW INCOME	2,157,124
84.173, 84.027	IDEA CLUSTER	2,141,307
	Total Amount Tested as Major	\$4,298,431

Total Federal Expenditures for 7/1/17-6/30/18 \$8,950,576

% tested as Major 48.02%

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

Auditee qualified as low-risk auditee?        YES   X   NO

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

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

<sup>9</sup> When the CFDA number is not available, include other identifying number, if applicable.

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT #11  
41-057-0110-26  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2019

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SECTION II - FINANCIAL STATEMENT FINDINGS

---

1. FINDING NUMBER:<sup>11</sup>                      2019- 001                      2. THIS FINDING IS:                      ☐ New                      ☒ Repeat from Prior Year?  
Year originally reported?                      2007

---

3. Criteria or specific requirement

The District is required to have the staff with sufficient training or expertise to complete the financial statements on the modified cash basis and all the required disclosures.

---

4. Condition

The District relies on the external audit firm to assist in the preparation of the financial statements and all required disclosures in accordance with the modified cash basis of accounting principles.

---

5. Context<sup>12</sup>

No questioned costs

---

6. Effect

Inaccurate or incomplete financial statements could be issued to the public or other third parties.

---

7. Cause

The District relies on the external audit firm to assist in the preparation of the financial statements and all required disclosures in accordance with the modified cash basis of accounting principles.

---

8. Recommendation

The District should consider the costs and benefits of hiring staff with expertise or train existing accounting staff to ensure the District's annual financial statements are prepared in accordance with the modified cash basis of accounting and all required disclosures.

---

9. Management's response<sup>13</sup>

The District maintains adequate books and records and oversees all non audit functions. The District does not believe it is cost beneficial to hire additional expertise to ensure its financial statements are prepared with the modified cash basis of accounting and include all required disclosures. The District will continue to reevaluate on an ongoing basis.

---

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

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

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT #11  
41-057-0110-26  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2019

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:<sup>11</sup>      2019- 002      2. THIS FINDING IS:      ☐ New      ☒ Repeat from Prior Year?  
Year originally reported?      2015

3. Criteria or specific requirement

The District is required to spend within its legal budgetary authority.

4. Condition

As of 6/30/2019, it was noted that the District had overexpended its approved budget in the General Fund by \$544,875 and the Debt Service Fund by \$207,946.

5. Context<sup>12</sup>

The District has six funds with a combined budget of \$76,796,302. The General Fund budget is \$58,303,856 and was over budget by \$544,875. The Debt Service Fund budget is \$9,798,046 and was over budget by \$207,946.

6. Effect

The District was not in spending compliance by overexpending its budget for the year.

7. Cause

The District made journal entries after year end that were not accounted for in the budget to record two lease purchases on its books.

8. Recommendation

The District should adopt a reasonable budget and amend the budget as necessary in order to stay compliant.

9. Management's response<sup>13</sup>

The causes are listed above and the District will make sure that all expenses are more accurately addressed in future budgets.

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

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

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT #11  
41-057-0110-26  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2019

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:<sup>14</sup> 2019- 003 2. THIS FINDING IS: ☒ New ☐ Repeat from Prior year?  
Year originally reported? \_\_\_\_\_

3. Federal Program Name and Year: IDEA Cluster 2019

4. Project No.: 19-4600-00, 19-4620-00, 18-4620-00 5. CFDA No.: 84.173 & 84.027

6. Passed Through: ILLINOIS STATE BOARD OF EDUCATION

7. Federal Agency: US DEPARTMENT OF EDUCATION

8. Criteria or specific requirement (including statutory, regulatory, or other citation)  
Reporting

9. Condition<sup>15</sup>

The District did not submit timely expenditure reports. This was also noted by Federal and State Monitoring. The Illinois State Board of Education requires that expenditure reports be submitted on a quarterly basis 20 days after the quarter ends.

10. Questioned Costs<sup>16</sup>

No questioned costs

11. Context<sup>17</sup>

Of the four project year 2019 quarterly expenditure reports required to be submitted to the Illinois State Board of Education for both Preschool and Part B Flow Through, three were not filed by the required due date of 20 days after the quarter ends. Federal and State Monitoring noted that the June 30, 2018 for project year 2018 was also filed late.

12. Effect

Late filing of expenditure reports

13. Cause

The expenditure reports were submitted to the financial director of the school district on the due dates. Discrepancies were found and the expenditure reports were returned to the grant coordinator. By the time the expenditure reports were corrected and submitted, they were late.

14. Recommendation

The grant recipient must submit timely quarterly expenditure reports to the Illinois State Board of Education.

15. Management's response<sup>18</sup>

The District will submit timely periodic expenditure reports.

<sup>14</sup> See footnote 11.

<sup>15</sup> Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).

<sup>16</sup> Identify questioned costs as required by §200.516 (a)(3 - 4).

<sup>17</sup> See footnote 12.

<sup>18</sup> To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

ALTON COMMUNITY UNIT SCHOOL DISTRICT #11  
41-057-0110-26  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2019

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:<sup>14</sup> 2019- 004 2. THIS FINDING IS: ☒ New ☐ Repeat from Prior year?  
Year originally reported? \_\_\_\_\_

3. Federal Program Name and Year: IDEA Cluster 2019

4. Project No.: 19-4600-00 & 19-4620-00 5. CFDA No.: 84.173 & 84.027

6. Passed Through: ILLINOIS STATE BOARD OF EDUCATION

7. Federal Agency: US DEPARTMENT OF EDUCATION

8. Criteria or specific requirement (including statutory, regulatory, or other citation)  
Allowable Costs/Activities Allowed

9. Condition<sup>15</sup>

There was no time and effort reporting documentation of the employees charged to the grant completed by the District.

10. Questioned Costs<sup>16</sup>

Unknown

11. Context<sup>17</sup>

Of the 20 employees tested that were charged to instruction under the grant, no time and effort reporting documentation was maintained.

12. Effect

The District failed to maintain adequate records to support the time and effort reporting documentation requirement of its employees charged to the grant.

13. Cause

The grant coordinator did not realize that this was a requirement of the grant and failed to complete the required time and effort documentation.

14. Recommendation

The District must complete the time and effort reporting documentation requirement of its employees charged to the grant.

15. Management's response<sup>18</sup>

The District will ensure that time and effort documentation is maintained for employees charged to the grant.

<sup>14</sup> See footnote 11.

<sup>15</sup> Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).

<sup>16</sup> Identify questioned costs as required by §200.516 (a)(3 - 4).

<sup>17</sup> See footnote 12.

<sup>18</sup> To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

ALTON COMMUNITY UNIT SCHOOL DISTRICT #11  
41-057-0110-26  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2019

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:<sup>14</sup> 2019- 005 2. THIS FINDING IS: ☒ New ☐ Repeat from Prior year?  
Year originally reported? \_\_\_\_\_

3. Federal Program Name and Year: FEDERAL SP. ED. - IDEA FLOW THROUGH 2019

4. Project No.: 19-4620-00 5. CFDA No.: 84.027

6. Passed Through: ILLINOIS STATE BOARD OF EDUCATION

7. Federal Agency: US DEPARTMENT OF EDUCATION

8. Criteria or specific requirement (including statutory, regulatory, or other citation)  
Allowable Costs/Activities Allowed

9. Condition<sup>15</sup>

An employee was charged to the grant that was not included in the final budget amendment of the grant.

10. Questioned Costs<sup>16</sup>

\$435.46

11. Context<sup>17</sup>

An employee was included in the original grant budget and was charged to the grant. That employee was terminated and the grant coordinator removed her from the final budget amendment of the grant.

12. Effect

The District charged an employee's salary to a grant that was not approved in the final budget amendment by the Illinois State Board of Education.

13. Cause

The employee's salary was included in the original grant budget and was charged to the grant accordingly. The employee was terminated at a later date and the grant coordinator removed the employee from the final budget amendment rather than leave her budgeted for since her salary was charged to the grant while she worked for the District.

14. Recommendation

The District must ensure that all employees charged to the grant remain in all budget amendments of the grant.

15. Management's response<sup>18</sup>

The District will ensure any charges made to the grant are also included in the grant budget for the duration of the grant year.

<sup>14</sup> See footnote 11.

<sup>15</sup> Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).

<sup>16</sup> Identify questioned costs as required by §200.516 (a)(3 - 4).

<sup>17</sup> See footnote 12.

<sup>18</sup> To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

ALTON COMMUNITY UNIT SCHOOL DISTRICT #11  
41-057-0110-26  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2019

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER: <sup>14</sup>	2019- 006	2. THIS FINDING IS:	<input checked="checked" type="checkbox"/> New	<input type="checkbox"/> Repeat from Prior year? Year originally reported? _____
3. Federal Program Name and Year:		FEDERAL SP. ED. - IDEA FLOW THROUGH 2019		
4. Project No.:	19-4620-00	5. CFDA No.:	84.027	
6. Passed Through:	ILLINOIS STATE BOARD OF EDUCATION			
7. Federal Agency:	US DEPARTMENT OF EDUCATION			
8. Criteria or specific requirement (including statutory, regulatory, or other citation) Cash Management				
9. Condition <sup>15</sup> The general ledger detail used as the basis for the disbursement request for the period 7/1/18-9/30/18 does not match the amount vouchered on 11/14/2018 for the period 7/1/18-9/30/18.				
10. Questioned Costs <sup>16</sup> \$4,066.00				
11. Context <sup>17</sup> The general ledger detail for the period of 7/1/18-9/30/18 shows total expenditures of \$131,030 which does not match the disbursement request for the period of 7/1/18-9/30/18 of \$135,096.				
12. Effect The District did not have adequate expenditures in its general ledger to support the disbursement request for the period 7/1/18-9/30/18.				
13. Cause Journal entries needed to be made to the grant for the period 7/1/18-9/30/18 were found in December totaling \$4,066. Once these journal entries were made to that period it caused the general ledger to no longer agree to the disbursement request for that period.				
14. Recommendation The District must ensure that it is reviewing the quarterly expenditure reports on a timely basis to find any journal entries needed so the general ledger will always support the expenditure report and disbursement request.				
15. Management's response <sup>18</sup> The District will review the quarterly expenditure reports and make timely journal entries to ensure the ledger supports the disbursement request.				

<sup>14</sup> See footnote 11.

<sup>15</sup> Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).

<sup>16</sup> Identify questioned costs as required by §200.516 (a)(3 - 4).

<sup>17</sup> See footnote 12.

<sup>18</sup> To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

ALTON COMMUNITY UNIT SCHOOL DISTRICT #11  
41-057-0110-26  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2019

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:<sup>14</sup> 2019- 007 2. THIS FINDING IS: ☒ New ☐ Repeat from Prior year?  
Year originally reported? \_\_\_\_\_

3. Federal Program Name and Year: FEDERAL SP. ED. - IDEA FLOW THROUGH 2018

4. Project No.: 18-4620-00 5. CFDA No.: 84.027

6. Passed Through: ILLINOIS STATE BOARD OF EDUCATION

7. Federal Agency: US DEPARTMENT OF EDUCATION

8. Criteria or specific requirement (including statutory, regulatory, or other citation)  
Allowable Costs/Activities Allowed

9. Condition<sup>15</sup>

Federal and State Monitoring noted the District claimed unapproved mileage reimbursements totaling \$457 under the Instructional Purchased Services budget cell category for travel activities performed by a staff that were unrelated to the grant.

10. Questioned Costs<sup>16</sup>

\$457.00

11. Context<sup>17</sup>

The District claimed unapproved mileage reimbursements totaling \$457 under the Instructional Purchased Services budget cell category for travel activities performed by a staff that were unrelated to the grant.

12. Effect

Expenditures were paid from the grant that were not allowable and/or did not support the program intent.

13. Cause

The grant coordinator approved the reimbursement request without ensuring this was an allowable cost in the grant.

14. Recommendation

The District should have procedures in place to ensure that all grant expenditures are allowable and support the program intent.

15. Management's response<sup>18</sup>

The District will develop and implement procedures to ensure that all grant expenditures are allowable and support the program intent.

<sup>14</sup> See footnote 11.

<sup>15</sup> Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).

<sup>16</sup> Identify questioned costs as required by §200.516 (a)(3 - 4).

<sup>17</sup> See footnote 12.

<sup>18</sup> To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

ALTON COMMUNITY UNIT SCHOOL DISTRICT #11  
41-057-0110-26  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2019

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER: <sup>14</sup>	2019- 008	2. THIS FINDING IS:	<input checked="checked" type="checkbox"/> New	<input type="checkbox"/> Repeat from Prior year? Year originally reported? _____
3. Federal Program Name and Year:		FEDERAL SP. ED. - IDEA FLOW THROUGH 2018		
4. Project No.:	18-4620-00	5. CFDA No.:	84.027	
6. Passed Through:	ILLINOIS STATE BOARD OF EDUCATION			
7. Federal Agency:	US DEPARTMENT OF EDUCATION			
8. Criteria or specific requirement (including statutory, regulatory, or other citation) Reporting				

9. Condition<sup>15</sup>  
Federal and State Monitoring noted that the District did not submit accurate expenditure reports.

10. Questioned Costs<sup>16</sup>  
\$5,155.00

11. Context<sup>17</sup>  
The District's general ledger accounts and payroll ledger used in compiling the District's August 31, 2018 final expenditure report included salaries and benefits that were for fiscal year 2019 grant year. There were also incorrect postings to the general ledger accounts for salaries, benefits, and identified expenditures.

12. Effect  
The District did not submit accurate periodic expenditure reports.

13. Cause  
The grant coordinator did not reconcile the labor distribution report prior to filing the expenditure report.

14. Recommendation  
The District should have procedures in place to ensure that all expenditure reports submitted are accurate and have been reviewed.

15. Management's response<sup>18</sup>  
The District will submit accurate periodic expenditure reports.

<sup>14</sup> See footnote 11.

<sup>15</sup> Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).

<sup>16</sup> Identify questioned costs as required by §200.516 (a)(3 - 4).

<sup>17</sup> See footnote 12.

<sup>18</sup> To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

**ALTON COMMUNITY UNIT SCHOOL DISTRICT #11**  
**41-057-0110-26**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS<sup>19</sup>**  
**Year Ending June 30, 2019**

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

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u> <sup>20</sup>
2018-001	The District relies on the external audit firm to assist in the preparation of the financial statements and all required disclosures in accordance with the modified cash basis of accounting principles.	The District believes their accounting staff maintains adequate books and records of the school's transactions and oversees all non audit functions. Additionally, the District does not believe it is cost beneficial to hire additional expertise to ensure the District's annual financial statements are prepared in accordance with the modified cash basis of accounting principles and all required disclosures. The District will continue to reevaluate on an ongoing basis.
2018-002	As of 6/30/2018, it was noted that the District had had overexpended its approved budget in the Debt Service Fund by \$6,105,830.	In the current year, this was still a finding in the Debt Service Fund as well as the General Fund.

---

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

<sup>19</sup> Explanation of this schedule - §200.511 (b)

<sup>20</sup> Current Status should include one of the following:

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

# Alton Community Unit School District #11

## Board of Education

David M. Fritz  
President

David P. Lauschke  
Vice President

Rosetta Brown  
Secretary

David Goins  
Edmond J. Gray  
Barry Macias  
Vivian Monckton  
Board Members

## Administrative Staff

Mark Cappel  
Superintendent of  
Schools

Kristie Baumgartner  
Assistant Superintendent  
for Educational Services

Mary Schell  
Director of Financial  
Services

Wendy Adams  
Director of Human  
Resources

Cathy Elliott  
Director of Special  
Education

Elaine Kane  
Coordinator of  
Instructional Services &  
Special Programs

David McClintock  
Director of Buildings  
and Grounds

Matt Derrick  
Director of Data and  
Technology Services

550 Landmarks Blvd., Suite A  
Ph: (618) 474-2600

P.O. Box 9028  
Fax: (618) 433-7830

Alton, Illinois  
62002-9028

October 3, 2019

## CORRECTIVE ACTION PLAN

Illinois State Board of Education

Alton Community Unit School District No. 11 respectfully submits the following corrective action plan for the year ended June 30, 2019.

Name and address of independent public accounting firm:

Scheffel Boyle  
322 State St.  
Alton, IL 62002

Audit Period: For the Year Ended June 30, 2019

The findings from the Schedule of Findings and Questioned Costs for the year ended June 30, 2019 are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

## FINDINGS - FINANCIAL STATEMENT AUDIT

### Significant Deficiency

2019-001

Condition: The District relies on the external audit firm to assist in the preparation of the financial statements and all required disclosures in accordance with the modified cash basis of accounting principles.

Recommendation: The District should consider the costs and benefits of hiring staff with expertise or train existing accounting staff to ensure the District's annual financial statements are prepared in accordance with the modified cash basis of accounting and all required disclosures.

Management Response: The District maintains adequate books and records and oversees all non audit functions. The District does not believe it is cost beneficial to hire additional expertise to ensure its financial statements are prepared with the modified cash basis of accounting and include all required disclosures. The District will continue to reevaluate on an ongoing basis.

Anticipated Date of Completion: Ongoing analysis

### Compliance and Other Matters

2019-002

Condition: As of 6/30/2019, it was noted that the District had overexpended its approved budget in the General Fund by \$544,875 and the Debt Service Fund by \$207,946.

Recommendation: The District should adopt a reasonable budget and amend the budget as necessary in order to stay compliant.

Management Response: Journal entries were made after the final budget had been completed. The District will make sure that all expenses are more accurately addressed in future budgets.

Anticipated Date of Completion: June 30, 2020

## **FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

### **Other Matters Required to be Reported in Accordance With Section 200.516(a)**

#### **2019-003**

Condition: The District did not submit timely expenditure reports. This was also noted by Federal and State Monitoring. The Illinois State Board of Education requires that expenditure reports be submitted on a quarterly basis 20 days after the quarter ends.

Recommendation: The District must submit timely quarterly expenditure reports to the Illinois State Board of Education.

Management Response: The District will submit timely periodic expenditure reports.

Anticipated Date of Completion: June 30, 2020

#### **2019-004**

Condition: There was no time and effort reporting documentation of the employees charged to the grant completed by the District.

Recommendation: The District must complete the time and effort reporting documentation requirement of its employees charged to the grant.

Management Response: The District will ensure that time and effort documentation is maintained for employees charged to the grant.

Anticipated Date of Completion: June 30, 2020

#### **2019-005**

Condition: An employee was charged to the grant that was not included in the final budget amendment of the grant.

Recommendation: The District must ensure that all employees charged to the grant remain in all budget amendments of the grant.

Management Response: The District will ensure any charges made to the grant are also included in the grant budget for the duration of the grant year.

Anticipated Date of Completion: June 30, 2020

#### **2019-006**

Condition: The general ledger detail used as the basis for the disbursement request for the period 7/1/18-9/30/18 does not match the amount vouchered on 11/14/2018 for the period 7/1/18-9/30/18.

Recommendation: The District must ensure that it is reviewing the quarterly expenditure reports on a timely basis to find any journal entries needed so the general ledger will always support the expenditure report and disbursement request.

Management Response: The District will review the quarterly expenditure reports and make timely journal entries to ensure the ledger supports the disbursement request.

Anticipated Date of Completion: June 30, 2020

**2019-007**

Condition: Federal and State Monitoring noted the District claimed unapproved mileage reimbursements totaling \$457 under the Instructional Purchased Services budget cell category for travel activities performed by a staff that were unrelated to the grant.

Recommendation: The District should have procedures in place to ensure that all grant expenditures are allowable and support the program intent.

Management Response: The District will develop and implement procedures to ensure that all grant expenditures are allowable and support the program intent.

Anticipated Date of Completion: June 30, 2020

**2019-008**

Condition: Federal and State Monitoring noted that the District did not submit accurate expenditure reports.

Recommendation: The District should have procedures in place to ensure that all expenditure reports submitted are accurate and have been reviewed.

Management Response: The District will submit accurate periodic expenditure reports.

Anticipated Date of Completion: June 30, 2020

If the Illinois State Board of Education has any questions regarding this plan, contact Mark Cappel at 618-474-2600.

Sincerely yours,

  
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Mark Cappel, Superintendent