

# **Decatur School District No. 61**

Decatur, Illinois

Independent Auditor's Reports and Financial Statements

As of and for the Year Ended June 30, 2018



**Decatur School District No. 61**  
**June 30, 2018**

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## Independent Auditor's Report

Board of Education  
Decatur School District No. 61  
Decatur, Illinois

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Decatur School District No. 61 (District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the District's nonmajor governmental funds, combining and individual fund financial statements as listed in the table of contents as additional audited financial information as of and for the fiscal year ended June 30, 2018.

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

Management of the District, excluding Decatur Public Schools Foundation, a discretely presented component unit, is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. This responsibility also includes determining that the modified cash basis of accounting is acceptable for the circumstances. Management of Decatur Public Schools Foundation is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United State of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express 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 of material misstatement. The financial statements of the Decatur Public Schools Foundation, a component unit included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 financial position – modified cash basis of the governmental activities, the discretely presented component unit – Macon-Piatt Special Education District, each major fund and the aggregate remaining fund information of Decatur School District No. 61 as of June 30, 2018, and the respective changes in financial position – modified cash basis, thereof for the year then ended in conformity with the basis of accounting described in the notes to the financial statements. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of each nonmajor governmental fund, combining and individual fund, of Decatur School District No. 61 as of June 30, 2018 and the respective changes in financial position – modified cash basis thereof for the year then ended in conformity with the basis of accounting described in the notes to the financial statements. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the discretely presented component unit – Decatur Public Schools Foundation as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis of Accounting***

As described in the notes to the financial statements, Decatur School District No. 61, excluding Decatur Public Schools Foundation, prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to the matter.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, including the schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information, except for the management discussion and analysis, page 6, and the statement of per capita cost and reimbursable cost for tuition, page 96, 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

The management discussion and analysis, page 6, and the statement of per capita cost and reimbursable cost for tuition, page 96, under supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated October 18, 2018 on our consideration of Decatur School District No. 61's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 Decatur School District No. 61's internal control over financial reporting and compliance.

*BKD, LLP*

Decatur, Illinois  
October 18, 2018

**Independent Auditor’s Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of the Financial Statements Performed  
in Accordance With *Government Auditing Standards***

Board of Education  
Decatur School District No. 61  
Decatur, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Decatur School District No. 61 (District), as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise its basic financial statements, and have issued our report thereon dated October 18, 2018, which included an “Emphasis of Matter” paragraph because the financial statements are prepared on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We have also audited the financial statements of each of the District’s nonmajor governmental funds presented as additional audited financial information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2018, as listed in the table of contents. The financial statements of Decatur Public Schools Foundation, a component unit included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

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

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



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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain matters that we reported to management of the District in a separate letter dated October 18, 2018.

### **Purpose of this Report**

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

*BKD, LLP*

Decatur, Illinois  
October 18, 2018

**Decatur School District No. 61**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2018**  
**(Unaudited)**

**USING THIS ANNUAL REPORT**

The Management's Discussion and Analysis (MD&A) for the School District provides an overview and analysis of the District's financial activities for the fiscal year ended June 30, 2018, on a modified cash basis, and should be read in conjunction with the audited financial statements.

***Financial Highlights***

Total net position of the District decreased from \$78.9 million in fiscal year 2017 to \$71.0 million in fiscal 2018, a decline of \$7.9 million or 10.0 percent.

Governmental activities, general revenues accounted for \$82.4 million in revenue or 79.25 percent of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$21.6 million or 20.75 percent of total revenues of \$104.0 million.

The District had \$111.8 million in expenses related to government activities. However, only \$21.6 million of these expenses were offset by program specific charges and grants.

The District issued \$2.204 million in Working Cash Bonds which are due in two annual installments in fiscal years 2019 and 2020. The District continued to pay down its long-term debt retiring \$3.72 million of bond.

The District transferred \$2.7 million of working cash to the capital projects fund to support the air conditioning expenses throughout the District.

The District is in "financial warning" status with the Illinois State Board of Education. In prior years, the District's revenues were overstated due to the early receipt and recording of property taxes.

The District continues its one-to-one initiative for student computers. The District made the last payment on its current computer lease while committing to a new four-year computer lease at the high schools beginning in fiscal year 2019.

Due to current market conditions, interest income increased 160%. However, this is still a nominal portion of the revenue stream.

Support from the State as measured in its new formula, evidence-based funding increased \$2.7 million over the prior distribution formula of general state aid. The evidence-based funding allocation includes special education, gifted, and information technology.

The Decatur Public School District No. 61 (District) annual report consists of a series of financial statements that show information for the District as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities (on pages 18 and 19) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. The fund financial statements start on page 21. For the governmental activities, these statements tell how the District financed services in the short-term as

**Decatur School District No. 61**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2018**  
**(Unaudited)**

well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide financial statements providing information about the District's most significant funds – such as the District's General Fund and Capital Projects Fund. The remaining statement, the Statement of Fiduciary Net Position on page 26 presents financial information about activities for which the District acts solely as an agent for the benefit of staff, students and parents.

External auditors have provided reasonable assurance in the independent auditor's report, located immediately preceding this Management Discussion and Analysis, that the basic financial statements are fairly stated, in all material respects, and in accordance with the modified cash basis of accounting. Varying degrees of assurance are provided by the auditors regarding the required supplementary information and the supplemental information provided. 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.

***Reporting the District as a Whole***

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

The analysis of the District as a whole begins on page 18. One of the most important questions asked about the District is, "Is the 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 District's financial statements, report information on the District as a whole and its activities in a way that helps answer this question. Statements were prepared to include all assets and liabilities, using the modified cash basis of accounting.

These two statements report the District's net position – the difference between assets and liabilities, as reported in the Statement of Net Position – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position, as reported in the Statement of Activities – are one indicator of whether its financial health is improving or declining. The relationship between revenues and expenses is the District's operating results. The District's goal is to provide services to District 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 District.

The Statement of Net Position and the Statement of Activities report the District's governmental activities. All of the District's services are reported here, including instruction, plant services, transportation services, and food services. Property taxes, corporate personal property replacement taxes, and State and federal grants finance most of these activities.

**Decatur School District No. 61**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2018**  
**(Unaudited)**

***Reporting the District's Most Significant Funds***

**Fund Balance (Net Position) Reporting**

The District previously adopted Governmental Accounting Standards Board Statement No. 54 which defined the different types of fund balances (net position) that must be used. For a more complete description of the major classifications of the fund balances (net position) please refer to the Fund Balance (Net Position) Reporting section of Note 1 of the financial statements on page 29.

**Fund Financial Statements**

The District's fund financial statements, which begin on page 21, provide detailed information about the most significant funds, not the District as a whole. These funds are required by State law. The District's governmental funds use the following accounting approach:

**Governmental Funds**

All of the District's services are reported in governmental funds. Governmental funds reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. Funds are reported using an accounting method called modified cash accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services provided. Governmental fund information helps determine whether there are lesser or greater financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities is described in the Statement of Net Position and the Statement of Activities and in the governmental funds reconciliations on page 22 and 25.

**Fiduciary Funds**

The School Board 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 net position on page 26. Fiduciary funds are excluded from the government-wide financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for the intended purposes.

**Decatur School District No. 61**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2018**  
**(Unaudited)**

**THE DISTRICT AS A WHOLE**

The District's combined net position was lower on June 30, 2018, than it was the year before, decreasing 10.0 percent to \$71,060,376. Of these amounts, \$4,822,444 (2018) and \$14,154,780, (2017) were unrestricted. Restricted and committed net position are reported separately to show legal constraints from debt covenants and enabling legislation that limit the District's ability to use those assets for day-to-day operations. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the District's governmental activities.

**Table 1**  
**Net Position**  
**Modified Cash Basis**  
**June 30**

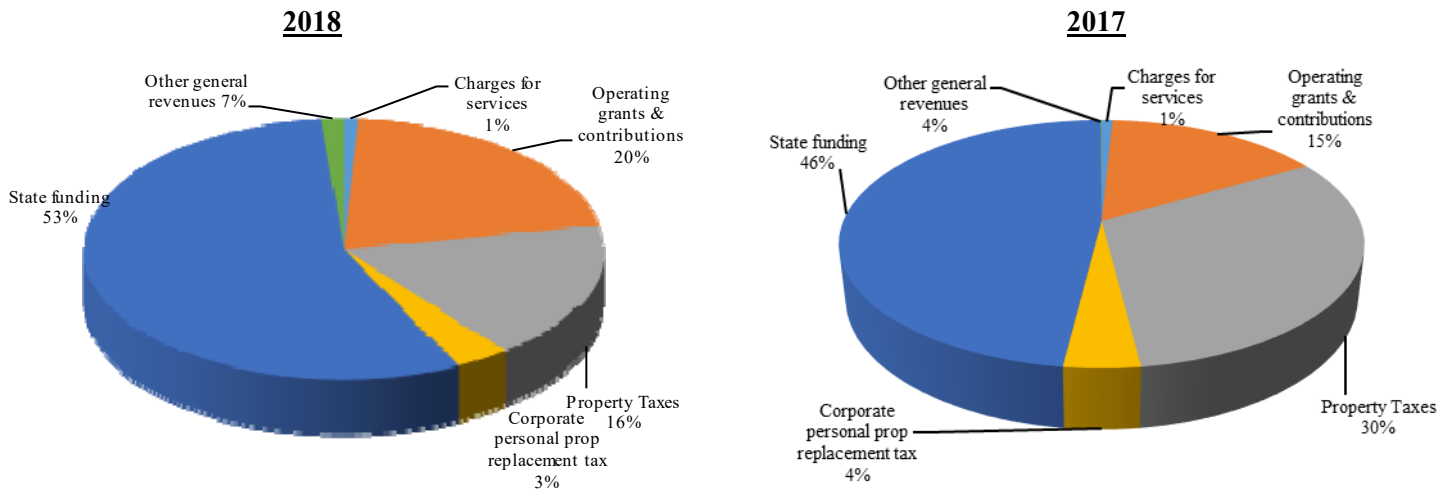
	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
<b>Assets</b>		
Current assets	\$ 37,053,081	\$ 45,328,542
Capital assets	<u>120,283,427</u>	<u>120,961,634</u>
Total assets	<u>157,336,508</u>	<u>166,290,176</u>
<b>Deferred Outflows of Resources</b>	<u>—</u>	<u>20,366</u>
<b>Liabilities</b>		
Current liabilities	8,746,383	8,256,313
Long-term liabilities	<u>77,529,749</u>	<u>79,161,318</u>
Total liabilities	<u>86,276,132</u>	<u>87,417,631</u>
<b>Net position</b>		
Net investment in capital assets	50,693,678	49,135,316
Restricted	15,544,254	15,602,815
Unrestricted	<u>4,822,444</u>	<u>14,154,780</u>
Total net position	<u>\$ 71,060,376</u>	<u>\$ 78,892,911</u>

The District's combined net position was lower on June 30, 2018, than it was the year before, decreasing 10.0 percent to \$71.0 million.

**Decatur School District No. 61**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2018**  
**(Unaudited)**

The results of this year's operations for the District as a whole are reported in the Statement of Activities on page 19. Table 2 takes the information from the Statement and rearranges them slightly to demonstrate total revenues and expenditures for the year.

**Table 2**  
**Changes in Net Position**  
**Modified Cash Basis**  
**Years Ended June 30**  
**Revenues**



**Revenues:**

**Program revenues:**

Charges for services	\$ 896,927	\$ 821,329
Operating grants and contributions	20,676,766	16,248,452

**General revenues:**

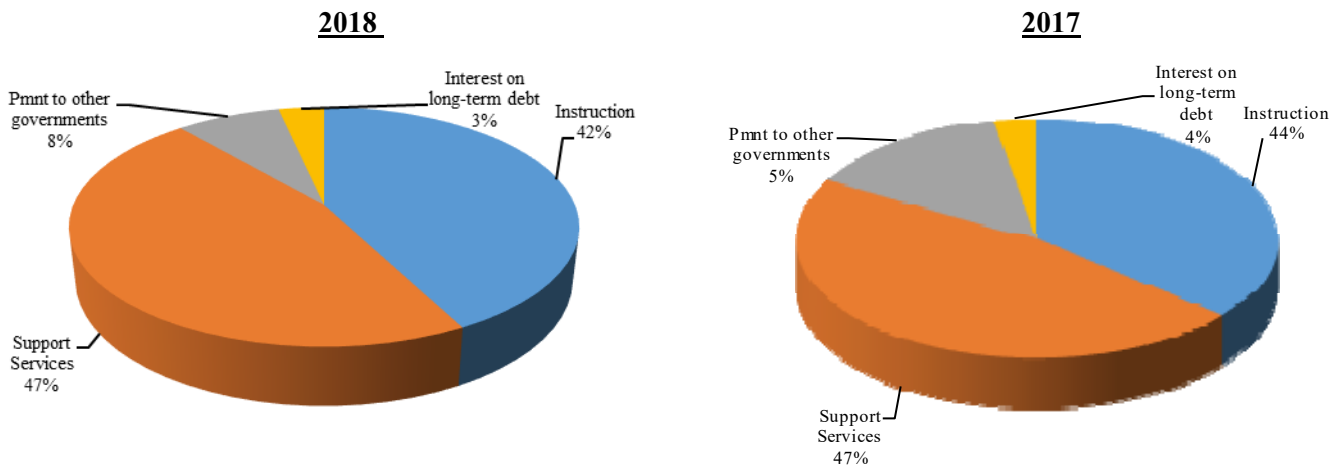
Property taxes	16,969,915	32,093,729
Corporate personal property replacement tax	3,380,179	4,039,653
School facility occupation tax proceeds	5,214,352	5,172,174
Investment income	469,029	179,710
General state aid	55,043,212	49,114,730
Other general revenues	<u>1,323,078</u>	<u>(84,431)</u>
	<u>\$ 103,973,458</u>	<u>\$ 107,585,346</u>

State funding (Evidence Based Funding, transportation, orphanage tuition, et al) accounted for the largest portion of the District's revenues, contributing 52.94 percent with property taxes accounting for 16.32 percent for 2018. The remainder of revenues came from federal grants and other sources. The total cost of all the District's programs for 2018 was \$111,805,993, primarily relating to instruction, tuition, caring for the students (e.g. school psychologists, improvement of instruction, social workers) and student transportation.

**Decatur School District No. 61**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2018**  
**(Unaudited)**

**Table 2 – Continued**

**Changes in Net Position**  
**Modified Cash Basis**  
**Years Ended June 30**  
**Expenses**



Functions/Program Expenses:

Instruction

	<u>2018</u>	<u>2017</u>
Instruction	\$ 46,609,453	\$ 45,708,238

Support Services:

Pupils

Pupils	4,866,555	4,652,053
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Instructional staff

Instructional staff	4,596,770	4,403,346
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General administration

General administration	4,966,046	4,096,743
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School administration

School administration	6,257,192	5,961,446
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Business

Business	25,528,581	24,728,450
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Central

Central	4,640,787	5,089,663
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Other

Other	97,639	118,636
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Community services

Community services	1,765,126	1,643,501
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Payments to other governments

Payments to other governments	8,666,181	5,435,242
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Debt service:

Interest on long-term debt

Interest on long-term debt	3,783,657	3,901,693
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Other debt service

Other debt service	<u>28,006</u>	<u>3,806</u>
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Total expenses

Total expenses	<u>111,805,993</u>	<u>105,742,817</u>
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Increase (decrease) in net position

Increase (decrease) in net position	<u>\$ (7,832,535)</u>	<u>\$ 1,842,529</u>
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**Decatur School District No. 61**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2018**  
**(Unaudited)**

**Governmental Activities**

As reported in the Statement of Activities on page 19, the cost of all governmental activities this year was \$111,805,993. However, the amount that the District financed for these activities was \$90,232,300; some costs were paid by those who benefited from the programs (\$896,927) or by other governments and organizations who subsidized certain programs with grants and contributions (\$20,676,766). The "public benefit" portion of governmental activities was paid with \$16,969,915 in real estate taxes, \$3,380,179 through corporate personal property replacement tax, \$5,214,352 in school facility occupation tax, \$55,043,212 in state aid, and \$1,792,107 in investment income and other general revenues deriving a fund position change of (\$7,832,535).

The following table presents the cost of each of the District's five major functional activities: instruction, support services, community services, payments to other governments, and debt service. This chart also includes each program's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows constituents to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**For the Year Ended June 30, 2018**

	<b>Governmental Activities</b>	
	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
	<hr/>	<hr/>
Instruction	\$ 46,609,453	\$ 38,719,785
Support services		
Pupils	4,866,555	4,344,734
Instructional staff	4,596,770	2,275,682
General administration	4,966,046	4,532,171
School administration	6,257,192	6,193,741
Business	25,528,581	19,085,810
Central	4,640,787	4,335,053
Other	97,639	(1,667,534)
Community services	1,765,126	49,888
Payments to other governments	8,666,181	8,551,307
Debt service	<u>3,811,663</u>	<u>3,811,663</u>
	<u>\$ 111,805,993</u>	<u>\$ 90,232,300</u>



**Decatur School District No. 61**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2018**  
**(Unaudited)**

For Fiscal Year 18, the District budgeted a decrease in net position of \$417,215 in the General Fund.

- Total revenues were \$22,053,825 less than budgeted and total expenditures were \$14,022,147 less than budgeted. This includes the State TRS on-behalf payments.
  - On-behalf TRS receipts and disbursements were \$10,957,692 less than budgeted due to the state reducing the Employer TRS contribution on federally-funded salaries.
  - The District only received one property tax payment in fiscal year 2018 resulting in tax revenue being \$12,363,255 under budget.
  - The District received \$1,861,068 more Federal and State grants monies than budgeted.
  - The District budgeted \$1,737,665 for but did not receive any direct E-rate (flow through from another district) monies in fiscal year 2018.
  - The District overbudgeted for \$1.6 million in salaries and benefits in the instructional programs. Of this amount, \$485,924 was the result of the State reducing the federally-funded salary contribution rate paid by the District.
  - Support services – pupil services underspent \$263,033 on salaries and benefits. School administration overspent the budget by \$444,721 in salaries and benefits. Operations and maintenance of plant overspent \$76,979 in salaries, \$208,070 in supplies and materials, and \$127,422 in capital outlay while underspending \$87,506 in benefits.
  - The District overbudgeted \$147,564 in Community services, purchased services.
  - Payments to other governmental units for tuition was \$1,068,362 less than budgeted.
  - Worker's compensation was \$563,173 more than budgeted while unemployment compensation was \$111,371 less than budgeted.

**Decatur School District No. 61**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2018**  
**(Unaudited)**

**For the Year Ended June 30, 2017**

	<b>Governmental Activities</b>	
	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Instruction	\$ 45,708,238	\$ 38,649,517
Support services		
Pupils	4,652,053	4,276,528
Instructional staff	4,403,346	2,565,692
General administration	4,096,743	3,709,239
School administration	5,961,446	5,885,018
Business	24,728,450	19,086,075
Central	5,089,663	4,865,454
Other	118,636	83,857
Community services	1,643,501	246,507
Payments to other governments	5,435,242	5,399,650
Debt service	3,905,499	3,905,499
	<u>\$ 105,742,817</u>	<u>\$ 88,673,036</u>

For Fiscal Year 17, the District projected a decrease in net position of \$372,962 in the General Fund.

- Total revenues were \$7,466,205 less than budgeted and total expenditures were \$7,708,557 less than budgeted.
  - On-behalf TRS receipts and disbursements were \$4,143,776 less than budgeted.
  - The District received \$2.55 million less Federal and State grants monies than budgeted.
  - The District budgeted for but did not receive any direct E-rate monies from fiscal year 2017.
  - The District overbudgeted \$547,714 for benefits and non-capitalized equipment in the instructional programs.
  - Support services – instructional staff underspent \$803,332 on salaries, benefits, purchased services and non-capitalized equipment.
  - Business services was underspent \$226,532 in supplies and materials.
  - Payments to other governmental units for tuition was \$285,503 less than budgeted.

**Decatur School District No. 61**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2018**  
**(Unaudited)**

- Worker's and unemployment compensations were both less than budgeted, \$357,580 and \$120,387, respectively.

**THE DISTRICT'S FUNDS**

Looking at funds helps in considering whether the District is being accountable for the resources taxpayers and others provide as well as provide insight into the District's overall financial health.

The financial performance of the District is reflected in its governmental funds throughout the fund financial statements. As the District completed the fiscal year, its governmental funds reported combined fund balances of \$32,125,698; a decrease of \$8,666,531 over prior year's ending fund balances of \$40,792,229.

The General Fund, which includes the Educational Fund, Operations and Maintenance Fund, Working Cash Fund, and Tort Immunity/Judgment Fund decreased in fund balance by \$7,982,452 for the year ended June 30, 2018.

The Transportation Fund balance had a modest increase of \$597,150.

The Debt Service Fund balance decreased from \$2,016,514 at June 30, 2017 to \$906,083 at June 30, 2018.

The Illinois Municipal Retirement Fund (IMRF); which includes IMRF, FICA and Medicare; balance decreased \$1,864,140 from the prior year.

The Capital Projects Fund balance increased by \$1,987,998 to \$3,088,535. An increase was anticipated in the budget due to the transfer of Working Cash.

The Fire Prevention and Safety Fund balance decreased by \$294,656 to \$3,340,258. This was anticipated due to planning projects utilizing Life Safety bonds.

***General Fund Budgetary Highlights***

The District adopted a General Fund budget for fiscal year 2018 in September 2017. The General Fund budget reflected total revenues of \$115,482,257 and total expenditures of \$115,899,472. Actual General Fund revenues for fiscal year 2018, including the on-behalf payments that the State of Illinois contributes to the Teacher Retirement System and an increase in the Worker's Compensation Reserve Fund balance, were \$93,928,932 and expenditures were \$101,911,384. The great majority of the District's expenditures went to educating students. The District offers strings, art, music, PE, and foreign languages. The District is very proud of its advanced placement, technical academy and dual credit offerings at the high school level which allows students to gain up to a year's worth of college experience before enrolling in a post-secondary education program.

**Decatur School District No. 61**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2018**  
**(Unaudited)**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

***Capital Assets***

At June 30, 2018, the District had \$190,560,161 invested in a broad range of capital assets, including land, buildings, vehicles, and furniture and equipment. This amount represents a net increase, prior to depreciation, of \$2,406,686, or 1.3 percent from prior year. Total depreciation for the year was \$3,230,908.

Capital assets, net of accumulated depreciation as of year-end:

	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
Land	\$ 1,979,076	\$ 1,979,076
Buildings and improvements	114,968,615	115,417,021
Land improvements	173,767	24,085
Furniture and equipment	3,161,969	3,541,452
Totals	\$ <u>120,283,427</u>	\$ <u>120,961,634</u>

Greater details regarding capital assets are found in Note 5 on page 43 of this report.

***Debt***

At the end of this year, the District had \$81.259 million in bonds outstanding versus \$82.775 million in the prior year, a decrease of 1.83 percent. Outstanding bonds consist of:

General Obligation Bonds	\$ 80,885,667
Life Safety Bonds	373,333
	\$ <u>81,259,000</u>

The State limits the amount of general obligation debt that Unit Districts can issue to 13.8 percent of the assessed value of all taxable property within the District's corporate limits. The State Sales Tax (alternative revenue source) bonds are not reflected in the District's legal debt margin. The District's outstanding general obligation debt of \$11.76 million is substantially below the \$95.36 million statutorily imposed limit.

Additional information on long-term debt can be found in Note 6 on page 43.

**Decatur School District No. 61**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2018**  
**(Unaudited)**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Elected and appointed officials considered many factors when setting the District's 2018-19 fiscal year budget and tax rates. The most important factors affecting the budget are student counts, employee salaries, and capital development projects. Also considered in the development of the budget are local and State economics.

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that may significantly affect financial conditions in the future:

- The District has not settled contracts with its teachers or maintenance unions.
- The District has experienced a modest decline in student enrollment the past few years.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

The District financial report is designed to provide citizens, taxpayers, parents, students, and investors and creditors with a general overview of the District's accountability for the revenues received. If you have questions about this report or wish to request additional financial information, contact the Business Affairs Department, Decatur Public School District No. 61, 101 W. Cerro Gordo, Decatur, IL 62523.

**Decatur School District No. 61**  
**Statement of Net Position**  
**June 30, 2018**

	<u>Component Units</u>		
	<b>Governmental Activities – Modified Cash Basis</b>	<b>Macon-Piatt Special Education District – Modified Cash Basis</b>	<b>Decatur Public Schools Foundation</b>
<b>Assets</b>			
Cash	\$ 4,598,817	\$ —	\$ 160,269
Cash-temporarily restricted	—	—	1,630,150
Interest-bearing time deposits – temporarily restricted	—	—	15,243
Investments	32,351,292	3,875,617	603,106
Investments – temporarily restricted	—	—	58,805
Contributions receivable	—	—	37,688
Other receivables	67	—	8,531
Prepaid insurance	—	—	1,476
Inventory, at moving-average cost	102,905	—	—
Capital assets, net of accumulated depreciation of \$70,276,734 and \$2,309,408	<u>120,283,427</u>	<u>65,731</u>	<u>—</u>
Total assets	<u>157,336,508</u>	<u>3,941,348</u>	<u>2,515,268</u>
<b>Liabilities</b>			
General obligation bonds payable			
Due within one year	3,819,000	—	—
Due in more than one year	77,440,000	—	—
Bond premium, net of amortization of \$81,464	89,749	—	—
Payroll deductions payable	4,927,383	—	—
Accounts payable	—	—	21,214
Other	<u>—</u>	<u>—</u>	<u>34,252</u>
Total liabilities	<u>86,276,132</u>	<u>—</u>	<u>55,466</u>
<b>Net Position</b>			
Net investment in capital assets	50,693,678	65,731	—
Restricted	15,544,254	1,638,521	1,704,198
Unrestricted	<u>4,822,444</u>	<u>2,237,096</u>	<u>755,604</u>
Total net position	<u>\$ 71,060,376</u>	<u>\$ 3,941,348</u>	<u>\$ 2,459,802</u>

**Decatur School District No. 61**  
**Statement of Activities**  
**Year Ended June 30, 2018**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Governmental Activities – Modified Cash Basis</b>			
Instruction	\$ 46,609,453	\$ 329,751	\$ 7,559,917
Supporting services			
Pupils	4,866,555	—	521,821
Instructional staff	4,596,770	—	2,321,088
General administration	4,966,046	—	433,875
School administration	6,257,192	—	63,451
Business	25,528,581	567,176	5,875,595
Central	4,640,787	—	305,734
Other	97,639	—	1,765,173
Community services	1,765,126	—	1,715,238
Payments to other governments	8,666,181	—	114,874
Debt service			
Interest on long-term debt	3,783,657	—	—
Other debt service	<u>28,006</u>	<u>—</u>	<u>—</u>
Total	<u>\$ 111,805,993</u>	<u>\$ 896,927</u>	<u>\$ 20,676,766</u>
<b>Component Units</b>			
Macon-Piatt Special Education District – Modified Cash Basis	<u>\$ 21,485,183</u>	<u>\$ 12,229,200</u>	<u>\$ 6,879,535</u>
Decatur Public Schools Foundation	<u>\$ 703,330</u>	<u>\$ —</u>	<u>\$ 2,168,069</u>

<b>Net (Expense) Revenue</b>		
<b>Component Units</b>		
<b>Governmental Activities Modified Cash Basis</b>	<b>Macon-Piatt Special Education District Modified Cash Basis</b>	<b>Decatur Public Schools Foundation</b>
\$ (38,719,785)	\$ —	\$ —
(4,344,734)	—	—
(2,275,682)	—	—
(4,532,171)	—	—
(6,193,741)	—	—
(19,085,810)	—	—
(4,335,053)	—	—
1,667,534	—	—
(49,888)	—	—
(8,551,307)	—	—
(3,783,657)	—	—
<u>(28,006)</u>	<u>—</u>	<u>—</u>
<u>\$ (90,232,300)</u>	<u>\$ —</u>	<u>\$ —</u>
<u>—</u>	<u>\$ (2,376,448)</u>	<u>—</u>
<u>—</u>	<u>—</u>	<u>\$ 1,464,739</u>

(continued)



**Decatur School District No. 61**  
**Statement of Activities**  
**Year Ended June 30, 2018**

	Net (Expense) Revenue and Changes in Net Position		
	Component Units		
	Governmental Activities – Modified Cash Basis	Macon-Piatt Special Education District – Modified Cash Basis	Decatur Public Schools Foundation
<b>Net Revenue (Expense) (Continued)</b>	\$ (90,232,300)	\$ (2,376,448)	\$ 1,464,739
<b>General Revenues</b>			
Taxes			
Property taxes levied for general purpose	16,969,915	—	—
Corporate personal property replacement taxes	3,380,179	—	—
School Facility Occupation Tax Proceeds	5,214,352	—	—
Investment income	469,029	43,577	72,404
State aid	55,043,212	2,800,569	—
Miscellaneous	1,323,078	84,041	—
<b>Change in Net Position</b>	(7,832,535)	551,739	1,537,143
<b>Net Position, July 1, 2017</b>	78,892,911	3,389,609	922,659
<b>Net Position, June 30, 2018</b>	\$ 71,060,376	\$ 3,941,348	\$ 2,459,802

**Decatur School District No. 61**  
**Statement of Assets, Liabilities and Fund Balances**  
**Governmental Funds**  
**Modified Cash Basis**  
**June 30, 2018**

	<b>General Fund</b>	<b>Other Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
Cash	\$ 2,658,830	\$ 1,939,987	\$ 4,598,817
Investments	21,554,023	10,797,269	32,351,292
Inventories, at moving-average cost	102,905	—	102,905
Other	<u>67</u>	<u>—</u>	<u>67</u>
Total assets	<u>\$ 24,315,825</u>	<u>\$ 12,737,256</u>	<u>\$ 37,053,081</u>
<b>Liabilities</b>			
Payroll deductions payable	\$ 4,927,383	\$ —	\$ 4,927,383
Other	<u>—</u>	<u>—</u>	<u>—</u>
Total liabilities	<u>4,927,383</u>	<u>—</u>	<u>4,927,383</u>
<b>Fund Balances</b>			
Nonspendable	102,905	—	102,905
Restricted	2,810,889	12,733,365	15,544,254
Committed	2,459,568	3,891	2,463,459
Unassigned	<u>14,015,080</u>	<u>—</u>	<u>14,015,080</u>
Total fund balances	<u>19,388,442</u>	<u>12,737,256</u>	<u>32,125,698</u>
Total liabilities and fund balances	<u>\$ 24,315,825</u>	<u>\$ 12,737,256</u>	<u>\$ 37,053,081</u>

**Decatur School District No. 61**  
**Reconciliation of the Statement of Assets, Liabilities**  
**and Fund Balances — Governmental Funds**  
**With the Statement of Net Position**  
**Modified Cash Basis**  
**June 30, 2018**

<b>Total fund balances for governmental funds</b>	\$ 32,125,698
<b>Total net position reported for governmental activities in the statement of net position are different because:</b>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the individual funds	120,283,427
Bonds payable applicable to governmental activities are not due and payable in the current period and therefore are not reported as liabilities in the individual funds	
General obligation bonds payable	(81,259,000)
Premiums on bonds payable are not included in the individual funds, but are included in the governmental activities, net of amortization of \$81,464	<u>(89,749)</u>
<b>Total net position – governmental activities</b>	<b><u>\$ 71,060,376</u></b>

**Decatur School District No. 61**  
**Statement of Revenue Received, Expenditures Disbursed,**  
**Other Financing Sources (Uses), and Changes in Fund Balances**  
**Governmental Funds**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	General Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenue Received</b>			
Taxes	\$ 12,594,415	\$ 4,375,500	\$ 16,969,915
Corporate personal property replacement taxes	3,097,436	282,743	3,380,179
School facility occupation tax proceeds	—	5,214,352	5,214,352
Earnings on investments	344,993	124,036	469,029
Tuition	39,816	—	39,816
Food services	82,640	—	82,640
Pupil activities, including athletics	95,569	—	95,569
Textbook fees	116,214	—	116,214
State grants	52,416,055	5,968,531	58,384,586
Federal grants	16,333,575	126,979	16,460,554
Other	1,887,911	292,075	2,179,986
On-behalf receipts	<u>4,042,308</u>	<u>—</u>	<u>4,042,308</u>
	<u>91,050,932</u>	<u>16,384,216</u>	<u>107,435,148</u>
<b>Expenditures Disbursed</b>			
Instruction			
Regular programs	27,530,401	341,001	27,871,402
Tuition payments to charter schools	3,096,352	—	3,096,352
Pre-kindergarten programs	1,899,306	119,633	2,018,939
Special Ed programs	5,814,497	659,539	6,474,036
Remedial and supplemental programs K-12	4,963,451	292,231	5,255,682
Adult continuing education programs	12	—	12
Interscholastic programs	1,058,888	52,935	1,111,823
Summer school programs	49,692	707	50,399
Driver's education programs	125,172	1,689	126,861
Bilingual programs	246,959	2,198	249,157
Truant alternative and optional programs	<u>279,300</u>	<u>11,523</u>	<u>290,823</u>
	<u>45,064,030</u>	<u>1,481,456</u>	<u>46,545,486</u>
Supporting services (including capital outlays of \$2,602,824)			
Pupils	4,584,037	278,239	4,862,276
Instructional staff	4,179,951	238,535	4,418,486
General administration	4,793,217	171,138	4,964,355
School administration	5,940,330	315,667	6,255,997
Business administration	16,040,953	9,381,314	25,422,267
Central	4,163,090	211,117	4,374,207
Other	<u>94,918</u>	<u>923</u>	<u>95,841</u>
	<u>39,796,496</u>	<u>10,596,933</u>	<u>50,393,429</u>

(Continued)

**Decatur School District No. 61**  
**Statement of Revenue Received, Expenditures Disbursed,**  
**Other Financing Sources (Uses), and Changes in Fund Balances**  
**Governmental Funds**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

(Continued)

	General Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Community Services</b>	\$ 1,573,310	\$ 187,840	\$ 1,761,150
<b>Payments to Other Governmental Units</b>	8,666,181	—	8,666,181
<b>Debt Service</b>	—	7,527,866	7,527,866
<b>On-behalf Disbursements</b>	<u>4,042,308</u>	<u>—</u>	<u>4,042,308</u>
	<u>99,142,325</u>	<u>19,794,095</u>	<u>118,936,420</u>
<b>Deficiency of Revenue Received Under Expenditures Disbursed</b>	<u>(8,091,393)</u>	<u>(3,409,879)</u>	<u>(11,501,272)</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of capital assets	1,700	—	1,700
Proceeds from sale of supplies	6,757	—	6,757
Principal on bonds sold	2,178,200	25,800	2,204,000
Transfer from Working Cash Fund	—	2,700,000	2,700,000
Transfer to Operations and Maintenance Fund	(69,059)	—	(69,059)
Transfer from Tort Immunity/Judgment Fund	69,059	—	69,059
Transfer to Capital Projects Fund	(2,700,000)	—	(2,700,000)
Increase in worker's compensation reserve	<u>622,284</u>	<u>—</u>	<u>622,284</u>
	<u>108,941</u>	<u>2,725,800</u>	<u>2,834,741</u>
<b>Deficiency of Revenue Received and Other Financing Sources Under Expenditures Disbursed and Other Financing Uses</b>	(7,982,452)	(684,079)	(8,666,531)
<b>Fund Balances, Beginning of Year</b>	<u>27,370,894</u>	<u>13,421,335</u>	<u>40,792,229</u>
<b>Fund Balances, End of Year</b>	<u>\$ 19,388,442</u>	<u>\$ 12,737,256</u>	<u>\$ 32,125,698</u>

**Decatur School District No. 61**  
**Reconciliation of the Statement of Revenue Received,**  
**Expenditures Disbursed, Other Financing Sources (Uses) and Changes in**  
**Fund Balances — Governmental Funds to the Statement of Activities**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

**Net change in fund balances — total governmental funds** \$ (8,666,531)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$3,230,908) exceeded capital outlays expense (\$2,602,824) in the current period. (628,084)

In the statement of activities, only the loss on the disposal of fixed assets is reported, whereas in the governmental funds, the disposal of assets are not reflected. This is the amount by which disposals of capital outlays (\$196,138) exceeded accumulated depreciation (\$146,015) in the current period. (50,123)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities. This is the amount by which repayments exceeded proceeds. 1,516,000

Premiums received on bonds issued provide current financial resources to governmental funds, but are capitalized in the Statement of Net Position. The following premiums were capitalized, net of annual amortization during the year.

Premium amortization 16,569

Deferred charges on refunding are expended in the governmental funds when paid, but capitalized in the Statement of Net Position. The following deferred charges were capitalized, net of annual amortization during the year.

Deferred charges on refunding amortization (20,366)

**Change in net position of governmental activities** **\$ (7,832,535)**

**Decatur School District No. 61**  
**Statement of Fiduciary Net Position**  
**Modified Cash Basis**  
**Fiduciary Funds**  
**June 30, 2018**

	<b>Total Fiduciary Funds</b>
<b>Assets</b>	
Cash	\$ 68,722
Investments	<u>462,202</u>
Total assets	<u>\$ 530,924</u>
<b>Liability</b>	
Due to organizations	<u>\$ 530,924</u>

**Decatur School District No. 61**  
**Notes to Financial Statements**  
**June 30, 2018**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies**

***Nature of Operations***

Decatur School District No. 61 (District) is a community unit school district organized under the Illinois School Code for the purpose of providing a public education to the children of Decatur.

***Reporting Entity***

These financial statements present Decatur School District No. 61 and its component units, entities for which the government is considered to be financially accountable as it administers the entities, approves the entities' budgets and has ultimate authority over the entities' operations. The component units discussed below are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. They are reported as discretely presented component units, in separate columns in the financial statements, to emphasize that they are legally separate from the District.

*Macon-Piatt Special Education District* is established under a joint agreement involving several cooperating area school districts. Decatur School District No. 61 administers the District, approves the District's budget, and has ultimate authority over the District's operations. During the year ended June 30, 2018, the District provided tuition of \$8,129,291.

*Decatur Public Schools Foundation* is organized to promote public education by assisting the Decatur Public Schools in providing quality programs through making funds available for approved grants.

Complete financial statements of the individual component units can be obtained from the following:

Macon-Piatt Special Education District  
335 East Cerro Gordo  
Decatur, Illinois 62523

Decatur Public Schools Foundation  
601 North Church  
Decatur, Illinois 62523



# Decatur School District No. 61

## Notes to Financial Statements

### June 30, 2018

#### ***Basis of Presentation***

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

#### Government-wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the nonfiduciary financial activities of the District. These statements report those activities of the District that are governmental (i.e. generally supported by taxes and intergovernmental revenues). Fiduciary funds are not included in the government-wide financial statements.

The statement of net position presents the financial position of the District's governmental activities at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions (including related investment earnings) that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues.

#### Fund Financial Statements

The District maintains fund accounting in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at a more detailed level. Separate financial statements are provided for governmental funds and fiduciary funds. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary funds are reported by fiduciary fund type. The District's only major governmental fund is the General Fund. All other funds are considered nonmajor.

**Decatur School District No. 61**  
**Notes to Financial Statements**  
**June 30, 2018**

Governmental Funds

Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they are to be used. Liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The General Fund, which consists of the Educational Fund, Operations and Maintenance Fund, Working Cash Fund and Tort Immunity/Judgment Fund is the general operating fund of the District and accounts for the general activities of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Special Education is included in the Educational Fund. The Working Cash Fund accounts for financial resources held by the District to be used for temporary loans to other funds.

Special Revenue Funds, which include the Transportation Fund and the Illinois Municipal Retirement/Social Security Fund are used to account for the proceeds of specific revenue sources (other than those accounted for in the Debt Service Fund, Capital Projects Fund or Fiduciary Fund) that are legally restricted to expenditures for specified purposes.

The Debt Service Fund accounts for the accumulation of resources that are restricted, committed or assigned to the payment of general long-term debt principal, interest and related costs.

The Capital Projects Fund (Fire Prevention and Safety Fund and Capital Projects Fund) is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays including the acquisition or construction of major capital facilities.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net position. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of changes in net position. The District's fiduciary funds consist of the following agency funds:

The Agency Funds (Student Activity Funds) account for assets held by the District as an agent for others. These funds are custodial in nature and do not involve the measurement of the results of operations. The financial statements reflect the amounts due to organizations equal to the assets owned.

***Fund Balance (Net Position) Reporting***

In accordance with government accounting standards, fund balances (net position) are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions of the differences and a reconciliation of how these balances are reported.

**Decatur School District No. 61**  
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Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

The District purchases certain inventories of goods that are stored at a warehouse facility until needed at individual schools. At June 30, 2018, inventories totaling \$102,905 were on hand. This balance is included in the financial statements in the Educational Fund.

Restricted Fund Balance

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

1. Special Education

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

2. Leasing Levy

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

3. State Grants

Proceeds from state grants and the related expenditures have been included in the Educational and Transportation Funds. At June 30, 2018, expenditures disbursed exceeded revenue received from state grants, resulting in no restricted balances.

4. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the Educational, Operations and Maintenance and Transportation Funds. At June 30, 2018, expenditures disbursed exceeded revenues received from federal grants, resulting in no restricted balances.

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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. Revenues received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$1,682,346.

6. School Facility Occupation Tax

Cash receipts and related cash disbursements of this restricted tax are accounted for in the Debt Service Fund and Capital Projects Fund. At June 30, 2018, the District had received cash receipts, including bond proceeds, in excess of disbursements totaling \$2,005,763. This amount is included in the Debt Service and Capital Projects Funds as restricted and committed.

7. Food Service

Revenue and related expenditures of the food service program are accounted for in the Educational Fund. A portion, \$866,373, of this Fund's net position represents the excess of cumulative revenue over cumulative expenditures which is restricted for use in future food service program expenditures.

8. Workers' Compensation

The District has chosen self-insurance for workers' compensation by membership in the Illinois Association of School Boards – Sponsored Workers' Compensation Self-Insurance Trust. For the year ended June 30, 2018, accident claims of \$652,600 were paid with \$1,445,576 of actuarially-determined incurred but not reported claims. At June 30, 2018, \$1,445,576 is included in the Tort Immunity/Judgment Fund's fund balance to cover these claims.

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.

By Board action, the District has committed to performing \$506,073 in construction projects during the next fiscal year. These balances are included in the financial statements in the Operations and Maintenance Fund.

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Employee contracts for services rendered provide for the carryover of certain unpaid vacation time. At June 30, 2018, the total amount of unpaid vacation time for services performed amounted to \$694,738. These balances are included in the financial statements in the Educational Fund (\$507,923), Operations and Maintenance Fund (\$176,843), Tort Immunity/Judgment Fund (\$6,081) and Transportation Fund (\$3,891).

The District has a lease through 2022 for one-to-one classroom technology. At June 30, 2018, the total obligation under the agreement amounted to \$1,262,648. This balance is included in the financial statements in the Educational Fund.

Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the School Board itself or (b) the finance committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes. No assigned fund balances were identified at June 30, 2018.

Unassigned Fund Balance

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

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.

***Basis of Accounting/Measurement Focus***

The financial statements of the District have been prepared using the modified cash basis of accounting. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles.

# Decatur School District No. 61

## Notes to Financial Statements

### June 30, 2018

#### Government-Wide and Fiduciary Fund Financial Statements

The measurement focus establishes the basis of accounting. The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements.

The government-wide financial statements are prepared using the economic resources measurement focus and the modified cash basis of accounting. The modifications to the cash basis are for the employer portion of payroll taxes not deposited with taxing authorities, overpayments due, recording of inventory, the recording of capital assets, the recognition of depreciation and the recording of long-term debt. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the governmental fund financial statements. Pension and other postemployment liabilities are not included in the modified cash basis statement, therefore no assets or liabilities have been recorded for the provisions of GASB Statement No. 68 or No. 75.

#### Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified cash basis of accounting. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions. Modifications to the cash basis in these statements are for advances, the employer portion of payroll taxes not deposited with taxing authorities, health insurance, overpayments due, and recording of inventory. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt are reported as other financing sources.

Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from property taxes, grants, entitlements, and donations are recognized when received, consistent with the cash basis of accounting. Liabilities of a fund, similarly, result from previous cash transactions.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical grants, and then by general revenues.

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***Use of Estimates***

For the Foundation, preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

***Budgets and Budgetary Accounting***

The District prepares a budget for all individual funds within the Governmental Fund types.

The District's budget is prepared so that budgeted receipts and expenditures can be compared to the cash basis of accounting. The budget was passed on September 26, 2017.

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

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

1. The Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on July 1. 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. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. The Board of Education is authorized to transfer up to ten percent of the total budget between items within any fund.
5. Formal budgetary integration is employed as a management control device during the year.
6. The Board of Education may amend the budget by the same procedure as provided for in the original adoption.

***Cash***

Cash consists of interest and noninterest-bearing bank checking accounts. At June 30, 2018, the District's and Foundation's cash accounts exceeded federally insured limits by approximately \$3,328,000 and \$1,563,000, respectively.

**Decatur School District No. 61**  
**Notes to Financial Statements**  
**June 30, 2018**

**Capital Assets**

Capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the governmental funds statement of assets and fund balances.

Capital assets are recorded at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their estimated fair value as of the date received. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

The District maintains a formal capitalization policy and follows grant guidelines when applicable.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Capital assets not being depreciated include land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes, no salvage value is taken into consideration for depreciation purposes. Depreciation is computed using the straight-line method over the estimated life of the asset. The District has established estimated useful lives as follows:

<b>Asset Class</b>	<b>Estimated Useful Lives</b>
Buildings	50 years
Land & Building Improvements	20 years
Equipment	5 to 10 years
Transportation Equipment	5 years

**Investments and Investment Return**

For the District, investment balances, which consist of money market funds or pooled separate accounts, are stated at cost, which approximates fair value. Assets of the different funds are commingled for investment purposes, and interest earnings are prorated back to the various funds when recognized as revenue. The District has established accounts with the Illinois Funds (IF) and Illinois School District Liquid Asset Fund Plus (ISDLAF) for investment of funds. IF was established to supplement and enhance the investment opportunities available to custodians of public agency funds throughout the State. The management, custodianship, and operation of the IF are under the supervision of the State, Office of the Treasurer. ISDLAF was established to provide investors with a high yield investment alternative while maintaining liquidity and preserving capital. Realized and unrealized gains and losses are reflected in the statement of operating receipts, operating disbursements, and changes in net assets arising from cash transactions.



**Decatur School District No. 61**  
**Notes to Financial Statements**  
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The District has adopted a formal written investment and cash management policy.

For the Foundation, investments in mutual funds and money market funds are carried at fair value. Investment return includes interest and dividend income and net unrealized gain on investments carried at fair value.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net position. Other investment return is reflected in the statement of activities as unrestricted or temporarily restricted based upon the existence and nature of any donor or legally imposed restrictions.

***Interest-Bearing Time Deposit***

For the Foundation, the interest-bearing time deposit matures and renews annually and is carried at cost, which approximates fair value. Interest on the time deposit is accrued based on the terms.

***Inventories***

Inventories are stated at moving-average cost which approximates cost on a FIFO basis. Inventories consist of goods received and stored in warehouse facilities until needed at individual schools.

***Contributions***

For the Foundation, gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net position. Gifts received with a donor stipulation that limits their use are reported as temporarily restricted revenue and net position. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net position is reclassified to unrestricted net position. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as unrestricted revenue and net position.

Unconditional gifts are reported at their net realizable value. Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met, and the gift becomes unconditional.

***Income Taxes***

The Foundation is exempt from income taxes under Section 501 of the U. S. Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income. The Foundation files tax returns in the U.S. federal jurisdiction.

**Decatur School District No. 61**  
**Notes to Financial Statements**  
**June 30, 2018**

**Note 2: Deposits, Investments and Investment Income**

***Deposits***

Custodial credit risk is the risk that, in the event of a bank failure, a governments' deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law allows for deposits in banks, savings banks, savings and loan associations and credit unions. Deposits not collateralized or insured by an agency of the federal government shall not exceed 75 percent of the capital stock and surplus in the case of a bank, 75 percent of the net worth in the case of a savings bank or savings and loan association or 50 percent of the unimpaired capital and surplus in the case of a credit union. Under state law, the District may enter into an agreement requiring collateralization in an amount equal to at least the fair value of funds deposited in excess of federal depository insurance limits.

***Investments***

The District is authorized by state statute to invest in obligations of the U.S. Treasury, Agencies and Instrumentalities; commercial paper rated within the three highest classifications by at least two standard rating services; obligations of states and their political subdivisions; savings accounts; certificates of deposit; time deposits; money market mutual funds; credit union shares; the Illinois Funds; and the Illinois School District Liquid Asset Fund Plus.

At June 30, 2018, the District's investments were in the Illinois Funds and the Illinois School District Liquid Asset Fund Plus. The District's investments qualify as an exception to GASB Statement No. 72 as they are recorded at amortized cost, and are not placed into the fair value hierarchy.

***Custodial Credit Risk***

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the District's investments at June 30, 2018 are held by the counterparties in the District's name.

**Decatur School District No. 61**  
**Notes to Financial Statements**  
**June 30, 2018**

***Credit Risk***

Credit risk is the risk that an insurer of an investment will not fulfill its obligations 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 deposits with financial institutions are not subject to credit risk rating. Both the Illinois Funds and the Illinois School District Liquid Asset Fund Plus have been rated AAAM by Standard and Poor's. Credit risk exposure and investment guidelines are addressed in the District's investment policy.

***Concentration of Credit Risk***

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment with a single issuer. The investment policy of the District contains no limitations on the amounts that can be invested in any one issuer. Deposits with financial institutions and investments in external investment pools are exempt from the concentration disclosure.

***Summary of Carrying Values***

The carrying values of deposits and investments as of June 30, 2018 are as follows:

	<b>2018</b>
Statement of Net Position	
Carrying value	
Deposits	\$ 4,598,817
Investments	<u>32,351,292</u>
	<u>\$ 36,950,109</u>
 Included in the following Statement of Net Position captions	
Cash	\$ 4,598,817
Investments	<u>32,351,292</u>
	<u>\$ 36,950,109</u>

**Decatur School District No. 61**  
**Notes to Financial Statements**  
**June 30, 2018**

	<b>2018</b>
Statement of Fiduciary Net Position	
Carrying value	
Deposits	\$ 68,722
Investments	<u>462,202</u>
	<u>\$ 530,924</u>
Included in the following Statement of Fiduciary Net Position captions	
Cash	\$ 68,722
Investments	<u>462,202</u>
	<u>\$ 530,924</u>
Investments owned at June 30, 2018 consisted of:	
Busey Bank	\$ 476,231
Illinois School District Liquid Asset Fund Plus	<u>32,337,263</u>
	<u>\$ 32,813,494</u>

***Investment Income***

Investment income for the year ended June 30, 2018 consisted of:

Interest income	\$ <u>469,029</u>
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**Note 3: Disclosures About Fair Value of Assets for the Foundation**

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets

**Decatur School District No. 61**  
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**Recurring Measurements**

The following table presents the fair value measurements of assets recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2018:

	<b>Fair Value Measurements Using</b>			
	<b>Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Mutual funds	\$ 661,558	\$ 661,558	\$ —	\$ —
Money market funds	<u>353</u>	<u>353</u>	<u>—</u>	<u>—</u>
	<u>\$ 661,911</u>	<u>\$ 661,911</u>	<u>\$ —</u>	<u>\$ —</u>

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statement of net position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2018. The Foundation had no liabilities measured at fair value on a recurring basis. In addition, the Foundation had no assets or liabilities measured at fair value on a nonrecurring basis.

**Investments**

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

**Note 4: Contributions Receivable for the Foundation**

Contributions receivable totaling \$37,688 as of June 30, 2018, consists of unrestricted contributions due within one year. No allowance has been recorded as of June 30, 2018, as all contributions are considered fully collectible.

**Decatur School District No. 61**  
**Notes to Financial Statements**  
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**Note 5: Conditional Gifts for the Foundation**

The Foundation has received \$85,000 in conditional promises to give at June 30, 2018, that are not recognized in the financial statements. These conditional promises to give are based upon the annual completion of a school program for \$85,000 in 2019.

**Note 6: Net Position for the Foundation**

***Temporarily Restricted Net Position***

Temporarily restricted net position of \$1,704,198 at June 30, 2018, is available for designated school programs.

***Net Position Released from Restrictions***

A portion of net position was released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. Purpose restrictions accomplished in 2017 related to grant program expenses totaling \$381,009.

**Note 7: Property Taxes**

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The 2016 levy was passed by the Board on December 13, 2016. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1. The district receives significant distributions of tax receipts approximately one month after these due dates.

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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:

	Maximum Rate	Actual Rate		
		2017 Levy	2016 Levy	2015 Levy
Educational Fund	2.5700	2.57000	2.57000	2.57000
Operations and Maintenance Fund	.5000	.50000	.50000	.50000
Debt Service Fund	None	.44027	.43504	.30275
Transportation Fund	.2000	.20000	.20000	.20000
Illinois Municipal Retirement Fund	None	.37083	.34150	.06529
Fire Prevention and Safety Fund	.0500	.05000	.05000	.05000
Tort Immunity	None	.40520	.40025	.36519
Special Education	.0400	.04000	.04000	.04000
Social Security	None	.20533	.22772	.47943
Lease Facilities	.0500	.05000	.05000	.05000
Working Cash Fund	.0500	<u>.05000</u>	<u>.05000</u>	<u>.05000</u>
Total		<u>4.88163</u>	<u>4.86451</u>	<u>4.67266</u>

Current year tax receipts include tax collections of the 2016 tax levy.

**Note 8: Common Bank Account**

Separate bank accounts are not maintained for all District funds. Certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund. Occasionally, certain funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the Board of Education. Such overdrafts constitute unauthorized interfund transfers since such loans are not authorized by the Board of Education.

**Decatur School District No. 61**  
**Notes to Financial Statements**  
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**Note 9: Capital Assets**

Capital asset balances and activity for the year ended June 30, 2018 were as follows:

	<b>Balance, July 1, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance, June 30, 2018</b>
Land	\$ 1,979,076	\$ —	\$ —	\$ 1,979,076
Buildings and improvements	150,282,687	1,853,618	—	152,136,305
Land improvements	2,434,990	157,905	—	2,592,895
Equipment	<u>33,456,722</u>	<u>591,301</u>	<u>196,138</u>	<u>33,851,885</u>
	186,174,399	2,602,824	196,138	188,581,085
Less accumulated depreciation	<u>67,191,841</u>	<u>3,230,908</u>	<u>146,015</u>	<u>70,276,734</u>
	<u>118,982,558</u>	<u>(628,084)</u>	<u>50,123</u>	<u>118,304,351</u>
	<u>\$ 120,961,634</u>	<u>\$ (628,084)</u>	<u>\$ 50,123</u>	<u>\$ 120,283,427</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 63,967
Student activities	4,279
Instructional staff support	182,498
General administration	1,691
School administration	1,195
Business	2,704,924
Central services	266,580
Other	1,798
Community service	<u>3,976</u>
	<u>\$ 3,230,908</u>

**Note 10: Changes in Long-Term Debt**

The following is a summary of bond transactions of the District for the year ended June 30, 2018.

Bonds payable at July 1, 2017	\$ 82,775,000
Bonds issued	2,204,000
Bonds retired	<u>3,720,000</u>
Bonds payable at June 30, 2018	<u>\$ 81,259,000</u>



**Decatur School District No. 61**  
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On July 30, 2013, the District issued \$8,995,000 in General Obligation Bonds, Series 2013A and B, with interest rates ranging from 3.65 percent to 4.60 percent to replenish the Working Cash Fund and advance refund \$1,910,000 outstanding principal of the 2007 Series Working Cash and Life Safety Bonds with interest rates ranging from 4.00 percent to 4.75 percent. Net proceeds of \$2,121,805 (after \$44,408 in underwriting fees, insurance and other issuance costs) have been deposited in an irrevocable trust with an escrow agent. The escrow agent has purchased U.S. Treasury securities (State and Local Government Series), to provide for all future debt service on the \$1,910,000 advance refunded amount of the 2007 Series bonds. As a result, the \$1,910,000 advance refunded amount of the 2007 Series bonds have been removed from the government-wide statements of net position. If at any time the available proceeds of the Treasury securities and deposits on demand in the escrow account are not sufficient to make any payment due to the holders of any of the prior bonds, the escrow agent shall notify the Treasurer and the Board and the District shall make available such funds to make up the anticipated deficit. The District completed the advance refunding to levelize its tax rate over the next several years which resulted in additional debt service payments of \$505,560, an economic loss (difference between the present values of the old and new debt service payments) of \$221,841 and an accounting loss of \$211,805.

The trust account assets and the liability for the defeased bonds are not included in the District's financial statements. On June 30, 2018, \$0 of bonds outstanding are considered defeased.

Bonds payable at June 30, 2018, are comprised of the following issues:

2007 Life Safety/Working Cash Fund Bonds due in annual installments varying from \$225,000 to \$1,975,000 from 2010 through 2019; interest rates varying from 4.0 percent to 4.95 percent. \$560,000 is outstanding as of June 30, 2018, all of which is due within one year.

2011 General Obligation Bonds (Alternative Revenue Source) due in annual installments varying from \$900,000 to \$5,450,000 from 2013 to 2042; interest rates varying from 2.0 percent to 5.25 percent. \$64,825,000 is outstanding as of June 30, 2018, of which \$1,225,000 is due within one year.

2011 QZAB Series Bonds (Alternate Revenue Source) due in annual installments varying from \$100,000 to \$1,080,000 from 2021 to 2029; the interest rate is 2.25 percent. \$4,675,000 is outstanding as of June 30, 2018, of which nothing is due within one year.

2013 Series A and B General Obligation/Working Cash Bonds due in annual installments varying from \$530,000 to \$1,850,000 from 2018 to 2023; interest rates varying from 3.65 percent to 4.60 percent. \$8,995,000 is outstanding as of June 30, 2018, of which \$945,000 is due within one year.

2017 Working Cash Bonds due in annual installments varying from \$1,089,000 to \$1,115,000 from 2018 to 2019; interest rates varying from 1.75 percent to 1.89 percent. \$2,240,000 is outstanding as of June 30, 2018, of which \$1,089,000 is due within one year.

**Decatur School District No. 61**  
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**June 30, 2018**

The annual requirements to amortize all debt outstanding at June 30, 2018, including interest payments of \$52,444,720 are as follows:

	<u>Bonds</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 3,819,000	\$ 2,127,070	\$ 5,946,070
2020	4,000,000	3,593,017	7,593,017
2021	3,060,000	3,473,665	6,533,665
2022	3,260,000	3,331,818	6,591,818
2023	3,440,000	3,226,181	6,666,181
2024-2028	11,045,000	14,472,150	25,517,150
2029-2033	13,630,000	11,912,556	25,542,556
2045-2038	18,955,000	7,894,094	26,849,094
2039-2042	<u>20,050,000</u>	<u>2,414,169</u>	<u>22,464,169</u>
Total	<u>\$ 81,259,000</u>	<u>\$ 52,444,720</u>	<u>\$ 133,703,720</u>

The District has a legal debt margin of \$83,603,686 based on the 2017 assessed valuation of \$691,033,957.

**Note 11: Retirement Commitments**

The District provides pension benefits to its employees under two separate defined benefit plans as discussed below. As discussed in Footnote 1, because the District uses a modified cash basis of accounting for financial reporting purposes, it does not report pension obligations in its basic financial statements, thus the recognition requirements for such amounts (assets, deferred outflows of resources, liabilities and deferred inflows of resources) under Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* are not presented in the District’s financial statements. However, limited footnote disclosure under GASB 68 does apply and is provided herein.

***Illinois Municipal Retirement Fund (IMRF)***

***Plan Description***

The District contributes to the IMRF Plan, an agent multiple-employer defined benefit pension plan covering substantially all employees. The IMRF Plan is administered by the Illinois Municipal Retirement Fund.

**Decatur School District No. 61**  
**Notes to Financial Statements**  
**June 30, 2018**

**Benefits Provided**

Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publically available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

The employees covered by the Plan at December 31, 2017 are:

Inactive employees or beneficiaries currently receiving benefits	660
Inactive employees entitled to but not yet receiving benefits	344
Active employees	<u>560</u>
	<u><u>1,564</u></u>

**Contributions**

As set by statute, the District regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District’s annual required contribution rate for calendar year 2017 was 11.70 percent. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

For the year ended December 31, 2017, employees contributed \$900,411 and the District contributed \$2,623,430 to the IMRF Plan. The District recognized \$2,622,591 in expenses under the modified cash basis for the year ended June 30, 2018.

**Teachers' Retirement System of the State of Illinois**

**Plan Description**

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

# Decatur School District No. 61

## Notes to Financial Statements

### June 30, 2018

TRS issues a publically available financial report that can be obtained at <http://trsil.org/financial/cafrs/fy2017>; by writing to TRS at 2815 West Washington Street, P.O. Box 19253, Springfield, Illinois 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 III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

#### ***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, 2017, 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.

# Decatur School District No. 61

## Notes to Financial Statements

### June 30, 2018

**On behalf contributions to TRS.** The District meets the definition of being in a special funding situation in which the State is the nonemployer entity that is legally responsible for providing financial support for the pension of the District employees. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2018, the State of Illinois contributions recognized by the employer were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$3,609,402 in pension contributions from the State of Illinois.

**2.2 formula contributions.** Employers contribute .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, 2018 were \$247,480.

**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 will be the same as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2018, the employer pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$2,378,570 were paid from federal and special trust funds that required employer contributions of \$240,236.

**District Retirement Cost Contributions.** Under GASB Statement No. 68, contributions that a District is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members retiring under the ERO. The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2018, there were no District ERO contributions.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2018, DSD No. 61 paid \$12,017 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in the excess of the normal annual allotment.

#### Note 12: Transportation Agreement

The District has contracted its transportation needs with an outside vendor under an agreement which expires July 31, 2020. Transportation needs are provided at agreed-upon rates as specified in the contract. Total costs for transportation needs for the year ended June 30, 2018 under the agreement were \$6,018,212.

**Decatur School District No. 61**  
**Notes to Financial Statements**  
**June 30, 2018**

**Note 13: Leases**

The District has entered into a lease agreement that expires on July 6, 2021 for one-to-one classroom technology. Future minimum lease payments at June 30, 2018 were:

2019	\$	315,662
2020		315,662
2021		315,662
2022		<u>315,662</u>
	\$	<u>1,262,648</u>

Lease expenditures disbursed for these agreements for the year ended June 30, 2018 were \$425,369.

**Note 14: Contingencies**

The District has received funding from state and federal grants in the current and prior years which is subject to audit and approval by the granting agencies. The Board of Education believes any adjustments that may arise from these audits will be insignificant to the District’s operations.

The District is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position of the District.

**Note 15: Loss Exposure**

Significant losses are covered by commercial insurance for all major programs: property and liability. The District has chosen self-insurance for workers’ compensation by membership in the Illinois Association of School Boards – Sponsored Workers’ Compensation Self-Insurance Trust. During the year ended June 30, 2018, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

**Decatur School District No. 61**  
**Notes to Financial Statements**  
**June 30, 2018**

**Note 16: Postemployment Benefit Plans**

The District provides postemployment benefits other than pensions (OPEB) to its retirees under two separate defined benefit OPEB plans as discussed below. As discussed in Footnote 1, because the District uses a modified cash basis of accounting for financial reporting purposes, it does not report items related to OPEB, except for OPEB expense, in its basic financial statements, thus the recognition requirements for such amounts (assets, deferred outflows of resources, liabilities and deferred inflows of resources) under Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* do not apply to the District. However, limited footnote disclosure is required under GASB 75, which was adopted by the District for the year ended June 30, 2018, and is provided herein.

**Retiree Healthcare Plan**

**Plan Description**

The District administers a single-employer defined benefit healthcare plan (“the OPEB Plan”). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the District’s group health insurance plan, which covers both active and retired members. The OPEB Plan is administered by a board of trustees. The OPEB Plan is not administered under a qualified trust and there are no employer contributions or OPEB plan assets. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**Benefits Provided**

The OPEB Plan provides healthcare benefits to eligible retirees and their spouses through the age of 65. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the retiree. For the year ended June 30, 2018, the District recognized OPEB expense related to this plan of \$95,627.

The employees covered by the benefit terms at June 30, 2018 are:

	<b>2018</b>
Inactive employees or beneficiaries currently receiving benefit payments	27
Inactive employees entitled to but not yet receiving benefits	—
Active employees	450
	477

During the year ended June 30, 2018, the employer contributions and benefit payments are related to the increase in active premiums due to the presence of retirees in the determination of the blended retiree/active premiums and totaled \$221,198.

**Decatur School District No. 61**  
**Notes to Financial Statements**  
**June 30, 2018**

***Teacher Health Insurance Security Fund***

**Plan Description**

The Teacher Retirement Insurance Program of Illinois (TRIP or Plan) is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that covers retired employees of participating school districts throughout the State of Illinois, excluding the Chicago Public School System. 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 ILSC 375/6.5) which establishes the eligibility and benefit provisions of the plan.

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*, defines special funding situations as circumstances in which a nonemployer entity is legally responsible for providing financial support for OPEB (other postemployment benefits) of the employees of another entity by making contributions directly to an OPEB plan that is administered through a trust that meets the criteria set forth in GASB 75 and either (1) the amount of contributions or benefit payments for which the nonemployer entity legally is responsible is not dependent upon one or more events or circumstances unrelated to the OPEB or (2) the nonemployer entity is the only entity with a legal obligation to provide financial support directly to an OPEB plan that is used to provide OPEB to employees of another entity. The State of Illinois is considered a nonemployer contributing entity and the plan is deemed to have a special funding situation.

**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 postemployment 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. A copy of the financial statements of the Department may be obtained by writing to the Department of Central Management Services, 401 South Spring Street, Springfield, Illinois, 62706.



**Decatur School District No. 61**  
**Notes to Financial Statements**  
**June 30, 2018**

**Contributions**

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the TRS, who are not employees of a department, make contributions to the plan at a rate of 1.12% of salary and for every employer of a teacher to contribute an amount equal to .84% of each teacher's salary. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the Teachers' Health Insurance Security Fund (THISF), an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year.

The District meets the definition of being in a special funding situation in which the State is the nonemployer entity that is legally responsible for providing financial support for OPEB of the District employees and that the State's proportionate share of the collective net OPEB liability is 52.129759%. The state of Illinois makes employer retiree contributions on behalf of the District. State contributions are intended to match contributions to the fund from active members. State of Illinois contributions were \$432,906 and the District recognized revenues and expenditures of this amount during the year. The employer contribution was .88 percent or \$322,845 for the year ended June 30, 2018.

The OPEB plan contributions for the two plans were \$755,751 for the teacher health insurance plan and \$221,198 for the retiree healthcare plan.

**Note 17: Significant Concentrations**

Accounting principles generally accepted in the United States of America require disclosure of certain significant current vulnerabilities due to certain concentrations. Those matters include the following:

***Current Economic Conditions***

The current economic environment presents school districts with difficult circumstances and challenges, which in some cases have resulted in large declines in the fair value of investments and other assets, declines in governmental support, grant revenue and tax revenue, constraints on liquidity and difficulty obtaining financing. The financial statements have been prepared using values and information currently available to the District.

Current economic conditions have made it difficult for many districts. A significant decline in governmental support, grant revenue and tax revenue could have an adverse impact on the District's future operating results.

**Decatur School District No. 61**  
**Notes to Financial Statements**  
**June 30, 2018**

In addition, given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values that could negatively impact the District's ability to maintain sufficient liquidity.

***Labor Agreement***

A large percentage (87 percent) of the District's employees are covered by collective bargaining agreements. Collective bargaining agreements covering approximately 24 percent of these employees expire within the next year.

**Note 18: Facilities Occupation Sales Tax**

Macon County, Illinois imposed a 1 percent county sales tax effective July 1, 2011, which is to be used exclusively for school facility purposes. The District received \$5,214,352 from this tax during the year ended June 30, 2018, which has been budgeted to address current and future building improvement needs.

**Note 19: Health Insurance Plan**

Effective January 1, 2014, the District became a member and participates in the Education Benefits Cooperative (Cooperative) for employee health insurance coverage. The Plan is a self-funded plan and administration is provided through a third-party administrator. The Plan also carries specific stop-loss insurance at such levels as approved by the Cooperative's Board of Directors. Benefits are paid directly from the Plan through a claims administrator, while Plan contributions are made by the District at a rate determined by the Cooperative annually.

## **Additional Audited Financial Information**

**Decatur School District No. 61**  
**Combining Statement of Assets, Liabilities and Fund Balances**  
**Major Funds**  
**Modified Cash Basis**  
**June 30, 2018**

	Educational Fund	Operations and Maintenance Fund	Working Cash Fund
<b>Assets</b>			
Cash	\$ 503,134	\$ 73,198	\$ 1,996,195
Investments	15,195,763	2,045,082	2,398,884
Inventories-at moving-average cost	102,905	—	—
Other	67	—	—
Total assets	\$ 15,801,869	\$ 2,118,280	\$ 4,395,079
<b>Liabilities</b>			
Payroll deductions payable	\$ 4,927,383	\$ —	\$ —
	4,927,383	—	—
<b>Fund Balances</b>			
	10,874,486	2,118,280	4,395,079
Total liabilities and fund balances	\$ 15,801,869	\$ 2,118,280	\$ 4,395,079

<b>Tort Immunity/ Judgment Fund</b>	<b>Total General Fund</b>	<b>Total Major Funds</b>
\$ 86,303	\$ 2,658,830	\$ 2,658,830
1,914,294	21,554,023	21,554,023
—	102,905	102,905
<u>—</u>	<u>67</u>	<u>67</u>
<u>\$ 2,000,597</u>	<u>\$ 24,315,825</u>	<u>\$ 24,315,825</u>
<u>—</u>	<u>4,927,383</u>	<u>4,927,383</u>
<u>—</u>	<u>4,927,383</u>	<u>4,927,383</u>
<u>2,000,597</u>	<u>19,388,442</u>	<u>19,388,442</u>
<u>\$ 2,000,597</u>	<u>\$ 24,315,825</u>	<u>\$ 24,315,825</u>

**Decatur School District No. 61**  
**Combining Statement of Revenue Received, Expenditures Disbursed,**  
**Other Financing Sources (Uses) and Changes in Fund Balances**  
**Major Funds**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	<b>Educational Fund</b>	<b>Operations and Maintenance Fund</b>	<b>Working Cash Fund</b>
<b>Revenue Received</b>			
Taxes	\$ 9,279,461	\$ 1,744,250	\$ 174,426
Corporate personal property replacement taxes	3,097,436	—	—
Earnings on investments	264,996	21,856	29,174
Tuition	39,816	—	—
Food services	82,640	—	—
District/school activity income	95,569	—	—
Textbook fees	116,214	—	—
State grants	50,621,120	1,794,935	—
Federal grants	16,333,324	251	—
Other	1,817,777	53,215	—
On-behalf receipts	<u>4,042,308</u>	<u>—</u>	<u>—</u>
	<u>85,790,661</u>	<u>3,614,507</u>	<u>203,600</u>
<b>Expenditures Disbursed</b>			
<b>Instruction</b>			
Regular programs	27,530,401	—	—
Tuition payments to charter schools	3,096,352	—	—
Pre-kindergarten programs	1,899,306	—	—
Special Ed programs	5,814,497	—	—
Remedial and supplemental programs			
K-12	4,963,451	—	—
Adult continuing education programs	12	—	—
Interscholastic programs	1,058,888	—	—
Summer school programs	49,692	—	—
Driver's education programs	125,172	—	—
Bilingual programs	246,959	—	—
Truant alternative and optional programs	<u>279,300</u>	<u>—</u>	<u>—</u>
	<u>45,064,030</u>	<u>—</u>	<u>—</u>
<b>Supporting services</b>			
Pupils	4,584,037	—	—
Instructional staff	4,179,951	—	—
General administration	1,872,222	—	—
School administration	5,940,330	—	—
Business	10,307,442	5,733,511	—
Central	4,163,090	—	—
Other	<u>94,918</u>	<u>—</u>	<u>—</u>
	<u>31,141,990</u>	<u>5,733,511</u>	<u>—</u>

<b>Tort Immunity/ Judgment Fund</b>	<b>Total General Fund</b>	<b>Total Major Funds</b>
\$ 1,396,278	\$ 12,594,415	\$ 12,594,415
—	3,097,436	3,097,436
28,967	344,993	344,993
—	39,816	39,816
—	82,640	82,640
—	95,569	95,569
—	116,214	116,214
—	52,416,055	52,416,055
—	16,333,575	16,333,575
16,919	1,887,911	1,887,911
—	<u>4,042,308</u>	<u>4,042,308</u>
<u>1,442,164</u>	<u>91,050,932</u>	<u>91,050,932</u>
—	27,530,401	27,530,401
—	3,096,352	3,096,352
—	1,899,306	1,899,306
—	5,814,497	5,814,497
—	4,963,451	4,963,451
—	12	12
—	1,058,888	1,058,888
—	49,692	49,692
—	125,172	125,172
—	246,959	246,959
—	<u>279,300</u>	<u>279,300</u>
—	<u>45,064,030</u>	<u>45,064,030</u>
—	4,584,037	4,584,037
—	4,179,951	4,179,951
2,920,995	4,793,217	4,793,217
—	5,940,330	5,940,330
—	16,040,953	16,040,953
—	4,163,090	4,163,090
—	<u>94,918</u>	<u>94,918</u>
<u>2,920,995</u>	<u>39,796,496</u>	<u>39,796,496</u>

**Decatur School District No. 61**  
**Combining Statement of Revenue Received, Expenditures Disbursed,**  
**Other Financing Sources (Uses) and Changes in Fund Balances**  
**Major Funds**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	Educational Fund	Operations and Maintenance Fund	Working Cash Fund
(Continued)			
<b>Community Services</b>	\$ 1,573,310	\$ —	\$ —
<b>Payments to Other Governmental Units</b>	8,666,181	—	—
<b>On-behalf Disbursements</b>	<u>4,042,308</u>	<u>—</u>	<u>—</u>
	<u>90,487,819</u>	<u>5,733,511</u>	<u>—</u>
<b>Excess (Deficiency) of Revenue Received Over (Under) Expenditures Disbursed</b>	<u>(4,697,158)</u>	<u>(2,119,004)</u>	<u>203,600</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of fixed assets	1,700	—	—
Proceeds from sale of supplies	5,904	853	—
Principal on bonds sold	—	—	2,178,200
Transfer to Operations and Maintenance Fund	—	—	—
Transfer from Tort Immunity/Judgment Fund	—	69,059	—
Transfer to Capital Projects Fund	—	—	(2,700,000)
Increase in worker's compensation reserve	<u>—</u>	<u>—</u>	<u>—</u>
	<u>7,604</u>	<u>69,912</u>	<u>(521,800)</u>
<b>Deficiency of Revenue Received and Other Financing Sources (Uses) Under Expenditures Disbursed and Other Financing Uses</b>	<u>(4,689,554)</u>	<u>(2,049,092)</u>	<u>(318,200)</u>
<b>Fund Balances, Beginning of Year</b>	<u>15,564,040</u>	<u>4,167,372</u>	<u>4,713,279</u>
<b>Fund Balances, End of Year</b>	<u>\$ 10,874,486</u>	<u>\$ 2,118,280</u>	<u>\$ 4,395,079</u>



<b>Tort Immunity/ Judgment Fund</b>	<b>Total General Fund</b>	<b>Total Major Funds</b>
\$ —	\$ 1,573,310	\$ 1,573,310
—	8,666,181	8,666,181
<u>—</u>	<u>4,042,308</u>	<u>4,042,308</u>
<u>2,920,995</u>	<u>99,142,325</u>	<u>99,142,325</u>
<u>(1,478,831)</u>	<u>(8,091,393)</u>	<u>(8,091,393)</u>
—	1,700	1,700
—	6,757	6,757
—	2,178,200	2,178,200
(69,059)	(69,059)	(69,059)
—	69,059	69,059
—	(2,700,000)	(2,700,000)
<u>622,284</u>	<u>622,284</u>	<u>622,284</u>
<u>553,225</u>	<u>108,941</u>	<u>108,941</u>
(925,606)	(7,982,452)	(7,982,452)
<u>2,926,203</u>	<u>27,370,894</u>	<u>27,370,894</u>
<u>\$ 2,000,597</u>	<u>\$ 19,388,442</u>	<u>\$ 19,388,442</u>

**Decatur School District No. 61**  
**Combining Statement of Assets, Liabilities and Fund Balances**  
**Other Nonmajor Governmental Funds**  
**Modified Cash Basis**  
**June 30, 2018**

	Transportation Fund	Debt Service Fund	Illinois Municipal Retirement Fund
<b>Assets</b>			
Cash	\$ 1,066,776	\$ 502,725	\$ 84,194
Investments	<u>1,769,317</u>	<u>403,358</u>	<u>2,482,093</u>
Total assets	<u>\$ 2,836,093</u>	<u>\$ 906,083</u>	<u>\$ 2,566,287</u>
<b>Fund Balances</b>	<u>\$ 2,836,093</u>	<u>\$ 906,083</u>	<u>\$ 2,566,287</u>

<b>Capital Projects Fund</b>	<b>Fire Prevention and Safety Fund</b>	<b>Total Other Nonmajor Governmental Funds</b>
\$ 171,438	\$ 114,854	\$ 1,939,987
<u>2,917,097</u>	<u>3,225,404</u>	<u>10,797,269</u>
<u>\$ 3,088,535</u>	<u>\$ 3,340,258</u>	<u>\$ 12,737,256</u>
<u>\$ 3,088,535</u>	<u>\$ 3,340,258</u>	<u>\$ 12,737,256</u>

**Decatur School District No. 61**  
**Combining Statement of Revenue Received, Expenditures**  
**Disbursed, Other Financing Sources and Changes in Fund Balances**  
**Other Nonmajor Governmental Funds**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	<b>Transportation Fund</b>	<b>Debt Service Fund</b>	<b>Illinois Municipal Retirement Fund</b>
<b>Revenue Received</b>			
Taxes	\$ 697,699	\$ 1,517,643	\$ 1,985,732
Corporate personal property replacement taxes	—	—	282,743
School facility occupation tax proceeds	—	4,863,741	—
Earnings on investments	23,929	10,251	38,515
State grants	5,968,531	—	—
Federal grants	113,573	—	13,406
Other	<u>13,708</u>	<u>—</u>	<u>59,358</u>
	<u>6,817,440</u>	<u>6,391,635</u>	<u>2,379,754</u>
<b>Expenditures Disbursed</b>			
Instruction			
Regular programs	—	—	341,001
Pre-kindergarten programs	—	—	119,633
Special Ed programs Pre-K	—	—	659,539
Remedial and supplemental programs			
K-12	—	—	292,231
Interscholastic programs	—	—	52,935
Summer school programs	—	—	707
Driver's education programs	—	—	1,689
Bilingual programs	—	—	2,198
Truant alternative and optional programs	<u>—</u>	<u>—</u>	<u>11,523</u>
	<u>—</u>	<u>—</u>	<u>1,481,456</u>
Supporting services			
Pupils	—	—	278,239
Instructional staff	—	—	238,535
General administration	—	—	171,138
School administration	—	—	315,667
Business administration	6,220,290	—	1,358,979
Central	—	—	211,117
Other	<u>—</u>	<u>—</u>	<u>923</u>
	<u>6,220,290</u>	<u>—</u>	<u>2,574,598</u>

<b>Capital Projects Fund</b>	<b>Fire Prevention and Safety Fund</b>	<b>Total Other Nonmajor Governmental Funds</b>
\$ —	\$ 174,426	\$ 4,375,500
—	—	282,743
350,611	—	5,214,352
18,069	33,272	124,036
—	—	5,968,531
—	—	126,979
<u>219,009</u>	<u>—</u>	<u>292,075</u>
<u>587,689</u>	<u>207,698</u>	<u>16,384,216</u>
—	—	341,001
—	—	119,633
—	—	659,539
—	—	292,231
—	—	52,935
—	—	707
—	—	1,689
—	—	2,198
<u>—</u>	<u>—</u>	<u>11,523</u>
<u>—</u>	<u>—</u>	<u>1,481,456</u>
—	—	278,239
—	—	238,535
—	—	171,138
—	—	315,667
1,299,691	502,354	9,381,314
—	—	211,117
<u>—</u>	<u>—</u>	<u>923</u>
<u>1,299,691</u>	<u>502,354</u>	<u>10,596,933</u>

**Decatur School District No. 61**  
**Combining Statement of Revenue Received, Expenditures**  
**Disbursed, Other Financing Sources and Changes in Fund Balances**  
**Other Nonmajor Governmental Funds**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	<b>Transportation Fund</b>	<b>Debt Service Fund</b>	<b>Illinois Municipal Retirement Fund</b>
(Continued)			
<b>Community Services</b>	\$ —	\$ —	\$ 187,840
<b>Debt Services</b>	<u>—</u>	<u>7,527,866</u>	<u>—</u>
	<u>6,220,290</u>	<u>7,527,866</u>	<u>4,243,894</u>
<b>Excess (Deficiency) of Revenue Received Over (Under) Expenditures Disbursed</b>	<u>597,150</u>	<u>(1,136,231)</u>	<u>(1,864,140)</u>
<b>Other Financing Sources</b>			
Principal on bonds sold	—	25,800	—
Transfer from Working Cash Fund	<u>—</u>	<u>—</u>	<u>—</u>
	<u>—</u>	<u>25,800</u>	<u>—</u>
<b>Excess (Deficiency) of Revenue Received and Other Financing Sources Over (Under) Expenditures Disbursed</b>	597,150	(1,110,431)	(1,864,140)
<b>Fund Balances, Beginning of Year</b>	<u>2,238,943</u>	<u>2,016,514</u>	<u>4,430,427</u>
<b>Fund Balances, End of Year</b>	<u>\$ 2,836,093</u>	<u>\$ 906,083</u>	<u>\$ 2,566,287</u>

<b>Capital Projects Fund</b>	<b>Fire Prevention and Safety Fund</b>	<b>Total Other Nonmajor Governmental Funds</b>
\$           —	\$           —	\$       187,840
<u>          —</u>	<u>          —</u>	<u>      7,527,866</u>
<u>      1,299,691</u>	<u>      502,354</u>	<u>     19,794,095</u>
<u>     (712,002)</u>	<u>     (294,656)</u>	<u>     (3,409,879)</u>
<u>          —</u>	<u>          —</u>	<u>          25,800</u>
<u>      2,700,000</u>	<u>          —</u>	<u>      2,700,000</u>
<u>      2,700,000</u>	<u>          —</u>	<u>      2,725,800</u>
1,987,998	(294,656)	(684,079)
<u>      1,100,537</u>	<u>      3,634,914</u>	<u>     13,421,335</u>
<u>\$    3,088,535</u>	<u>\$    3,340,258</u>	<u>\$   12,737,256</u>

**Decatur School District No. 61**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**Modified Cash Basis**  
**June 30, 2018**

	<u>Student Activity Funds</u>
<b>Assets</b>	
Cash	\$ 68,722
Investments	<u>462,202</u>
Total assets	\$ <u><u>530,924</u></u>
<b>Liability</b>	
Due to organizations	\$ <u><u>530,924</u></u>



**Decatur School District No. 61**  
**Combining Statement of Cash Receipts**  
**and Disbursements**  
**Fiduciary Funds**  
**Year Ended June 30, 2018**

	<b>Balance July 1, 2017</b>	<b>Cash Received</b>	<b>Cash Disbursed</b>	<b>Balance June 30, 2018</b>
Activity Funds	\$ <u>505,914</u>	\$ <u>492,119</u>	\$ <u>467,109</u>	\$ <u>530,924</u>

**Decatur School District No. 61**  
**Educational Fund**  
**Statement of Revenue Received and Other Financing Sources**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	<b>Budget</b>	<b>Actual</b>	<b>Budget Over (Under) Actual</b>
<b>Revenue Received</b>			
Local Sources			
Taxes	\$ 18,416,065	\$ 9,279,461	\$ 9,136,604
Corporate personal property replacement taxes	2,793,940	3,097,436	(303,496)
Earnings on investments	42,075	264,996	(222,921)
Tuition	26,000	39,816	(13,816)
Food services	92,500	82,640	9,860
District/school activity income	127,392	95,569	31,823
Textbook fees	150,500	116,214	34,286
Other, including rental	<u>1,801,406</u>	<u>1,817,777</u>	<u>(16,371)</u>
	<u>23,449,878</u>	<u>14,793,909</u>	<u>8,655,969</u>
Flow through from another district	<u>1,737,665</u>	<u>—</u>	<u>1,737,665</u>
State Sources			
Unrestricted Grants			
Evidence-based funding	46,406,260	46,315,558	90,702
Orphanage tuition	<u>180,800</u>	<u>135,567</u>	<u>45,233</u>
	<u>46,587,060</u>	<u>46,451,125</u>	<u>135,935</u>
Restricted Grants			
Driver education	108,910	86,955	21,955
Bilingual education	—	31,199	(31,199)
Special education	949,535	993,901	(44,366)
Truant alternative and optional programs	171,848	149,645	22,203
Early childhood	2,061,538	2,639,896	(578,358)
Food services	39,497	92,389	(52,892)
Other	107,699	164,765	(57,066)
State library grant	<u>—</u>	<u>11,245</u>	<u>(11,245)</u>
	<u>3,439,027</u>	<u>4,169,995</u>	<u>(730,968)</u>
	<u>50,026,087</u>	<u>50,621,120</u>	<u>(595,033)</u>

(Continued)

**Decatur School District No. 61**  
**Educational Fund**  
**Statement of Revenue Received and Other Financing Sources**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	Budget	Actual	Budget Over (Under) Actual
Federal Sources			
Adult education	\$ 44,230	\$ 44,230	\$ —
Title I	6,679,790	6,905,587	(225,797)
Food services	5,181,700	5,058,722	122,978
Special Education – IDEA Flow Through	—	1,765,173	(1,765,173)
Title II – Teacher quality	898,229	906,223	(7,994)
Title IV	982	982	—
Title III – English Language Acquisition	15,916	16,614	(698)
Medicaid matching funds	155,660	181,655	(25,995)
Race to the top – preschool expansion grant	658,998	617,942	41,056
Other	<u>835,502</u>	<u>836,196</u>	<u>(694)</u>
	<u>14,471,007</u>	<u>16,333,324</u>	<u>(1,862,317)</u>
On-behalf receipts	<u>15,000,000</u>	<u>4,042,308</u>	<u>10,957,692</u>
Total revenue received	<u>104,684,637</u>	<u>85,790,661</u>	<u>18,893,976</u>
<b>Other Financing Sources</b>			
Proceeds from sale of supplies	3,000	5,904	(2,904)
Proceeds from sale of capital assets	<u>3,000</u>	<u>1,700</u>	<u>1,300</u>
Total other financing sources	<u>6,000</u>	<u>7,604</u>	<u>(1,604)</u>
<b>Total Revenue Received and Other Financing Sources</b>	<u>\$ 104,690,637</u>	<u>\$ 85,798,265</u>	<u>\$ 18,892,372</u>

**Decatur School District No. 61**  
**Educational Fund**  
**Statement of Expenditures Disbursed**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	Budget	Actual	Budget Over (Under) Actual
<b>Expenditures Disbursed</b>			
<b>Instruction</b>			
Regular Programs			
Salaries	\$ 19,976,175	\$ 19,637,614	\$ 338,561
Employee benefits	7,287,640	6,639,059	648,581
Purchased services	237,803	190,940	46,863
Supplies and materials	1,399,036	1,046,828	352,208
Other	10,800	10,879	(79)
Non-capitalized equipment	<u>—</u>	<u>5,081</u>	<u>(5,081)</u>
	<u>28,911,454</u>	<u>27,530,401</u>	<u>1,381,053</u>
 Tuition Payments to Charter Schools			
Purchased services	<u>3,222,725</u>	<u>3,096,352</u>	<u>126,373</u>
 Pre-K Programs			
Salaries	1,333,247	1,241,725	91,522
Employee benefits	562,903	451,649	111,254
Purchased services	11,194	11,899	(705)
Supplies and materials	68,353	169,349	(100,996)
Non-capitalized equipment	<u>3,400</u>	<u>24,684</u>	<u>(21,284)</u>
	<u>1,979,097</u>	<u>1,899,306</u>	<u>79,791</u>
 Remedial and supplemental programs K-12			
Salaries	2,952,743	3,150,084	(197,341)
Employee benefits	1,558,394	1,091,159	467,235
Purchased services	115,136	294,612	(179,476)
Supplies and materials	122,500	414,844	(292,344)
Non-capitalized equipment	<u>—</u>	<u>12,752</u>	<u>(12,752)</u>
	<u>4,748,773</u>	<u>4,963,451</u>	<u>(214,678)</u>
 Special Ed programs			
Salaries	4,375,080	4,390,263	(15,183)
Employee benefits	1,384,205	1,297,847	86,358
Purchased services	9,200	5,622	3,578
Supplies and materials	56,100	51,520	4,580
Other	<u>30,000</u>	<u>69,245</u>	<u>(39,245)</u>
	<u>5,854,585</u>	<u>5,814,497</u>	<u>40,088</u>
 Adult Continuing Education Programs			
Purchased services	<u>—</u>	<u>12</u>	<u>(12)</u>

(Continued)

**Decatur School District No. 61**  
**Educational Fund**  
**Statement of Expenditures Disbursed**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Budget Over (Under) Actual</u>
<b>Instruction (Continued)</b>			
Interscholastic Programs			
Salaries	\$ 726,855	\$ 733,058	\$ (6,203)
Employee benefits	71,830	55,508	16,322
Purchased services	100,780	108,616	(7,836)
Supplies and materials	151,484	98,116	53,368
Other	43,605	43,090	515
Non-capitalized equipment	<u>15,785</u>	<u>20,500</u>	<u>(4,715)</u>
	<u>1,110,339</u>	<u>1,058,888</u>	<u>51,451</u>
Summer School Programs			
Salaries	50,200	48,977	1,223
Employee benefits	<u>740</u>	<u>715</u>	<u>25</u>
	<u>50,940</u>	<u>49,692</u>	<u>1,248</u>
Driver's Education Programs			
Salaries	140,000	117,439	22,561
Employee benefits	2,050	1,692	358
Purchased services	—	841	(841)
Supplies and materials	7,000	5,110	1,890
Other	<u>—</u>	<u>90</u>	<u>(90)</u>
	<u>149,050</u>	<u>125,172</u>	<u>23,878</u>
Bilingual Programs			
Salaries	180,380	160,695	19,685
Employee benefits	84,316	73,438	10,878
Purchased services	—	95	(95)
Supplies and materials	<u>6,500</u>	<u>12,731</u>	<u>(6,231)</u>
	<u>271,196</u>	<u>246,959</u>	<u>24,237</u>
Truant Alternative and Optional Programs			
Salaries	220,697	213,847	6,850
Employee benefits	38,040	60,692	(22,652)
Purchased services	—	1,237	(1,237)
Supplies and materials	<u>4,000</u>	<u>3,524</u>	<u>476</u>
	<u>262,737</u>	<u>279,300</u>	<u>(16,563)</u>
Total instruction	<u>46,560,896</u>	<u>45,064,030</u>	<u>1,496,866</u>

(Continued)

**Decatur School District No. 61**  
**Educational Fund**  
**Statement of Expenditures Disbursed**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Budget Over (Under) Actual</u>
<b>Supporting Services</b>			
Pupils			
Salaries	\$ 3,625,090	\$ 3,426,841	\$ 198,249
Employee benefits	1,150,293	1,085,509	64,784
Purchased services	41,253	31,675	9,578
Supplies and materials	39,845	35,855	3,990
Other	1,061	161	900
Non-capitalized equipment	<u>3,955</u>	<u>3,996</u>	<u>(41)</u>
	<u>4,861,497</u>	<u>4,584,037</u>	<u>277,460</u>
Instructional staff			
Salaries	2,282,018	2,381,741	(99,723)
Employee benefits	765,617	714,751	50,866
Purchased services	722,719	868,459	(145,740)
Supplies and materials	170,798	202,160	(31,362)
Capital outlay	500	4,214	(3,714)
Other	3,815	3,110	705
Non-capitalized equipment	311,250	2,915	308,335
Termination benefits	<u>2,605</u>	<u>2,601</u>	<u>4</u>
	<u>4,259,322</u>	<u>4,179,951</u>	<u>79,371</u>
General administration			
Salaries	990,129	1,001,427	(11,298)
Employee benefits	281,787	246,355	35,432
Purchased services	574,111	556,991	17,120
Supplies and materials	51,250	43,593	7,657
Other	22,500	20,406	2,094
Non-capitalized equipment	2,000	849	1,151
Termination benefits	<u>—</u>	<u>2,601</u>	<u>(2,601)</u>
	<u>1,921,777</u>	<u>1,872,222</u>	<u>49,555</u>
School administration			
Salaries	4,200,015	4,527,059	(327,044)
Employee benefits	1,111,195	1,228,872	(117,677)
Purchased services	108,572	90,687	17,885
Supplies and materials	67,574	64,999	2,575
Capital outlay	1,500	—	1,500
Other	11,555	10,964	591
Non-capitalized equipment	5,515	10,636	(5,121)
Termination benefits	<u>—</u>	<u>7,113</u>	<u>(7,113)</u>
	<u>5,505,926</u>	<u>5,940,330</u>	<u>(434,404)</u>

(Continued)

**Decatur School District No. 61**  
**Educational Fund**  
**Statement of Expenditures Disbursed**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	Budget	Actual	Budget Over (Under) Actual
<b>Supporting Services (Continued)</b>			
Business Administration			
Operation and maintenance of Plant			
Salaries	\$ 3,468,965	\$ 3,229,412	\$ 239,553
Employee benefits	788,135	935,995	(147,860)
Purchased services	155,182	163,757	(8,575)
Supplies and materials	27,200	19,453	7,747
Capital outlay	5,000	—	5,000
Non-capitalized equipment	1,000	1,690	(690)
Termination benefits	<u>24,000</u>	<u>10,642</u>	<u>13,358</u>
	<u>4,469,482</u>	<u>4,360,949</u>	<u>108,533</u>
Food Services			
Salaries	27,550	22,862	4,688
Purchased services	3,864,680	3,962,711	(98,031)
Supplies and materials	135,694	134,654	1,040
Capital outlay	50,889	53,715	(2,826)
Other	8,000	7,747	253
Non-capitalized equipment	<u>17,905</u>	<u>12,286</u>	<u>5,619</u>
	<u>4,104,718</u>	<u>4,193,975</u>	<u>(89,257)</u>
Central business services			
Salaries	1,139,225	1,147,160	(7,935)
Employee benefits	200,360	219,140	(18,780)
Purchased services	257,765	239,769	17,996
Supplies and materials	31,450	32,024	(574)
Capital outlay	98,035	110,995	(12,960)
Other	640	655	(15)
Non-capitalized equipment	<u>3,500</u>	<u>2,775</u>	<u>725</u>
	<u>1,730,975</u>	<u>1,752,518</u>	<u>(21,543)</u>
Total business administration	<u>10,305,175</u>	<u>10,307,442</u>	<u>(2,267)</u>
Research, information, personnel, and data			
Salaries	1,115,476	1,160,639	(45,163)
Employee benefits	288,741	235,193	53,548
Purchased services	1,044,288	1,165,654	(121,366)
Supplies and materials	744,500	523,753	220,747
Capital outlay	205,000	398,554	(193,554)
Other	7,750	25,387	(17,637)
Non-capitalized equipment	800,000	643,525	156,475
Termination benefits	<u>—</u>	<u>10,385</u>	<u>(10,385)</u>
	<u>4,205,755</u>	<u>4,163,090</u>	<u>42,665</u>

(Continued)

**Decatur School District No. 61**  
**Educational Fund**  
**Statement of Expenditures Disbursed**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	<b>Budget</b>	<b>Actual</b>	<b>Budget Over (Under) Actual</b>
(Continued)			
<b>Supporting Services (Continued)</b>			
Business Administration (Continued)			
Other supporting services			
Salaries	\$ 67,240	\$ 67,236	\$ 4
Employee benefits	<u>15,515</u>	<u>27,682</u>	<u>(12,167)</u>
	<u>82,755</u>	<u>94,918</u>	<u>(12,163)</u>
Total supporting services	<u>31,142,207</u>	<u>31,141,990</u>	<u>217</u>
<b>Community Services</b>			
Salaries	1,026,468	1,023,407	3,061
Employee benefits	242,862	190,469	52,393
Purchased services	412,223	264,659	147,564
Supplies and materials	99,064	93,926	5,138
Non-capitalized equipment	<u>—</u>	<u>849</u>	<u>(849)</u>
Total community services	<u>1,780,617</u>	<u>1,573,310</u>	<u>207,307</u>
<b>Payments to Other Governmental Units</b>			
Purchased services	132,070	138,966	(6,896)
Other	<u>9,595,577</u>	<u>8,527,215</u>	<u>1,068,362</u>
Total payments to other governmental units	<u>9,727,647</u>	<u>8,666,181</u>	<u>1,061,466</u>
<b>Provisions for Contingencies</b>			
Other	<u>338,865</u>	<u>—</u>	<u>338,865</u>
<b>On-behalf Disbursements</b>			
	<u>15,000,000</u>	<u>4,042,308</u>	<u>10,957,692</u>
<b>Total Expenditures Disbursed</b>	<u>\$ 104,550,232</u>	<u>\$ 90,487,819</u>	<u>\$ 14,062,413</u>



**Decatur School District No. 61**  
**Operations and Maintenance Fund**  
**Statement of Revenue Received and Other Financing Sources**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	<b>Budget</b>	<b>Actual</b>	<b>Budget Over (Under) Actual</b>
<b>Revenue Received</b>			
Local Sources			
Taxes	\$ 3,432,800	\$ 1,744,250	\$ 1,688,550
Earnings on investments	5,900	21,856	(15,956)
Other, including rental	<u>62,825</u>	<u>53,215</u>	<u>9,610</u>
	<u>3,501,525</u>	<u>1,819,321</u>	<u>1,682,204</u>
State Sources			
Evidence-based funding	<u>1,794,935</u>	<u>1,794,935</u>	<u>—</u>
	<u>1,794,935</u>	<u>1,794,935</u>	<u>—</u>
Federal Sources			
Title I	<u>1,500</u>	<u>251</u>	<u>1,249</u>
	<u>1,500</u>	<u>251</u>	<u>1,249</u>
Total revenue received	<u>5,297,960</u>	<u>3,614,507</u>	<u>1,683,453</u>
<b>Other Financing Sources</b>			
Proceeds from sale of supplies	1,500	853	647
Transfer from Tort Immunity/Judgment Fund	<u>35,000</u>	<u>69,059</u>	<u>(34,059)</u>
Total other financing sources	<u>36,500</u>	<u>69,912</u>	<u>(33,412)</u>
<b>Total Revenue Received and Other Financing Sources</b>	<u>\$ 5,334,460</u>	<u>\$ 3,684,419</u>	<u>\$ 1,650,041</u>

**Decatur School District No. 61**  
**Operations and Maintenance Fund**  
**Statement of Expenditures Disbursed**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	<b>Budget</b>	<b>Actual</b>	<b>Budget Over (Under) Actual</b>
<b>Expenditures Disbursed</b>			
Supporting services, Business			
Facilities acquisition and construction			
Purchased services	\$ 51,000	\$ 31,563	\$ 19,437
Supplies and materials	16,000	20,010	(4,010)
Non-capitalized equipment	<u>9,000</u>	<u>12,172</u>	<u>(3,172)</u>
	<u>76,000</u>	<u>63,745</u>	<u>12,255</u>
Operation and maintenance of plant			
Salaries	2,240,235	2,163,256	76,979
Employee benefits	472,745	560,251	(87,506)
Purchased services	336,775	402,523	(65,748)
Supplies and materials	2,421,310	2,213,240	208,070
Capital outlay	309,150	181,728	127,422
Other	795	2,200	(1,405)
Non-capital equipment	<u>95,330</u>	<u>146,568</u>	<u>(51,238)</u>
	<u>5,876,340</u>	<u>5,669,766</u>	<u>206,574</u>
<b>Total Expenditures Disbursed</b>	<u>\$ 5,952,340</u>	<u>\$ 5,733,511</u>	<u>\$ 218,829</u>

**Decatur School District No. 61**  
**Debt Service Fund**  
**Statement of Revenue Received, Other Financing Sources**  
**and Expenditures Disbursed**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	<b>Budget</b>	<b>Actual</b>	<b>Budget Over (Under) Actual</b>
<b>Revenue Received</b>			
Local sources			
Taxes	\$ 3,062,975	\$ 1,517,643	\$ 1,545,332
School facility occupation tax proceeds	4,213,000	4,863,741	(650,741)
Earnings on investments	<u>3,800</u>	<u>10,251</u>	<u>(6,451)</u>
Total Revenue Received	<u>7,279,775</u>	<u>6,391,635</u>	<u>888,140</u>
<b>Other Financing Sources</b>			
Principal on bonds sold	<u>35,000</u>	<u>25,800</u>	<u>9,200</u>
<b>Total Revenue Received and         Other Financing Sources</b>	<u>\$ 7,314,775</u>	<u>\$ 6,417,435</u>	<u>\$ 897,340</u>
<b>Expenditures Disbursed</b>			
Interest and service charges on bonded debt	\$ 3,820,000	\$ 3,807,866	\$ 12,134
Principal repayment on bonded debt	<u>3,720,000</u>	<u>3,720,000</u>	<u>—</u>
<b>Total Expenditures Disbursed</b>	<u>\$ 7,540,000</u>	<u>\$ 7,527,866</u>	<u>\$ 12,134</u>

# Decatur School District No. 61

## Debt Service Fund Schedule of Bonds Outstanding

June 30, 2018

	Date of Issue	Interest Rate	Amount Originally Issued	Amount Outstanding July 1, 2016
Life Safety/Working Cash Fund Bonds	08/01/07	4.00% to 4.95%	\$ 9,000,000	\$ 1,985,000
General Obligation School Bonds Series 2011A	10/11/11	2.00% to 5.25%	70,920,000	65,970,000
QZAB Series 2011	11/03/11	2.25%	4,675,000	4,675,000
Working Cash/Refunding Bonds Series 2013A and B	07/30/13	3.65% to 4.60%	8,995,000	8,995,000
Life Safety Bonds	02/29/16	1.99% to 2.10%	1,355,000	1,150,000
Working Cash Bonds	12/01/17	1.75% to 1.89%	<u>2,204,000</u>	<u>—</u>
			<u>\$ 97,149,000</u>	<u>\$ 82,775,000</u>

### Requirements for Bonds and Interest

	Future Years		
	Bonds	Interest	Total Requirements
2019	\$ 3,819,000	\$ 2,127,070	\$ 5,946,070
2020	4,000,000	3,593,017	7,593,017
2021	3,060,000	3,473,665	6,533,665
2022	3,260,000	3,331,818	6,591,818
2023	3,440,000	3,226,181	6,666,181
2024-2028	11,045,000	14,472,150	25,517,150
2029-2033	13,630,000	11,912,556	25,542,556
2034-2038	18,955,000	7,894,094	26,849,094
2039-2042	<u>20,050,000</u>	<u>2,414,169</u>	<u>22,464,169</u>
	<u>\$ 81,259,000</u>	<u>\$ 52,444,720</u>	<u>\$ 133,703,720</u>

### Legal Debt Margin

Assessed valuation, 2016	\$ <u>691,033,957</u>
Statutory debt limitation (13.8 percent of assessed valuation)	\$ 95,362,686
Bonded debt less alternate revenue source bonds of \$69,500,000	<u>11,759,000</u>
Legal debt margin	<u>\$ 83,603,686</u>

<b>Amount Issued This Fiscal Year</b>	<b>Amount Retired This Fiscal Year</b>	<b>Amount Outstanding June 30, 2018</b>	<b>Payable Next Twelve Months</b>
\$ —	\$ 1,425,000	\$ 560,000	\$ 560,000
—	1,145,000	64,825,000	1,225,000
—	—	4,675,000	—
—	—	8,995,000	945,000
—	1,150,000	—	—
<u>2,204,000</u>	<u>—</u>	<u>2,204,000</u>	<u>1,089,000</u>
<u>\$ 2,204,000</u>	<u>\$ 3,720,000</u>	<u>\$ 81,259,000</u>	<u>\$ 3,819,000</u>

**Decatur School District No. 61**  
**Transportation Fund**  
**Statement of Revenue Received and Expenditures Disbursed**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	<b>Budget</b>	<b>Actual</b>	<b>Budget Over (Under) Actual</b>
<b>Revenue Received</b>			
Local Sources			
Taxes	\$ 1,382,200	\$ 697,699	\$ 684,501
Earnings on investments	2,150	23,929	(21,779)
Other	<u>11,500</u>	<u>13,708</u>	<u>(2,208)</u>
	<u>1,395,850</u>	<u>735,336</u>	<u>660,514</u>
State Sources			
Unrestricted Grants			
Evidence-based funding	<u>1,618,370</u>	<u>1,618,370</u>	<u>—</u>
Restricted Grants			
Transportation Aid			
Regular students	2,075,750	2,754,706	(678,956)
Special education	<u>1,147,835</u>	<u>1,429,975</u>	<u>(282,140)</u>
	3,223,585	4,184,681	(961,096)
Other restricted grants	<u>258,682</u>	<u>165,480</u>	<u>93,202</u>
	<u>3,482,267</u>	<u>4,350,161</u>	<u>(867,894)</u>
	<u>5,100,637</u>	<u>5,968,531</u>	<u>(867,894)</u>
Federal Sources			
Title I	55,246	63,718	(8,472)
Race to the top – preschool expansion grant	<u>80,000</u>	<u>49,855</u>	<u>30,145</u>
	<u>135,246</u>	<u>113,573</u>	<u>21,673</u>
<b>Total Revenue Received</b>	<u>\$ 6,631,733</u>	<u>\$ 6,817,440</u>	<u>\$ (185,707)</u>
<b>Expenditures Disbursed</b>			
Supporting services, Business			
Pupil transportation			
Salaries	\$ 117,225	\$ 109,321	\$ 7,904
Employee benefits	8,110	8,673	(563)
Purchased services	6,419,231	6,089,966	329,265
Supplies and materials	88,400	12,330	76,070
Capital equipment	30,000	—	30,000
Other	<u>500</u>	<u>—</u>	<u>500</u>
<b>Total Expenditures Disbursed</b>	<u>\$ 6,663,466</u>	<u>\$ 6,220,290</u>	<u>\$ 443,176</u>

**Decatur School District No. 61**  
**Illinois Municipal Retirement/Social Security Fund**  
**Statement of Revenue Received**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	<b>Budget</b>	<b>Actual</b>	<b>Budget Over (Under) Actual</b>
<b>Revenue Received</b>			
Local sources			
Taxes	\$ 4,153,150	\$ 1,985,732	\$ 2,167,418
Corporate personal property replacement taxes	282,743	282,743	—
Earnings on investments	8,560	38,515	(29,955)
Other	<u>15,795</u>	<u>59,358</u>	<u>(43,563)</u>
	<u>4,460,248</u>	<u>2,366,348</u>	<u>2,093,900</u>
Federal Sources			
SAMHSA	<u>—</u>	<u>13,406</u>	<u>(13,406)</u>
<b>Total Revenue Received</b>	<u>\$ 4,460,248</u>	<u>\$ 2,379,754</u>	<u>\$ 2,080,494</u>

**Decatur School District No. 61**  
**Illinois Municipal Retirement/Social Security Fund**  
**Statement of Expenditures Disbursed**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	Budget	Actual	Budget Over (Under) Actual
<b>Expenditures Disbursed</b>			
Instruction			
Employee benefits			
Regular programs	\$ 350,150	\$ 341,001	\$ 9,149
Pre-kindergarten programs	122,745	119,633	3,112
Special Ed programs	662,270	659,539	2,731
Remedial and supplemental programs	263,850	292,231	(28,381)
Interscholastic programs	55,536	52,935	2,601
Summer school programs	735	707	28
Driver's education programs	2,320	1,689	631
Bilingual programs	2,650	2,198	452
Truant alternative and optional programs	<u>14,425</u>	<u>11,523</u>	<u>2,902</u>
	<u>1,474,681</u>	<u>1,481,456</u>	<u>(6,775)</u>
Supporting services			
Employee benefits			
Pupils	318,338	278,239	40,099
Instructional staff	224,131	238,535	(14,404)
General administration	164,495	171,138	(6,643)
School administration	321,830	315,667	6,163
Business	1,404,960	1,358,979	45,981
Central	204,610	211,117	(6,507)
Other	<u>975</u>	<u>923</u>	<u>52</u>
	<u>2,639,339</u>	<u>2,574,598</u>	<u>64,741</u>
Community Services			
Employee Benefits			
Other	<u>186,685</u>	<u>187,840</u>	<u>(1,155)</u>
<b>Total Expenditures Disbursed</b>	<u>\$ 4,300,705</u>	<u>\$ 4,243,894</u>	<u>\$ 56,811</u>



**Decatur School District No. 61**  
**Tort Immunity/Judgment Fund**  
**Statement of Revenue Received, Expenditures Disbursed**  
**and Other Financing Uses**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	<b>Budget</b>	<b>Actual</b>	<b>Budget Over (Under) Actual</b>
<b>Revenue Received</b>			
Local sources			
Taxes	\$ 2,764,535	\$ 1,396,278	\$ 1,368,257
Earnings on investments	7,840	28,967	(21,127)
Other	<u>—</u>	<u>16,919</u>	<u>(16,919)</u>
<b>Total Revenue Received</b>	<u>\$ 2,772,375</u>	<u>\$ 1,442,164</u>	<u>\$ 1,330,211</u>
<b>Expenditures Disbursed</b>			
Supporting Services, General Administration			
Tort immunity services			
Salaries	\$ 495,470	\$ 482,261	\$ 13,209
Employee benefits	182,230	169,447	12,783
Purchased services	1,984,200	2,268,487	(284,287)
Other	<u>—</u>	<u>800</u>	<u>(800)</u>
Total expenditures disbursed	<u>2,661,900</u>	<u>2,920,995</u>	<u>(259,095)</u>
<b>Other Financing Uses</b>			
Transfer to Operations and Maintenance Fund	<u>35,000</u>	<u>69,059</u>	<u>(34,059)</u>
<b>Total Expenditures Disbursed and Other Financing Uses</b>	<u>\$ 2,696,900</u>	<u>\$ 2,990,054</u>	<u>\$ (293,154)</u>

**Decatur School District No. 61**  
**Capital Projects Fund**  
**Statement of Revenues Received, Other Financing Sources**  
**and Expenditures Disbursed**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	<b>Budget</b>	<b>Actual</b>	<b>Budget Over (Under) Actual</b>
<b>Revenue Received</b>			
Local Sources			
School facility occupation tax proceeds	\$ 795,000	\$ 350,611	\$ 444,389
Earnings on investments	10,000	18,069	(8,069)
Other	<u>165,000</u>	<u>219,009</u>	<u>(54,009)</u>
	<u>970,000</u>	<u>587,689</u>	<u>382,311</u>
<b>Other Financing Sources</b>			
Transfer from Working Cash Fund	<u>2,700,000</u>	<u>2,700,000</u>	<u>—</u>
<b>Total Revenue Received and Other Financing Sources</b>	<u>\$ 3,670,000</u>	<u>\$ 3,287,689</u>	<u>\$ 382,311</u>
<b>Expenditures Disbursed</b>			
Supporting Services, Business			
Facilities acquisition and construction			
Salaries	\$ 45,000	\$ 8,838	\$ 36,162
Purchased services	1,514,900	1,071,830	443,070
Supplies and materials	141,800	84,921	56,879
Capital equipment	—	134,102	(134,102)
Non-capitalized equipment	<u>25,000</u>	<u>—</u>	<u>25,000</u>
<b>Total Expenditures Disbursed</b>	<u>\$ 1,726,700</u>	<u>\$ 1,299,691</u>	<u>\$ 427,009</u>

**Decatur School District No. 61**  
**Fire Prevention and Safety Fund**  
**Statement of Revenue Received and Expenditures Disbursed**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	<b>Budget</b>	<b>Actual</b>	<b>Budget Over (Under) Actual</b>
<b>Revenue Received</b>			
Local sources			
Taxes	\$ 343,565	\$ 174,426	\$ 169,139
Earnings on investments	<u>10,540</u>	<u>33,272</u>	<u>(22,732)</u>
Total revenue received	<u>\$ 354,105</u>	<u>\$ 207,698</u>	<u>\$ 146,407</u>
<b>Expenditures Disbursed</b>			
Supporting Services, Business			
Facilities acquisition and construction			
Salaries	\$ —	\$ 3,358	\$ (3,358)
Employee benefits	—	144	(144)
Purchased services	440,000	483,038	(43,038)
Supplies and materials	<u>160,000</u>	<u>15,814</u>	<u>144,186</u>
<b>Total Expenditures Disbursed</b>	<u>\$ 600,000</u>	<u>\$ 502,354</u>	<u>\$ 97,646</u>

**Decatur School District No. 61**  
**Working Cash Fund**  
**Statement of Revenue Received and**  
**Other Financing Sources and Uses**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	<b>Budget</b>	<b>Actual</b>	<b>Budget Over (Under) Actual</b>
<b>Revenue Received</b>			
Local sources			
Taxes	\$ 344,570	\$ 174,426	\$ 170,144
Earnings on investments	<u>5,215</u>	<u>29,174</u>	<u>(23,959)</u>
	<u>349,785</u>	<u>203,600</u>	<u>146,185</u>
<b>Other Financing Sources</b>			
Principal on bonds sold	<u>2,335,000</u>	<u>2,178,200</u>	<u>156,800</u>
<b>Total Revenue Received and Other Financing Sources</b>	<u>\$ 2,684,785</u>	<u>\$ 2,381,800</u>	<u>\$ 302,985</u>
<b>Other Financing Uses</b>			
Transfer to Capital Projects Fund	<u>\$ 2,700,000</u>	<u>\$ 2,700,000</u>	<u>\$ —</u>
<b>Total Other Financing Uses</b>	<u>\$ 2,700,000</u>	<u>\$ 2,700,000</u>	<u>\$ —</u>

## **Supplementary Information**

## **Other Information**

**Decatur School District No. 61**  
**Budgetary Comparison**  
**General Fund**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Budget Over (Under) Actual</u>
<b>Revenue Received</b>			
Taxes	\$ 24,957,970	\$ 12,594,415	\$ 12,363,555
Corporate personal property replacement taxes	2,793,940	3,097,436	(303,496)
Earnings on investments	61,030	344,993	(283,963)
Tuition	26,000	39,816	(13,816)
Food services	92,500	82,640	9,860
District/school activity income	127,392	95,569	31,823
Textbook fees	150,500	116,214	34,286
Flow through from another district	1,737,665	—	1,737,665
State grants	51,821,022	52,416,055	(595,033)
Federal grants	14,472,507	16,333,575	(1,861,068)
Other	1,864,231	1,887,911	(23,680)
On-behalf receipts	<u>15,000,000</u>	<u>4,042,308</u>	<u>10,957,692</u>
	<u>113,104,757</u>	<u>91,050,932</u>	<u>22,053,825</u>
<b>Expenditures Disbursed</b>			
Instruction			
Regular programs	28,911,454	27,530,401	1,381,053
Tuition payments to charter schools	3,222,725	3,096,352	126,373
Pre-kindergarten programs	1,979,097	1,899,306	79,791
Special Ed programs	5,854,585	5,814,497	40,088
Remedial and supplemental programs K-12	4,748,773	4,963,451	(214,678)
Adult continuing education programs	—	12	(12)
Interscholastic programs	1,110,339	1,058,888	51,451
Summer school programs	50,940	49,692	1,248
Driver's education programs	149,050	125,172	23,878
Bilingual programs	271,196	246,959	24,237
Truant alternative and optional programs	<u>262,737</u>	<u>279,300</u>	<u>(16,563)</u>
	<u>46,560,896</u>	<u>45,064,030</u>	<u>1,496,866</u>
Supporting services			
Pupils	4,861,497	4,584,037	277,460
Instructional staff	4,259,322	4,179,951	79,371
General administration	4,583,677	4,793,217	(209,540)
School administration	5,505,926	5,940,330	(434,404)
Business	16,257,515	16,040,953	216,562
Central	4,205,755	4,163,090	42,665
Other	<u>82,755</u>	<u>94,918</u>	<u>(12,163)</u>
	<u>39,756,447</u>	<u>39,796,496</u>	<u>(40,049)</u>

**Decatur School District No. 61**  
**Budgetary Comparison**  
**General Fund**  
**Modified Cash Basis**  
**Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Budget Over (Under) Actual</u>
(Continued)			
<b>Community Services</b>	\$ 1,780,617	\$ 1,573,310	\$ 207,307
<b>Payments to Other Governmental Units</b>	9,727,647	8,666,181	1,061,466
<b>Provision for Contingencies</b>	338,865	—	338,865
<b>On-behalf Disbursements</b>	<u>15,000,000</u>	<u>4,042,308</u>	<u>10,957,692</u>
	<u>113,164,472</u>	<u>99,142,325</u>	<u>14,022,147</u>
<b>Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed</b>	<u>(59,715)</u>	<u>(8,091,393)</u>	<u>8,031,678</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of capital assets	3,000	1,700	1,300
Proceeds from sale of supplies	4,500	6,757	(2,257)
Principal on bonds sold	2,335,000	2,178,200	156,800
Transfer to Operations and Maintenance Fund	(35,000)	(69,059)	34,059
Transfer from Tort Immunity/Judgment Fund	35,000	69,059	(34,059)
Transfer to Capital Projects Fund	(2,700,000)	(2,700,000)	—
Increase in worker's compensation reserve	<u>—</u>	<u>622,284</u>	<u>(622,284)</u>
	<u>(357,500)</u>	<u>108,941</u>	<u>(466,441)</u>
<b>Deficiency of Revenue Received and Other Financing Sources Under Expenditures Disbursed and Other Financing Uses</b>	(417,215)	(7,982,452)	7,565,237
<b>Fund Balances, Beginning of Year</b>	<u>27,370,894</u>	<u>27,370,894</u>	<u>—</u>
<b>Fund Balances, End of Year</b>	<u>\$ 26,953,679</u>	<u>\$ 19,388,442</u>	<u>\$ 7,565,237</u>



## **Supporting Schedules**

**Decatur School District No. 61**  
**Schedule of Investments and Investment Income**  
**Year Ended June 30, 2018**

	<b>Balance July 1, 2017</b>	<b>Purchased During Year</b>	<b>Sold During Year</b>	<b>Balance June 30, 2018</b>
Educational Fund	\$ 14,211,930	\$ 28,874,726	\$ 27,890,893	\$ 15,195,763
Operations and Maintenance Fund	988,484	5,221,403	4,164,805	2,045,082
Debt Service Fund	105,300	4,509,856	4,211,798	403,358
Transportation Fund	595,943	2,530,748	1,357,374	1,769,317
Illinois Municipal Retirement/Social Security Fund	2,370,668	3,445,742	3,334,317	2,482,093
Capital Projects Fund	234,809	10,299,468	7,617,180	2,917,097
Working Cash Fund	1,513,065	9,361,606	8,475,787	2,398,884
Tort Immunity/Judgment Fund	265,627	3,278,666	1,629,999	1,914,294
Fire Prevention and Safety Fund	1,448,211	2,283,226	506,033	3,225,404
Trust and Agency Funds	<u>415,326</u>	<u>154,475</u>	<u>107,599</u>	<u>462,202</u>
Total	<u>\$ 22,149,363</u>	<u>\$ 69,959,916</u>	<u>\$ 59,295,785</u>	<u>\$ 32,813,494</u>

**Schedule of Investments Owned  
at June 30, 2018**

<b>Description</b>	<b>Amounts of Investments</b>
Busey	\$ 476,231
Illinois Liquid Asset Fund	<u>32,337,263</u>
Total	<u>\$ 32,813,494</u>

<b>Income Received from Matured Investments</b>	<b>Income Received from Repurchase Agreements, and Back Taxes</b>	<b>Total Interest Received</b>
\$ 262,584	\$ 2,412	\$ 264,996
21,403	453	21,856
9,856	395	10,251
23,748	181	23,929
37,999	516	38,515
18,069	—	18,069
29,129	45	29,174
28,604	363	28,967
33,227	45	33,272
<u>5,382</u>	<u>—</u>	<u>5,382</u>
<u>\$ 470,001</u>	<u>\$ 4,410</u>	<u>\$ 474,411</u>

**Decatur School District No. 61**  
**Schedule of Assessed Valuations, Tax Levies, and Settlements**

<b>Assessed Valuations</b>	<u><b>2015 Levy</b></u>
<b>Macon County</b>	\$ <u><u>689,331,328</u></u>
<b>Rate Per One Hundred Dollars of Assessed Valuations</b>	
Educational Fund	2.57000
Operations and Maintenance Fund	0.50000
Fire Prevention and Safety	0.05000
Debt Service Fund	0.30275
Transportation Fund	0.20000
Illinois Municipal Retirement Fund	0.06529
Social Security	0.47943
Tort Immunity	0.36519
Special Education <sup>(1)</sup>	0.04000
Working Cash	0.05000
Lease Facilities <sup>(1)</sup>	<u>0.05000</u>
Total	<u><u>4.67266</u></u>

<b>Taxes Assessed</b>	<u><b>2015 Levy</b></u>		
	<u><b>Extensions</b></u>	<u><b>Costs and Losses</b></u>	<u><b>Collected</b></u>
Educational Fund	\$ 17,715,815	\$ 183,143	\$ 17,532,672
Operations and Maintenance Fund	3,446,657	35,648	3,411,009
Fire Prevention and Safety	344,666	3,564	341,102
Debt Service Fund	2,086,950	21,585	2,065,365
Transportation Fund	1,378,663	14,260	1,364,403
Illinois Municipal Retirement Fund	450,064	4,653	445,411
Social Security	3,304,861	34,180	3,270,681
Tort Immunity	2,517,369	26,036	2,491,333
Special Education <sup>(1)</sup>	275,732	2,851	272,881
Working Cash	344,666	3,564	341,102
Lease Facilities <sup>(1)</sup>	<u>344,666</u>	<u>3,564</u>	<u>341,102</u>
Total	<u><u>\$ 32,210,109</u></u>	<u><u>\$ 333,048</u></u>	<u><u>\$ 31,877,061</u></u>

<sup>(1)</sup> Considered part of Educational Fund.

**Decatur School District No. 61**  
**Schedule of Assessed Valuations, Tax Levies, and Settlements**  
**(Continued)**

<b>Assessed Valuations</b>	<b>2016 Levy</b>
<b>Macon County</b>	<u>\$ 699,573,967</u>
<b>Rate Per One Hundred Dollars of Assessed Valuations</b>	
Educational Fund	2.57000
Operations and Maintenance Fund	0.50000
Fire Prevention and Safety	0.05000
Debt Service Fund	0.43504
Transportation Fund	0.20000
Illinois Municipal Retirement Fund	0.34150
Social Security	0.22772
Tort Immunity	0.40025
Special Education <sup>(1)</sup>	0.04000
Working Cash	0.05000
Lease Facilities <sup>(1)</sup>	<u>0.05000</u>
Total	<u><u>4.86451</u></u>

<b>Taxes Assessed</b>	<b>2016 Levy</b>		
	<b>Extensions</b>	<b>Costs and Losses</b>	<b>Collected</b>
Educational Fund	\$ 17,979,051	\$ 182,915	\$ 17,796,136
Operations and Maintenance Fund	3,497,870	35,589	3,462,281
Fire Prevention and Safety	349,787	3,558	346,229
Debt Service Fund	3,043,426	30,963	3,012,463
Transportation Fund	1,399,148	14,237	1,384,911
Illinois Municipal Retirement Fund	2,389,045	24,307	2,364,738
Social Security	1,593,070	16,210	1,576,860
Tort Immunity	2,800,045	28,489	2,771,556
Special Education <sup>(1)</sup>	279,829	2,847	276,982
Working Cash	349,787	3,558	346,229
Lease Facilities <sup>(1)</sup>	<u>349,787</u>	<u>3,558</u>	<u>346,229</u>
Total	<u>\$ 34,030,845</u>	<u>\$ 346,231</u>	<u>\$ 33,684,614</u>

<sup>(1)</sup> Considered part of Educational Fund.

**Decatur School District No. 61**  
**Schedule of Assessed Valuations, Tax Levies, and Settlements**  
**(Continued)**

<b>Assessed Valuations</b>	<u><b>2017 Levy</b></u>
<b>Macon County</b>	<u>\$ 691,033,957</u>
<b>Rate Per One Hundred Dollars of Assessed Valuations</b>	
Educational Fund	2.57000
Operations and Maintenance Fund	0.50000
Fire Prevention and Safety	0.05000
Debt Service Fund	0.44027
Transportation Fund	0.20000
Illinois Municipal Retirement Fund	0.37083
Social Security	0.20533
Tort Immunity	0.40520
Special Education <sup>(1)</sup>	0.04000
Working Cash	0.05000
Lease Facilities <sup>(1)</sup>	<u>0.05000</u>
Total	<u><u>4.88163</u></u>

<b>Taxes Assessed</b>	<u><b>2017 Levy</b></u>		
	<u><b>Extensions</b></u>	<u><b>Estimated Costs and Losses</b></u>	<u><b>Estimated Collections</b></u>
Educational Fund	\$ 17,759,573	\$ 195,355	\$ 17,564,218
Operations and Maintenance Fund	3,455,170	38,007	3,417,163
Fire Prevention and Safety	345,517	3,801	341,716
Debt Service Fund	3,042,415	33,467	3,008,948
Transportation Fund	1,382,068	15,203	1,366,865
Illinois Municipal Retirement Fund	2,562,561	28,188	2,534,373
Social Security	1,418,900	15,608	1,403,292
Tort Immunity	2,800,070	30,801	2,769,269
Special Education <sup>(1)</sup>	276,413	3,041	273,372
Working Cash	345,517	3,801	341,716
Lease Facilities <sup>(1)</sup>	<u>345,517</u>	<u>3,801</u>	<u>341,716</u>
Total	<u>\$ 33,733,721</u>	<u>\$ 371,073</u>	<u>\$ 33,362,648</u>

(2) Considered part of Educational Fund.

**Decatur School District No. 61**  
**Schedule of Collections**  
**Year Ended June 30, 2018**

<b>Taxes Assessed</b>	<b>2016 Levy</b>	<b>2017 Levy</b>	<b>Total</b>
Educational Fund	\$ 8,947,390	\$ —	\$ 8,947,390
Operations and Maintenance Fund	1,740,728	—	1,740,728
Debt Service Fund	1,514,578	—	1,514,578
Transportation Fund	696,290	—	696,290
Illinois Municipal Retirement Fund	1,188,921	—	1,188,921
Social Security	792,800	—	792,800
Fire Prevention and Safety	174,073	—	174,073
Tort Liability Insurance	1,393,458	—	1,393,458
Special Education <sup>(1)</sup>	139,258	—	139,258
Working Cash	174,073	—	174,073
Lease Facilities <sup>(1)</sup>	<u>174,073</u>	<u>—</u>	<u>174,073</u>
Total	<u>\$ 16,935,642</u>	<u>\$ —</u>	<u>\$ 16,935,642</u>

(1) Considered as part of Educational Fund.

**Decatur School District No. 61**  
**Athletic Revolving Funds**  
**Statement of Cash Receipts and Disbursements**  
**Year Ended June 30, 2018**

	<b>Dwight D. Eisenhower High School</b>	<b>Douglas MacArthur High School</b>	<b>Thomas Jefferson Middle School</b>
<b>Cash Balance, Beginning of Year</b>	\$ —	\$ —	\$ —
<b>Receipts</b>			
Advance from Educational Fund	5,000	5,000	3,500
Reimbursement from Educational Fund	29,417	31,111	4,040
Other	<u>—</u>	<u>—</u>	<u>—</u>
<b>Total Receipts</b>	<u>34,417</u>	<u>36,111</u>	<u>7,540</u>
<b>Disbursements</b>			
Meal, officials, entry fees, transportation, etc.	32,966	33,522	5,829
Advance returned to Educational Fund	<u>1,451</u>	<u>2,589</u>	<u>1,711</u>
<b>Total Disbursements</b>	<u>34,417</u>	<u>36,111</u>	<u>7,540</u>
<b>Cash Balance, End of Year</b>	\$ <u>          </u>	\$ <u>          </u>	\$ <u>          </u>



<b>Stephen Decatur Middle School</b>	<b>Johns Hill Magnet School</b>	<b>Hope Academy</b>	<b>Garfield Montesorri School</b>	<b>Dennis Lab</b>	<b>Total</b>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
3,500	2,500	2,500	2,500	2,500	27,000
3,515	1,964	2,446	2,474	1,635	76,602
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>7,015</u>	<u>4,464</u>	<u>4,946</u>	<u>4,974</u>	<u>4,135</u>	<u>103,602</u>
5,092	3,758	4,536	3,723	2,316	91,742
<u>1,923</u>	<u>706</u>	<u>410</u>	<u>1,251</u>	<u>1,819</u>	<u>11,860</u>
<u>7,015</u>	<u>4,464</u>	<u>4,946</u>	<u>4,974</u>	<u>4,135</u>	<u>103,602</u>
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

**Decatur School District No. 61**  
**Organizational Data**  
**Year Ended June 30, 2018**

**Name of District**

Decatur School District No. 61,  
in Decatur, Illinois

**Type of Organization**

Special charter school district

**Principal Office**

101 West Cerro Gordo Street  
Decatur, Illinois

**Administration**

Dr. Paul Fregeau	Superintendent
Bobbi Williams	Assistant Superintendent
Michael Dugan	Assistant Superintendent
Dr. Todd Covault	Chief Operational Officer, Treasurer
Kathleen Horath	Director Special Ed District
James Altig	Director of Information Technology
Deanne Hillman	Director of Human Resources

**Board of Education**

Dan Oakes	President
Beth Nolan	Vice President
Sherri Perkins	Member
Brian Hodges	Member
Kendall Brisco	Member
Courtney Carson	Member
Beth Creighton	Member

## **Student Activity Funds**

**Decatur School District No. 61**  
**Elementary and Middle School Activity Funds**  
**Statement of Cash Receipts and Disbursements**  
**Year Ended June 30, 2018**

	<b>Balance July 1, 2017</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Balance June 30, 2018</b>
<b>Elementary Schools</b>				
Michael E. Baum	\$ 1,871	\$ 5,955	\$ 5,495	\$ 2,331
Dennis	42,306	35,340	46,138	31,508
Durfee	943	40,626	33,128	8,441
Enterprise	1,195	2,671	3,432	434
Benjamin Franklin	5,727	1,239	1,132	5,834
French	5,994	5,946	5,109	6,831
Garfield	6,740	14,335	12,330	8,745
William Harris	847	5,727	4,427	2,147
Hope Academy	5,101	3,794	5,186	3,709
Muffley	1,771	9,697	8,396	3,072
Oak Grove	3,686	(386)	1,803	1,497
James B. Parsons	2,570	30,737	26,021	7,286
Pershing	26,269	17,121	10,867	32,523
South Shores	23,186	4,423	5,570	22,039
Adlai E. Stevenson	2,957	22,539	13,086	12,410
Johns Hill	25,266	11,573	11,513	25,326
<b>Middle Schools</b>				
Thomas Jefferson	34,799	17,656	18,442	34,013
Stephen Decatur	11,945	20,863	19,342	13,466
<b>Convenience Funds</b>	63,248	127,471	112,267	78,452
<b>Scholarship Funds</b>	<u>110,184</u>	<u>1,196</u>	<u>4,500</u>	<u>106,880</u>
Total	\$ <u>376,605</u>	\$ <u>378,523</u>	\$ <u>348,184</u>	\$ <u>406,944</u>
<b>Cash Deposited in Hickory Point Bank &amp; Trust</b>	\$ 67,434			\$ 52,674
<b>Investments</b>	<u>309,171</u>			<u>354,270</u>
Total, as above	\$ <u>376,605</u>			\$ <u>406,944</u>

**Decatur School District No. 61**  
**High School Activity Funds**  
**Statement of Cash Receipts and Disbursements**  
**Year Ended June 30, 2018**

	<b>Balance</b>				<b>Balance</b>
	<b>July 1, 2017</b>	<b>Receipts</b>	<b>Disbursements</b>		<b>June 30, 2018</b>
Dwight D. Eisenhower High School	\$ 45,689	\$ 52,825	\$ 53,696		\$ 44,818
Douglas MacArthur High School	83,159	59,023	63,601		78,581
Phoenix Alternative School	<u>461</u>	<u>1,748</u>	<u>1,628</u>		<u>581</u>
Total	\$ <u>129,309</u>	\$ <u>113,596</u>	\$ <u>118,925</u>		\$ <u>123,980</u>
<b>Cash Deposited in Hickory Point Bank &amp; Trust Investments</b>	\$ 23,154				\$ 16,048
	<u>106,155</u>				<u>107,932</u>
Total, as above	\$ <u>129,309</u>				\$ <u>123,980</u>

**Decatur School District No. 61**  
**Phoenix Alternative School**  
**Statement of Cash Receipts and Disbursements**  
**Year Ended June 30, 2018**

	<b>Balance July 1, 2017</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Balance June 30, 2018</b>
DPS Foundation	\$ 284	\$ 1,738	\$ 1,628	\$ 394
Interest income	5	10	—	15
Library Fines	136	—	—	136
Student/Staff	1	—	—	1
Teen Moms	35	—	—	35
	<u>461</u>	<u>1,748</u>	<u>1,628</u>	<u>581</u>
Total	\$ <u>461</u>	\$ <u>1,748</u>	\$ <u>1,628</u>	\$ <u>581</u>

**Decatur School District No. 61**  
**Dwight D. Eisenhower High School Activity Funds**  
**Statement of Cash Receipts and Disbursements**  
**Year Ended June 30, 2018**

	<b>Balance</b>				<b>Balance</b>
	<b>July 1, 2017</b>	<b>Receipts</b>	<b>Disbursements</b>		<b>June 30, 2018</b>
Academic Bowl Team	\$ 99	\$ —	\$ —	\$	99
American Field Service	292	—	—		292
Art Club	28	345	—		373
Athletic Director	3,981	642	3,675		948
Baseball Fund	7	(7)	—		—
Band	315	32	208		139
Bond Account	146	(146)	—		—
Boys' Basketball Fund	4,107	2,800	3,408		3,499
Business Education Club	257	(257)	—		—
Buttons, Inc.	586	599	500		685
Choir Fund	697	—	195		502
Class of 2015	340	—	—		340
Class of 2016	109	(109)	—		—
Class of 2017	1,427	1,573	3,000		—
Class of 2018	2,403	63	2,196		270
Class of 2019	675	3,254	1,805		2,124
Class of 2020	127	379	—		506
Class of 2021	—	206	—		206
Drama Club	707	—	—		707
DPS Foundation	—	16,569	14,056		2,513
Football Club	1,785	—	1,104		681
French Club	14	(14)	—		—
Girls' Basketball Fund	6	(6)	—		—
Girls' Softball	232	—	—		232
Girls' Volleyball	37	(37)	—		—
A Gray Memorial	660	—	—		660
Guidance	64	—	—		64
Home Economics Club	291	—	—		291
Industrial Tech	935	—	—		935
Interest Income	418	479	110		787
Jets	81	(81)	—		—
Library Fines	3,358	3,457	5,697		1,118
Life Skills	1,047	349	973		423
National Honor Society	50	289	191		148
Operation Calculus	—	1,050	216		834
Orchestra Fund	32	(32)	—		—
Pantherama	3,587	3,323	3,722		3,188
Panther Press	31	(31)	—		—
PE Uniforms	441	143	118		466
Pepsi	35	(35)	—		—
Principal's Office Fund	3,468	4,088	4,407		3,149
Robotics	2,590	2,068	1,013		3,645
Secretary Staff	29	—	—		29
Science	89	301	—		390

**Decatur School District No. 61**  
**Dwight D. Eisenhower High School Activity Funds**  
**Statement of Cash Receipts and Disbursements**  
**Year Ended June 30, 2018**

	<b>Balance July 1, 2017</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Balance June 30, 2018</b>
(Continued)				
Soccer	\$ 402	\$ —	\$ —	\$ 402
Spanish Club	103	14	—	117
Special Education VCE Class	49	(49)	—	—
Staff Welfare Fund	436	408	260	584
Stage Fund	1,089	2,709	471	3,327
Student Council	5,901	7,369	5,645	7,625
Talent Show	1,474	332	—	1,806
Testing Fund – Guidance Dept.	423	792	726	489
VICE	2	(2)	—	—
Video Productions	225	—	—	225
Wrestling Club	<u>2</u>	<u>(2)</u>	<u>—</u>	<u>—</u>
Total	<u>\$ 45,689</u>	<u>\$ 52,825</u>	<u>\$ 53,696</u>	<u>\$ 44,818</u>



**Decatur School District No. 61**  
**Douglas MacArthur High School Activity Funds**  
**Statement of Cash Receipts and Disbursements**  
**Year Ended June 30, 2018**

	<b>Balance</b>				<b>Balance</b>
	<b>July 1, 2017</b>	<b>Receipts</b>	<b>Disbursements</b>		<b>June 30, 2018</b>
Athletic Director					
Discretionary	\$ 10,184	\$ 13,546	\$ 15,806	\$ 7,924	
Band	3,366	3,175	3,528	3,013	
Baseball	2,653	838	1,441	2,050	
Bowling	216	1,966	60	2,122	
Boys Basketball	2,281	5,277	5,752	1,806	
Boys Track	82	—	—	82	
Chemistry	97	—	—	97	
Cheerleading	5,143	4,032	9,175	—	
Class of 2017	176	(176)	—	—	
Class of 2018	8,485	(4,830)	87	3,568	
Class of 2019	338	—	—	338	
Class of 2020	375	—	—	375	
Class of 2021	—	175	—	175	
Cross Country	1,825	1,774	1,916	1,683	
Choir	1,558	—	1,072	486	
Drama	975	1,012	775	1,212	
DPS Foundation	—	1,331	1,036	295	
Essential Skills	274	—	—	274	
Faculty Fund	21	—	—	21	
Faculty Social Committee	102	—	—	102	
Fashion Hour Club	716	—	—	716	
Food Class	—	250	—	250	
Football	1,351	810	1,129	1,032	
FBLA (Future Business					
Leaders of America)	2,275	—	—	2,275	
Girls Basketball	633	3,796	4,020	409	
Girls Softball	4,118	330	147	4,301	
Girls Track	150	—	—	150	
Girls Volleyball	2,703	—	337	2,366	
National Honor Society	—	857	90	767	
Interest Income	506	883	42	1,347	
IJAG	10	—	—	10	
Library Fines	387	73	160	300	
Life Skills	370	—	—	370	
Life Skills Athletics	59	—	—	59	
Office/School Community					
Fund	44	307	—	351	
Office Pop Fund	176	—	—	176	
Orchestra/Music	1,499	51	38	1,512	
PE	553	365	—	918	
Pepsi	330	60	115	275	
Principal Achievement	5,996	1,257	5,551	1,702	
Prom	3,408	7,465	1,859	9,014	

**Decatur School District No. 61**  
**Douglas MacArthur High School Activity Funds**  
**Statement of Cash Receipts and Disbursements**  
**Year Ended June 30, 2018**

	<b>Balance</b>		<b>Disbursements</b>	<b>Balance</b>
	<b>July 1, 2017</b>	<b>Receipts</b>		<b>June 30, 2018</b>
(Continued)				
Robotics Team	\$ 2,742	\$ 2,300	\$ 1,290	\$ 3,752
Scholastic Bowl	102	—	102	—
School Store	1,288	4,870	3,813	2,345
Soccer	1,049	—	—	1,049
Spanish Club	598	—	—	598
Student Council	8,484	525	1,754	7,255
Wrestling	2,279	544	1,216	1,607
Yearbook	<u>3,182</u>	<u>6,160</u>	<u>1,290</u>	<u>8,052</u>
Total	<u>\$ 83,159</u>	<u>\$ 59,023</u>	<u>\$ 63,601</u>	<u>\$ 78,581</u>

**Decatur School District No. 61**  
**Statement of Per Capita Cost and Reimbursable Cost for Tuition**  
**(Unaudited)**  
**Year Ended June 30, 2018**

<b>Average Daily Attendance</b>		<u>7,292.65</u>
<b>Computations of Per Capital Cost</b>		
Operating Disbursements		
Educational Fund	\$ 86,445,511	
Operations and Maintenance Fund	5,733,511	
Debt Service Fund	7,527,866	
Transportation Fund	6,220,290	
Illinois Municipal Retirement/Social Security Fund	4,243,894	
Tort Immunity/Judgment	<u>2,920,995</u>	
Total	113,092,067	
Less expenses not applicable	<u>(17,841,632)</u>	
Net Operating Disbursements	95,250,435	
<b>Operating Expense Per Student</b>		<u>\$ 13,061.16</u>
<b>Computation of Reimbursement Cost of Tuition</b>		
Revenue from governmental divisions and others for special programs	<u>25,199,518</u>	
	70,050,917	
Depreciation allowable	<u>3,321,036</u>	
Net cost for tuition purposes	<u>73,371,953</u>	
<b>Reimbursable Cost for Tuition Per Student</b>		<u>\$ 10,061.08</u>

The above data was taken from the report filed by the District with the Illinois State Board of Education.

# **Annual Federal Financial Compliance Report**

## Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

### Independent Auditor's Report

Board of Education  
Decatur School District No. 61  
Decatur, Illinois

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

We have audited the compliance of Decatur School District No. 61 (District) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The District's basic financial statements include the operations of Macon-Piatt Special Education District (component unit), which received \$5,720,333 in federal awards, which were not included in the District's schedule of expenditures of federal awards for the year ended June 30, 2018. Our audit described below, did not include the operations of Macon-Piatt Special Education District because there is a separately issued report.

#### *Management's Responsibility*

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

#### *Auditor's Responsibility*

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

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

### ***Opinion on Each Major Federal Program***

In our opinion, Decatur School District No. 61, 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, 2018.

### **Report on Internal Control Over Compliance**

Management of Decatur School District No. 61, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

*BKD, LLP*

Decatur, Illinois  
October 18, 2018

**Decatur School District No. 61**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Receipts 7/1/16 – 6/30/17
<b>U.S. Department of Education</b>			
<b>Pass Through Illinois State Board of Education</b>			
IASA – Title I – Low Income	84.010A	17-4300-00 18-4300-00	\$ 6,201,543 —
IASA – Title I – Low Income – Neg. & Del. Private Institutions	84.010A	17-4305-00 18-4305-00	89,993 —
Total CFDA #84.010A and Title 1 Cluster			<u>6,291,536</u>
Title IV – 21 <sup>st</sup> Century Community Learning Centers	84.287C	17-4421-00	<u>165,759</u>
Total CFDA #84.287C			<u>165,759</u>
ESEA – Title II – Teacher Quality	84.367A	17-4932-00 18-4932-00	500,304 —
Total CFDA #84.367A			<u>500,304</u>
Math and Science Partnership	84.366	17-4936-7B 18-4936-7B	— —
Total CFDA #84.366			<u>—</u>
Preschool Expansion Grant	84.419B	17-4902-00 18-4902-00	513,757 —
Total CFDA #84.419B			<u>513,757</u>
LIPLEPS – Title III	84.365A	17-4909-00 18-4909-00	— —
Total CFDA #84.365A			<u>—</u>
<b>Pass Through Macon Piatt Special Education District</b>			
IDEA – Preschool Flor-Through	84.173A	18-4600-00	<u>—</u>
Total CFDA #84.173A			<u>—</u>
IDEA – Flow-Through	84.027A	18-4620-00	<u>—</u>
Total CFDA #84.173A			<u>—</u>
<b>Pass Through Illinois State University</b>			
Urban Center	84.336S	U336S140070-17	<u>—</u>
Total CFDA #84.336S			<u>—</u>
<b>Pass Through Illinois Community College Board</b>			
Federal Adult Basic Education, PL91-230	84.002	17-4810-00	<u>—</u>
Total CFDA #84.002			<u>—</u>
<b>Total U.S. Department of Education</b>			<u>7,471,356</u>

Receipts 7/1/17 – 6/30/18	Disbursements 7/1/16 – 6/30/17	Passed Through to Subrecipients 7/1/16 – 6/30/17	Disbursements 7/1/17 – 6/30/18	Passed Through to Subrecipients 7/1/17 – 6/30/18	Obligations/ Encumbrances	Final Status	Budget
\$ 1,327,400 5,561,018	\$ 7,348,889 —	\$ 157,408 —	\$ 180,054 6,416,771	\$ 97,192 203,427	\$ — —	\$ 7,528,943 6,416,771	\$ 8,033,243 7,507,426
4,396 <u>76,742</u> 6,969,556	94,389 — <u>7,443,278</u>	— — <u>157,408</u>	— <u>91,314</u> 6,688,139	— — <u>300,619</u>	— — —	94,389 <u>91,314</u> 14,131,417	142,775 <u>137,197</u> 15,820,641
982 <u>982</u>	166,741 <u>166,741</u>	— —	— —	— —	— —	166,741 <u>166,741</u>	200,000 <u>200,000</u>
300,453 <u>605,770</u> 906,223	701,472 — <u>701,472</u>	20,387 — <u>20,387</u>	102,041 <u>751,199</u> 853,240	— <u>6,766</u> 6,766	— — —	803,513 <u>751,199</u> 1,554,712	1,205,734 <u>1,065,924</u> 2,271,658
206,960 <u>73,659</u> 280,619	22,968 — <u>22,968</u>	— — —	183,992 <u>121,976</u> 305,968	— — —	— — —	206,960 <u>121,976</u> 328,936	250,000 <u>250,000</u> 500,000
121,777 <u>546,020</u> 667,797	610,018 — <u>610,018</u>	— — —	26,656 <u>594,577</u> 621,233	— — —	— — —	636,674 <u>594,577</u> 1,231,251	738,998 <u>738,998</u> 1,477,996
9,034 <u>7,580</u> 16,614	5,550 — <u>5,550</u>	— — —	3,484 <u>9,677</u> 13,161	— — —	— — —	9,034 <u>9,677</u> 18,711	20,292 <u>25,992</u> 46,284
127,046 <u>127,046</u>	— —	— —	127,046 <u>127,046</u>	— —	— —	127,046 <u>127,046</u>	127,046 <u>127,046</u>
1,638,127 <u>1,638,127</u>	— —	— —	1,638,127 <u>1,638,127</u>	— —	— —	1,638,127 <u>1,638,127</u>	1,638,127 <u>1,638,127</u>
50,000 <u>50,000</u>	— —	— —	— —	— —	— —	— —	50,000 <u>50,000</u>
44,230 <u>44,230</u>	44,230 44,230	— —	— —	— —	— —	44,230 <u>44,230</u>	44,230 <u>44,230</u>
10,701,194	8,994,257	177,795	10,246,914	307,385	—	19,241,171	22,175,982



**Decatur School District No. 61**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Receipts 7/1/16 – 6/30/17
(Continued)			
<b>U.S. Department of Agriculture</b>			
<b>Pass Through Illinois State Board of Education</b>			
Commodities (Non-Cash)	10.555	N/A	\$ —
Commodities (D.D Fruits and Vegetables)		N/A	—
School Lunch, Regular, Free and Reduced		17-4210-00	2,372,633
		18-4210-00	—
Total CFDA #10.555			<u>2,372,633</u>
School Breakfast	10.553	17-4220-00	1,108,018
		18-4220-00	—
Total CFDA #10.553			<u>1,108,018</u>
Total Child Nutrition Cluster			<u>3,480,651</u>
Child and Adult Care Food Program	10.558	17-4226-00	75,800
		18-4226-00	—
Total CFDA #10.558			<u>75,800</u>
Fresh Fruit and Vegetable Program	10.582	17-4240-00	11,789
Total CFDA #10.582			<u>11,789</u>
<b>Total U.S. Department of Agriculture</b>			<u>3,568,240</u>
<b>U.S. Department of Health and Human Services</b>			
<b>Pass Through Illinois Department of Human Services</b>			
MIECHVP – Maternal, Infant and Early Childhood Home Visiting Grant	93.870	FCSUVS04095 FCSWS04095	68,229
Total CFDA #93.870			<u>68,229</u>
<b>Pass Through Illinois Department of Healthcare and Family Services</b>			
Medicaid – Administrative Outreach	93.778	17-4991-00 18-4991-00	64,092
Total CFDA #93.778			<u>64,092</u>
<b>Pass Through Illinois State Board of Education</b>			
SAMHS-IL-AWARE	93.243	17-4999-AW 18-4999-AW	165,377
Total CFDA #93.243			<u>165,377</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>297,698</u>

Receipts 7/1/17 – 6/30/18	Disbursements 7/1/16 – 6/30/17	Passed Through to Subrecipients 7/1/16 – 6/30/17	Disbursements 7/1/17 – 6/30/18	Passed Through to Subrecipients 7/1/17 – 6/30/18	Obligations/ Encumbrances	Final Status	Budget
\$ 245,325	\$ —	\$ —	\$ 245,325	\$ —	\$ —	\$ 245,325	\$ N/A
81,109	—	—	81,109	—	—	81,109	N/A
823,855	2,674,759	—	521,728	—	—	3,196,487	N/A
<u>2,338,909</u>	<u>—</u>	<u>—</u>	<u>2,637,068</u>	<u>—</u>	<u>—</u>	<u>2,637,068</u>	<u>N/A</u>
<u>3,489,198</u>	<u>2,674,759</u>	<u>—</u>	<u>3,485,230</u>	<u>—</u>	<u>—</u>	<u>6,159,989</u>	<u>N/A</u>
506,039	1,263,166	—	350,891	—	—	1,614,057	N/A
<u>1,322,328</u>	<u>—</u>	<u>—</u>	<u>1,496,232</u>	<u>—</u>	<u>—</u>	<u>1,496,232</u>	<u>N/A</u>
<u>1,828,367</u>	<u>1,263,166</u>	<u>—</u>	<u>1,847,123</u>	<u>—</u>	<u>—</u>	<u>3,110,289</u>	<u>N/A</u>
<u>5,317,565</u>	<u>3,937,925</u>	<u>—</u>	<u>5,332,353</u>	<u>—</u>	<u>—</u>	<u>9,270,278</u>	<u>N/A</u>
15,820	82,242	—	9,379	—	—	91,621	N/A
<u>48,354</u>	<u>—</u>	<u>—</u>	<u>48,354</u>	<u>—</u>	<u>—</u>	<u>48,354</u>	<u>N/A</u>
<u>64,174</u>	<u>82,242</u>	<u>—</u>	<u>57,733</u>	<u>—</u>	<u>—</u>	<u>139,975</u>	<u>N/A</u>
<u>3,417</u>	<u>15,207</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>15,207</u>	<u>N/A</u>
<u>3,417</u>	<u>15,207</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>15,207</u>	<u>N/A</u>
<u>5,385,156</u>	<u>4,035,374</u>	<u>—</u>	<u>5,390,086</u>	<u>—</u>	<u>—</u>	<u>9,425,460</u>	<u>N/A</u>
42,104	110,333	—	—	—	—	110,333	112,873
<u>109,966</u>	<u>—</u>	<u>—</u>	<u>113,524</u>	<u>—</u>	<u>—</u>	<u>113,524</u>	<u>126,114</u>
<u>152,070</u>	<u>110,333</u>	<u>—</u>	<u>113,524</u>	<u>—</u>	<u>—</u>	<u>223,857</u>	<u>238,987</u>
80,650	64,092	—	80,650	—	—	144,742 <sup>(1)</sup>	N/A
<u>101,005</u>	<u>—</u>	<u>—</u>	<u>101,005</u>	<u>—</u>	<u>—</u>	<u>101,005<sup>(2)</sup></u>	<u>N/A</u>
<u>181,655</u>	<u>64,092</u>	<u>—</u>	<u>181,655</u>	<u>—</u>	<u>—</u>	<u>245,747</u>	<u>N/A</u>
145,782	200,053	—	111,106	—	—	311,159	459,388
<u>195,315</u>	<u>—</u>	<u>—</u>	<u>226,425</u>	<u>—</u>	<u>—</u>	<u>226,425</u>	<u>459,388</u>
<u>341,097</u>	<u>200,053</u>	<u>—</u>	<u>337,531</u>	<u>—</u>	<u>—</u>	<u>537,584</u>	<u>918,776</u>
<u>674,822</u>	<u>374,478</u>	<u>—</u>	<u>632,710</u>	<u>—</u>	<u>—</u>	<u>1,007,188</u>	<u>1,157,763</u>

**Decatur School District No. 61**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Receipts 7/1/16 – 6/30/17
(Continued)			
<b>U.S. Department of Labor</b>			
<b>Pass Through Macon County</b>			
WIA Instruction	17.259	16-4999-00	\$ <u>39,370</u>
Total CFDA #17.259			<u>39,370</u>
<b>Total Department of Labor</b>			<u>39,370</u>
<b>U.S. Institute of Museum and Library Services</b>			
<b>Pass Through Illinois State Library</b>			
Bridging the Gap	45.31	18-5316-BTB	<u>—</u>
Total CFDA #45.31			<u>—</u>
<b>Total U.S. Institute of Museum and Library Services</b>			<u>—</u>
<b>Total Federal Awards</b>			<u>\$ 11,376,664</u>

(1) Local Match \$4,218,033

(2) Local Match \$3,724,369

Receipts 7/1/17 – 6/30/18	Disbursements 7/1/16 – 6/30/17	Passed Through to Subrecipients 7/1/16 – 6/30/17	Disbursements 7/1/17 – 6/30/18	Passed Through to Subrecipients 7/1/17 – 6/30/18	Obligations/ Encumbrances	Final Status	Budget
\$ 20,817	\$ 60,187	\$ —	\$ —	\$ —	\$ —	\$ 60,187	\$ N/A
<u>20,817</u>	<u>60,187</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>60,187</u>	<u>N/A</u>
20,817	60,187	—	—	—	—	60,187	N/A
4,999	—	—	—	—	—	—	4,999
<u>4,999</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,999</u>
4,999	—	—	—	—	—	—	4,999
<u>\$ 16,786,988</u>	<u>\$ 13,464,296</u>	<u>\$ 177,795</u>	<u>\$ 16,269,710</u>	<u>\$ 307,385</u>	<u>—</u>	<u>\$ 29,734,006</u>	<u>\$ 23,338,744</u>

**Decatur School District No. 61**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2018**

**Notes to Schedule**

1. The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2018. The accompanying notes are an integral part of this Schedule. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.
2. Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Decatur School District No. 61**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2018**

***Summary of Auditor's Results***

*Financial Statements*

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:  
 Unmodified       Qualified       Adverse       Disclaimer
  
2. The independent auditor's report on internal control over financial reporting disclosed:  
Significant deficiency(ies)?       Yes       None reported  
Material weakness(es)?       Yes       No
  
3. Noncompliance considered material to the financial statements was disclosed by the audit?       Yes       No

*Federal Awards*

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:  
Significant deficiency(ies)?       Yes       None reported  
Material weakness(es)?       Yes       No
  
5. The opinion expressed in the independent auditor's report on compliance for major federal award programs was:  
 Unmodified       Qualified       Adverse       Disclaimer
  
6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)?       Yes       No

**Decatur School District No. 61**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2018**

7. The District's major programs were:

<b>Cluster/Program</b>	<b>CFDA Number</b>
Child Nutrition Cluster	10.553, 10.555
Special Education Cluster	84.027A, 84.173
Title II – Teacher Quality	84.367

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. The District qualified as a low-risk auditee?  Yes  No

**Decatur School District No. 61**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2018**

**Findings Required to be Reported by *Government Auditing Standards***

**Reference  
Number**

**Finding**

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No matters are reportable.



**Decatur School District No. 61**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2018**

**Findings Required to be Reported by the Uniform Guidance**

<b>Reference Number</b>	<b>Finding</b>
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No matters are reportable.

**Decatur School District No. 61**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2018**

<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
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No matters are reportable.