

Mark L. Smith
Wayne D. Koelling
Lawrence K. Ohm
Curtis L. Dykstra
Richard S. Stenzinger
Marcie Meents Kolberg
Michael L. Stroud
Keith B. Ohm
Vicki L. DeYoung



1605 N. Convent
Bourbonnais, IL 60914
(815) 937-1997
Fax: (815) 935-0360
www.skdocpa.com

Beecher (708) 946-3232
Morris (815) 942-2554
Herscher (815) 426-9808
Peotone (708) 258-0300
Wilmington (815) 476-4477

October 3, 2013

To the Board of Education
Kankakee School District 111
Kankakee, Illinois

We have audited the financial statements of the individual funds of Kankakee School District 111 for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated June 27, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Kankakee School District 111 are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2012-2013. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule includes the corrected misstatements of the financial statements. Management has corrected all misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 3, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the cash basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Education and management of Kankakee School District 111 and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

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

Prepared by _____

Kankakee School District No. 111
Audit Adjustments

4350

Reviewed by _____

Page 1
10/02/13

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
10.01CH	Adjusting	06/30/13					
		10-0000-01010-000-0000	Cash	147.00			
		10-2410-11500-000-0000	CLASS SALARIES		147.00		
			Client entry 6-300 - already posted to Skyward			147.00	04-02
10.02CH	Adjusting	06/30/13					
		10-1999-00000-000-0000	Other Revenue	479.00			
		10-0000-01010-000-0000	Cash		479.00		
			Client entry 6-302 - already posted to Skyward			(479.00)	04-03
10.03MK	Adjusting	06/30/13					
		10-3800-00000-000-0000	Per Capita Library Grant		7,641.00		
		10-4999-00000-006-4999	Federal Library Grant	7,641.00			
			reclassify state library grant from federal grant account			0.00	24-09
10.04MK	Adjusting	06/30/13					
		10-3105-00000-001-3105	Special Ed - Extraordinary (R)		216,621.00		
		10-3110-00000-001-3110	Special Ed - Personnel (R)	216,621.00			
			reclassify spec ed extraordinary 9/28/12 receipt			0.00	24-01

Prepared by _____

Kankakee School District No. 111
Audit Adjustments

4350

Reviewed by _____

Page 2

10/02/13

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
10.05MK	Adjusting	06/30/13					
		10-1999-00000-000-0000	Other Revenue		750.00		
		10-3705-00000-001-3705	Early Childhood - Parental Training	750.00			
			reclassify Community Foundation donation			0.00	24-02
10.06CH	Adjusting	06/30/13					
		10-4999-00000-003-4999	ADOLESCENT CLINIC	79,258.00			
		10-3999-00000-003-3999	Clinic Reimbursement		79,258.00		
		10-4999-00000-003-4999	ADOLESCENT CLINIC	10,433.00			
		10-4992-00000-000-4992	Medicaid Matching-Fee for Svc		10,433.00		
			Reclass grant funds			0.00	29-09
10.07CH	Adjusting	06/30/13					
		10-2530-39000-000-4620	OTH PUR SVC		50,000.00		
		10-2530-54000-000-4620	CAPITAL OUTLAY	50,000.00			
			reclass KHS renovation to cap outlay			0.00	TB
10.08CH	Adjusting	06/30/13					
		10-7900-00000-000-0000	Oth Fin Srces-Proceeds LTD		302,313.00		
		10-2660-54000-068-0000	EQUIPMENT	302,313.00			
			Record capital lease			0.00	PF

Prepared by _____

Kankakee School District No. 111
Audit Adjustments

4350
Page 3
10/02/13

Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
10.09CH	Adjusting	06/30/13					
		10-8400-00000-000-0000	Transfer to Debt Srv - Cap Lease Pt	65,741.00			
		10-2660-54000-068-0000	EQUIPMENT		65,741.00		
			Transfer to debt svc fund for cap lease pmt			0.00	PF
20.01CH	Adjusting	06/30/13					
		20-0000-01010-000-0000	Cash		147.00		
		20-2542-12900-000-0000	TEMP CUSTODI	147.00			
			Client entry 6-300 - already posted to Skyward			(147.00)	04-02
20.02CH	Adjusting	06/30/13					
		20-9999-00000-000-0000	Reserved Fund Balance		134,327.00		
		20-9999-00000-704-0000	Unreserved Fund Balance	134,327.00			
			Adjust O&M rsvd fb to actual for special ed			0.00	21-03
20.03CH	Adjusting	06/30/13					
		20-2542-31000-000-0000	ARCHITECT FEES		76,327.00		
		20-2542-54000-000-0000		76,327.00			
			Reclass architect fees associated with cap outlay			0.00	35-200

Prepared by _____

Kankakee School District No. 111
Audit Adjustments

4350

Reviewed by _____

Page 4
10/02/13

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
20.04CH	Adjusting	06/30/13					
		20-2542-32300-000-0000	IMPROV/REPAI		21,553.00		
		20-2542-54000-000-0000		21,553.00			
			Reclass demolition costs to land (capital outlay)			0.00	35-200
30.01CH	Adjusting	06/30/13					
		30-7420-00000-000-0000	Transfer In - Cap Lease Prin		65,741.00		
		30-5370-60000-000-0000	Payments on Principal	65,741.00			
			Transfer from ed fund for cap lease pmt			0.00	PF
60.01CH	Adjusting	06/30/13					
		60-7110-00000-000-0000	Oth Sources-Abatement of Working		6,000,000.00		
		60-9999-00000-704-0000	Fund Balance-Unreserved	6,000,000.00			
			record abatement of working cash to Cap Proj			6,000,000.00	03-C-BS
60.02CH	Adjusting	06/30/13					
		60-2530-39001-000-0000	HS		48,904.00		
		60-2530-54001-000-0000	CONSTRUCTION HS	48,904.00			
			Reclass architect fees associated with cap outlay			0.00	35-200

Prepared by _____

**Kankakee School District No. 111
Audit Adjustments**

4350
Page 5
10/02/13

Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
60.03CH	Adjusting	06/30/13					
		60-2530-39000-000-0000	OTHER PURCHASED SVCS		36,443.00		
		60-2530-54000-065-0000	CAP IMP SPECIAL PROJECTS	36,443.00			
			Reclass architect fees associated w/ cap outlay			0.00	35-200
70.01CH	Adjusting	06/30/13					
		70-8110-00000-000-0000	Other Uses - Abatement of Working	6,000,000.00			
		70-9999-00000-704-0000	Fund Balance-Unreserved		6,000,000.00		
			record abatement of working cash to Cap Proj			(6,000,000.00)	03-C-BS
		TOTAL		<u>13,116,825.00</u>	<u>13,116,825.00</u>	<u>(479.00)</u>	

**KANKAKEE SCHOOL DISTRICT 111
KANKAKEE, ILLINOIS**

Annual Financial Report

**As of and for the Year Ended
June 30, 2013**

**Kankakee School District 111
Annual Financial Report
As of and for the year ended June 30, 2013**

Table of Contents

<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report.....	1-3
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4-5
Basic Financial Statements	
A Statement of Assets and Liabilities Arising From Cash Transactions.....	6
B Statement of Receipts, Disbursements, Other Financing Sources and Uses and Changes in Fund Balance	7
C Statement of Revenues Received	8-10
D Statement of Expenditures Disbursed, Budget to Actual	11-15
Notes to Financial Statements	16-31

Other Supplemental Information

Schedule

1 Statement of Receipts, Disbursement and Changes in Fund Balances - Budget and Actual – All Funds	32-33
2 Educational Fund – Detailed Receipts – Budget and Actual.....	34-35
3 Educational Fund – Detailed Disbursements – Budget and Actual.....	36-39
4 Operations and Maintenance Fund – Detailed Receipts and Disbursements – Budget and Actual	40
5 Debt Service Fund – Detailed Receipts and Disbursements - Budget and Actual.....	41
6 Transportation Fund – Detailed Receipts – Budget and Actual	42
7 Transportation Fund – Detailed Disbursements – Budget and Actual	43
8 Municipal Retirement/Social Security Fund – Detailed Receipts and Disbursements – Budget and Actual	44

Kankakee School District 111
Annual Financial Report
As of and for the year ended June 30, 2013

Table of Contents

<u>Schedule</u>		<u>Page</u>
9	Capital Projects Fund – Detailed Receipts and Disbursements – Budget and Actual.....	45
10	Working Cash Fund – Detailed Receipts – Budget and Actual.....	46
11	Tort Fund – Detailed Receipts and Disbursements – Budget and Actual.....	47
12	Fire Prevention and Safety Fund – Detailed Receipts and Disbursements – Budget and Actual	48
13	Statement of Changes in Assets and Liabilities – All Agency Funds - Student Activity Funds and Accounts	49
14	Schedule of Assessed Valuations, Rates, Extensions and Collections - For Tax Levy Years 2012, 2011 and 2010	50
15	Schedule of General Obligation Bonds Payable	51
16	Schedule of Per Capita Tuition Charge	52
17	Schedule of Per Capita Tuition Charge – Offsetting Receipts	53
18	Schedule of Disbursements Per Student (Unaudited).....	54
19	IMRF Schedule of Funding Progress	55

Mark L. Smith
Wayne D. Koelling
Lawrence K. Ohm
Curtis L. Dykstra
Richard S. Stenzinger
Marcie Meents Kolberg
Michael L. Stroud
Keith B. Ohm
Vicki L. DeYoung



1605 N. Convent
Bourbonnais, IL 60914
(815) 937-1997
Fax: (815) 935-0360
www.skdocpa.com

Beecher (708) 946-3232
Morris (815) 942-2554
Herscher (815) 426-9808
Peotone (708) 258-0300
Wilmington (815) 476-4477

Independent Auditor's Report

To the Board of Education
Kankakee School District 111
Kankakee, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Kankakee School District 111 as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Illinois State Board of Education (ISBE) Title 23 of the Illinois Administrative Code, Part 100, as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

As described in Note 1 to the financial statements, to meet the financial reporting requirements of ISBE, the financial statements are prepared by Kankakee School District 111 on the basis of the financial reporting provisions of ISBE Title 23 of the Illinois Administrative Code, Part 100, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraphs, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Kankakee School District 111, as of June 30, 2013, or the changes in financial position for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of Kankakee School District 111 as of June 30, 2013, and the changes in regulatory basis financial position thereof for the year then ended in accordance with the financial reporting provisions of ISBE Title 23 of the Administrative Code, Part 100, described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Kankakee School District No. 111's financial statements. The accompanying information listed in the table of contents as Other Supplemental Information is presented for purposes of additional analysis and is not a required part of the financial statements.

The Other Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplemental Information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2013, on our consideration of Kankakee School District 111's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Bourbonnais, Illinois
October 3, 2013

Mark L. Smith
Wayne D. Koelling
Lawrence K. Ohm
Curtis L. Dykstra
Richard S. Stenzinger
Marcie Meents Kolberg
Michael L. Stroud
Keith B. Ohm
Vicki L. DeYoung



Smith, Koelling,
Dykstra & Ohm, P.C.
Certified Public Accountants and Advisors

1605 N. Convent
Bourbonnais, IL 60914
(815) 937-1997
Fax: (815) 935-0360
www.skdocpa.com

Beecher (708) 946-3232
Morris (815) 942-2554
Herscher (815) 426-9808
Peotone (708) 258-0300
Wilmington (815) 476-4477

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

Board of Education
Kankakee School District 111
Kankakee, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, the financial statements of Kankakee School District 111, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Kankakee School District 111's financial statements, and have issued our report thereon dated October 3, 2013. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the regulatory basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, Title 23 of the Illinois Administrative Code, Part 100, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



Compliance and Other Matters

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

Purpose of this Report

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

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

October 3, 2013

KANKAKEE SCHOOL DISTRICT 111
Statement of Assets and Liabilities
Arising From Cash Transactions
June 30, 2013

Exhibit A

	Educational	Operations and Maintenance	Debt Service	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Student Activity Funds	Account Groups	
											General Fixed Assets	General Long-Term Debt
Assets												
Cash and cash equivalents	\$ 6,063,689	\$ 2,590,055	\$ 28,762	\$ 1,325,160	\$ 354,321	\$ 1,527,442	\$ 5,699,572	\$ 64,159	\$ 281,384	\$ 460,062	\$ -	\$ -
Interfund receivables	-	-	-	-	-	-	100,000	-	-	-	-	-
Property and equipment	-	-	-	-	-	-	-	-	-	-	83,312,544	-
Amount available in Debt Service Fund	-	-	-	-	-	-	-	-	-	-	-	28,762
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	-	-	-	-	10,268,908
Total Assets	\$ 6,063,689	\$ 2,590,055	\$ 28,762	\$ 1,325,160	\$ 354,321	\$ 1,527,442	\$ 5,799,572	\$ 64,159	\$ 281,384	\$ 460,062	\$83,312,544	\$10,297,670
Liabilities												
Due to student groups	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 460,062	\$ -	\$ -
Interfund payable	-	-	-	-	-	-	-	100,000	-	-	-	-
Other payables	830,640	-	-	-	-	-	-	-	-	-	-	-
Payroll deductions and withholdings	(767)	-	-	-	-	-	-	-	-	-	-	-
Long-term debt payable	-	-	-	-	-	-	-	-	-	-	-	10,297,670
Total Liabilities	829,873	-	-	-	-	-	-	100,000	-	460,062	-	10,297,670
Fund Equity												
Investment in general fixed assets	-	-	-	-	-	-	-	-	-	-	83,312,544	-
Fund balance - reserved	-	1,262,297	-	-	-	-	-	-	-	-	-	-
Fund (deficit) balance - unreserved	5,233,816	1,327,758	28,762	1,325,160	354,321	1,527,442	5,799,572	(35,841)	281,384	-	-	-
Total Fund Equity	5,233,816	2,590,055	28,762	1,325,160	354,321	1,527,442	5,799,572	(35,841)	281,384	-	83,312,544	-
Total Liabilities & Fund Equity	\$ 6,063,689	\$ 2,590,055	\$ 28,762	\$ 1,325,160	\$ 354,321	\$ 1,527,442	\$ 5,799,572	\$ 64,159	\$ 281,384	\$ 460,062	\$83,312,544	\$10,297,670

KANKAKEE SCHOOL DISTRICT 111
Statement of Receipts, Disbursements, Other Financing
Sources and Uses and Changes in Fund Balances
For the year ended June 30, 2013

Exhibit B

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Debt Service</u>	<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Capital Projects</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Fire Prevention and Safety</u>
Receipts									
Local sources	\$ 9,752,043	\$ 2,287,620	\$ 3,249,126	\$ 1,052,426	\$ 1,364,135	\$ 336,985	\$ 35,407	\$ 1,181,803	\$ 21,445
State sources	28,763,670	100,000	-	2,640,230	-	-	-	-	-
Federal sources	11,069,236	-	-	210,122	459,986	182,934	-	-	-
Total Direct Receipts	49,584,949	2,387,620	3,249,126	3,902,778	1,824,121	519,919	35,407	1,181,803	21,445
Receipts for on-behalf payments	7,462,695	-	-	-	-	-	-	-	-
Total Receipts	<u>57,047,644</u>	<u>2,387,620</u>	<u>3,249,126</u>	<u>3,902,778</u>	<u>1,824,121</u>	<u>519,919</u>	<u>35,407</u>	<u>1,181,803</u>	<u>21,445</u>
Disbursements									
Instruction	31,386,678	-	-	-	888,051	-	-	-	-
Supporting services	18,551,024	3,145,273	-	3,146,290	1,248,115	4,776,112	-	1,103,894	104
Community services	751,257	-	-	-	74,940	-	-	-	-
Payments to other governmental units	975,452	-	-	-	-	-	-	-	-
Debt services	-	-	3,528,324	-	-	-	-	-	-
Total Disbursements	51,664,411	3,145,273	3,528,324	3,146,290	2,211,106	4,776,112	-	1,103,894	104
Disbursements for on-behalf payments	7,462,695	-	-	-	-	-	-	-	-
Total Disbursements	<u>59,127,106</u>	<u>3,145,273</u>	<u>3,528,324</u>	<u>3,146,290</u>	<u>2,211,106</u>	<u>4,776,112</u>	<u>-</u>	<u>1,103,894</u>	<u>104</u>
Excess (Deficiency) of Receipts over Disbursements	<u>(2,079,462)</u>	<u>(757,653)</u>	<u>(279,198)</u>	<u>756,488</u>	<u>(386,985)</u>	<u>(4,256,193)</u>	<u>35,407</u>	<u>77,909</u>	<u>21,341</u>
Other Financing Sources (Uses)									
Principal from issuance of long-term debt	302,313	-	-	-	-	-	-	-	-
Abatement of working cash fund	-	-	-	-	-	6,000,000	(6,000,000)	-	-
Permanent transfer from working cash	20,698	-	-	-	-	-	(20,698)	-	-
Transfer to debt service - capital lease principal	(65,741)	-	65,741	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>257,270</u>	<u>-</u>	<u>65,741</u>	<u>-</u>	<u>-</u>	<u>6,000,000</u>	<u>(6,020,698)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	<u>(1,822,192)</u>	<u>(757,653)</u>	<u>(213,457)</u>	<u>756,488</u>	<u>(386,985)</u>	<u>1,743,807</u>	<u>(5,985,291)</u>	<u>77,909</u>	<u>21,341</u>
Fund Balance, Beginning of Year	<u>7,056,008</u>	<u>3,347,708</u>	<u>242,219</u>	<u>568,672</u>	<u>741,306</u>	<u>(216,365)</u>	<u>11,784,863</u>	<u>(113,750)</u>	<u>260,043</u>
Fund Balance, End of Year	<u>\$ 5,233,816</u>	<u>\$ 2,590,055</u>	<u>\$ 28,762</u>	<u>\$ 1,325,160</u>	<u>\$ 354,321</u>	<u>\$ 1,527,442</u>	<u>\$ 5,799,572</u>	<u>\$ (35,841)</u>	<u>\$ 281,384</u>

7

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

KANKAKEE SCHOOL DISTRICT 111
Statement of Revenues Received
For the year ended June 30, 2013

EXHIBIT C

	Educational	Operations and Maintenance	Debt Service	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety
Receipts from local sources									
Ad valorem taxes levied by local education agency									
General levy	\$ 7,706,405	\$ 1,874,070	\$ 3,245,086	\$ 938,905	\$ 532,684	\$ -	\$ 14,002	\$ 1,181,015	\$ 21,030
Special education levy	-	150,695	-	-	-	-	-	-	-
Social security/medicare only levy	-	-	-	-	784,989	-	-	-	-
Total ad valorem taxes levied by district	<u>7,706,405</u>	<u>2,024,765</u>	<u>3,245,086</u>	<u>938,905</u>	<u>1,317,673</u>	<u>-</u>	<u>14,002</u>	<u>1,181,015</u>	<u>21,030</u>
Payments in lieu of taxes									
Mobile home privilege tax	3,424	822	-	320	-	-	-	-	-
Payments from local housing authorities	814	195	390	71	142	-	18	106	-
Corporate personal property replacement taxes	1,473,575	223,011	-	104,072	44,602	-	-	-	-
Other payments in lieu of taxes	-	18	-	-	-	-	-	-	-
Total payments in lieu of taxes	<u>1,477,813</u>	<u>224,046</u>	<u>390</u>	<u>104,463</u>	<u>44,744</u>	<u>-</u>	<u>18</u>	<u>106</u>	<u>-</u>
Tuition									
Summer school tuition from pupils or parents	8,280	-	-	-	-	-	-	-	-
Summer school tuition from other districts	875	-	-	-	-	-	-	-	-
Total tuition	<u>9,155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transportation fees									
Regular transportation fees from pupils or parents	-	-	-	4,657	-	-	-	-	-
Special ed. transportation fees from other districts	-	-	-	2,585	-	-	-	-	-
Total transportation fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Earnings on investments									
Interest on investments	7,329	6,155	3,650	1,816	1,718	3,002	21,387	682	415
Total earnings on investments	<u>7,329</u>	<u>6,155</u>	<u>3,650</u>	<u>1,816</u>	<u>1,718</u>	<u>3,002</u>	<u>21,387</u>	<u>682</u>	<u>415</u>
Food service									
Sales to pupils - lunch	145,244	-	-	-	-	-	-	-	-
Sales to pupils - breakfast	14,716	-	-	-	-	-	-	-	-
Sales to pupils - a la carte	105,819	-	-	-	-	-	-	-	-
Sales to adults	17,800	-	-	-	-	-	-	-	-
Other food service	111,526	-	-	-	-	-	-	-	-
Total food service	<u>395,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Pupil activities									
Admissions - athletic	27,403	-	-	-	-	-	-	-	-
Fees	22,153	-	-	-	-	-	-	-	-
Other pupil activity revenue	980	-	-	-	-	-	-	-	-
Total pupil activities	<u>50,536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Textbooks									
Rentals - regular textbooks	24,267	-	-	-	-	-	-	-	-
Sales - other	10,095	-	-	-	-	-	-	-	-
Other	4,134	-	-	-	-	-	-	-	-
Total textbooks	<u>38,496</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other revenue from local sources									
Rentals	-	18,112	-	-	-	-	-	-	-
Drivers' education fees	7,493	-	-	-	-	-	-	-	-
Other local fees	-	14,182	-	-	-	-	-	-	-
Other local revenues	59,711	360	-	-	-	333,983	-	-	-
Total other revenue from local sources	<u>67,204</u>	<u>32,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>333,983</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total receipts from local sources	<u>9,752,043</u>	<u>2,287,620</u>	<u>3,249,126</u>	<u>1,052,426</u>	<u>1,364,135</u>	<u>336,985</u>	<u>35,407</u>	<u>1,181,803</u>	<u>21,445</u>

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

KANKAKEE SCHOOL DISTRICT 111
Statement of Revenues Received
For the year ended June 30, 2013

EXHIBIT C
(Continued)

	Educational	Operations and Maintenance	Debt Service	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety
Receipts from state sources									
General state aid- Sec. 18-8.05	24,247,764	100,000	-	67,214	-	-	-	-	-
Total unrestricted grants-in-aid	24,247,764	100,000	-	67,214	-	-	-	-	-
Restricted grants-in-aid									
Special education									
Special education - private facility tuition	424,731	-	-	-	-	-	-	-	-
Special education - extraordinary	1,019,785	-	-	-	-	-	-	-	-
Special education - personnel	1,276,225	-	-	-	-	-	-	-	-
Special education - orphanage - individual	165,607	-	-	-	-	-	-	-	-
Special education - orphanage - summer	8,334	-	-	-	-	-	-	-	-
Special education - summer school	29,245	-	-	-	-	-	-	-	-
Total special education	2,923,927	-	-	-	-	-	-	-	-
Bilingual									
Bilingual education - downstate - TPI	192,497	-	-	-	-	-	-	-	-
Total bilingual education	192,497	-	-	-	-	-	-	-	-
State free lunch & breakfast	82,707	-	-	-	-	-	-	-	-
Driver education	50,730	-	-	-	-	-	-	-	-
Transportation									
Transportation - regular/vocational	-	-	-	1,752,026	-	-	-	-	-
Transportation - special education	-	-	-	559,562	-	-	-	-	-
Total transportation	-	-	-	2,311,588	-	-	-	-	-
Early childhood - block grant	1,023,599	-	-	253,821	-	-	-	-	-
Other restricted revenue from state sources	242,446	-	-	7,607	-	-	-	-	-
Total restricted grants-in-aid	4,515,906	-	-	2,573,016	-	-	-	-	-
Total receipts from state sources	28,763,670	100,000	-	2,640,230	-	-	-	-	-

KANKAKEE SCHOOL DISTRICT 111
Statement of Revenues Received
For the year ended June 30, 2013

EXHIBIT C
(Continued)

	Educational	Operations and Maintenance	Debt Service	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety
Receipts from federal sources									
Restricted grants-in-aid received directly from federal government									
Head start	2,179,841	-	-	-	-	-	-	-	-
Other restricted grants-in-aid received directly from the federal government	286,062	-	-	189,069	314,539	182,934	-	-	-
Total restricted grants-in-aid received directly from the federal government	2,465,903	-	-	189,069	314,539	182,934	-	-	-
Restricted grants-in-aid received from federal government through the state									
Food service									
National school lunch program	1,910,198	-	-	-	-	-	-	-	-
School breakfast program	642,856	-	-	-	-	-	-	-	-
Summer food service admin/program	31,323	-	-	-	-	-	-	-	-
Child and adult care food programs	46,289	-	-	-	-	-	-	-	-
Fresh fruits and vegetables	210,244	-	-	-	-	-	-	-	-
Total food service	2,840,910	-	-	-	-	-	-	-	-
Title I									
Title I - Low income	2,612,720	-	-	14,724	50,642	-	-	-	-
Title I - Migrant education	135,595	-	-	6,329	-	-	-	-	-
Title I - Other	3,600	-	-	-	-	-	-	-	-
Total Title I	2,751,915	-	-	21,053	50,642	-	-	-	-
Federal special education									
Federal - special education - preschool flow-through	30,151	-	-	-	2,386	-	-	-	-
Federal - special education - IDEA - flow through/low incidence	1,413,114	-	-	-	81,898	-	-	-	-
Federal - special education - IDEA - room & board	7,077	-	-	-	-	-	-	-	-
Total federal - special education	1,450,342	-	-	-	84,284	-	-	-	-
Other ARRA Funds - XI	396,576	-	-	-	-	-	-	-	-
Total stimulus programs	396,576	-	-	-	-	-	-	-	-
Title III - English language acquisition	57,030	-	-	-	5,920	-	-	-	-
Title II - Teacher quality	460,740	-	-	-	4,601	-	-	-	-
Medicaid matching funds - administrative outreach	214,205	-	-	-	-	-	-	-	-
Medicaid matching funds - fees-for-service program	246,408	-	-	-	-	-	-	-	-
Other restricted revenue from federal sources	185,207	-	-	-	-	-	-	-	-
Total restricted grants-in-aid received from federal govt though the state	8,603,333	-	-	21,053	145,447	-	-	-	-
Total receipts from federal sources	11,069,236	-	-	210,122	459,986	182,934	-	-	-
Total direct receipts	\$ 49,584,949	\$ 2,387,620	\$ 3,249,126	\$ 3,902,778	\$ 1,824,121	\$ 519,919	\$ 35,407	\$ 1,181,803	\$ 21,445

KANKAKEE SCHOOL DISTRICT 111
Statement of Expenditures Disbursed, Budget to Actual
For the year ended June 30, 2013

EXHIBIT D

Educational fund	Salaries	Employee Benefits	Purchased services	Supplies/Materials	Capital Outlay	Other Objects	Transfers	Tuition	Total	Budget
Regular programs	\$ 14,791,152	\$ 4,372,290	\$ 414,972	\$ 449,026	\$ 91,495	\$ 4,906	\$ -	\$ -	\$ 20,123,841	\$ 20,895,771
Special education programs	6,032,744	2,087,741	122,285	56,246	10,811	2,000	-	-	8,311,827	8,390,548
Interscholastic programs	426,140	59,263	47,301	45,834	-	12,705	-	-	591,243	611,709
Summer school programs	21,494	2,394	-	150	-	-	-	-	24,038	27,500
Gifted programs	556,427	164,899	2,781	4,941	-	-	-	-	729,048	723,569
Drivers education programs	144,888	56,248	558	71	14,000	-	-	-	215,765	202,146
Bilingual programs	1,055,377	335,539	-	-	-	-	-	-	1,390,916	1,431,718
Total instruction	23,028,222	7,078,374	587,897	556,268	116,306	19,611	-	-	31,386,678	32,282,961
Support services										
Support services - pupils										
Attendance & social work services	646,807	250,345	8,393	12,411	-	-	-	-	917,956	973,103
Guidance services	334,809	118,065	-	1,834	-	-	-	-	454,708	482,597
Health services	608,725	124,889	148,595	9,910	-	-	-	-	892,119	830,315
Psychological services	241,210	63,901	4,087	3,751	-	-	-	-	312,949	350,593
Speech pathology & audiology services	525,852	164,396	348	9,384	-	-	-	-	699,980	698,326
Total support services - pupils	2,357,403	721,596	161,423	37,290	-	-	-	-	3,277,712	3,334,934
Support services - instructional staff										
Improvement of instruction services	880,471	441,446	558,517	213,961	1,038	9,065	-	-	2,104,498	2,104,294
Educational media services	218,874	71,155	-	25,328	-	-	-	-	315,357	332,167
Assessment & testing	194,780	49,315	111,109	20,295	-	300	-	-	375,799	359,908
Total support services - instructional staff	1,294,125	561,916	669,626	259,584	1,038	9,365	-	-	2,795,654	2,796,369
Support services - general administration										
Board of education services	-	-	259,775	8,595	3,481	19,902	-	-	291,753	409,000
Executive administration services	462,354	91,975	27,397	10,046	2,253	34,315	-	-	628,340	680,749
Service area administrative services	408,019	117,766	9,313	1,939	-	-	-	-	537,037	507,210
Tort immunity services	81,350	13,414	224,487	2,816	4,199	-	-	-	326,266	445,037
Total support services - general administration	951,723	223,155	520,972	23,396	9,933	54,217	-	-	1,783,396	2,041,996
Support services - school administration										
Office of the principal services	2,320,904	624,391	23,877	45,973	10,000	827	-	-	3,025,972	3,038,253
Total support services - school administration	2,320,904	624,391	23,877	45,973	10,000	827	-	-	3,025,972	3,038,253

KANKAKEE SCHOOL DISTRICT 111
Statement of Expenditures Disbursed, Budget to Actual
For the year ended June 30, 2013

EXHIBIT D
(Continued)

	Salaries	Employee Benefits	Purchased services	Supplies/Materials	Capital Outlay	Other Objects	Transfers	Tuition	Total	Budget
Support services - business										
Direction of business support services	\$ 167,649	\$ 37,829	\$ 31,258	\$ 243	\$ -	\$ 1,176	\$ -	\$ -	\$ 238,155	\$ 243,280
Fiscal services	333,336	103,432	31,701	24,373	3,329	9,626	-	-	505,797	459,941
Operation & maintenance of plant services	83,602	23,180	182,682	859,551	61,062	-	-	-	1,210,077	1,428,969
Pupil transportation services	352	-	1,902	-	-	-	-	-	2,254	3,357
Food services	1,308,171	231,063	95,312	1,352,580	2,263	3,158	-	-	2,992,547	2,852,628
Internal services	72,659	16,266	-	-	-	-	-	-	88,925	80,940
Total support services - business	<u>1,965,769</u>	<u>411,770</u>	<u>342,855</u>	<u>2,236,747</u>	<u>66,654</u>	<u>13,960</u>	<u>-</u>	<u>-</u>	<u>5,037,755</u>	<u>5,069,115</u>
Support services - central										
Staff services	141,257	95,641	-	-	-	-	-	-	236,898	-
Data processing services	397,613	95,510	104,371	285,978	306,110	300	-	-	1,189,882	1,002,917
Total support services - central	<u>538,870</u>	<u>191,151</u>	<u>104,371</u>	<u>285,978</u>	<u>306,110</u>	<u>300</u>	<u>-</u>	<u>-</u>	<u>1,426,780</u>	<u>1,002,917</u>
Other support services	554,316	134,901	457,715	41,374	15,449	-	-	-	1,203,755	1,364,756
Total support services	<u>9,983,110</u>	<u>2,868,880</u>	<u>2,280,839</u>	<u>2,930,342</u>	<u>409,184</u>	<u>78,669</u>	<u>-</u>	<u>-</u>	<u>18,551,024</u>	<u>18,648,340</u>
Community services	407,314	100,575	203,378	39,990	-	-	-	-	751,257	913,298
Payments to other government units (in-state)										
Payments for regular programs	-	-	-	-	-	81	-	-	81	89,700
Payments for special education programs	-	-	83,973	-	-	-	-	-	83,973	740,662
Payments for special education programs - tuition	-	-	-	-	-	630,229	-	-	630,229	-
Payments for CTE programs - tuition	-	-	-	-	-	261,169	-	-	261,169	300,000
Other payments to in-state governments	-	-	-	-	-	-	-	-	-	16,200
Total payments to other government units (in-state)	<u>-</u>	<u>-</u>	<u>83,973</u>	<u>-</u>	<u>-</u>	<u>891,479</u>	<u>-</u>	<u>-</u>	<u>975,452</u>	<u>1,146,562</u>
Total payments to other districts and government units	<u>-</u>	<u>-</u>	<u>83,973</u>	<u>-</u>	<u>-</u>	<u>891,479</u>	<u>-</u>	<u>-</u>	<u>975,452</u>	<u>1,146,562</u>
Total direct disbursements	<u>\$ 33,418,646</u>	<u>\$ 10,047,829</u>	<u>\$ 3,156,087</u>	<u>\$ 3,526,600</u>	<u>\$ 525,490</u>	<u>\$ 989,759</u>	<u>\$ -</u>	<u>\$ -</u>	<u>51,664,411</u>	<u>\$ 52,991,161</u>
Excess (deficiency) of receipts over disbursements									<u>\$ (2,079,462)</u>	

KANKAKEE SCHOOL DISTRICT 111
Statement of Expenditures Disbursed, Budget to Actual
For the year ended June 30, 2013

EXHIBIT D
(Continued)

	Salaries	Employee Benefits	Purchased services	Supplies/ Materials	Capital Outlay	Other Objects	Transfers	Tuition	Total	Budget
Operations & maintenance fund										
Support services										
Support services - business										
Operation & maintenance of plant services	\$ 1,960,580	\$ 423,592	\$ 335,054	\$ 147,247	\$ 278,800	\$ -	\$ -	\$ -	\$ 3,145,273	\$ 3,412,371
Total support services - business	1,960,580	423,592	335,054	147,247	278,800	-	-	-	3,145,273	3,412,371
Total support services	1,960,580	423,592	335,054	147,247	278,800	-	-	-	3,145,273	3,412,371
Total direct disbursements	\$ 1,960,580	\$ 423,592	\$ 335,054	\$ 147,247	\$ 278,800	\$ -	\$ -	\$ -	3,145,273	\$ 3,412,371
Excess (deficiency) of receipts over disbursements									\$ (757,653)	
Debt service fund										
Debt services										
Debt service - interest										
Long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 267,523	\$ -	\$ -	\$ 267,523	\$ 267,524
Total debt services - interest	-	-	-	-	-	267,523	-	-	267,523	267,524
Debt service - payments of principal on long-term debt	-	-	-	-	-	3,260,741	-	-	3,260,741	3,195,000
Debt service - other	-	-	-	-	-	60	-	-	60	-
Total debt services	-	-	-	-	-	3,528,324	-	-	3,528,324	3,462,524
Total direct disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,528,324	\$ -	\$ -	3,528,324	\$ 3,462,524
Excess (deficiency) of receipts over disbursements									\$ (279,198)	
Transportation fund										
Support services										
Support services - pupils										
Support services - business										
Pupil transportation services	\$ 21,949	\$ 3,155	\$ 2,775,577	\$ 345,213	\$ -	\$ -	\$ -	\$ -	\$ 3,145,894	\$ 3,718,990
Total support services - business	21,949	3,155	2,775,577	345,213	-	-	-	-	3,145,894	3,718,990
Community services	-	-	396	-	-	-	-	-	396	-
Total direct disbursements	\$ 21,949	\$ 3,155	\$ 2,775,973	\$ 345,213	\$ -	\$ -	\$ -	\$ -	3,146,290	\$ 3,718,990
Excess (deficiency) of receipts over disbursements									\$ 756,488	

KANKAKEE SCHOOL DISTRICT 111
Statement of Expenditures Disbursed, Budget to Actual
For the year ended June 30, 2013

EXHIBIT D
(Continued)

Municipal retirement/Social Security fund	Salaries	Employee Benefits	Purchased Services	Supplies/ Materials	Capital Outlay	Other Objects	Transfers	Tuition	Total	Budget
Instruction										
Regular programs	\$ -	\$ 462,494	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 462,494	\$ 509,113
Special education programs	-	361,690	-	-	-	-	-	-	361,690	393,111
Interscholastic programs	-	14,995	-	-	-	-	-	-	14,995	14,250
Summer school programs	-	309	-	-	-	-	-	-	309	500
Gifted programs	-	5,519	-	-	-	-	-	-	5,519	5,619
Drivers education programs	-	1,933	-	-	-	-	-	-	1,933.0	1,766
Bilingual programs	-	41,111	-	-	-	-	-	-	41,111	44,579
Total instruction	-	888,051	-	-	-	-	-	-	888,051	968,938
Support services										
Support services - pupils										
Attendance & social work services	-	33,460	-	-	-	-	-	-	33,460	36,496
Guidance services	-	11,628	-	-	-	-	-	-	11,628	16,020
Health services	-	91,088	-	-	-	-	-	-	91,088	93,543
Psychological services	-	3,456	-	-	-	-	-	-	3,456	4,476
Speech pathology/audiology services	-	5,918	-	-	-	-	-	-	5,918	5,577
Total support services - pupils	-	145,550	-	-	-	-	-	-	145,550	156,112
Support services - instructional staff										
Improvement of instruction services	-	20,614	-	-	-	-	-	-	20,614	24,796
Educational media services	-	11,330	-	-	-	-	-	-	11,330	11,629
Assessment & testing	-	5,606	-	-	-	-	-	-	5,606	5,362
Total support services - instructional staff	-	37,550	-	-	-	-	-	-	37,550	41,787
Support services - general administration										
Executive administration services	-	130,425	-	-	-	-	-	-	130,425	31,469
Service area administrative services	-	7,920	-	-	-	-	-	-	7,920	17,529
Educational, inspectional, supervisory services related to loss prevention or reduction	-	14,429	-	-	-	-	-	-	14,429	15,282
Total support services - general administration	-	152,774	-	-	-	-	-	-	152,774	64,280
Support services - school administration										
Office of the principal services	-	149,417	-	-	-	-	-	-	149,417	150,450
Total support services - school administration	-	149,417	-	-	-	-	-	-	149,417	150,450
Support services - business										
Direction of business support services	-	8,849	-	-	-	-	-	-	8,849	8,860
Fiscal services	-	58,829	-	-	-	-	-	-	58,829	56,220
Operation & maintenance of plant services	-	391,595	-	-	-	-	-	-	391,595	387,390
Pupil transportation services	-	66	-	-	-	-	-	-	66	66
Food services	-	204,019	-	-	-	-	-	-	204,019	156,066
Internal services	-	12,447	-	-	-	-	-	-	12,447	12,088
Total support services - business	-	675,805	-	-	-	-	-	-	675,805	620,690
Support services - central										
Staff services	-	1,883	-	-	-	-	-	-	1,883	-
Data processing services	-	79,424	-	-	-	-	-	-	79,424	82,825
Total support services - central	-	79,424	-	-	-	-	-	-	79,424	82,825
Other support services	-	5,712	-	-	-	-	-	-	5,712	109,223
Total support services	-	1,248,115	-	-	-	-	-	-	1,248,115	1,225,367
Community services (MR/SS)	-	74,940	-	-	-	-	-	-	74,940	88,672
Total direct disbursements	\$ -	\$ 2,211,106	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,211,106	\$ 2,282,977
Excess (deficiency) of receipts over disbursements									\$ (386,985)	

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

KANKAKEE SCHOOL DISTRICT 111
Statement of Expenditures Disbursed, Budget to Actual
For the year ended June 30, 2013

EXHIBIT D
(Continued)

	Salaries	Employee Benefits	Purchased services	Supplies/ Materials	Capital Outlay	Other Objects	Transfers	Tuition	Total	Budget
Capital projects fund										
Support services-business										
Facilities acquisition and construction services	\$ -	\$ -	\$ 52,424	\$ -	\$ 4,723,688	\$ -	\$ -	\$ -	\$ 4,776,112	\$ 4,174,652
Total support services	-	-	52,424	-	4,723,688	-	-	-	4,776,112	4,174,652
Total direct disbursements	-	-	52,424	-	4,723,688	-	-	-	4,776,112	4,174,652
Excess (deficiency) of receipts over disbursements									<u>\$ (4,256,193)</u>	
Tort fund										
Support services-general administrative										
Workers' compensation	-	-	740,546	-	-	-	-	-	740,546	963,331
Unemployment insurance payments	-	-	60,029	-	-	-	-	-	60,029	133,362
Insurance payments	-	-	303,319	-	-	-	-	-	303,319	258,053
Total support services	-	-	1,103,894	-	-	-	-	-	1,103,894	1,354,746
Total direct disbursements	-	-	1,103,894	-	-	-	-	-	1,103,894	1,354,746
Excess (deficiency) of receipts over disbursements									<u>\$ 77,909</u>	
Fire prevention & safety fund										
Support services										
Support services - business										
Operation & maintenance of plant services	-	-	104	-	-	-	-	-	104	-
Total support services - business	-	-	104	-	-	-	-	-	104	-
Total support services	-	-	104	-	-	-	-	-	104	-
Total direct disbursements	\$ -	\$ -	\$ 104	\$ -	\$ -	\$ -	\$ -	\$ -	104	\$ -
Excess (deficiency) of receipts over disbursements									<u>\$ 21,341</u>	

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2013

Note 1 - Summary of Significant Accounting Policies

Kankakee School District 111 (the "District") operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The following is a summary of the more significant accounting policies of the District:

Principles Used to Determine Scope of the Reporting Entity

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

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

The District has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity which would exercise such oversight as to result in the District being considered a component unit of the entity.

Basis of Accounting

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The District prepares its financial statements in accordance with a regulatory basis of accounting prescribed by Illinois State Board of Education Title 23 of the Illinois Administrative Code, Part 100. This regulatory basis of accounting is an other comprehensive basis of accounting and differs from accounting principles generally accepted in the United States of America (GAAP). The presentation of these financial statements differs from GAAP as follows: (1) A statement of net position and statement of activities are not presented; (2) Individual funds and account groups are presented rather than major funds; (3) Fund Balance classifications are "reserved" and "unreserved" rather than "nonspendable", "restricted", "committed", "assigned", and "unassigned"; (4) Certain required supplementary information such as Management's Decision and Analysis is not presented.

Also, this regulatory basis allows for transactions and events to be recorded on the cash basis rather than the accrual basis. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions. Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2013

Note 1 - Summary of Significant Accounting Policies

It is the District's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available. It is the District's policy to first use reserved fund balances prior to the use of unreserved fund balances when an expenditure is incurred for which both reserved and unreserved fund balances are available.

Measurement Focus

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

Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities (arising from cash transactions), fund balance, revenue received and expenditures disbursed. The District maintains individual funds required by the State of Illinois. These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds and account groups are used by the District:

The Educational, Operations and Maintenance, and Transportation Funds are the general operating funds. They are used to account for all financial resources except for those required to be accounted for in other funds. The Special Education levy is included in the Operations and Maintenance Fund.

The Municipal Retirement/Social Security Fund is used to account for proceeds of specific revenue resources to be used for the payment of pension contributions to the Illinois Municipal Retirement System, and the payment of medicare and social security taxes.

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

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

The Tort Fund is used to account for financial resources to be used for the payment of tort immunity expenses.

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2013

Note 1 - Summary of Significant Accounting Policies (Continued)

The Fire Prevention and Safety Fund is used to account for financial resources to be used for the payment of fire prevention and life safety projects.

The Working Cash Fund is used to account for financial resources to be used for temporary interfund loans to any other fund of the District.

Activity funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. The Activity Funds include both Student Activity Funds, Convenience Accounts, and Trust and Agency Funds. They account for assets held by the District as an agent for the students and teachers. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of changes in financial position.

General Fixed Assets and General Long-Term Debt Account Groups

Fixed assets used in operations are accounted for in the General Fixed Assets Account Group. Purchases of property and equipment greater than \$500 with an estimated useful life of greater than one year are recorded as capital outlay expenditures of the various funds and as additions to the General Fixed Asset Account Group. Depreciation has not been reflected in the statement of General Fixed Assets, nor has interest been capitalized.

Fixed assets are classified in the following categories:

Non-depreciable land	Indefinite life
Depreciable land	50-year life
Permanent buildings	50-year life
Temporary buildings	25-year life
Improvements other than buildings - infrastructure	20-year life
Capitalized equipment	3, 5, and 10-year life

Long-term liabilities are accounted for in the General Long-Term Debt Account Group. Proceeds from long-term debt are included as receipts in the appropriate fund on the date received. Related principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group. Debt principal and interest payments are recorded as expenditures of the fund from which the payments are made.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of changes in financial position.

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2013

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Balance Classifications

Fund Balance is classified and displayed in two components:

Reserved - represents the portion of the fund balance which is restricted by certain tax levies

Unreserved - represents the portion of the fund balance which is available for any purposes allowed by Illinois School Code of the individual fund in which it resides

Budget and Budgetary Accounting

The budget is prepared on the regulatory basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105 of the Illinois Compiled Statutes (105 ILCS 5/10-17). The budget was passed on September 24, 2012.

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

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

1. Prior to September 1, at least 30 days prior to final adoption of the budget, the Assistant Superintendent for Business Services submits to the Board of Education a proposed operating budget for the fiscal year commencing the preceding July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. The Assistant Superintendent for Business Services is authorized to transfer up to 10 percent of the total budget between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration is employed as a management control device during the year for the Educational, Operations and Maintenance, Transportation, Municipal Retirement/Social Security, Capital Projects, Working Cash, Tort and Fire Prevention and Safety Funds. Formal budgetary integration is not employed for the Debt Service Fund because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
6. The Board of Education may amend the budget by the same procedures required for its original adoption.

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2013

Note 2 - Property Taxes

Property taxes are recognized in the year the taxes have been received. Property taxes are levied each year on or before the last Tuesday in December on all taxable real property located in the District. Property taxes attach as an enforceable lien on property as of January 1 of the same year and are payable in two installments on June 1 and September 1 of the following year. The District receives significant distributions of tax receipts approximately one month after these due dates. The 2012 levy was passed by the Board on December 10, 2012. Property tax receipts recorded for the year ended June 30, 2013 are from the 2011 levy.

Note 3 - Special Tax Levies and Reserved Fund Balance

Special Education

Cash receipts and the related cash disbursements of the special education restricted tax levy are accounted for in the Operations and Maintenance Fund. \$1,262,297 of this fund's equity represents the excess of cumulative receipts over cumulative disbursements which is restricted for future special education disbursements, and is classified as reserved fund balance.

Note 4 - Cash and Investments

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

The District also follows the practice of pooling excess cash for investment purposes. Each fund's portion of total investments is under accounting control. Earnings are prorated to each fund when recognized as revenue. Investments are reported at cost, which approximates face value. Gains or losses on the sale of investments are recognized upon realization.

Interest Rate Risk. The District's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the District's policy states investments shall provide sufficient liquidity to pay obligations of the District as they come due. Additionally, the District's policy is in conformance with the provisions of the Illinois Public Funds Investment Act.

Credit Risk. Each investment transaction shall ensure that capital loss, whether from credit or market risk, is avoided. The District may invest in one or more of the following:

1. Bonds, notes, certificates of indebtedness, treasury bills or other securities that are guaranteed by the full faith and credit of the United States of America, as to principal and interest.

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2013

Note 4 - Cash and Investments (Continued)

2. Bonds, notes, debentures, or other similar obligations of the United States of America, its agencies, and its instrumentalities, as defined in the District's investment policy.
3. Interest bearing savings accounts, certificates of deposit, time deposits, or any other investment constituting a direct obligation of any bank or financial institution as defined by the Illinois Banking Act.
4. Short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if certain requirements are met as defined in the District's investment policy.
5. Money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations described in items (1) or (2) and to agreements to repurchase such obligations.
6. Short-term discount obligations of the Federal National Mortgage Association or in shares or other forms of securities legally issuable by savings banks or savings and loan associations incorporated under the laws of this State or any other state or under the laws of the United States. Investments may be made only in those savings banks or savings and loan associations, the shares, or investment certificates that are insured by the Federal Deposit Insurance Corporation. Any such securities may be purchased at the offering or market price thereof at the time of such purchase. All such securities so purchased shall mature or be redeemable on a date or dates prior to the time when, in the judgment of the Chief Investment Officer, the public funds so invested will be required for expenditure by the District or its governing authority.
7. Dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union chartered under the laws of Illinois or the United States, provided, however, that the principal office of any such credit union must be located within the State of Illinois. Investments may be made only in those credit unions the accounts of which are insured by applicable law.
8. Investments in a Public Treasurers' Investment Pool under Section 17 of the State Treasurer Act, the Illinois School District Liquid Asset Fund Plus, or any public funds in a fund managed, operated, and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company or use the services of such an entity to hold and invest or advise regarding the investment of any public funds.
9. Repurchase agreements of government securities which conform to provisions of the Government Securities Act of 1986. The government securities, unless registered or inscribed in the name of the District, shall be purchased through banks or trust companies authorized to do business in the State of Illinois. The District may not enter into other repurchase agreements unless the instrument and transaction meet several requirements as set forth in the District's investment policy.

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2013

Note 4 - Cash and Investments (Continued)

10. Any investments as authorized by the Public Funds Investment Act, and Acts amendatory thereto. Point 8 herein supersedes points 1-7 and controls in the event of conflict.

Concentration of Credit Risk. The District's investment policy states investments shall be diversified as to materials and investments, as appropriate to the nature, purpose, and amount of the funds.

Portfolio diversification shall be as follows:

1. Up to 100% of number 1 above.
2. Up to 90% of numbers 2, 3 or 4 above.
3. Up to 33% of numbers 5 or 6 above.

Custodial Credit Risk – Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of any insurance limits to be collateralized in accordance with the Public Funds Investment Act 30 ILCS 235/1. As of June 30, 2013, the bank balance of the District's deposits with financial institutions totaled \$18,953,495, all of which was insured or collateralized by securities held by a third party and pledged to the District.

Custodial Credit Risk – Investments. With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring all investments in excess of insurance limits collateralized. The District's preferred safekeeping method is to have securities registered in the District's name and held by a third-party custodian.

Note 5 – Interfund Balances/Transfers

The District transferred \$20,698 from its Working Cash Fund to its Educational Fund. This transfer represents a portion of the interest earned in the Working Cash Fund during the year and was transferred to the Educational Fund for normal operating expenditures.

The District transferred \$65,741 from the Education Fund to the Debt Service Fund for principal and interest payments on capital leases.

The Board approved a temporary loan for \$100,000 from the Working Cash Fund to the Tort Fund to cover Tort Fund operating cash deficits.

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2013

Note 6 - General Fixed Assets

A summary of changes in general fixed assets follow:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Land	\$ 204,052	\$ 21,553	\$ -	\$ 225,605
Buildings and building improvements	55,043,804	4,518,191	-	59,561,995
Land improvements	1,621,344	502,057	-	2,123,401
Equipment:				
3 year	1,361,221	43,136	-	1,404,357
5 year	972,468	14,000	-	986,468
10 year	18,044,639	966,079	-	19,010,718
Construction in progress	<u>537,038</u>	<u>-</u>	<u>537,038</u>	<u>-</u>
	<u>77,784,566</u>	<u>6,065,016</u>	<u>537,038</u>	<u>83,312,544</u>
Less accumulated depreciation for:				
Buildings and building improvements	24,193,949	1,303,347	-	25,497,296
Land improvements	1,129,898	62,420	-	1,192,318
Equipment:				
3 year	1,107,908	223,601	-	1,331,509
5 year	773,476	108,789	-	882,265
10 year	<u>15,781,160</u>	<u>653,134</u>	<u>-</u>	<u>16,434,294</u>
Total accumulated depreciation	<u>42,986,391</u>	<u>2,351,291</u>	<u>-</u>	<u>45,337,682</u>
Net general fixed assets	<u>\$34,798,175</u>	<u>\$3,713,725</u>	<u>\$537,038</u>	<u>\$37,974,862</u>

Note 7 - General Long-Term Debt

	Balance July 1, 2012	Proceeds	Payments	Refunded	Balance June 30, 2013
General obligation school bonds:					
Series 2001B	\$ 245,000	\$ -	\$ 245,000	\$ -	\$ -
Series 2003	2,500,000	-	2,500,000	-	-
Series 2004 CAB	1,676,115	-	-	-	1,676,115
Series 2008A	450,000	-	450,000	-	-
Series 2008B	1,999,983	-	-	-	1,999,983
Series 2012	<u>6,385,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,385,000</u>
Subtotal bonds	<u>13,256,098</u>	<u>-</u>	<u>3,195,000</u>	<u>-</u>	<u>10,061,098</u>
Capital leases:					
American Capital:					
Technology equipment	<u>-</u>	<u>302,313</u>	<u>65,741</u>	<u>-</u>	<u>236,572</u>
Total long-term debt	<u>\$13,256,098</u>	<u>\$ 302,313</u>	<u>\$3,260,741</u>	<u>\$ -</u>	<u>\$10,297,670</u>

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2013

Note 7 - General Long-Term Debt (Continued)

Series 2001B bonds, original issue \$4,460,000, dated October 15, 2001, provide for the serial retirement of principal on January 1 and interest payable on January 1 and July 1 of each year at rates of 2.3 – 4.45 percent. The purpose of this bond was for the partial refunding of the Series 1992 bonds.

Series 2003 bonds. On December 1, 2003, the District issued \$9,685,000 in General Obligation Refunding Bonds with interest rates of 3.5 to 3.75 percent to advance refund \$8,990,000 of outstanding 1996 Series bonds with interest rates of 5.25 to 5.5 percent. These bonds provide for the serial retirement of principal on January 1 and interest payable on January 1 and July 1 of each year. The net proceeds from this issue of \$9,814,501 (after payment of \$157,113 in underwriting fees, insurance, and other insurance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1996 Series Bonds.

Series 2004 CAB (Capital Appreciation Bonds), original issue \$1,676,115, dated January 1, 2004, provide for payment at maturity of principal and interest, which is compounded on January 1 and July 1 of each year. The purpose of this bond was to provide monies to fund fire prevention and safety projects.

Series 2008 A bonds. On July 10, 2008, the District issued \$1,470,000 in General Obligation Refunding Bonds with interest rates of 3.25 to 3.75 percent to advance refund \$1,430,000 of outstanding 1996 Series bonds with interest rates of 5.25 to 5.5 percent. These bonds provide for the serial retirement of principal on January 1 and interest payable on January 1 and July 1 of each year. The net proceeds from this issue of \$1,439,370 (after payment of \$14,455 in underwriting fees, insurance and other insurance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1996 Series Bonds.

Series 2008 B bonds (Capital Appreciation Limited Tax Bonds), original issue \$1,999,983, dated July 10, 2008, provide for payment at maturity of principal and interest of 4.8415%, compounded on January 1 and July 1 of each year. The purpose of this bond was to provide monies to fund building renovations and to purchase equipment.

Series 2012 bonds, On March 6, 2012, the District issued \$6,385,000 in General Obligation Bonds with interest rates of 2.5 to 3.0 percent. These bonds were used to advance refund \$515,000 of outstanding Series 2001B bonds and to provide \$5,855,000 of Working Cash funds. These bonds provide for the serial retirement of principal and interest each year beginning January 1, 2014 and interest payments each year beginning on July 1, 2012. \$535,000 of the net proceeds of this bond were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for a portion of the future debt service payments on the Series 2001B bonds.

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2013

Note 7 - General Long-Term Debt (Continued)

Defeased Bonds

The outstanding balance of the refunded 2001B bonds considered defeased at June 30, 2013 is \$515,000.

Capital lease for technology equipment, dated July 15, 2012, providing for an initial down payment of \$3,000 and five annual payments of \$62,741 including interest at a rate of 2.41% through July 15, 2016.

Future minimum lease payments are as follows:

2014	\$ 62,741
2015	62,741
2016	62,741
2017	<u>62,741</u>
Total minimum lease payments	250,964
Less: amount representing interest	<u>(14,392)</u>
Present value of minimum lease payments	<u>\$236,572</u>

At June 30, 2013, the annual cash flow requirements of long-term debt were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,841,117	\$ 840,237	\$ 2,681,354
2015	1,764,637	898,091	2,662,728
2016	1,795,649	482,079	2,277,728
2017	2,136,267	141,337	2,277,604
2018	2,135,000	82,800	2,217,800
2019	<u>625,000</u>	<u>18,750</u>	<u>643,750</u>
	<u>\$10,297,670</u>	<u>\$2,463,294</u>	<u>\$12,760,964</u>

Note 8 - Legal Debt Margin

The legal debt margin is calculated as follows:

Assessed valuation - 2012	<u>\$352,496,371</u>
Debt limit - 13.8% of assessed valuation	\$ 48,644,499
Less general long-term debt	<u>10,297,670</u>
Legal debt margin	<u>\$ 38,346,829</u>

Note 9 - Retirement Fund Commitments

Teachers' Retirement System of the State of Illinois

The School District (employer) 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.

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2013

Note 9 - Retirement Fund Commitments (Continued)

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 State of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2013, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2012 and 2011.

The State of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employees.

- **On-behalf contributions to TRS.** The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2013, State of Illinois contributions were based on 28.05 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$7,214,814 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2012 and June 30, 2011, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 24.91 percent (\$6,340,970) and 23.10 percent (\$5,732,413), respectively.

The District makes other types of employer contributions directly to TRS.

- **2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2013 were \$156,273. Contributions for the years ended June 30, 2012 and June 30, 2011, were \$156,887 and \$151,909, respectively.
- **Federal and 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 a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution to TRS.

For the year ended June 30, 2013, the District pension contribution was 28.05 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2012 and 2011, the District contribution was 24.91 and 23.10 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2013, salaries totaling \$1,222,396 were paid from federal and special trust funds that required employer contributions of \$342,882. For the years ended June 30, 2012 and June 30, 2011, required District contributions were \$397,048 and \$317,754, respectively.

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2013

Note 9 - Retirement Fund Commitments (Continued)

- **Early Retirement Option (ERO).** The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

The maximum employer ERO contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2013, the District paid \$-0- to TRS for employer contributions under the ERO program. For the years ended June 30, 2012 and June 30, 2011, the District paid \$-0- and \$-0- in employer ERO contributions, respectively.

- **Salary increases over 6 percent and excess sick leave**

- If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the year ended June 30, 2013, the District paid \$37,012 to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2012 and June 30, 2011, the District paid \$560 and \$8,354 to TRS for employer contributions due on salary increases in excess of 6 percent, respectively.

- If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the District makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.63 percent of salary during the year ended June 30, 2013).

For the year ended June 30, 2013, the District paid \$-0- to TRS for sick leave days granted in excess of the normal annual allotment. For the year ended June 30, 2012 and June 30, 2011, the District paid \$-0- and \$-0- in employer contributions granted for sick leave days, respectively.

Further information on TRS

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2012. The report for the year ended June 30, 2013, is expected to be available in late 2013.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, PO Box 19253, Springfield, Illinois 62794-9253. The most current report is also available on the TRS web site at <http://trs.illinois.gov>.

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2013

Note 9 - Retirement Fund Commitments (Continued)

Teacher Health Insurance Security (THIS) Fund

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

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to THIS Fund.

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

- **On behalf contributions to THIS Fund**

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.92 percent of pay during the year ended June 30, 2013. State of Illinois contributions were \$247,881, and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2012 and June 30, 2011 were 0.88 percent of pay, both years. State contributions on behalf of District employees were \$238,035 and \$230,483, respectively.

- **Employer contributions to THIS Fund**

The employer also makes contributions to THIS Fund. The District THIS Fund contribution was 0.69 percent during the years ended June 30, 2013, and 0.66 percent during the years ended June 30, 2012 and June 30, 2011. For the year ended June 30, 2013, the District paid \$185,911 to the THIS Fund. For the years ended June 30, 2012 and June 30, 2011, the District paid \$178,526 and \$172,862 to the THIS Fund, respectively, which was 100 percent of the required contribution.

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2013

Note 9 - Retirement Fund Commitments (Continued)

Further information on THIS Fund

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The 2013 report is listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

Illinois Municipal Retirement Fund

Plan Description. The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the District Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District annual required contribution rate for calendar year 2012 was 11.10 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.

Annual Pension Cost. The required contribution for calendar year 2012 was \$1,106,802.

Three-Year Trend Information for the Regular Plan

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/12	\$1,106,802	100%	\$328,643
12/31/11	1,060,628	88%	321,761
12/31/10	1,036,588	82%	187,752

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the District Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District Regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2013

Note 9 - Retirement Fund Commitments (Continued)

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 83.09 percent funded. The actuarial accrued liability for benefits was \$27,989,833 and the actuarial value of assets was \$23,256,697, resulting in an underfunded actuarial accrued liability (UAAL) of \$4,733,136. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$9,971,188 and the ratio of the UAAL to the covered payroll was 47 percent.

The schedule of funding progress, presented as other supplemental information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Social Security

Employees not qualifying for coverage under the Illinois Teachers' Retirement System are covered under Social Security. The District paid \$618,339, the total required contribution for the current fiscal year.

Note 10 – Other Post-Employment Benefits

Under Public Act 06-1444, the District, an IMRF employer, is required to offer the same health insurance to disabled members, retirees, and surviving spouses eligible for IMRF benefits at the same premium rate as active employees. The related disclosures required under GASB Statement No. 45 are immaterial.

Note 11 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

Except for workers' compensation insurance, described in the following paragraphs, the District has purchased insurance from private insurance companies. Risks covered include general liability, health insurance and other. Premiums have been displayed as expenditures disbursed in appropriate funds. There has been no significant reduction in coverage, and settlements have not exceeded insurance coverage for each of the last three years.

The District has entered into an agreement with the Illinois Public Risk Fund. The pooling agreement permits public agencies within the meaning of the Intergovernmental Cooperation Act of the State of Illinois to provide a means whereby members of the Fund could contract with each other to protect against liability or loss under the Workers' Compensation and Occupational Diseases Laws of the State of Illinois.

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

Kankakee School District 111
Notes to Financial Statements
As of and for the year ended June 30, 2013

Note 12 – Intergovernmental Agreements

The District has entered into an intergovernmental agreement with Governors State University for the purpose of preparing individuals for Illinois teaching certificates as outlined in the Master of Arts in Teacher Education Alternative Certification Program.

The District entered into an intergovernmental cooperation agreement with the Iroquois-Kankakee Regional Office of Education (ROE) and Kankakee Area Special Education Cooperative (Cooperative) on May 16, 2002, for the construction of an addition to the Cooperative's existing facility. Under this agreement, the ROE and the District made initial contributions of \$500,000 and \$1,000,000, respectively, and the ROE made a subsequent payment of \$500,000 to the Cooperative. During 2002, the ROE received a State of Illinois grant which paid for the construction of the facility.

In consideration for these payments, the ROE and the District shall each have the right to use one classroom wing of the addition, the common areas, and the parking areas without rent or further consideration through June 30, 2100. Both the ROE and the District may renew this agreement for an additional 99-year period.

The Cooperative will be responsible for providing normal insurance coverage for the building and grounds keeping, maintenance and snow removal for the addition. The ROE and the District will be responsible for the cost of trash, maintenance and custodial, insurance for contents, and pest control.

Note 13 - Contingencies

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

The District is involved in several lawsuits arising in the normal course of business. The District carries insurance for these claims and has historically been able to settle such claims within the limits of its coverage. The likelihood of any loss in excess of these limits is not presently determinable. The District is also involved in various appeals by the corporate taxpayers of property taxes for the 2006 to 2012 tax years for which the appeal amounts are known. If the taxpayers' appeals are successful, the District may have to refund approximately \$121,000. Other appeals are in process, but the amounts being appealed are unknown as of the audit report date.

One of the unions has filed a class action grievance against the District for alleged violation of the contract. The outcome of this case is not determinable at this time.

Note 14 – Other

Expenditures in the Debt Service, Capital Projects, and Fire Prevention and Safety Funds exceeded the budgeted amounts for the year.

Note 15 – Commitments

The District had contractual commitments at June 30, 2013, of approximately \$1,170,000 for various construction projects. Future appropriations will fund these commitments as work is performed.

KANKAKEE SCHOOL DISTRICT 111

Statement of Receipts, Disbursements and Changes in Fund Balances

Budget and Actual - All Funds

For the year ended June 30, 2013

Schedule 1

	Educational Fund		Operations and Maintenance Fund		Debt Service Fund		Transportation Fund		Municipal Retirement/ Social Security Fund	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts										
Local sources	\$ 9,532,637	\$ 9,752,043	\$ 2,319,773	\$ 2,287,620	\$ 3,321,612	\$ 3,249,126	\$ 1,094,372	\$ 1,052,426	\$ 1,393,361	\$ 1,824,121
State sources	30,216,781	28,763,670	100,000	100,000	-	-	2,752,103	2,640,230	72,651	-
Federal sources	12,787,499	11,069,236	-	-	-	-	181,551	210,122	619,250	-
Total Receipts	<u>52,536,917</u>	<u>49,584,949</u>	<u>2,419,773</u>	<u>2,387,620</u>	<u>3,321,612</u>	<u>3,249,126</u>	<u>4,028,026</u>	<u>3,902,778</u>	<u>2,085,262</u>	<u>1,824,121</u>
Disbursements										
Instruction	32,282,961	31,386,678	-	-	-	-	-	-	968,938	888,051
Supporting services	18,648,340	18,551,024	3,412,371	3,145,273	-	-	3,718,990	3,145,894	1,225,367	1,248,115
Community services	913,298	751,257	-	-	-	-	-	396	88,672	74,940
Payments to other governmental units	1,146,562	975,452	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	3,462,524	3,528,324	-	-	-	-
Total Disbursements	<u>52,991,161</u>	<u>51,664,411</u>	<u>3,412,371</u>	<u>3,145,273</u>	<u>3,462,524</u>	<u>3,528,324</u>	<u>3,718,990</u>	<u>3,146,290</u>	<u>2,282,977</u>	<u>2,211,106</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(454,244)</u>	<u>(2,079,462)</u>	<u>(992,598)</u>	<u>(757,653)</u>	<u>(140,912)</u>	<u>(279,198)</u>	<u>309,036</u>	<u>756,488</u>	<u>(197,715)</u>	<u>(386,985)</u>
Other Financing Sources (Uses)										
On-behalf payments - State of Illinois	-	7,462,695	-	-	-	-	-	-	-	-
Pension contributions to TRS	-	(7,462,695)	-	-	-	-	-	-	-	-
Proceeds from long-term debt	-	302,313	-	-	-	-	-	-	-	-
Permanent transfer from working cash	-	20,698	-	-	-	-	-	-	-	-
Transfer to debt service - capital lease principal	-	(65,741)	-	-	-	65,741	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>257,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing (Sources) Uses	<u>\$ (454,244)</u>	<u>(1,822,192)</u>	<u>\$ (992,598)</u>	<u>(757,653)</u>	<u>\$ (140,912)</u>	<u>(213,457)</u>	<u>\$ 309,036</u>	<u>756,488</u>	<u>\$ (197,715)</u>	<u>(386,985)</u>
Fund Balance, Beginning of Year		<u>7,056,008</u>		<u>3,347,708</u>		<u>242,219</u>		<u>568,672</u>		<u>741,306</u>
Fund Balance, End of Year		<u>\$ 5,233,816</u>		<u>\$ 2,590,055</u>		<u>\$ 28,762</u>		<u>\$ 1,325,160</u>		<u>\$ 354,321</u>

KANKAKEE SCHOOL DISTRICT 111
 Statement of Receipts, Disbursements and Changes in Fund Balances
 Budget and Actual - All Funds
 For the year ended June 30, 2013

Schedule 1
 (continued)

	Capital Projects Fund		Working Cash Fund		Tort Fund		Fire Prevention and Safety Fund		Total (Memorandum Only)	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts										
Local sources	\$ 404,169	\$ 336,985	\$ 29,379	\$ 35,407	\$ 1,208,081	\$ 1,181,803	\$ 21,893	\$ 21,445	\$ 19,325,277	\$ 19,740,976
State sources	-	-	-	-	-	-	-	-	33,141,535	31,503,900
Federal sources	182,934	182,934	-	-	-	-	-	-	13,771,234	11,462,292
Total Receipts	<u>587,103</u>	<u>519,919</u>	<u>29,379</u>	<u>35,407</u>	<u>1,208,081</u>	<u>1,181,803</u>	<u>21,893</u>	<u>21,445</u>	<u>66,238,046</u>	<u>62,707,168</u>
Disbursements										
Instruction	-	-	-	-	-	-	-	-	33,251,899	32,274,729
Supporting services	4,174,652	4,776,112	-	-	1,354,746	1,103,894	-	104	32,534,466	31,970,416
Community services	-	-	-	-	-	-	-	-	1,001,970	826,593
Payments to other governmental units	-	-	-	-	-	-	-	-	1,146,562	975,452
Debt services	-	-	-	-	-	-	-	-	3,462,524	3,528,324
Total Disbursements	<u>4,174,652</u>	<u>4,776,112</u>	<u>-</u>	<u>-</u>	<u>1,354,746</u>	<u>1,103,894</u>	<u>-</u>	<u>104</u>	<u>71,397,421</u>	<u>69,575,514</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(3,587,549)</u>	<u>(4,256,193)</u>	<u>29,379</u>	<u>35,407</u>	<u>(146,665)</u>	<u>77,909</u>	<u>21,893</u>	<u>21,341</u>	<u>(5,159,375)</u>	<u>(6,868,346)</u>
Other Financing Sources (Uses)										
On-behalf payments - State of Illinois	-	-	-	-	-	-	-	-	-	7,462,695
Pension/health insurance contributions	-	-	-	-	-	-	-	-	-	(7,462,695)
Principal on bonds sold	-	-	-	-	-	-	-	-	-	-
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	302,313
Abatement of working cash fund	-	6,000,000	-	(6,000,000)	-	-	-	-	-	-
Permanent transfer from working cash	-	-	-	(20,698)	-	-	-	-	-	-
Transfer in (out) among funds	-	-	-	-	-	-	-	-	-	-
Transfer to debt service - capital lease principal	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>6,000,000</u>	<u>-</u>	<u>(6,020,698)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>302,313</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing (Sources) Uses	<u>\$ (3,587,549)</u>	<u>1,743,807</u>	<u>\$ 29,379</u>	<u>(5,985,291)</u>	<u>\$ (146,665)</u>	<u>77,909</u>	<u>\$ 21,893</u>	<u>21,341</u>	<u>\$ (5,159,375)</u>	<u>(6,566,033)</u>
Fund Balance, Beginning of Year		<u>(216,365)</u>		<u>11,784,863</u>		<u>(113,750)</u>		<u>260,043</u>		<u>23,043,148</u>
Fund (Deficit) Balance, End of Year		<u>\$ 1,527,442</u>		<u>\$ 5,799,572</u>		<u>\$ (35,841)</u>		<u>\$ 281,384</u>		<u>\$ 16,477,115</u>

KANKAKEE SCHOOL DISTRICT 111
Educational Fund
Detailed Receipts - Budget and Actual
For the year ended June 30, 2013

Schedule 2

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Taxes and payments in lieu of taxes:			
2011 Levy	\$ 7,887,408	\$ 7,710,643	\$ (176,765)
Corporate personal property			
Replacement taxes	<u>1,115,054</u>	<u>1,473,575</u>	<u>358,521</u>
Total taxes and payments in lieu of taxes	<u>9,002,462</u>	<u>9,184,218</u>	<u>181,756</u>
Tuition	3,000	9,155	6,155
Interest on investments	5,500	7,329	1,829
Food service	409,435	395,105	(14,330)
Pupil activities	56,390	50,536	(5,854)
Textbooks	41,600	38,496	(3,104)
Other	<u>14,250</u>	<u>67,204</u>	<u>52,954</u>
Total Local Sources	<u>9,532,637</u>	<u>9,752,043</u>	<u>219,406</u>
Unrestricted grants:			
General state aid	24,247,764	24,247,764	-
Restricted grants - state:			
Special education	3,975,098	2,923,927	(1,051,171)
Bilingual education	324,732	192,497	(132,235)
State free lunch and breakfast	177,000	82,707	(94,293)
Driver education	62,087	50,730	(11,357)
Early childhood block grant	1,295,186	1,023,599	(271,587)
Other revenue from state sources	<u>134,914</u>	<u>242,446</u>	<u>107,532</u>
Total State Sources	<u>30,216,781</u>	<u>28,763,670</u>	<u>(1,453,111)</u>

KANKAKEE SCHOOL DISTRICT 111
Educational Fund
Detailed Receipts - Budget and Actual
For the year ended June 30, 2013

Schedule 2
(continued)

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Restricted grants - federal:			
Head Start	\$ 2,588,945	\$ 2,179,841	\$ (409,104)
Other direct awards (Foster Grandparents)	-	286,062	286,062
National School Lunch Program	1,725,000	1,910,198	185,198
National School Breakfast Program	585,000	642,856	57,856
Summer Food Service Admin	33,000	31,323	(1,677)
Child and Adult Care Food Program	42,300	46,289	3,989
Fresh Fruits and Vegetables	190,002	210,244	20,242
Title I - Low Income	2,973,313	2,612,720	(360,593)
Title I - Migrant Education	380,689	135,595	(245,094)
Title I - Other	-	3,600	3,600
Federal Special Education	1,769,748	1,450,342	(319,406)
ARRA Education Jobs Funds Program	396,579	396,576	(3)
Title III - English Language Acquisition	94,715	57,030	(37,685)
Medicaid Matching Funds-Admin Outreach	250,056	214,205	(35,851)
Medicaid Matching Funds-Fees for Service	506,551	246,408	(260,143)
Title II - Teacher Quality	598,952	460,740	(138,212)
Other revenue from federal sources	652,649	185,207	(467,442)
Total Federal sources	<u>12,787,499</u>	<u>11,069,236</u>	<u>(1,718,263)</u>
Total Receipts	<u>\$ 52,536,917</u>	<u>\$ 49,584,949</u>	<u>\$ (2,951,968)</u>

KANKAKEE SCHOOL DISTRICT 111
Educational Fund
Detailed Disbursements - Budget and Actual
For the year ended June 30, 2013

Schedule 3

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Instruction:			
Regular programs -			
Salaries	\$ 15,434,388	\$ 14,791,152	\$ (643,236)
Employee benefits	4,501,543	4,372,290	(129,253)
Purchased services	413,435	414,972	1,537
Supplies & materials	440,942	449,026	8,084
Capital outlay	100,908	91,495	(9,413)
Other	4,555	4,906	351
Total	<u>20,895,771</u>	<u>20,123,841</u>	<u>(771,930)</u>
Special education programs -			
Salaries	6,054,338	6,032,744	(21,594)
Employee benefits	2,174,268	2,087,741	(86,527)
Purchased services	98,088	122,285	24,197
Supplies & materials	52,254	56,246	3,992
Capital outlay	11,600	10,811	(789)
Other	-	2,000	2,000
Total	<u>8,390,548</u>	<u>8,311,827</u>	<u>(78,721)</u>
Interscholastic programs -			
Salaries	447,169	426,140	(21,029)
Employee benefits	70,670	59,263	(11,407)
Purchased services	39,600	47,301	7,701
Supplies & materials	42,570	45,834	3,264
Other	11,700	12,705	1,005
Total	<u>611,709</u>	<u>591,243</u>	<u>(20,466)</u>

KANKAKEE SCHOOL DISTRICT 111
Educational Fund
Detailed Disbursements - Budget and Actual
For the year ended June 30, 2013

Schedule 3
(continued)

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Summer School -			
Salaries	\$ 25,000	\$ 21,494	\$ (3,506)
Employee benefits	2,500	2,394	(106)
Supplies & materials	-	150	150
Total	<u>27,500</u>	<u>24,038</u>	<u>(3,462)</u>
Gifted -			
Salaries	549,531	556,427	6,896
Employee benefits	166,388	164,899	(1,489)
Purchased services	1,800	2,781	981
Supplies & materials	5,800	4,941	(859)
Other	50	-	(50)
Total	<u>723,569</u>	<u>729,048</u>	<u>5,479</u>
Driver's education programs -			
Salaries	122,639	144,888	22,249
Employee benefits	54,507	56,248	1,741
Purchased services	-	558	558
Supplies & materials	5,000	71	(4,929)
Capital outlay	20,000	14,000	(6,000)
Total	<u>202,146</u>	<u>215,765</u>	<u>13,619</u>
Bilingual programs -			
Salaries	1,093,729	1,055,377	(38,352)
Employee benefits	335,278	335,539	261
Supplies & materials	2,711	-	(2,711)
Total	<u>1,431,718</u>	<u>1,390,916</u>	<u>(40,802)</u>
Total Instruction	<u>32,282,961</u>	<u>31,386,678</u>	<u>(896,283)</u>

KANKAKEE SCHOOL DISTRICT 111
Educational Fund
Detailed Disbursements - Budget and Actual
For the year ended June 30, 2013

Schedule 3
(continued)

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Supporting Services:			
Pupils -			
Salaries	\$ 2,450,822	\$ 2,357,403	\$ (93,419)
Employee benefits	756,974	721,596	(35,378)
Purchased services	101,055	161,423	60,368
Supplies & materials	25,833	37,290	11,457
Capital outlay	250	-	(250)
Total	<u>3,334,934</u>	<u>3,277,712</u>	<u>(57,222)</u>
Instructional staff -			
Salaries	1,347,019	1,294,125	(52,894)
Employee benefits	633,093	561,916	(71,177)
Purchased services	538,670	669,626	130,956
Supplies & materials	267,243	259,584	(7,659)
Capital outlay	6,512	1,038	(5,474)
Other	3,832	9,365	5,533
Total	<u>2,796,369</u>	<u>2,795,654</u>	<u>(715)</u>
General administration -			
Salaries	938,248	951,723	13,475
Employee benefits	225,983	223,155	(2,828)
Purchased services	757,308	520,972	(236,336)
Supplies & materials	44,255	23,396	(20,859)
Capital outlay	26,975	9,933	(17,042)
Other	49,227	54,217	4,990
Total	<u>2,041,996</u>	<u>1,783,396</u>	<u>(258,600)</u>
School administration -			
Salaries	2,318,611	2,320,904	2,293
Employee benefits	640,244	624,391	(15,853)
Purchased services	25,300	23,877	(1,423)
Supplies & materials	49,073	45,973	(3,100)
Capital outlay	1,000	10,000	9,000
Other	4,025	827	(3,198)
Total	<u>3,038,253</u>	<u>3,025,972</u>	<u>(12,281)</u>

KANKAKEE SCHOOL DISTRICT 111
Educational Fund
Detailed Disbursements - Budget and Actual
For the year ended June 30, 2013

Schedule 3
(continued)

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Business -			
Salaries	\$ 1,717,155	\$ 1,965,769	\$ 248,614
Employee benefits	386,608	411,770	25,162
Purchased services	385,854	342,855	(42,999)
Supplies & materials	2,487,752	2,236,747	(251,005)
Capital outlay	62,000	66,654	4,654
Other	29,746	13,960	(15,786)
Total	<u>5,069,115</u>	<u>5,037,755</u>	<u>(31,360)</u>
Central and other -			
Salaries	1,079,361	1,093,186	13,825
Employee benefits	227,406	326,052	98,646
Purchased services	593,782	562,086	(31,696)
Supplies & materials	341,753	327,352	(14,401)
Capital outlay	125,371	321,559	196,188
Other	-	300	300
Total	<u>2,367,673</u>	<u>2,630,535</u>	<u>262,862</u>
Total Supporting Services	<u>18,648,340</u>	<u>18,551,024</u>	<u>(97,316)</u>
Community services:			
Salaries	444,978	407,314	(37,664)
Employee benefits	148,697	100,575	(48,122)
Purchased services	236,882	203,378	(33,504)
Supplies & materials	82,741	39,990	(42,751)
Total Community Services	<u>913,298</u>	<u>751,257</u>	<u>(162,041)</u>
Payments to Other Districts and Governmental Units:			
Payments for regular programs	89,700	81	(89,619)
Payments for special education programs	740,662	83,973	(656,689)
Payments for special education - tuition	-	630,229	630,229
Payments for CTE programs - tuition	300,000	261,169	(38,831)
Other payments to in-state government units	16,200	-	(16,200)
Total - Other Districts and Gov't Units	<u>1,146,562</u>	<u>975,452</u>	<u>(171,110)</u>
Total Disbursements	<u>\$ 52,991,161</u>	<u>\$ 51,664,411</u>	<u>\$ (1,326,750)</u>

KANKAKEE SCHOOL DISTRICT 111
Operations and Maintenance Fund
Detailed Receipts and Disbursements - Budget and Actual
For the year ended June 30, 2013

Schedule 4

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Receipts			
Taxes and payments in lieu of taxes:			
2011 Levy	\$ 2,072,202	\$ 2,025,800	\$ (46,402)
Corporate personal property replacement taxes	223,011	223,011	-
Total taxes and payments in lieu of taxes	<u>2,295,213</u>	<u>2,248,811</u>	<u>(46,402)</u>
Interest on investments	4,810	6,155	1,345
Rentals	19,750	18,112	(1,638)
Other local fees	-	14,182	14,182
Other local revenues	-	360	360
Total Local Sources	<u>2,319,773</u>	<u>2,287,620</u>	<u>(32,153)</u>
General State Aid	100,000	100,000	-
Total State Sources	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total Receipts	<u>\$ 2,419,773</u>	<u>\$ 2,387,620</u>	<u>\$ (32,153)</u>
Disbursements			
Supporting services - business:			
Salaries	\$ 2,160,169	\$ 1,960,580	\$ (199,589)
Benefits	442,584	423,592	(18,992)
Purchased services	436,113	335,054	(101,059)
Supplies & materials	168,005	147,247	(20,758)
Capital outlay	205,500	278,800	73,300
Total Disbursements	<u>\$ 3,412,371</u>	<u>\$ 3,145,273</u>	<u>\$ (267,098)</u>

KANKAKEE SCHOOL DISTRICT 111
Debt Service Fund
Detailed Receipts and Disbursements - Budget and Actual
For the year ended June 30, 2013

Schedule 5

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Receipts			
Taxes and payments in lieu of taxes:			
2011 Levy	\$ 3,318,462	\$ 3,245,476	\$ (72,986)
Interest on investments	3,150	3,650	500
Total Receipts	<u>\$ 3,321,612</u>	<u>\$ 3,249,126</u>	<u>\$ (72,486)</u>
Disbursements			
Debt service - principal	\$ 3,195,000	\$ 3,260,741	\$ 65,741
Debt service - interest	267,524	267,523	(1)
Debt service - other	-	60	60
Total Disbursements	<u>\$ 3,462,524</u>	<u>\$ 3,528,324</u>	<u>\$ 65,800</u>

KANKAKEE SCHOOL DISTRICT 111
Transportation Fund
Detailed Receipts - Budget and Actual
For the year ended June 30, 2013

Schedule 6

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Taxes and payments in lieu of taxes:			
2011 Levy	\$ 960,714	\$ 939,296	\$ (21,418)
Corporate personal property replacement taxes	104,072	104,072	-
Total taxes and payments in lieu of taxes	<u>1,064,786</u>	<u>1,043,368</u>	<u>(21,418)</u>
Interest on investments	1,000	1,816	816
Transportation fees	28,586	7,242	(21,344)
Total Local Sources	<u>1,094,372</u>	<u>1,052,426</u>	<u>(41,946)</u>
Unrestricted grants:			
General state aid	50,000	67,214	17,214
Restricted grants - state:			
Transportation	2,191,749	2,311,588	119,839
Early childhood	510,354	253,821	(256,533)
Other	-	7,607	7,607
Total State Sources	<u>2,752,103</u>	<u>2,640,230</u>	<u>(111,873)</u>
Restricted grants - federal:			
Title I - Low Income	1,000	14,724	13,724
Title I - Migrant Education	-	6,329	6,329
Other	180,551	189,069	8,518
Total Federal Sources	<u>181,551</u>	<u>210,122</u>	<u>28,571</u>
Total Receipts	<u><u>\$ 4,028,026</u></u>	<u><u>\$ 3,902,778</u></u>	<u><u>\$ (125,248)</u></u>

KANKAKEE SCHOOL DISTRICT 111
Transportation Fund
Detailed Disbursements - Budget and Actual
For the year ended June 30, 2013

Schedule 7

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Supporting services:			
Salaries	\$ 21,950	\$ 21,949	\$ (1)
Benefits	3,314	3,155	(159)
Purchased services	3,348,933	2,775,577	(573,356)
Supplies & materials	313,765	345,213	31,448
Capital outlay	31,028	-	(31,028)
Total	<u>3,718,990</u>	<u>3,145,894</u>	<u>(573,096)</u>
Community service:			
Purchased services	-	396	396
Total	<u>-</u>	<u>396</u>	<u>396</u>
Total Disbursements	<u><u>\$ 3,718,990</u></u>	<u><u>\$ 3,146,290</u></u>	<u><u>\$ (572,700)</u></u>

KANKAKEE SCHOOL DISTRICT 111
Municipal Retirement/Social Security Fund
Detailed Receipts and Disbursements - Budget and Actual
For the year ended June 30, 2013

Schedule 8

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Receipts			
Taxes and payments in lieu of taxes:			
2011 Levy	\$ 1,347,384	\$ 1,317,815	\$ (29,569)
Corporate personal property replacement taxes	44,602	44,602	-
Total taxes and payments in lieu of taxes	<u>1,391,986</u>	<u>1,362,417</u>	<u>(29,569)</u>
Interest on investments	1,375	1,718	343
Total Local Sources	<u>1,393,361</u>	<u>1,364,135</u>	<u>(29,226)</u>
Restricted grants - state			
Bilingual education-downstate-TPI and TBE	16,561	-	(16,561)
Early childhood block grant	56,090	-	(56,090)
Total State Sources	<u>72,651</u>	<u>-</u>	<u>(72,651)</u>
Restricted grants - federal:			
Head Start	317,768	314,539	(3,229)
Title I-Low income	92,697	50,642	(42,055)
Title I-Migrant education	6,519	-	(6,519)
Fed-Spec education-preschool flow-through	3,095	2,386	(709)
Fed-Spec education-IDEA flow-through	131,082	81,898	(49,184)
Title III-English language acquisition	7,170	5,920	(1,250)
Title II-Teacher quality	12,190	4,601	(7,589)
Other restricted grants through the state	48,729	-	(48,729)
Total Federal Sources	<u>619,250</u>	<u>459,986</u>	<u>(159,264)</u>
Total Receipts	<u>\$ 2,085,262</u>	<u>\$ 1,824,121</u>	<u>\$ (188,490)</u>
Disbursements			
Instruction	\$ 968,938	\$ 888,051	\$ (80,887)
Supporting services	1,225,367	1,248,115	22,748
Community services	88,672	74,940	(13,732)
Total Disbursements	<u>\$ 2,282,977</u>	<u>\$ 2,211,106</u>	<u>\$ (71,871)</u>

KANKAKEE SCHOOL DISTRICT 111
Capital Projects Fund
Detailed Receipts and Disbursements - Budget and Actual
For the year ended June 30, 2013

Schedule 9

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Receipts			
Interest on investments	\$ 1,500	\$ 3,002	\$ 1,502
Other local receipts	402,669	333,983	(68,686)
Other restricted revenue from federal sources	182,934	182,934	-
Total Receipts	<u>\$ 587,103</u>	<u>\$ 519,919</u>	<u>\$ (67,184)</u>
Disbursements			
Supporting services	\$ 4,174,652	\$ 4,776,112	\$ 601,460
Total Disbursements	<u>\$ 4,174,652</u>	<u>\$ 4,776,112</u>	<u>\$ 601,460</u>

KANKAKEE SCHOOL DISTRICT 111
Working Cash Fund
Detailed Receipts - Budget and Actual
For the year ended June 30, 2013

Schedule 10

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Receipts			
Taxes and payments in lieu of taxes:			
2011 Levy	\$ 14,379	\$ 14,020	\$ (359)
Interest on investments	<u>15,000</u>	<u>21,387</u>	<u>6,387</u>
Total Receipts	<u>\$ 29,379</u>	<u>\$ 35,407</u>	<u>\$ 6,028</u>

KANKAKEE SCHOOL DISTRICT 111

Schedule 11

Tort Fund

Detailed Receipts and Disbursements - Budget and Actual

For the year ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Receipts			
Local Sources:			
Taxes and payments in lieu of taxes	\$ 1,207,581	\$ 1,181,121	\$ (26,460)
Earnings on investments	500	682	182
Total local sources	<u>1,208,081</u>	<u>1,181,803</u>	<u>\$ (26,278)</u>
Total receipts	<u>\$ 1,208,081</u>	<u>\$ 1,181,803</u>	<u>\$ (26,278)</u>
 Disbursements:			
Support services-general administration:			
Workers' compensation	\$ 963,331	\$ 740,546	\$ (222,785)
Unemployment insurance payments	133,362	60,029	(73,333)
Insurance payments	<u>258,053</u>	<u>303,319</u>	<u>45,266</u>
Total support services-general administration	<u>1,354,746</u>	<u>1,103,894</u>	<u>(250,852)</u>
Total disbursements	<u>\$ 1,354,746</u>	<u>\$ 1,103,894</u>	<u>\$ (250,852)</u>

KANKAKEE SCHOOL DISTRICT 111
Fire Prevention and Safety Fund
Detailed Receipts and Disbursements - Budget and Actual
For the year ended June 30, 2013

Schedule 12

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Or (Under) Budget</u>
Receipts			
Taxes:			
2011 Levy	\$ 21,493	\$ 21,030	\$ (463)
Interest on investments	400	415	15
	<u> </u>	<u> </u>	<u> </u>
Total Receipts	<u>\$ 21,893</u>	<u>\$ 21,445</u>	<u>\$ (448)</u>
Disbursements			
Supporting services:			
Purchased services	\$ -	\$ 104	\$ 104
	<u> </u>	<u> </u>	<u> </u>
Total Disbursements	<u>\$ -</u>	<u>\$ 104</u>	<u>\$ 104</u>

KANKAKEE SCHOOL DISTRICT 111
Statement of Changes in Assets and Liabilities
All Agency Funds
Student Activity Funds and Accounts
For the year ended June 30, 2013

Schedule 13

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
Assets				
Cash and investments	<u>\$ 426,299</u>	<u>\$ 587,450</u>	<u>\$ 553,687</u>	<u>\$ 460,062</u>
Liabilities				
Due to student groups	<u>\$ 426,299</u>	<u>\$ 587,450</u>	<u>\$ 553,687</u>	<u>\$ 460,062</u>

KANKAKEE SCHOOL DISTRICT 111
Schedule of Assessed Valuations, Rates, Extensions and Collections

Schedule 14

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Assessed Valuation	<u>\$ 352,496,371</u>	<u>\$ 374,008,786</u>	<u>\$ 399,501,821</u>
Taxable Valuation	<u>\$ 337,619,733</u>	<u>\$ 358,214,014</u>	<u>\$ 382,339,761</u>
Tax Rates			
Educational Fund:			
Educational	2.399	2.200	2.075
Liability insurance	0.367	0.337	0.286
Operations & Maintenance Fund:			
Regular operations	0.595	0.535	0.483
Special education	0.043	0.043	0.040
Transportation Fund	0.306	0.268	0.219
Municipal Retirement:			
I.M.R.F.	0.184	0.152	0.144
Social security	0.236	0.224	0.214
Bonds & Interest:			
General obligation	0.776	0.926	0.858
Working Cash Fund	0.005	0.004	0.003
Fire Prevention & Life Safety Fund	0.007	0.006	0.003
Total Tax Rates	<u>4.918</u>	<u>4.695</u>	<u>4.325</u>
Tax Extensions			
Educational Fund:			
Educational	\$ 8,099,497	\$ 7,880,708	\$ 7,933,550
Liability insurance	1,239,064	1,207,181	1,093,492
Operations & Maintenance Fund:			
Regular operations	2,008,837	1,916,445	1,846,701
Special education	145,176	154,032	152,936
Transportation Fund	1,033,116	960,014	837,324
Municipal Retirement:			
I.M.R.F.	621,220	544,485	550,569
Social security	796,783	802,399	818,207
Bond & Interest Fund:			
General obligation	2,619,929	3,317,062	3,280,475
Working Cash Fund	16,881	14,329	11,470
Fire Prevention & Safety Fund	23,633	21,493	11,470
Total Tax Extensions	<u>\$ 16,604,138</u>	<u>\$ 16,818,148</u>	<u>\$ 16,536,195</u>
Tax Collections	<u>\$ -</u>	<u>\$ 16,448,881</u>	<u>\$ 16,440,397</u>
Percentage of Tax Extensions Collected		<u>97.8%</u>	<u>99.4%</u>

KANKAKEE SCHOOL DISTRICT 111
Schedule of General Obligation Bonds Payable
June 30, 2013

Schedule 15

Due Year End June 30,	Series 2004 CAB		Series 2008B		Series 2012	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 1,239,065	\$ 655,935	\$ -	\$ -	\$ 545,000	\$ 178,613
2015	437,050	267,950	1,269,163	460,837	-	164,987
2016	-	-	730,820	314,179	1,005,000	164,988
2017	-	-	-	-	2,075,000	139,863
2018	-	-	-	-	2,135,000	82,800
2019	-	-	-	-	625,000	18,750
	<u>\$ 1,676,115</u>	<u>\$ 923,885</u>	<u>\$ 1,999,983</u>	<u>\$ 775,016</u>	<u>\$ 6,385,000</u>	<u>\$ 750,001</u>
	Total					
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>			
Due Year End June 30,						
2014	\$ 1,784,065	\$ 834,548	\$ 2,618,613			
2015	1,706,213	893,774	2,599,987			
2016	1,735,820	479,167	2,214,987			
2017	2,075,000	139,863	2,214,863			
2018	2,135,000	82,800	2,217,800			
2019	625,000	18,750	643,750			
	<u>\$ 10,061,098</u>	<u>\$ 2,448,902</u>	<u>\$ 12,510,000</u>			

KANKAKEE SCHOOL DISTRICT 111
Schedule of Per Capita Tuition Charge
For the year ended June 30, 2013

Schedule 16

Total Disbursements	
Educational Fund	\$ 51,664,411
Operations and Maintenance Fund	3,145,273
Bond and Interest Fund	3,528,324
Transportation Fund	3,146,290
Municipal Retirement Fund	2,211,106
Tort Fund	1,103,894
	<u>64,799,298</u>
Receipts or Disbursements Not Applicable to the K-12 Regular Program	
Special education transportation fees from other districts	2,585
Summer School:	
Education Fund	24,038
Municipal Retirement Fund	309
Capital outlay:	
Education Fund	525,490
Operations and Maintenance Fund	278,800
Transportation Fund	-
Community services:	
Education Fund	751,257
Transportation Fund	396
Municipal Retirement Fund	74,940
Total payments to other districts/governmental units	975,452
Debt service - payments of principal on long-term debt	<u>3,260,741</u>
Total Receipts or Disbursements Not Applicable to Operating Expenses of Regular Programs	<u>5,894,008</u>
Total Operating Expenses	58,905,290
Average Daily Attendance (Unaudited)	<u>4,902.98</u>
Operating Expense Per Student (Unaudited)	<u>\$ 12,014</u>
Offsetting Receipts (Schedule 17)	<u>15,845,374</u>
Net Operating Expense for Tuition Computation	43,059,916
Add Depreciation - Not Provided in Accounts, Straight-Line Basis	<u>2,351,291</u>
Total Disbursements for Tuition Computation	<u>\$ 45,411,207</u>
Average Daily Attendance (Unaudited)	<u>4,902.98</u>
Per Capita Tuition Charge (Unaudited)	<u>\$ 9,262</u>

The foregoing summary of per capita tuition charge is presented on the basis of average daily attendance figures taken from the District records. The accuracy of the average daily attendance figures was not investigated by the auditors.

KANKAKEE SCHOOL DISTRICT 111
Schedule of Per Capita Tuition Charge - Offsetting Receipts
For the year ended June 30, 2013

Schedule 17

Transportation fees	\$ 4,657
Food services	395,105
District/school activity income	50,536
Textbooks rentals	24,267
Sales other	10,095
Other	4,134
Rentals	18,112
Special education	2,923,927
Bilingual education	192,497
State free lunch and breakfast	82,707
Driver education	50,730
Total transportation	2,311,588
Other restricted revenue from state	250,053
Restricted grants in aid from federal government	2,969,511
Less: Head Start	(2,179,841)
Total food services	2,840,910
Title I	2,823,610
IDEA flow through	1,495,012
IDEA room and board	7,077
Total ARRA	396,576
Title III-English language acquisition	62,950
Title II-Teacher Quality	465,341
Medicaid matching funds - administrative outreach	214,205
Medicaid matching funds - fee for service	246,408
Other federal funds	185,207
Total Offsetting Receipts	<u><u>\$ 15,845,374</u></u>

KANKAKEE SCHOOL DISTRICT 111
Schedule of Disbursements Per Student
(Unaudited)

Schedule 18

	For the years ended June 30,		
	2013	2012	2011
Educational Fund			
Instruction	6,402	\$ 6,529	\$ 6,498
Supporting services	3,784	3,771	3,518
Community services	153	177	168
Nonprogrammed charges	199	206	205
	<u>10,537</u>	<u>10,683</u>	<u>10,389</u>
Operations and Maintenance Fund			
Supporting services	<u>642</u>	<u>627</u>	<u>568</u>
Transportation Fund			
Supporting services	<u>642</u>	<u>652</u>	<u>607</u>
Municipal Retirement/Social Security Fund			
Instruction	181	101	98
Supporting services	255	201	181
Community services	15	-	
	<u>451</u>	<u>302</u>	<u>279</u>
Debt Service Fund			
Debt services	<u>720</u>	<u>683</u>	<u>671</u>
Capital Projects Fund			
Supporting services	<u>974</u>	<u>111</u>	<u>-</u>
Tort Fund			
Supporting services	<u>225</u>	<u>261</u>	<u>288</u>
Fire Prevention and Safety Fund			
Supporting services	<u>0</u>	<u>55</u>	<u>4</u>
Total Disbursements Per Student	<u>\$ 14,190</u>	<u>\$ 13,374</u>	<u>\$ 12,806</u>
Average Daily Attendance	<u>4,902.98</u>	<u>4,859.50</u>	<u>4,885.16</u>

The foregoing summary of disbursements per student is presented on the basis of average daily attendance figures taken from District records. The accuracy of the average daily attendance figures was not investigated by the auditors. This schedule is not meant to be compared to the Operating Expense per Student at Schedule 16, rather it is a year to year comparison of total expenditures per student.

Kankakee School District 111
IMRF Schedule of Funding Progress
June 30, 2013

Schedule 19

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) --Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/12	\$23,256,697	\$27,989,833	\$4,733,136	83.09%	\$9,971,188	47.47%
12/31/11	21,175,916	26,271,254	5,095,338	80.60%	9,847,984	51.74%
12/31/10	20,373,433	25,187,280	4,813,847	80.89%	9,881,674	48.71%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$24,003,829. On a market basis, the funded ratio would be 85.76%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Kankakee School District 111. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

**KANKAKEE SCHOOL DISTRICT 111
Kankakee, Illinois**

**Student Activity Funds, Convenience Accounts
And Trust and Agency Funds**

**Financial Statements
As of and for the year ended June 30, 2013**

KANKAKEE SCHOOL DISTRICT 111
Student Activity Funds, Convenience Accounts and Trust Agency Funds
Table of Contents
June 30, 2013

	<u>Page</u>
Independent Auditor's Report	1
Summary Statement of Cash Receipts and Disbursements	2 - 3
Statements of Cash Receipts and Disbursements	
Aroma Park Primary School.....	4
John F. Kennedy Middle Grade Center	5
Kankakee High School	6 - 7
Kankakee Junior High School	8
Lafayette Primary Center.....	9
Lincoln Cultural Center	10
Mark Twain Primary School	11
Martin Luther King Middle Grade Center.....	12
Steuben Primary School	13
Taft Primary School.....	14
Thomas Edison Primary School	15
Notes to Financial Statements	16

Mark L. Smith
Wayne D. Koelling
Lawrence K. Ohm
Curtis L. Dykstra
Richard S. Stenzinger
Marcie Meents Kolberg
Michael L. Stroud
Keith B. Ohm
Vicki L. DeYoung



1605 N. Convent
Bourbonnais, IL 60914
(815) 937-1997
Fax: (815) 935-0360
www.skdocpa.com

Beecher (708) 946-3232
Morris (815) 942-2554
Herscher (815) 426-9808
Peotone (708) 258-0300
Wilmington (815) 476-4477

INDEPENDENT AUDITOR'S REPORT

Board of Education
Kankakee School District 111
Kankakee, Illinois

We have audited the regulatory basis financial statements of Kankakee School District 111 as of and for the year ended June 30, 2013, and have issued our report thereon dated October 3, 2013. This report contained an adverse opinion on Generally Accepted Accounting Principles due to regulatory accounting practices; however, our opinion on the regulatory basis of accounting was unqualified. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying statements for Student Activity Funds, Convenience Accounts, and Trust and Agency Funds are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statements for Student Activity Funds, Convenience Accounts, and Trust and Agency Funds are fairly stated in all material respects in relation to the regulatory basis financial statements as a whole.

This report is intended solely for the information and use of management, others within the organization, the Board of Education, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

October 3, 2013

KANKAKEE SCHOOL DISTRICT 111
Student Activity Funds, Convenience Accounts and Trust and Agency Funds
Summary Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2013

	Cash Plus Investments <u>July 1, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash Plus Investments <u>June 30, 2013</u>
Aroma Park Primary School				
Student Activity Funds	\$ 357	\$ 766	\$ 310	\$ 813
Convenience Accounts	701	203	527	377
Total	<u>1,058</u>	<u>969</u>	<u>837</u>	<u>1,190</u>
John F. Kennedy Middle Grade Center				
Student Activity Funds	13,805	20,357	29,963	4,199
Convenience Accounts	2,027	4,555	5,294	1,288
Total	<u>15,832</u>	<u>24,912</u>	<u>35,257</u>	<u>5,487</u>
Kankakee High School				
Student Activity Funds	84,056	140,990	130,266	94,780
Convenience Accounts	31,111	32,868	38,829	25,150
Trust and Agency Funds	174,344	68,873	16,217	227,000
Total	<u>289,511</u>	<u>242,731</u>	<u>185,312</u>	<u>346,930</u>
Kankakee Holiday Tournament Fund				
Trust and Agency Funds	<u>53,329</u>	<u>39,331</u>	<u>36,925</u>	<u>55,735</u>
Kankakee Junior High School				
Student Activity Funds	15,003	45,257	40,019	20,241
Convenience Accounts	1,047	6,657	6,860	844
Trust and Agency Funds	81	473	528	26
Total	<u>16,131</u>	<u>52,387</u>	<u>47,407</u>	<u>21,111</u>
Kankakee School District Administration				
Convenience Accounts	<u>518</u>	<u>33,416</u>	<u>33,090</u>	<u>844</u>
Lafayette Primary Center				
Student Activity Funds	9,384	6,744	13,329	2,799
Convenience Accounts	805	540	978	367
Total	<u>10,189</u>	<u>7,284</u>	<u>14,307</u>	<u>3,166</u>

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

KANKAKEE SCHOOL DISTRICT 111
Student Activity Funds, Convenience Accounts and Trust and Agency Funds
Summary Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2013

	Cash Plus Investments July 1, 2012	Receipts	Disbursements	Cash Plus Investments June 30, 2013
Lincoln Cultural Center				
Student Activity Funds	\$ 13,367	\$ 136,589	\$ 141,275	\$ 8,681
Convenience Accounts	2,598	933	1,546	1,985
Total	<u>15,965</u>	<u>137,522</u>	<u>142,821</u>	<u>10,666</u>
Mark Twain Primary School				
Student Activity Funds	3,320	7,880	6,556	4,644
Convenience Accounts	23	882	886	19
Total	<u>3,343</u>	<u>8,762</u>	<u>7,442</u>	<u>4,663</u>
Martin Luther King Middle Grade Center				
Student Activity Funds	4,695	13,882	13,867	4,710
Convenience Accounts	774	2,719	2,926	567
Total	<u>5,469</u>	<u>16,601</u>	<u>16,793</u>	<u>5,277</u>
Steuben Primary School				
Student Activity Funds	2,779	2,647	3,560	1,866
Convenience Accounts	1,268	1,220	2,275	213
Total	<u>4,047</u>	<u>3,867</u>	<u>5,835</u>	<u>2,079</u>
Taft Primary School				
Student Activity Funds	1,542	8,432	8,569	1,405
Convenience Accounts	516	1,997	2,176	337
Total	<u>2,058</u>	<u>10,429</u>	<u>10,745</u>	<u>1,742</u>
Thomas Edison Primary School				
Student Activity Funds	2,206	2,113	3,148	1,171
Convenience Accounts	6,643	7,126	13,768	1
Total	<u>8,849</u>	<u>9,239</u>	<u>16,916</u>	<u>1,172</u>
Total All Schools				
Student Activity Funds	150,514	385,657	390,862	145,309
Convenience Accounts	48,031	93,116	109,155	31,992
Trust and Agency Funds	227,754	108,677	53,670	282,761
Total All Funds and Accounts	<u>\$ 426,299</u>	<u>\$ 587,450</u>	<u>\$ 553,687</u>	<u>\$ 460,062</u>

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

KANKAKEE SCHOOL DISTRICT 111
Aroma Park Primary School
Student Activity Funds, Convenience Accounts and Trust and Agency Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2013

	Cash Plus Investments July 1, 2012	Receipts	Disbursements	Cash Plus Investments June 30, 2013
Student Activity Funds				
Pencils	\$ 357	\$ 106	\$ 48	\$ 415
PBIS	-	-	-	-
Student Enrichment	-	660	262	398
Total Student Activity Funds	<u>357</u>	<u>766</u>	<u>310</u>	<u>813</u>
Convenience Accounts				
Pop Fund	73	-	73	-
Principal's Account	-	203	19	184
Sunshine Club	628	-	435	193
Total Convenience Accounts	<u>701</u>	<u>203</u>	<u>527</u>	<u>377</u>
Totals	<u>\$ 1,058</u>	<u>\$ 969</u>	<u>\$ 837</u>	<u>\$ 1,190</u>

KANKAKEE SCHOOL DISTRICT 111
John F. Kennedy Middle Grade Center
Student Activity Funds, Convenience Accounts and Trust and Agency Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2013

	Cash Plus Investments <u>July 1, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash Plus Investments <u>June 30, 2013</u>
Student Activity Funds				
Athletics	\$ 1,542	\$ 1,252	\$ 2,745	\$ 49
Band	6,877	-	6,428	449
Choir	2,108	893	880	2,121
Field Trips	723	9,181	9,774	130
Library Book Club	1,259	3,713	4,515	457
Orchestra	198	-	-	198
PBIS	93	1,425	870	648
Yearbook Fund	1,005	3,893	4,751	147
Total Student Activity Funds	<u>13,805</u>	<u>20,357</u>	<u>29,963</u>	<u>4,199</u>
Convenience Accounts				
Pop Fund	1,374	334	1,047	661
Social Committee	31	1,370	1,141	260
Principal Contingency	622	2,851	3,106	367
Total Convenience Accounts	<u>2,027</u>	<u>4,555</u>	<u>5,294</u>	<u>1,288</u>
Totals	<u>\$ 15,832</u>	<u>\$ 24,912</u>	<u>\$ 35,257</u>	<u>\$ 5,487</u>

KANKAKEE SCHOOL DISTRICT 111
Kankakee High School
Student Activity Funds, Convenience Accounts and Trust and Agency Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2013

Student Activity Funds	Cash Plus	Receipts	Disbursements	Cash Plus
	Investments			Investments
	July 1, 2012			June 30, 2013
Business Academy	\$ 648	\$ 3,811	\$ 3,551	\$ 908
Alegebra Club	23	-	-	23
Art Club	-	793	564	229
Athletic Concessions	7,196	10,601	9,238	8,559
Athletic Tournament	11,779	7,620	4,802	14,597
Basketball/Football	-	5,947	5,947	-
Bilingual	458	380	60	778
Boys Baseball	1,161	2,518	2,778	901
Boys Basketball	3	16,612	16,451	164
Boys Football	2,058	5,123	5,528	1,653
Boys Golf	369	220	241	348
Boys Swimming	3,071	210	317	2,964
Boys Tennis	170	50	205	15
Boys Track	269	43	118	194
Brother to Brother	149	3,007	3,073	83
Cheerleading - Varsity	-	3,818	749	3,069
Chess Club	30	-	-	30
Chorus	1,501	2,743	3,606	638
Class of '11	64	16	80	-
Class of '12	1,372	-	1,372	-
Class of '13	7,302	270	5,423	2,149
Class of '14	2,000	11,770	11,182	2,588
Class of '15	1,067	2,034	858	2,243
Class of '16	-	1,152	347	805
Cross Country Team	74	-	-	74
Fall Play	5,282	4,568	3,303	6,547
FBLA	15	-	-	15
French Club	10	247	247	10
Freshman Academy Team	48	-	-	48
Girls Basketball	124	1,720	1,426	418
Girls Golf	131	-	-	131
Girls P.E. Misc	71	-	-	71
Girls Softball	1,595	4,220	3,719	2,096
Girls Swimming	2,770	150	294	2,626
Girls Tennis	16	318	333	1
Girls Track	219	1,000	133	1,086
Health Academy	1,825	1,574	1,176	2,223
ID's	987	399	-	1,386
Interact Club	184	50	26	208
National Honor Society	5,066	440	1,520	3,986
PBIS	104	2,897	225	2,776
Peer Mediation	2	-	-	2
Publications	948	9,610	8,262	2,296
SADD	605	312	537	380
Scholastic Bowl	20	-	-	20

KANKAKEE SCHOOL DISTRICT 111
Kankakee High School
Student Activity Funds, Convenience Accounts and Trust and Agency Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2013

	Cash Plus Investments July 1, 2012	Receipts	Disbursements	Cash Plus Investments June 30, 2013
Student Activity Funds (continued)				
Sister Circle	\$ 1,145	\$ 6,347	\$ 7,176	\$ 316
Soccer	824	-	152	672
Spanish Club	405	172	133	444
Special Olympics	6	-	-	6
Speech	273	-	-	273
Student Council	4,509	5,595	8,070	2,034
Volleyball	531	2,793	2,846	478
Wrestling	333	-	-	333
Investment	121	98	-	219
Parking Lot Fees	7,277	2,155	470	8,962
P.E. Lock Deposit	820	480	550	750
P.E Uniforms	-	3,047	2,836	211
Boys P.E. Locks	191	370	180	381
PSAE Incentive	322	-	-	322
Guidance College Night	15	-	-	15
Guidance Welfare	19	-	-	19
LEAAP	1,810	4,401	1,798	4,413
Musical	2,589	3,542	2,878	3,253
Spain Trip	-	4,396	4,374	22
Special Ed-K-Dawg	45	281	-	326
Team Accounts	562	-	562	-
Gay/Straight Alliance	-	18	-	18
HBU	1,473	-	-	1,473
KWADE	-	1,000	500	500
Best Buddies Club	-	52	50	2
Total Student Activity Funds	84,056	140,990	130,266	94,780
Convenience Accounts				
Athletic Clothing	2,042	3,791	2,877	2,956
Athletic Contingency	8,021	6,936	12,753	2,204
Athletic Vehicle	25	-	-	25
Athletic Director	10,849	1,914	6,605	6,158
Faculty Lounge	3,253	1,250	4,330	173
Faculty Social Fund	32	-	-	32
Guidance Miscellaneous	619	15,719	12,183	4,155
Library	4,017	1,142	81	5,078
Principal Contingency	2,253	2,116	-	4,369
Total Convenience Accounts	31,111	32,868	38,829	25,150
Trust And Agency Funds				
Miscellaneous/Field Trip	940	7,541	7,847	634
Scholarships	171,441	60,977	8,215	224,203
Transcripts	1,963	355	155	2,163
Total Trust and Agency Funds	174,344	68,873	16,217	227,000
Totals	\$ 289,511	\$ 242,731	\$ 185,312	\$ 346,930

KANKAKEE SCHOOL DISTRICT 111
Kankakee Junior High School
Student Activity Funds, Convenience Accounts and Trust and Agency Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2013

	Cash Plus Investments July 1, 2012	Receipts	Disbursements	Cash Plus Investments June 30, 2013
Student Activity Funds				
Aidex/Recycling	\$ 6	\$ -	\$ -	\$ 6
Athletic Contingency	2,977	2,060	2,491	2,546
Band	998	40	321	717
Band Instrument Rentals	395	720	351	764
Beta Club	1,278	4,931	4,104	2,105
Boys Basketball	155	-	-	155
Cheerleaders	121	303	424	-
Clinic	892	-	-	892
8-2-Blue	243	-	243	-
Girls Basketball	410	-	-	410
Girls P.E. Miscellaneous	19	358	358	19
ID's	1,126	721	-	1,847
Illinois Best	100	-	-	100
KJHS Choir	2	100	-	102
Library Club	855	1,396	1,396	855
Novels	173	-	-	173
P.E. Lock Rental	84	14	-	98
P.E. Swim Caps	1,578	1,496	538	2,536
P.E. Uniforms	9	117	117	9
PBIS	294	2,700	923	2,071
Peer Mediation	82	-	48	34
Scholastic Bowl	3	48	81	(30)
School Interest Fund	87	-	444	(357)
Softball	347	373	361	359
8-1-Maroon	361	-	-	361
Spanish Club	70	-	-	70
Student Council	315	15,847	15,927	235
Track	126	4,762	4,785	103
Volleyball	264	668	-	932
7-Maroon	353	-	353	-
7-2-Blue	328	-	328	-
Soccer	56	1,316	1,119	253
8-White	20	-	20	-
7th Grade Class	-	3,865	2,656	1,209
AVID	-	267	154	113
8th Grade Class	164	2,992	2,339	817
POPS Gifted	712	163	138	737
Total Student Activity Funds	<u>15,003</u>	<u>45,257</u>	<u>40,019</u>	<u>20,241</u>
Convenience Accounts				
Faculty Welfare	41	2,282	2,323	-
Faculty Fund	-	380	15	365
Principal Contingency	1,006	3,995	4,522	479
Total Convenience Accounts	<u>1,047</u>	<u>6,657</u>	<u>6,860</u>	<u>844</u>
Trust And Agency Funds				
Band Lock Deposit	-	335	320	15
Miscellaneous	81	138	208	11
Total Trust and Agency Funds	<u>81</u>	<u>473</u>	<u>528</u>	<u>26</u>
Totals	<u>\$ 16,131</u>	<u>\$ 52,387</u>	<u>\$ 47,407</u>	<u>\$ 21,111</u>

KANKAKEE SCHOOL DISTRICT 111
Lafayette Primary Center
Student Activity Funds, Convenience Accounts and Trust and Agency Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2013

	Cash Plus Investments <u>July 1, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash Plus Investments <u>June 30, 2013</u>
Student Activity Funds				
Black History	\$ 8,322	\$ 2,645	\$ 8,666	\$ 2,301
Book store	194	1,069	931	332
Field Trip	789	1,284	1,946	127
Flouride	(10)	-	-	(10)
Paper/Pencil Fund	57	-	57	-
PBIS	32	1,746	1,729	49
Total Student Activity Funds	<u>9,384</u>	<u>6,744</u>	<u>13,329</u>	<u>2,799</u>
Convenience Accounts				
Flower & Gift	418	540	631	327
Pop Fund	347	-	347	-
T-shirts	40	-	-	40
Total Convenience Accounts	<u>805</u>	<u>540</u>	<u>978</u>	<u>367</u>
Totals	<u>\$ 10,189</u>	<u>\$ 7,284</u>	<u>\$ 14,307</u>	<u>\$ 3,166</u>

KANKAKEE SCHOOL DISTRICT 111
Lincoln Cultural Center
Student Activity Funds, Convenience Accounts and Trust and Agency Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2013

	Cash Plus Investments July 1, 2012	Receipts	Disbursements	Cash Plus Investments June 30, 2013
Student Activity Funds				
Band	\$ 5,891	\$ 89,287	\$ 92,095	\$ 3,083
Field Trips	148	6,533	6,922	(241)
Gifted Fund	556	38,282	38,074	764
Library Fund	7	27	-	34
Orchestra	3,991	475	876	3,590
PBIS	(1)	1	-	-
Montessori Fundraisers	1,066	1,699	2,572	193
Piano Fund	1,385	-	569	816
Montessori Fund	5	-	5	-
P.E. Lock Fund	(123)	285	120	42
Peace Garden	400	-	-	400
Science 7th/8th Grade	42	-	42	-
Total Student Activity Funds	<u>13,367</u>	<u>136,589</u>	<u>141,275</u>	<u>8,681</u>
Convenience Accounts				
Miscellaneous	55	42	24	73
Regular Pop Fund	2,036	460	1,070	1,426
Sunshine Fund	272	430	452	250
Interest/Bank Charges	235	1	-	236
Total Convenience Accounts	<u>2,598</u>	<u>933</u>	<u>1,546</u>	<u>1,985</u>
Totals	<u>\$15,965</u>	<u>\$137,522</u>	<u>\$142,821</u>	<u>\$10,666</u>

KANKAKEE SCHOOL DISTRICT 111
Mark Twain Primary School
Student Activity Funds, Convenience Accounts and Trust and Agency Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2013

	Cash Plus Investments <u>July 1, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash Plus Investments <u>June 30, 2013</u>
Student Activity Funds				
Library Books	\$ 101	\$ 126	\$ -	\$ 227
Bright Beginnings	233	7,513	5,288	2,458
Fundraisers	2,772	211	1,193	1,790
PBIS	214	30	75	169
Total Student Activity Funds	<u>3,320</u>	<u>7,880</u>	<u>6,556</u>	<u>4,644</u>
Convenience Accounts				
Pop Fund	4	389	393	-
Principal's Account	43	68	110	1
Sunshine Fund	(24)	425	383	18
Total Convenience Accounts	<u>23</u>	<u>882</u>	<u>886</u>	<u>19</u>
Totals	<u>\$ 3,343</u>	<u>\$ 8,762</u>	<u>\$ 7,442</u>	<u>\$ 4,663</u>

KANKAKEE SCHOOL DISTRICT 111
Martin Luther King Middle Grade Center
Student Activity Funds, Convenience Accounts and Trust and Agency Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2013

	Cash Plus Investments <u>July 1, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash Plus Investments <u>June 30, 2013</u>
Student Activity Funds				
Band	\$ 2,946	\$ -	\$ 344	\$ 2,602
6th Grade Tournament	-	1,877	1,857	20
Choir	565	-	138	427
Field Trips	-	8,198	8,198	-
Great America Six Flags Trip	-	1,880	1,880	-
Library	849	568	753	664
Lightspan	8	-	8	-
PBIS	150	987	265	872
Paper & Pencil	7	372	254	125
Smarter Kids	97	-	97	-
REI Grant	71	-	71	-
Insurance	2	-	2	-
Total Student Activity Funds	<u>4,695</u>	<u>13,882</u>	<u>13,867</u>	<u>4,710</u>
Convenience Accounts				
Coke	26	-	26	-
Garage Sale	179	237	71	345
Principal Contingency	207	1,373	1,478	102
Social Committee	131	1,106	1,117	120
Pepsi Cola	231	3	234	-
Total Convenience Accounts	<u>774</u>	<u>2,719</u>	<u>2,926</u>	<u>567</u>
Totals	<u>\$ 5,469</u>	<u>\$ 16,601</u>	<u>\$ 16,793</u>	<u>\$ 5,277</u>

KANKAKEE SCHOOL DISTRICT 111
Steuben Primary School
Student Activity Funds, Convenience Accounts and Trust and Agency Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2013

	Cash Plus Investments <u>July 1, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash Plus Investments <u>June 30, 2013</u>
Student Activity Funds				
Pencil	\$ 446	\$ 1,296	\$ 1,439	\$ 303
Library Account	1,108	61	-	1,169
Paper Account	476	-	476	-
Student Enrichment	706	406	842	270
Kindergarten Field Trips	4	-	4	-
First Grade Field Trips	3	-	3	-
Third Grade Field Trips	36	884	796	124
Total Student Activity Funds	<u>2,779</u>	<u>2,647</u>	<u>3,560</u>	<u>1,866</u>
Convenience Accounts				
Flower Fund	326	1,200	1,313	213
Principal Contingency	942	20	962	-
Total Convenience Accounts	<u>1,268</u>	<u>1,220</u>	<u>2,275</u>	<u>213</u>
Totals	<u>\$ 4,047</u>	<u>\$ 3,867</u>	<u>\$ 5,835</u>	<u>\$ 2,079</u>

KANKAKEE SCHOOL DISTRICT 111
Taft Primary School
Student Activity Funds, Convenience Accounts and Trust and Agency Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2013

	Cash Plus Investments July 1, 2012	Receipts	Disbursements	Cash Plus Investments June 30, 2013
Student Activity Funds				
Library	\$ 290	\$ 182	\$ 394	\$ 78
PBIS	(42)	42	-	-
Student Enrichment	432	1,922	2,130	224
Trips	862	6,286	6,045	1,103
Total Student Activity Funds	<u>1,542</u>	<u>8,432</u>	<u>8,569</u>	<u>1,405</u>
Convenience Accounts				
Flower & Gift Fund	378	1,150	1,306	222
Principal Contingency	138	847	870	115
Total Convenience Accounts	<u>516</u>	<u>1,997</u>	<u>2,176</u>	<u>337</u>
Totals	<u>\$ 2,058</u>	<u>\$ 10,429</u>	<u>\$ 10,745</u>	<u>\$ 1,742</u>

KANKAKEE SCHOOL DISTRICT 111
Thomas Edison Primary School
Student Activity Funds, Convenience Accounts and Trust and Agency Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2013

	Cash Plus Investments <u>July 1, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash Plus Investments <u>June 30, 2013</u>
Student Activity Funds				
Class Trips	\$ 7	\$ 714	\$ 717	\$ 4
Pencils	196	8	204	-
Student Fund	1,701	1,156	2,215	642
Book Store	302	235	12	525
Total Student Activity Funds	<u>2,206</u>	<u>2,113</u>	<u>3,148</u>	<u>1,171</u>
Convenience Accounts				
Social Committee	11	325	336	-
Pop Fund	49	157	205	1
PTO Fund	6,583	6,644	13,227	-
Total Convenience Accounts	<u>6,643</u>	<u>7,126</u>	<u>13,768</u>	<u>1</u>
Totals	<u>\$ 8,849</u>	<u>\$ 9,239</u>	<u>\$ 16,916</u>	<u>\$ 1,172</u>

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

KANKAKEE SCHOOL DISTRICT 111
Student Activity Funds, Convenience Accounts and Trust Agency Funds
Notes to Financial Statements
June 30, 2013

Note 1 - Summary of Significant Accounting Policies

Significant accounting policies followed by Kankakee School District 111 are as follows:

Basis of Accounting

The accompanying statements are prepared on the cash basis of accounting. Accordingly, receipts are recognized when cash is received and disbursements are recognized when checks are issued. Cash basis financial statements omit recognition of receivables, payables, and other accrued and deferred items that do not arise from previous cash transactions.

Note 2 - Definition of Student Activity Funds, Convenience Accounts and Trust and Agency Funds

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

Convenience Accounts are those normally maintained by a local education agency as a convenience for its faculty, staff, parent-teacher association, etc. Although the Board of Education has the ultimate responsibility for Convenience Account monies, they are not local education agency funds.

Trust and Agency Funds are local education agency funds. It is permissible for a school district to choose to handle certain regular district funds through its activity fund accounting system as Trust and Agency Funds on a temporary basis.

Note 3 - State Regulations

The Illinois State Board of Education has prescribed accounting guidelines for Student Activity Funds, Convenience Accounts and Trust and Agency Funds in the Illinois Administrative Code, Requirements for Accounting, Budgeting, Financial Reporting, and Auditing.

Note 4 - Cash and Investments

The District's Student Activity Funds are subject to the District's investment policies. All balances are deposited at financial institutions insured by the FDIC. The amount of insurance and any collateral applicable to these balances are subject to the limits that apply to Kankakee School District 111 as a whole which is disclosed in a separate report on the District's financial statements. Cash and investments consist of interest bearing and non-interest bearing checking accounts and certificates of deposit.

**Kankakee School District 111
Kankakee, Illinois**

Reports Under OMB Circular A-133

**For the Year Ended
June 30, 2013**

**Kankakee School District 11
Reports Under OMB Circular A-133
For the Year Ended June 30, 2013**

Table of Contents

	<u>Page</u>
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required By OMB Circular A-133	1-2
Schedule of Expenditures of Federal Awards (SEFA).....	3-9
Notes to the Schedule of Expenditures of Federal Awards.....	10
Schedule of Findings and Questioned Costs	11-13
Corrective Action Plan	14
Summary Schedule of Prior Audit Findings	15

Mark L. Smith
Wayne D. Koelling
Lawrence K. Ohm
Curtis L. Dykstra
Richard S. Stenzinger
Marcie Meents Kolberg
Michael L. Stroud
Keith B. Ohm
Vicki L. DeYoung



1605 N. Convent
Bourbonnais, IL 60914
(815) 937-1997
Fax: (815) 935-0360
www.skdocpa.com

Beecher (708) 946-3232
Morris (815) 942-2554
Herscher (815) 426-9808
Peotone (708) 258-0300
Wilmington (815) 476-4477

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

Board of Education
Kankakee School District 111
Kankakee, Illinois

Report on Compliance for Each Major Federal Program

We have audited Kankakee School District 111's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Kankakee School District 111's major federal programs for the year ended June 30, 2013. Kankakee School District 111's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants 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 of America; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 on the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

Schedule of Expenditures of Federal Awards

We have audited the regulatory basis financial statements of Kankakee School District 111 as of and for the year ended June 30, 2013, and have issued our report thereon dated October 3, 2013. This report contained an adverse opinion on Generally Accepted Accounting Principles due to regulatory accounting practices; however, our opinion on the regulatory basis of accounting was unqualified. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the regulatory basis financial statements as a whole.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

October 3, 2013

Kankakee School District #111
32-046-1110-25
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2013

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/11-6/30/12 (C)	Year 7/1/12-6/30/13 (D)	Year 7/1/11-6/30/12 (E)	Year 7/1/12-6/30/13 (F)			
US DEPARTMENT OF EDUCATION									
Pass-through from Illinois State Board of Education									
Title I, Part A									
Title I - Low Income	84.010A	2012-4300	2,369,499	351,737	2,597,613	133,656	n/a	2,731,269	2,847,952
Title I - Low Income	84.010A	2013-4300	0	2,309,565	0	2,541,625	0	n/a	2,643,625
Total Title I, Part A			2,369,499	2,661,302	2,597,613	2,675,281			
Title I-Migrant Education	84.011A	2012-4340-00	30,379	2,472	32,704	147	0	32,851	32,851
Title I-Migrant Education	84.011A	2013-4340-00	0	25,207	0	25,207	447	n/a	25,654
Title I-Migrant Education	84.011A	2012-4340-01	5,278	117,816	21,844	101,250	0	123,094	134,734
Title I-Migrant Education	84.011A	2013-4340-01	0	13,213	0	13,213	0	n/a	95,716
Total CFDA 84.011A			35,657	158,708	54,548	139,817			
Title I-Migrant Education Incentive	84.144F	2012-4341	0	3,600	0	3,600	0	3,600	3,600
Title I-Migrant Education Incentive	84.144F	2013-4341	0	0	0	1,055	0	n/a	2,800
Total CFDA 84.144F			0	3,600	0	4,655			

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

- ¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- ² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- ³ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- ⁴ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

Kankakee School District #111
32-046-1110-25
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2013

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/11-6/30/12 (C)	Year 7/1/12-6/30/13 (D)	Year 7/1/11-6/30/12 (E)	Year 7/1/12-6/30/13 (F)			
<i>Special Education Cluster (IDEA) (M)</i>									
Spec Ed-Preschool Flow Through (M)	84.173A	2012-4600	26,507	8,757	31,940	3,324	0	35,264	38,145
Spec Ed-Preschool Flow Through (M)	84.173A	2013-4600	0	23,780	0	26,727	0	n/a	32,524
Spec Ed-IDEA Flow Through (M)	84.027A	2012-4620	1,411,579	419,251	1,534,150	296,680	0	1,830,830	1,890,369
Spec Ed-IDEA Flow Through (M)	84.027A	2013-4620	0	1,075,761	0	1,209,480	0	n/a	1,482,040
Spec Ed-IDEA Room and Board (M)	84.027A	2012-4625-XC	0	7,077	7,077	0	0	n/a	n/a
<i>Total Special Education Cluster (IDEA) (M)</i>			1,438,086	1,534,626	1,573,167	1,536,211			
ARRA Education Jobs Fund Program (M)	84.410A	2012-4880	35,629	0	35,629	0	0	35,629	n/a
ARRA Education Jobs Fund Program (M)	84.410A	2011-4880	1,425,893	281,871	1,495,705	125,780	0	2,255,588	n/a
ARRA Education Jobs Fund Program (M)	84.410A	2013-4880	0	114,705	0	114,705	0	114,705	n/a
<i>Total CFDA 84.410A (M)</i>			1,461,522	396,576	1,531,334	240,485			

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

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

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

³ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.

⁴ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

Kankakee School District #111
32-046-1110-25
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2013

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/11-6/30/12 (C)	Year 7/1/12-6/30/13 (D)	Year 7/1/11-6/30/12 (E)	Year 7/1/12-6/30/13 (F)			
Title III-Language Inst Prog-Limited Eng LIPLEP	84.365A	2012-4909	58,720	19,060	67,560	11,377	0	78,937	85,755
Title III-Language Inst Prog-Limited Eng LIPLEP	84.35A	2013-4909	0	43,890	0	55,436	0	n/a	95,214
<i>Total CFDA 84.365A</i>			<i>58,720</i>	<i>62,950</i>	<i>67,560</i>	<i>66,813</i>			
Title II-Teacher Quality	84.367A	2012-4932	384,041	87,289	475,387	48,281	0	523,668	526,917
Title II-Teacher Quality	84.367A	2013-4932	0	378,052	0	413,375	0	n/a	471,515
<i>Total CFDA 84.367A</i>			<i>384,041</i>	<i>465,341</i>	<i>475,387</i>	<i>461,656</i>			
Striving Readers	84.371A	2012-4999-SR	37,760	23,240	65,138	535	0	65,673	65,673
Total pass-through from Illinois State Board of Education			<u>5,785,285</u>	<u>5,306,343</u>	<u>6,364,747</u>	<u>5,125,453</u>			

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

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

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

³ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.

⁴ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

Kankakee School District #111
32-046-1110-25
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2013

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/11-6/30/12 (C)	Year 7/1/12-6/30/13 (D)	Year 7/1/11-6/30/12 (E)	Year 7/1/12-6/30/13 (F)			
Pass-through from Illinois Department of Human Services									
Vocational Rehabilitation Grants - STEP	84.126	246CQ011385 30081440A	18,986	2,623	21,609	0	0	n/a	n/a
Vocational Rehabilitation Grants - STEP	84.126	346CRD00043 30081440A	0	9,160	0	18,986	0	n/a	n/a
<i>Total CFDA 84.126</i>			18,986	11,783	21,609	18,986			
TOTAL US DEPARTMENT OF EDUCATION			5,804,271	5,318,126	6,386,356	5,144,439			
US DEPARTMENT OF HEALTH AND HUMAN SERVICES									
Direct from US Department of Health and Human Services									
Head Start (M)	93.600	05CH8256/24	2,220,993	457,585	2,308,940	369,638	0	2,678,578	n/a
Head Start (M)	93.600	05CH8256/25	0	2,225,864	0	2,346,541	0	n/a	n/a
<i>Total CFDA 93.600 (M)</i>			2,220,993	2,683,449	2,308,940	2,716,179			
HRSA ACA Grants for School-Based Health Center Capital Expenditures (M)	93.501	C12CS21861-01-00	317,066	182,934	317,066	182,934	0	n/a	500,000
Total Direct from US Dept of Health and Human Services			2,538,059	2,866,383	2,626,006	2,899,113			

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

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

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

³ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.

⁴ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

Kankakee School District #111
32-046-1110-25
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2013

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/11-6/30/12 (C)	Year 7/1/12-6/30/13 (D)	Year 7/1/11-6/30/12 (E)	Year 7/1/12-6/30/13 (F)			
Pass-through from Illinois Department of Human Services									
Title XX Community Grants	93.667	2011GQ01674 824084400	128,400	0	128,400	0	0	n/a	n/a
Title XX Community Grants	93.667	3FCSRE00760 824084400	0	60,000	0	60,000	0	n/a	n/a
Total CFDA 93.667			128,400	60,000	128,400	60,000			
MCH Block Grant	93.994	2011GQ01674 828724400	25,593	17,707	43,300	0	0	n/a	n/a
MCH Block Grant	93.994	3FCSRE00760- 828724400	0	72,477	0	72,477	0	n/a	n/a
Total CFDA 93.994			25,593	90,184	43,300	72,477			
Total pass-through from Illinois Department of Human Services			153,993	150,184	171,700	132,477			
Pass-through from Illinois Healthcare and Family Services									
Medical Assistance Program	93.778		241,750	214,205	241,750	214,205	0	n/a	n/a
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES			2,933,802	3,230,772	3,039,456	3,245,795			
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE									
Direct program: Foster Grandparents	94.011	11SFNIL002	355,782	286,062	298,090	273,154	0	n/a	n/a
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			355,782	286,062	298,090	273,154			

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

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

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

³ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.

⁴ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

✓

Kankakee School District #111
32-046-1110-25
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2013

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/11-6/30/12 (C)	Year 7/1/12-6/30/13 (D)	Year 7/1/11-6/30/12 (E)	Year 7/1/12-6/30/13 (F)			
US DEPARTMENT OF AGRICULTURE									
<u>Pass-through from Illinois State Board of Education</u>									
Child and Adult Care Food Program	10.558	2012-4226	37,058	6,479	37,058	6,479	0	43,537	n/a
Child and Adult Care Food Program	10.558	2013-4226	0	39,810	0	39,810	0	n/a	n/a
<i>Total CFDA 10.558</i>			<i>37,058</i>	<i>46,289</i>	<i>37,058</i>	<i>46,289</i>			
Fresh Fruits and Vegetables	10.582	2012-4240-11	41,492	0	41,492	0	0	41,492	n/a
Fresh Fruits and Vegetables	10.582	2012-4240-12	127,940	66,880	127,940	66,880	0	194,820	n/a
Fresh Fruits and Vegetables	10.582	2013-4240-12	0	26,693	0	26,693	0	n/a	n/a
Fresh Fruits and Vegetables	10.582	2013-4240-13	0	116,671	0	116,671	0	n/a	n/a
<i>Total CFDA 10.582</i>			<i>169,432</i>	<i>210,244</i>	<i>169,432</i>	<i>210,244</i>			

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

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

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

³ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.

⁴ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

Kankakee School District #111
32-046-1110-25
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2013

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/11-6/30/12 (C)	Year 7/1/12-6/30/13 (D)	Year 7/1/11-6/30/12 (E)	Year 7/1/12-6/30/13 (F)			
<i>Child Nutrition Cluster (M)</i>									
National School Lunch Program (M)	10.555	2012-4210	1,532,532	310,878	1,532,532	310,878	0	1,843,410	n/a
National School Lunch Program (M)	10.555	2013-4210	0	1,599,320	0	1,599,320	0	n/a	n/a
Food Donation (Commodities, non-cash) (M)	10.555	32046111025	178,699	145,727	178,699	145,727	0	n/a	n/a
School Breakfast Program (M)	10.553	2012-4220	510,160	104,952	510,160	104,952	0	615,112	n/a
School Breakfast Program (M)	10.553	2013-4220	0	537,904	0	537,904	0	n/a	n/a
Summer Food Service Program (M)	10.559	2012-4225	0	31,323	0	31,323	0	n/a	n/a
<u>Total pass-through from Illinois State Board of Education</u>			<u>2,221,391</u>	<u>2,730,104</u>	<u>2,221,391</u>	<u>2,730,104</u>			
TOTAL US DEPARTMENT OF AGRICULTURE			2,427,881	2,986,637	2,427,881	2,986,637			
DEPARTMENT OF DEFENSE									
<u>Total pass-through from Illinois State Board of Education</u>									
Fresh Fruits and Vegetables (Commodities, non-cash) (M)	10.555	32046111025	50,004	56,089	50,004	56,089	0	n/a	n/a
<i>Total Child Nutrition Cluster (M)</i>			<i>2,271,395</i>	<i>2,786,193</i>	<i>2,271,395</i>	<i>2,786,193</i>			
TOTAL FEDERAL AWARDS			11,571,740	11,877,686	12,201,787	11,706,114			

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

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

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

³ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.

⁴ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

Kankakee School District 111
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Kankakee School District 111 and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 – Other Disclosures

Subrecipients – None

Amount of federal insurance in effect during the year – None

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

**Kankakee School District 111
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2013**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Adverse-GAAP; Unqualified-Regulatory

Internal Control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiencies identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiencies identified? yes none reported

Type of auditor’s report issued on compliance on major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? yes no

Identification of major programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A, 84.173A	Special Education Cluster (IDEA)
84.410A	ARRA Education Jobs Fund Program
10.553, 10.555, 10.559	Child Nutrition Cluster
93.600	Head Start
93.501	HRSA ACA Grants for School-Based Health Center Capital Expenditures

Dollar threshold used to distinguish between type A and type B programs: \$351,183.00

Auditee qualified as low-risk auditee? yes no

**Kankakee School District 111
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013**

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

Current Year Findings: None

**Kankakee School District 111
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013**

Section III – Federal Award Findings and Questioned Costs

Current Year Findings:

Finding Number: None

**Kankakee School District 111
Corrective Action Plan
Year Ended June 30, 2013**

Corrective Action Plan

Finding No. None

**Kankakee School District 111
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2013**

Finding Number: **2012-1**

Condition: The Series 2012 Bond resolution, the treasurer's receipt related to the bond issue, and the bond closing statement indicate that the majority of this bond is a working cash bond (a portion of the bond was a refunding bond). The District deposited \$5,839,300 of the bond proceeds into the Capital Projects Fund rather than the Working Cash Fund. The District's School Board had not authorized a transfer of these funds from the Working Cash Fund to the Capital Projects Fund.

Current Status: The District's School Board approved the transfer at their August 13, 2012 meeting. For future bond issues, the District will deposit bond funds in accordance with the bond ordinance.

Finding Number: **2012-2, 2012-3**

Condition: During the bidding process and awarding of construction contracts, the District did not verify that the construction contractors were not suspended or debarred or otherwise excluded.

Current Status: On any federally funded projects, the District is verifying that all contractors submitting bids on federally funded projects are not suspended or debarred by checking the EPLS. Upon award of federally funded projects, the District is obtaining certification from the contractor regarding suspension and debarment. The District obtained certification from contractors and subcontractors that were working on federally funded projects at the time of the 2012 audit.

Finding Number: **2012-4**

Condition: The District was unable to locate the documentation of the consultation with the private school officials in their area regarding educational services under the Title III LIPLEP grant.

Current Status: The grant administrator has documented and will continue to document timely and meaningful consultation with private school officials. One copy is kept by the administrator, one copy is forwarded to the Instructional Programs department, and a copy is given to each private school official.