

Quincy Public School District No. 172
Quincy, Illinois

ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2019

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INDEPENDENT AUDITORS' REPORT

Board of Education
Quincy Public School District No. 172
Quincy, IL

We have audited the accompanying financial statements of Quincy Public School District No. 172, which comprise the statement of assets and liabilities arising from cash transactions as of June 30, 2019, and the related statement of revenues received and expenditures disbursed, other sources (uses) and changes in fund balances (All Funds), statements of revenues received (All Funds), and statements of expenditures disbursed, budget to actual (All Funds), for the year then ended, 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 and with the cash basis of accounting described in Note 1; this includes determining that the financial reporting provisions of the Illinois State Board of Education and the cash basis of accounting are acceptable bases for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' 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, the financial statements are prepared by Quincy Public School District No. 172, on the basis of the financial reporting provisions of the Illinois State Board of Education, which practices differ from accounting principles generally accepted in the United States of America. Also, as described in Note 1, Quincy Public School District No. 172 prepares its financial statements on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Illinois State Board of Education.

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 discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Quincy Public School District No. 172, as of June 30, 2019, or the changes in its financial position for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets and liabilities arising from cash transactions of each fund of Quincy Public School District No. 172 as of June 30, 2019, and their respective revenues received and expenditures disbursed, and budgetary results of the expenditures disbursed for the year then ended, on the basis of accounting described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Quincy Public School District No. 172's basic financial statements. The information provided on pages 46 through 57, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The information provided on pages 46 through 57, Combining Schedule of Assets, Liabilities, Fund Balance and Other Credits arising from Cash Transactions, Schedule of Changes in Net Assets Available for Benefits-Fiduciary Fund Type-Expendable Trust Fund-Flexible Benefit Plan Fund, Statement of Cash Receipts and Disbursement for the Activity Funds, Convenience Funds and Scholarship Funds, Statement of Cash Receipts and Disbursements, Other Financing Sources (Uses) and Changes in Fund Balance for the Educational Fund, Operations and Maintenance Fund and Transportation Fund, Schedule of Equalized Assessed Valuations, Tax Levies, Rates, Extensions and Collections, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures

applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The 2018 comparative information shown in the Schedule of Expenditures of Federal Awards was subjected to auditing procedures applied by us and our report dated October 22, 2018, expressed an unmodified opinion that such information was fairly stated in all material respects in relation to the 2018 financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 21, 2019, on our consideration of Quincy Public School District No. 172'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 Quincy Public School District No. 172's internal control over financial reporting and compliance.

Zundellen, Eyrle, Smith, Footh & Flynn, Ltd.

Jacksonville IL
October 21, 2019

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS

June 30, 2019

	Educational	Operations and Maintenance	Debt Services
Current Assets			
Cash	\$ 5,523,090	\$ 1,177,958	\$ 638,152
Investments			
Other Receivables			
Other Current Assets	<u>8</u>	<u></u>	<u></u>
Total Current Assets	<u>5,523,098</u>	<u>1,177,958</u>	<u>638,152</u>
Capital Assets			
Land			
Building & Building Improvements			
Site Improvements & Infrastructure			
Capitalized Equipment			
Construction in Progress			
Amount Available in Debt Service Funds			
Amount to be Provided for Payment on Long-Term Debt	<u></u>	<u></u>	<u></u>
Total Capital Assets	<u>0</u>	<u>0</u>	<u>0</u>
Current Liabilities			
Interfund Payables			
Intergovernmental Accounts Payable			
Payroll Deductions & Withholdings			
Loans Payable			
Due to Activity Fund Organizations	<u></u>	<u></u>	<u></u>
Total Current Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Long-Term Liabilities			
Long-Term Debt Payable	<u></u>	<u></u>	<u></u>
Reserved Fund Balance	165,932		
Unreserved Fund Balance	5,357,166	1,177,958	638,152
Investments in General Fixed Assets	<u></u>	<u></u>	<u></u>
Total Liabilities and Fund Balance	\$ <u>5,523,098</u>	\$ <u>1,177,958</u>	\$ <u>638,152</u>

Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety
\$ 420,423	\$ 3,275,989 1,411,268	\$ 3,834,763	\$ 4,561,787	\$ 3,253,075	\$ 6,391,106 521,980
<u>420,423</u>	<u>4,687,257</u>	<u>3,834,763</u>	<u>4,561,787</u>	<u>3,253,075</u>	<u>6,913,086</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
6					
<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
420,417	1,383,312 3,303,945	3,834,763	4,561,787	3,253,075	6,913,086
<u>\$ 420,423</u>	<u>\$ 4,687,257</u>	<u>\$ 3,834,763</u>	<u>\$ 4,561,787</u>	<u>\$ 3,253,075</u>	<u>\$ 6,913,086</u>

See accompanying notes to financial statements

Account Groups		
Agency Fund	General Fixed Assets	General Long-Term Debt
\$ 261,703	\$	\$
546,916		
<u>808,619</u>	<u>0</u>	<u>0</u>
	3,237,685	
	138,222,525	
	6,489,800	
	10,547,302	
	2,311,349	
		638,152
		<u>96,343,607</u>
<u>0</u>	<u>160,808,661</u>	<u>96,981,759</u>
<u>712,749</u>		
<u>712,749</u>	<u>0</u>	<u>0</u>
		<u>96,981,759</u>
95,870		
	<u>160,808,661</u>	
\$ <u>808,619</u>	\$ <u>160,808,661</u>	\$ <u>96,981,759</u>

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
OTHER SOURCES (USES) AND CHANGES IN FUND BALANCE
ALL FUNDS

FOR THE YEAR ENDING JUNE 30, 2019

	Educational	Operations and Maintenance	Debt Services
RECEIPTS			
Local Sources	\$ 25,010,620	\$ 5,543,627	\$ 5,682,539
State Sources	18,828,810		
Federal Sources	9,817,358		
Total Direct Receipts	<u>53,656,788</u>	<u>5,543,627</u>	<u>5,682,539</u>
Receipts for "On Behalf" Payments	<u>18,528,052</u>		
Total Receipts	<u>72,184,840</u>	<u>5,543,627</u>	<u>5,682,539</u>
DISBURSEMENTS			
Instruction	35,024,059		
Support Services	16,300,774	4,900,781	
Community Services	445,003		
Payments to Other Districts & Governmental Units	512,024		
Debt Service			6,304,996
Total Direct Disbursements	<u>52,281,860</u>	<u>4,900,781</u>	<u>6,304,996</u>
Disbursements for "On Behalf" Payments	<u>18,528,052</u>		
Total Disbursements	<u>70,809,912</u>	<u>4,900,781</u>	<u>6,304,996</u>
Excess of Direct Receipts over (Under) Direct Disbursements	<u>1,374,928</u>	<u>642,846</u>	<u>(622,457)</u>
OTHER SOURCES (USES) OF FUNDS			
Abatement of Working Cash Fund	452,893		
Principal on Bonds Sold			
Premium on Bonds Sold			136,760
Other Sources not Classified Elsewhere	466,934		
Other Uses not Classified Elsewhere	(163,077)		
Sale or Compensation for Fixed Assets		41,803	
Total Other Sources (Uses) of Funds	<u>756,750</u>	<u>41,803</u>	<u>136,760</u>
Excess of Receipts and Other Sources of Funds (Over/Under) Disbursements and Other Uses of Funds	2,131,678	684,649	(485,697)
FUND BALANCES - July 1, 2018	<u>3,391,420</u>	<u>493,309</u>	<u>1,123,849</u>
FUND BALANCES - June 30, 2019	<u>\$ 5,523,098</u>	<u>\$ 1,177,958</u>	<u>\$ 638,152</u>

Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety
\$ 2,181,944	\$ 3,739,302	\$ 306,880	\$ 507,558	\$ 2,280,965	\$ 510,737
1,379,096					
10,390					
<u>3,571,430</u>	<u>3,739,302</u>	<u>306,880</u>	<u>507,558</u>	<u>2,280,965</u>	<u>510,737</u>
<u>3,571,430</u>	<u>3,739,302</u>	<u>306,880</u>	<u>507,558</u>	<u>2,280,965</u>	<u>510,737</u>
3,559,187	935,723 2,057,750 22,859	23,919,104		2,300,492	4,444,155
<u>3,559,187</u>	<u>3,016,332</u>	<u>23,919,104</u>	<u>0</u>	<u>2,300,492</u>	<u>4,444,155</u>
<u>3,559,187</u>	<u>3,016,332</u>	<u>23,919,104</u>	<u>0</u>	<u>2,300,492</u>	<u>4,444,155</u>
<u>12,243</u>	<u>722,970</u>	<u>(23,612,224)</u>	<u>507,558</u>	<u>(19,527)</u>	<u>(3,933,418)</u>
			(452,893)		6,160,000 543,110
		<u>472,384</u>			
<u>0</u>	<u>0</u>	<u>472,384</u>	<u>(452,893)</u>	<u>0</u>	<u>6,703,110</u>
12,243	722,970	(23,139,840)	54,665	(19,527)	2,769,692
<u>408,174</u>	<u>3,964,287</u>	<u>26,974,603</u>	<u>4,507,122</u>	<u>3,272,602</u>	<u>4,143,394</u>
<u>\$ 420,417</u>	<u>\$ 4,687,257</u>	<u>\$ 3,834,763</u>	<u>\$ 4,561,787</u>	<u>\$ 3,253,075</u>	<u>\$ 6,913,086</u>

See accompanying notes to financial statements

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

STATEMENT OF REVENUES RECEIVED
FOR THE YEAR ENDING JUNE 30, 2019

	Educational	Operations and Maintenance	Debt Services
Receipts from Local Sources			
Ad Valorem Taxes Levied By Local Education Agency			
Designated Purposes Levies	\$ 16,666,838	\$ 4,529,034	\$ 5,645,994
Leasing Purposes Levy	373,629	79,264	
Special Education Purposes Levy	362,307		
Fica/Medicare Only Purposes Levy			
Payments in Lieu of Taxes			
Mobile Home Privilege Tax	19,517	5,056	6,303
Payments from Local Housing Authorities	9,865	2,556	3,186
Corporate Personal Property Replacement Taxes	3,910,471	733,213	
Tuition			
Summer School Tuition from Pupils or Parents	18,028		
Special Education Tuition from Other Districts (In State)	41,222		
Adult Tuition from Other Sources (In State)	11,580		
Transportation Fees			
Regular Transp Fees from Other Sources (In State)			
Regular Transp Fees from Co-curricular Activities (In State)			
Earnings on Investments			
Interest on Investments	123,356	32,696	27,056
Food Service			
Sales to Pupils - Lunch	552,078		
Sales to Pupils - Breakfast	55,861		
Sales to Pupils - A la Carte	418,225		
Sales to Pupils - Other			
Sales to Adults	45,632		
Other Food Services	5,930		
District/School Activity Income			
Admissions - Athletic	179,847		
Admissions - Other	79,739		
Fees	7,988		
Other District/School Activity Revenue	17,975		
Textbook Income			
Rentals - Regular Textbooks	188,009		
Other Revenue from Local Sources			
Rentals	5,715	32,389	
Contributions and Donations from Private Sources	1,130,241	4,264	
Services Provided Other Districts	309,780		
Refund of Prior Years' Expenditures			
Drivers' Education Fees	39,237		
Other Local Fees	150,372		
Other Local Revenues	287,178	125,155	
Total Receipts from Local Sources	25,010,620	5,543,627	5,682,539
Receipts from State Sources			
Unrestricted Grants-In-Aid			
Evidence Based Funding Formula	15,823,665		
Other Unrestricted Grants-In-Aid	369,051		

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

STATEMENT OF REVENUES RECEIVED
FOR THE YEAR ENDING JUNE 30, 2019

	Educational	Operations and Maintenance	Debt Services
Receipts from State Sources-continued			
Restricted Grants-In-Aid			
Special Education-Private Facility Tuition	\$ 1,071,354	\$	\$
Special Education-Funding for Children Requiring Special Education Services			
Special Education-Personnel			
Special Education-Orphanage-Individual	375,794		
Special Education-Orphanage-Summer Individual	54,948		
Special Education-Summer School			
Special Education-Other			
CTE-Agriculture Education	21,000		
State Free Lunch and Breakfast	41,348		
School Breakfast Initiative			
Driver Education	75,688		
Adult Ed (from ICCB)			
Adult Ed-Other			
Transportation-Regular/Vocational			
Transportation-Special Education			
Learning Improvement-Change Grants			
Truant Alternative/Optional Education	60,376		
Early Childhood-Block Grant	722,660		
Reading Improvement Block Grant			
School Infrastructure-Maintenance Projects			
Other Restricted Revenue from State Sources	<u>212,926</u>		
Total Receipts from State Sources	<u>18,828,810</u>	<u>0</u>	<u>0</u>
Receipts from Federal Sources			
Restricted Grants-In-Aid Received Directly from Federal Govt.			
Head Start	2,035,062		
Other			
Restricted Grants-In-Aid Received from Federal Govt. thru the State			
Title V-Innovation & Flexibility Formula			
National School Lunch Program	1,707,186		
School Breakfast Program	556,857		
Summer Food Service Program	72,080		
Fresh Fruits and Vegetables			
Food Service - Other			
Title I-Low Income	2,415,560		
Title I-Low Income-Neglected, Private	64,930		
Title I-Other	67,500		
Title IV-Safe & Drug Free Schools-Formula			
Title IV-21st Century Comm Learning Centers	274,485		
Fed-Spec Education-Preschool Flow-Through	99,025		
Federal-Special Education-IDEA-Flow Through	1,338,327		
Federal-Special Education-IDEA-Room & Board	303,437		
ARRA - Title I - Low Income			
ARRA - Title I - Neglected, Private			
ARRA - Title I - Delinquent, Private			
ARRA - IDEA - Part B - Preschool			

Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety
\$	\$	\$	\$	\$	\$
677,649					
552,418					
149,029					
<u>1,379,096</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

10,390

See accompanying notes to financial statements

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

STATEMENT OF REVENUES RECEIVED
FOR THE YEAR ENDING JUNE 30, 2019

	Educational	Operations and Maintenance	Debt Services
Receipts from Federal Sources-continued			
Restricted Grants-In-Aid Received from Federal Govt. thru the State-continued			
ARRA - IDEA - Part B - Flow-Through	\$	\$	\$
Other ARRA Funds XI			
Qualified Zone Academy Bond Tax Credits			
Title II-Teacher Quality	7,682		
Medicaid Matching Funds - Administrative Outreach	193,215		
Medicaid Matching Funds - Fee-for-Service Program	567,742		
Other Restricted Revenue from Federal Sources	114,270		
	<u>9,817,358</u>	<u>0</u>	<u>0</u>
Total Receipts from Federal Sources	9,817,358	0	0
Total Direct Receipts	\$ <u>53,656,788</u>	\$ <u>5,543,627</u>	\$ <u>5,682,539</u>

Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety
\$	\$	\$	\$	\$	\$
<u>10,390</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$ <u><u>3,571,430</u></u>	\$ <u><u>3,739,302</u></u>	\$ <u><u>306,880</u></u>	\$ <u><u>507,558</u></u>	\$ <u><u>2,280,965</u></u>	\$ <u><u>510,737</u></u>

See accompanying notes to financial statements

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2019

EDUCATIONAL FUND	Salaries	Employee Benefits	Purchased Services
Instruction			
Regular Programs	\$ 13,915,692	\$ 2,879,016	\$ 19,709
Tuition Payment to Charter Schools			
Pre-K Programs	1,264,051	358,673	1,634
Special Education Programs	5,791,758	1,544,447	131,669
Special Education Programs-Pre-K	218,717	56,659	
Remedial and Supplemental Programs K-12	1,097,549	305,610	97,098
Remedial and Supplemental Programs-Pre-K	46,875	21,713	
CTE Programs			
Interscholastic Programs	712,867	47,338	358,571
Summer School Program	153,835	11,356	
Gifted Programs			
Driver's Education Programs	237,085	48,258	14,435
Bilingual Programs	23,659		
Truant Alternative & Optional Programs	25,752	3,799	
Special Education Programs K-12 - Private Tuition			
Total Instruction	<u>23,487,840</u>	<u>5,276,869</u>	<u>623,116</u>
Support Services			
Support Services-Pupils			
Attendance and Social Work Services	1,130,185	270,354	5,500
Guidance Services	664,340	130,330	30,231
Health Services	739,006	184,927	34,879
Psychological Services	299,324	61,809	3,341
Speech Pathology & Audiology Services	814,501	172,831	3,449
Other Support Services - Pupils	322,166	71,622	6,851
Support Services-Instructional Staff			
Improvement of Instruction Services	478,441	73,861	336,186
Educational Media Services	87,401	18,660	
Assessment & Testing			
Support Services-General Administration			
Board of Education Services	2,619	7,156	103,409
Executive Administration Services	114,390	7,886	932
Special Area Administrative Services	301,439	45,367	
Tort Immunity Services			320
Support Services-School Administration			
Office of the Principal Services	2,802,172	495,432	41,964
Other Support Services - School Admin	603,791	128,181	3,425

Supplies and Materials	Capital Outlay	Other Objects	Non- Capitalized Equipment	Total	Budget
\$ 681,511	\$ 172,397	\$ 3,240	\$	\$ 17,671,565	\$ 17,364,513
83,719	14,614		440	1,723,131	2,436,858
35,740				7,503,614	7,683,405
				275,376	328,250
317,961	500,873	5,980		2,325,071	2,460,870
				68,588	
340,117	169,265	25,467	6,084	1,659,709	1,755,405
1,595				166,786	340,696
3,675				303,453	59,544
				23,659	28,161
87				29,638	32,977
		3,273,469		3,273,469	3,012,000
<u>1,464,405</u>	<u>857,149</u>	<u>3,308,156</u>	<u>6,524</u>	<u>35,024,059</u>	<u>35,502,679</u>
				1,406,039	1,547,666
				824,901	827,642
6,088	672			965,572	1,003,568
				364,474	362,148
				990,781	997,497
				400,639	411,151
236,015	634,000	995		1,759,498	1,642,875
40,060	8,884			155,005	158,785
80,803				80,803	88,219
14,197		12,983		140,364	163,054
1,651	910	2,220		127,989	156,928
792				347,598	337,612
35				355	750
73,551				3,413,119	3,488,453
82				735,479	755,910

See accompanying notes to financial statements

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2019

EDUCATIONAL FUND (Continued)	Salaries	Employee Benefits	Purchased Services
Support Services-Business			
Direction of Business Support Services	\$ 77,438	\$ 8,470	\$
Fiscal Services	92,807	15,313	38,434
Operation and Maintenance of Plant Services	126,474	25,631	7,460
Pupil Transportation Services	33,531		48,841
Food Services	1,165,519	372,148	8,714
Internal Services			5,475
Support Services-Central			
Direction of Central Support Services	13,833	279	26,229
Planning, Research, Development, & Evaluation Services	2,000	1,070	8,092
Information Services	23,779	7,797	
Staff Services	260,769	31,034	13,876
Data Processing Services	145,888	30,527	
Other Support Services	83,263	12,714	372,036
Total Support Services	<u>10,385,076</u>	<u>2,173,399</u>	<u>1,099,644</u>
Community Services	<u>347,064</u>	<u>24,235</u>	<u>17,924</u>
Payments to Other Districts & Govt Units			
Payments to Other Govt. Units (In-State)			
Payments for Regular Programs			
Payments for Special Education Programs			
Payments for CTE Programs			
Other Payments to In-State Govt. Units			30,113
Payments for Special Education Programs-Tuition			
Payments for CTE Programs - Tuition			
Total Payments to Other Districts & Govt. Units	<u>0</u>	<u>0</u>	<u>30,113</u>
Debt Services			
Debt Services - Interest on Short-Term Debt			
Tax Anticipation Warrants			
Other Interest on Short-Term Debt			
Total Debt Services	<u>0</u>	<u>0</u>	<u>0</u>
Total Direct Disbursements	<u>\$ 34,219,980</u>	<u>\$ 7,474,503</u>	<u>\$ 1,770,797</u>
Excess (Deficiency) of Receipts over Disbursements			

Supplies and Materials	Capital Outlay	Other Objects	Non- Capitalized Equipment	Total	Budget
\$ 9,098	\$ 400	\$ 1,507	\$	\$ 85,908	\$ 85,908
				157,559	182,691
27,299				186,864	201,439
35,102				117,474	336,162
1,383,955	28,810	499		2,959,645	3,172,936
4,953				10,428	10,500
1,421		1,489		43,251	51,102
				11,162	15,779
				31,576	36,636
23,352		7,593		336,624	362,400
219				176,634	186,688
3,020				471,033	510,018
<u>1,941,693</u>	<u>673,676</u>	<u>27,286</u>	<u>0</u>	<u>16,300,774</u>	<u>17,094,517</u>
<u>55,780</u>				<u>445,003</u>	<u>426,010</u>
		47,500		47,500	47,500
				0	300,000
				30,113	60,750
		<u>434,411</u>		<u>434,411</u>	<u>454,304</u>
<u>0</u>	<u>0</u>	<u>481,911</u>	<u>0</u>	<u>512,024</u>	<u>862,554</u>
				0	
				0	
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 3,461,878</u>	<u>\$ 1,530,825</u>	<u>\$ 3,817,353</u>	<u>\$ 6,524</u>	<u>\$ 52,281,860</u>	<u>\$ 53,885,760</u>
				<u>\$ 1,374,928</u>	

See accompanying notes to financial statements

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2019

OPERATIONS AND MAINTENANCE FUND	Salaries	Employee Benefits	Purchased Services
Support Services			
Support Services-Pupils			
Other Support Services	\$	\$	\$
Support Services-Business			
Facilities Acquisition and			
Construction Services	780		952
Operation and Maintenance			
of Plant Services	<u>2,594,723</u>	<u>519,474</u>	<u>510,791</u>
Total Support Services	<u>2,595,503</u>	<u>519,474</u>	<u>511,743</u>
Total Direct Disbursements	\$ <u>2,595,503</u>	\$ <u>519,474</u>	\$ <u>511,743</u>
Excess (Deficiency) of Receipts over Disbursements			

Supplies and Materials	Capital Outlay	Other Objects	Non- Capitalized Equipment	Total	Budget
\$	\$	\$	\$	\$	\$
				1,732	21,000
<u>1,193,704</u>	<u>78,902</u>	<u>1,455</u>	<u></u>	<u>4,899,049</u>	<u>5,506,298</u>
<u>1,193,704</u>	<u>78,902</u>	<u>1,455</u>	<u>0</u>	<u>4,900,781</u>	<u>5,527,298</u>
\$ <u><u>1,193,704</u></u>	\$ <u><u>78,902</u></u>	\$ <u><u>1,455</u></u>	\$ <u><u>0</u></u>	\$ <u><u>4,900,781</u></u>	\$ <u><u>5,527,298</u></u>
				\$ <u><u>642,846</u></u>	

See accompanying notes to financial statements

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2019

DEBT SERVICES FUND	Other Objects	Budget
Debt Services		
Debt Services-Interest on Long-Term Debt	\$ 3,279,686	\$ 3,279,775
Debt Services-Payments of Principal on Long-Term Debt	2,885,000	2,885,000
Debt Services-Other	<u>140,310</u>	<u>141,750</u>
Total Disbursements	\$ <u>6,304,996</u>	\$ <u>6,306,525</u>
Excess (Deficiency) of Receipts over Disbursements	\$ <u>(622,457)</u>	

See accompanying notes to financial statements

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2019

TRANSPORTATION FUND	Salaries	Employee Benefits	Purchased Services
Support Services			
Support Services-Business			
Pupil Transportation Services	\$ 1,878,297	\$ 403,914	\$ 855,112
Other Support Services			3,632
Total Support Services	<u>1,878,297</u>	<u>403,914</u>	<u>858,744</u>
Total Disbursements	<u>\$ 1,878,297</u>	<u>\$ 403,914</u>	<u>\$ 858,744</u>
Excess (Deficiency) of Receipts over Disbursements			

Supplies and Materials	Capital Outlay	Other Objects	Non- Capitalized Equipment	Total	Budget
\$ 367,395	\$ 50,658	\$ 179	\$	\$ 3,555,555	\$ 3,780,173
				3,632	
<u>367,395</u>	<u>50,658</u>	<u>179</u>	<u>0</u>	<u>3,559,187</u>	<u>3,780,173</u>
<u>\$ 367,395</u>	<u>\$ 50,658</u>	<u>\$ 179</u>	<u>\$ 0</u>	<u>\$ 3,559,187</u>	<u>\$ 3,780,173</u>
				\$ <u>12,243</u>	

See accompanying notes to financial statements

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2019

MUNICIPAL RETIREMENT/ SOCIAL SECURITY FUND	Employee Benefits	Budget
Instruction		
Regular Programs	\$ 263,239	\$ 242,410
Pre-K Programs	147,562	185,000
Special Education Programs	441,212	516,800
Special Education Programs - Pre-K	18,139	21,100
Remedial and Supplemental Programs - K-12	14,787	18,000
Remedial and Supplements Programs - Pre-K	608	
CTE Programs	8,364	9,700
Interscholastic Programs	29,668	33,000
Summer School Programs	7,470	45,475
Driver's Education Programs	466	600
Bilingual Programs	343	400
Truants' Alternative & Optional Programs	3,865	4,300
Total Instruction	<u>935,723</u>	<u>1,076,785</u>
Support Services		
Support Services-Pupils		
Attendance and Social Work Services	138,492	163,000
Guidance Services	19,454	22,500
Health Services	92,243	112,200
Psychological Services	4,025	5,000
Speech Pathology & Audiology Services	21,618	26,000
Other Support Services - Pupils	58,842	68,000
Support Services-Instructional Staff		
Improvement of Instruction Services	51,803	60,000
Educational Media Services	8,487	10,000
Assessment and Testing		
Support Services-General Administration		
Board of Education Services	7,032	8,500
Executive Administration Services	1,964	2,300
Service Area Administrative Services	39,368	48,000
Claims Paid from Self Insurance Fund		151,000
Educational, Inspectional, Supervisory		
Services Related to Loss Prevention	128,351	
Support Services-School Administration		
Office of the Principal Services	240,963	282,000
Other Support Services-School Administration	8,149	9,500
Support Services-Business		
Direction of Business Support Services	15,537	18,200
Fiscal Services	18,778	23,000
Facilities Acquisition & Construction Services	9,495	11,000
Operation and Maintenance of		
Plant Services	556,515	655,000
Pupil Transportation Services	341,984	403,000
Food Services	208,300	243,500

See accompanying notes to financial statements

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2019

MUNICIPAL RETIREMENT/ SOCIAL SECURITY FUND (Continued)	Employee Benefits	Budget
Support Services-Central		
Direction of Central Support Services	\$ 201	\$ 300
Planning, Research, Development, & Evaluation Services	27	5,200
Information Services	4,426	30,000
Staff Services	39,865	17,000
Data Processing Services	28,645	34,000
Other Support Services	<u>13,186</u>	<u>15,600</u>
Total Support Services	<u>2,057,750</u>	<u>2,423,800</u>
Community Services	<u>22,859</u>	<u>26,000</u>
Provision for Contingencies	<u> </u>	<u> </u>
Total Disbursements	\$ <u><u>3,016,332</u></u>	\$ <u><u>3,526,585</u></u>
Excess (Deficiency) of Receipts over Disbursements	\$ <u><u>722,970</u></u>	

See accompanying notes to financial statements

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2019

CAPITAL PROJECTS FUND	Salaries	Purchased Services
Support Services		
Support Services-Business		
Facilities Acquisition and Construction Services	\$ 45,420	\$ 13,889
Other Support Services		
	<u>45,420</u>	<u>13,889</u>
Total Support Services	<u>45,420</u>	<u>13,889</u>
Total Disbursements	\$ <u>45,420</u>	\$ <u>13,889</u>
Excess (Deficiency) of Receipts over Disbursements		

Supplies and Materials	Capital Outlay	Other Objects	Non- Capitalized Equipment	Total	Budget
\$ 6,602	\$ 23,853,193	\$	\$	\$ 23,919,104 0	\$ 27,765,728
<u>6,602</u>	<u>23,853,193</u>	<u>0</u>	<u>0</u>	<u>23,919,104</u>	<u>27,765,728</u>
<u>\$ 6,602</u>	<u>\$ 23,853,193</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,919,104</u>	<u>\$ 27,765,728</u>
				\$ <u>(23,612,224)</u>	

See accompanying notes to financial statements

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2019

TORT FUND	Salaries	Employee Benefits	Purchased Services
Support Services-General Administration			
Claims Paid from Self Insurance Fund	\$	\$	\$
Workers' Compensation or Workers'			
Occupation Disease Act Payments			604,866
Unemployment Insurance Payments			
Insurance Payments (Regular or			
Self-Insurance)			256,405
Risk Management and Claims Services			15,889
Judgment and Settlements			
Educational, Inspectional, Supervisory			
Services Related to Loss Prevention			
or Reduction	<u>905,537</u>	<u>228,625</u>	<u>239,287</u>
Total Disbursements	\$ <u>905,537</u>	\$ <u>228,625</u>	\$ <u>1,116,447</u>
Excess (Deficiency) of Receipts over Disbursements			

Supplies and Materials	Capital Outlay	Other Objects	Total	Budget
\$	\$	\$	\$	\$
			604,866	524,873 3,000
17,692	18,269		256,405	261,417
		9,350	51,850	58,725
			9,350	15,000
<u>2,863</u>	<u>1,709</u>		<u>1,378,021</u>	<u>1,593,052</u>
\$ <u><u>20,555</u></u>	\$ <u><u>19,978</u></u>	\$ <u><u>9,350</u></u>	\$ <u><u>2,300,492</u></u>	\$ <u><u>2,456,067</u></u>
			\$ <u><u>(19,527)</u></u>	

See accompanying notes to financial statements

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

STATEMENT OF EXPENDITURES DISBURSED, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2019

FIRE PREVENTION AND SAFETY FUND	Purchased Services	Supplies & Materials	Capital Outlay
Support Services			
Support Services-Business			
Facilities Acquisition and			
Construction Services	\$ 15,666	\$	\$ 4,420,083
Operation & Maintenance of			
Plant Services	<u>8,406</u>	<u></u>	<u></u>
Total Support Services	<u>24,072</u>	<u>0</u>	<u>4,420,083</u>
Debt Services			
Debt Services-Interest on Long-Term Debt			
Debt Service-Payments of Principal on			
Long-Term Debt	<u></u>	<u></u>	<u></u>
Total Debt Service	<u>0</u>	<u>0</u>	<u>0</u>
Total Disbursements	<u>\$ 24,072</u>	<u>\$ 0</u>	<u>\$ 4,420,083</u>
Excess (Deficiency) of Receipts over Disbursements			

Other Objects	Non- Capitalized Equipment	Total	Budget
\$	\$	\$ 4,435,749	\$ 8,308,650
		8,406	
<u>0</u>	<u>0</u>	<u>4,444,155</u>	<u>8,308,650</u>
		0	
		0	
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>4,444,155</u></u>	\$ <u><u>8,308,650</u></u>
		\$ <u><u>(3,933,418)</u></u>	

See accompanying notes to financial statements

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

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

(a) Reporting Entity

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

The District's financial statements include the accounts of all District operations. The criteria for including organizations within the District's reporting entity, as set forth in GASB No. 61, "The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34", is financial accountability. A component unit is included in the District's reporting entity if it is both fiscally dependent on the District (the primary government) and there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on the primary government. The primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Certain joint agreements have been determined to be part of the reporting entity because the District exercises significant influence over the assets, operations, and management of the joint agreements. However, the joint agreements are required to be separately audited and reported to the Illinois State Board of Education. These financial statements therefore represent only the financial condition and operations of the primary government, Quincy Public School District No. 172.

The joint agreements consist of the Special Education Association of Adams County, the Quincy Area Vocational Technical Center, and the West Central Regional System, Education for Employment. The financial information for each of the joint agreements can be obtained from the District's administrative office located at 1416 Maine Street, Quincy, Illinois.

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.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (con't)

(b) Basis of Presentation - Fund Accounting

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

Governmental Funds

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

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

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

The Transportation Fund and the Illinois Municipal Retirement/Social Security Fund are used to account for cash received from specific sources (other than those accounted for in the Debt Service Fund, Capital Project Funds or Fiduciary Funds) that are legally restricted to cash disbursements for these specified purposes.

The Capital Projects Fund is used to account for proceeds resulting from bond issues, receipts from other long term financing agreements, or other resources used to finance capital projects, capital leases, or lease purchase agreements.

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

The Tort Fund is used to account for financial resources to be used for tort immunity and tort judgment purposes.

The Fire Prevention and Safety Fund is used to account for financial resources to be used for fire prevention, safety, energy conservation, or school security projects.

Fiduciary Funds

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (con't)

(b) Basis of Presentation - Fund Accounting (con't)

The Expendable Trust Fund (Flexible Benefit Plan Fund) is used to account for the District's flexible benefit plan.

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

Scholarship funds account for assets held by the District for the purpose of providing scholarships to District graduates. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the scholarship fund organizations are equal to the assets.

Governmental and Expendable Trust Funds - Measurement Focus

The financial statements of all Governmental and Expendable Trust 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." Governmental fund operating statements present increases (cash receipts and other financing sources) and decreases (cash disbursements and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

General Fixed Assets and General Long-Term Debt Account Group

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. General fixed assets have been acquired for general governmental purposes. The District records purchases of property and equipment as expenditures of the various Funds when paid. The District maintains a detailed list of property and equipment purchased for insurance purposes.

The District does not maintain a formal capitalization policy; however, state and federal guidelines are followed, when applicable.

The District uses the Direct Method in handling planned major maintenance. Expenses arising from planned major maintenance are expensed as they are incurred.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (con't)

(b) Basis of Presentation - Fund Accounting (con't)

No depreciation has been provided on fixed assets in these financial statements. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge). Depreciation is computed by the straight line method over the estimated useful lives as follows:

<i>Description</i>	<i>Years</i>
Land	Not Depreciated
Buildings	20-50
Improvements Other than Buildings	20
Capitalized Equipment	3-10

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

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

(c) Basis of Accounting

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

Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions. Proceeds from sales of bonds or financing agreements are included as other financing sources in the appropriate fund on the date received. Related bond principal and financing agreements payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (con't)

(d) Budgets and Budgeting Accounting

The budget for all Governmental Funds is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5, Paragraph 17-1 of the Illinois Compiled Statutes. The original budget was passed on September 26, 2018 and was amended on June 26, 2019.

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 financial statements.

1. The Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on July 1st. 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. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

(e) Investments

Investment balances, except those held in the Storby Scholarship, are stated at cost which approximates market. Assets of the different funds are sometimes co-mingled for investment purposes and interest earnings are prorated back to the various funds when recognized as revenue. Investments held in the Storby Scholarship are stated at cost. Gains or losses on the sale of investments are recognized upon realization. Unrealized gains or losses are not recognized.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (con't)

(f) Inventories

Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure disbursed at the time the individual inventory items are purchased.

(g) Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2. Property Taxes

The District's property tax is levied each year on all taxable real property located within the District. The 2018 levy was passed by the board on December 19, 2018. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments, usually in June and September.

The District receives significant distributions of tax receipts approximately one month after these due dates. Property taxes are collected and remitted to the District by Adams County. Taxes recorded in these financial statements are from the 2017 and prior tax levies.

Note 3. Fund Balance Reporting

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. The Regulatory Model, followed by the District, only reports Reserved and Unreserved Fund Balances. Below are definitions of the differences and a reconciliation of how these balances are reported.

A. Nonspendable Fund Balance

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

NOTES TO FINANCIAL STATEMENTS

Note 3. Fund Balance Reporting (con't)

B. Restricted Fund Balance

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

1. Special Education

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

2. Leasing Levy

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Educational and Operations and Maintenance Funds. At June 30, 2019, revenue received in Educational Fund exceeded expenditures disbursed from the leasing levy, resulting in a restricted fund balance of \$77,137.

3. State Grants

Proceeds from state grants and the related expenditures have been included in the Educational, Transportation, and Fire & Safety Funds. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

4. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the Educational and Transportation Funds. At June 30, 2019, expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

5. Donations

Cash receipts and the related disbursements of donations that have been restricted for a special purpose are included in the Educational Fund. At June 30, 2019, unspent receipts from donations for these special purposes resulted in a restricted balance of \$88,795. This balance is included in the financial statements as Reserved in the Educational Fund.

NOTES TO FINANCIAL STATEMENTS

Note 3. Fund Balance Reporting (con't)

B. Restricted Fund Balance (con't)

6. Social Security

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$1,383,312. This balance is included in the financial statements as Reserved in the Municipal Retirement/Social Security Fund.

7. Flexible Benefit Plan

A reserved fund balance of \$95,870 has been accumulated in the Flexible Benefit Plan Fund, which is recorded as an Expendable Trust Fund in these financial statements.

C. Committed Fund Balance

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

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

Employee contracts for services rendered during the school year for employees electing twelve month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. At June 30, 2019, the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2019 amounted to \$4,469,072. This amount is shown as Unreserved in the Educational Fund.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the School Board itself or (b) the finance committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes. There is nothing to report for this classification.

NOTES TO FINANCIAL STATEMENTS

Note 3. Fund Balance Reporting (con't)

E. Unassigned Fund Balance

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

F. Regulatory – Fund Balance Definitions

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

G. Reconciliation of Fund Balance Reporting

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

Fund	Non-spendable	Restricted	Committed	Assigned	Un-assigned	Financial Statements – Reserved	Financial Statements – Un-reserved
Educational	0	165,932	4,469,072	0	888,094	165,932	5,357,166
Operations & Maintenance	0	0	0	0	1,177,958	0	1,177,958
Debt Service	0	638,152	0	0	0	0	638,152
Transportation	0	420,417	0	0	0	0	420,417
Municipal Retirement/ Social Security	0	4,687,257	0	0	0	1,383,312	3,303,945
Capital Projects	0	3,834,763	0	0	0	0	3,834,763
Working Cash	0	0	0	0	4,561,787	0	4,561,787
Tort Liability	0	3,253,075	0	0	0	0	3,253,075
Fire Prevention and Safety	0	6,913,086	0	0	0	0	6,913,086
Expendable Trust Funds	0	95,870	0	0	0	95,870	0

NOTES TO FINANCIAL STATEMENTS

Note 3. Fund Balance Reporting (con't)

H. Expenditures of Fund Balance

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

Note 4. Changes in General Fixed Assets

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Deletions*</i>	<i>Balance Ending</i>
Land	\$ 3,237,685	\$	\$	\$ 3,237,685
Construction In Progress	31,382,607	22,793,196	51,864,454	2,311,349
Buildings	81,924,158	56,298,367		138,222,525
Improvements Other Than Buildings	6,487,151	2,649		6,489,800
10-Year Equipment	9,000,501	2,674,381	1,182,005	10,492,877
5-Year Equipment		49,500		49,500
3-Year Equipment	4,925			4,925
Total General Fixed Assets	132,037,027	\$ 81,818,093	\$ 53,046,459	160,808,661
Accumulated Depreciation	37,671,716	\$ 3,448,047	\$ 1,182,005	39,937,758
Book Value	\$ 94,365,311			\$ 120,870,903

*To remove fully depreciated equipment and equipment traded, and to account for construction completed during the year ended June 30, 2019.

Note 5. Retirement Fund Commitments

The retirement fund commitments for Special Education Association of Adams County, Quincy Public School District No. 172, Quincy Vocational Technical Center and West Central Regional System, Education for Employment are not separable. The combined retirement fund commitment for these entities is disclosed below.

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

Plan description

The 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.

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Fund Commitments (con't)

(a) Teachers' Retirement System of the State of Illinois (con't)

Plan description (con't)

TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

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

Benefits Provided

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

Tier 2 members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different from Tier 1.

Essentially all Tier 1 retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later.

Tier 2 annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Fund Commitments (con't)

(a) Teachers' Retirement System of the State of Illinois (con't)

Benefits Provided (con't)

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allow retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the state of Illinois.

Contributions

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

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

On-behalf contributions to TRS. The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2019, State of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective NPL associated with the employer, and the employer recognized revenue and expenditures of \$18,201,618 in pension contributions from the state of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. This contribution rate is specified by statute. Contributions for the year ending June 30, 2019 were calculated to be \$152,687. \$152,923 was actually paid toward this obligation in the current fiscal year.

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Fund Commitments (con't)

(a) Teachers' Retirement System of the State of Illinois (con't)

Contributions (con't)

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

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

For the year ended June 30, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$1,712,484 were paid from federal and special trust funds that required employer contributions of \$168,680. \$178,422 was actually paid toward this obligation in the current fiscal year.

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those day are used as a TRS service credit. For the year ended June 30, 2019, the employer paid \$4,383 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal allotment.

Pension Expense

For the year ended June 30, 2019, the employer recognized pension expense of \$331,345 on a cash basis under this plan.

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Fund Commitments (con't)

(b) Illinois Municipal Retirement Fund

Plan Description

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

Benefits Provided

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

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

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

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Fund Commitments (con't)

(b) Illinois Municipal Retirement Fund (con't)

Benefits Provided (con't)

Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

Employees Covered by Benefit Terms

As of December 31, 2018, the employer's membership consisted of 523 retirees and beneficiaries currently receiving benefits, 349 inactive plan members entitled to but not yet receiving benefits, and 520 active plan members for a total of 1,392 plan members.

Contributions

As set by statute, the employer's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer's annual contribution rate for calendar year 2018 was 13.64%. The employer's contribution rate for the calendar year 2019 is 11.97%. The annual contributions paid during the fiscal year ended June 30, 2019 were \$1,677,775. The employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Note 6. Other Post-Employment Benefits

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

(a) Teacher Health Insurance Security (THIS)

Plan description

The employer participates in the Teacher Health Insurance Security (THIS) Fund (also known as The Teacher Retirement Insurance Program, "TRIP") a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating school districts throughout the State of Illinois, excluding the Chicago Public School System.

NOTES TO FINANCIAL STATEMENTS

Note 6. Other Post-Employment Benefits (con't)

(a) Teacher Health Insurance Security (THIS) (con't)

Plan description (con't)

The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options.

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

On-behalf contributions to the THIS fund

The state of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 1.24 percent of pay during the year ended June 30, 2019. The state of Illinois contributions were \$326,434, and the employer recognized revenue and expenditures of this amount during the year.

Employer contributions to the THIS Fund

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2019. For the year ended June 30, 2019, the employer paid \$242,193 to the THIS Fund, which was 100 percent of the required contribution.

Further Information on the THIS Fund

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

NOTES TO FINANCIAL STATEMENTS

Note 6. Other Post-Employment Benefits (con't)

(b) Post-Retirement Health Care Benefits

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

Plan description. The District contributes to the Egyptian Area Schools Benefit Trust (the "Trust"), a cost-sharing, multiple-employer defined benefit health care plan administered by the Board of Managers of the Trust. The Trust provides medical benefits to active and retired employees of approximately 135 participating employers. The Trust issues a publicly available financial report that includes financial statements and required supplementary information for the Trust. A copy of the report may be obtained by writing to the Egyptian Area Schools Employee Benefit Trust, 2350 S. 7th Street, #100, St. Louis, MO 63104, or by calling 618-791-5541. The report is also posted on the Trust's website at www.egtrust.org.

Funding Policy. The Trust Agreement establishing the Trust provides that contribution rates are established and may be modified by the Board of Managers of the Trust. Contribution rates are normally adjusted as of September 1 each year.

As of June 30, 2019, participating employers were contractually required to contribute at the following rates for active and retired employees and dependents:

	Plan M7	Plan M8	Plan M3	Plan H1	Plan H3
Employee (Retiree)	\$744	\$704	\$670	\$633	\$573
Employee + spouse	\$1,563	\$1,507	\$1,408	\$1,328	\$1,203
Employee + child(ren)	\$1,281	\$1,235	\$1,153	\$1,090	\$987
Family	\$2,100	\$2,064	\$1,891	\$1,786	\$1,619

Participating employers may require employees and/or retirees to pay some or all of the required contributions to the employer, but the employer has the legal obligation to pay contributions to the Trust. The District requires retirees to pay 100% of their premiums. The number of retirees participating is minimal.

Contributions Made

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

NOTES TO FINANCIAL STATEMENTS

Note 7. Unemployment Insurance

All employees of the District are covered under the State of Illinois Unemployment Insurance Act. The District elected to be self-insured and, therefore, is liable to the State for any payments made to an unemployed worker claiming benefits.

Note 8. Flexible Benefit Plan

The Employee Trust Fund is established under the Internal Revenue Code and is operated under its rule. The Fund collects and expends monies for non-covered medical and dental expenses. If the employee does not use their portion within a year, it then becomes a part of the Fund assets.

Note 9. Long-Term Debt, Capital Leases, and Other Financing Arrangements

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

General Obligation Bonds:

	<i>Balance. Beginning</i>	<i>Proceeds</i>	<i>Decreases</i>	<i>Balance, Ending</i>
2008 QZAB	\$ 1,615,440	\$	\$ 400,000	\$ 1,215,440
2012A Taxable Gen Ob Bond	925,000		925,000	0
2014 Gen Ob Bonds	9,785,000			9,785,000
2015 Gen Ob Bonds	8,775,000			8,775,000
2016 Gen Ob Bonds	28,770,000		485,000	28,285,000
2017 Gen Ob Bonds	22,010,000		1,075,000	20,935,000
2018 Gen Ob Bonds	21,510,000			21,510,000
2019 Gen Ob Bonds		6,160,000		6,160,000
Subtotal	\$ 93,390,440	\$ 6,160,000	\$ 2,885,000	\$ 96,665,440

Capital Leases:

Dell Computers	\$ -0-	\$ 466,934	\$ 163,077	\$ 303,857
De Lage Landen	24,452		11,990	12,462
Subtotal	\$ 24,452	\$ 466,934	\$ 175,067	\$ 316,319
Total	\$ 93,414,892	\$ 6,626,934	\$ 3,060,067	\$ 96,981,759

NOTES TO FINANCIAL STATEMENTS

Note 9. Long-Term Debt, Capital Leases, and Other Financing Arrangements (con't)

Bond Indebtedness

Bond indebtedness is reflected in the General Long-Term Debt Account Group. Current requirements for principal and interest expenditures are payable solely from future revenues of the Debt Service Fund which consists principally of property taxes collected by the District and interest earnings.

2008 QZAB

The Qualified Zone Academy Bonds, Series 2008 were issued on May 29, 2008 in the amount of \$4,945,440 at an interest rate of 1.15%. Principal and interest to be paid each May 29. Date of maturity is May 29, 2022.

The annual cash flow requirements of principal and interest on the Qualified Zone Academy Bonds, Series 2008 are as follows:

<i>Year Ended June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2020	\$ 400,000	\$ 13,978	\$ 413,978
2021	405,000	9,378	414,378
2022	410,440	4,720	415,160
Total	\$ 1,215,440	\$ 28,076	\$ 1,243,516

2012A Taxable General Obligation Bonds

The 2012A Taxable General Obligation Bonds were issued on June 6, 2012 in the amount of \$6,200,000. Principal to be paid each February 1. Interest payable August 1 and February 1. Interest rates range from 2.5% to 4.25%. Date of maturity is February 1, 2019. This bond was paid in full as of June 30, 2019.

2014 General Obligation School Bonds

The 2014 General Obligation School Bonds were issued on December 30, 2014 in the amount of \$9,785,000. Principal to be paid each February 1 starting February 1, 2030. Interest payable August 1 and February 1. Interest rates range from 3.25% to 4%. Date of maturity is February 1, 2034.

The annual cash flow requirements of principal and interest on the 2014 General Obligation School Bonds are as follows:

NOTES TO FINANCIAL STATEMENTS

Note 9. Long-Term Debt, Capital Leases, and Other Financing Arrangements (con't)

<i>Year Ended June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2020	\$	\$ 354,506	\$ 354,506
2021		354,506	354,506
2022		354,506	354,506
2023		354,506	354,506
2024		354,506	354,506
2025-29	9,785,000	1,772,531	1,772,531
2030-34		1,084,294	10,869,294
Total	\$ 9,785,000	\$ 4,629,355	\$ 14,414,355

2015 General Obligation School Bonds

The 2015 General Obligation School Bonds were issued on December 10, 2015 in the amount of \$9,020,000. One principal payment to be paid February 1, 2017 and then principal payments will be paid annually starting February 1, 2022. Interest payable August 1 and February 1. Interest rates range from 2.375% to 4.000%. Date of maturity is February 1, 2031.

The annual cash flow requirements of principal and interest on the 2015 General Obligation School Bonds are as follows:

<i>Year Ended June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2020	\$	\$ 311,731	\$ 311,731
2021		311,731	311,731
2022		311,731	996,731
2023		284,331	1,064,331
2024		265,806	1,065,806
2025-29	4,460,000	935,356	5,395,356
2030-31	2,050,000	124,000	2,174,000
Total	\$ 8,775,000	\$ 2,544,686	\$ 11,319,686

2016 General Obligation School Bonds

The 2016 General Obligation School Bonds were issued on July 6, 2016 in the amount of \$30,000,000. Principal to be paid each February 1 starting February 1, 2018. Interest payable August 1 and February 1. Interest rates range from 3.00% to 5%. Date of maturity is February 1, 2036.

NOTES TO FINANCIAL STATEMENTS

Note 9. Long-Term Debt, Capital Leases, and Other Financing Arrangements (con't)

The annual cash flow requirements of principal and interest on the 2016 General Obligation School Bonds are as follows:

<i>Year Ended June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2020	\$ 500,000	\$ 1,161,988	\$ 1,661,988
2021	500,000	1,141,987	1,641,987
2022	830,000	1,121,988	1,951,988
2023	1,075,000	1,088,788	2,163,788
2024	1,175,000	1,045,788	2,220,788
2025-29	7,710,000	4,227,187	11,937,187
2030-34	9,285,000	2,469,238	11,754,238
2035-36	7,210,000	374,775	7,584,775
Total	\$ 28,285,000	\$ 12,631,739	\$ 40,916,739

2017 General Obligation School Bonds

The 2017 General Obligation School Bonds were issued on June 26, 2017 in the amount of \$22,010,000. Principal to be paid February 1, 2019, 2020 and 2021 and then annually starting on February 1, 2028. Interest payable August 1 and February 1. Interest rates range from 3.00% to 5%. Date of maturity is February 1, 2037. The annual cash flow requirements of principal and interest on the 2017 General Obligation School Bonds are as follows:

<i>Year Ended June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2020	\$ 300,000	\$ 771,143	\$ 1,071,143
2021	300,000	759,144	1,059,144
2022		747,144	747,144
2023		747,144	747,144
2024		747,144	747,144
2025-29	3,000,000	3,690,719	6,690,719
2030-34	6,085,000	2,955,519	9,040,519
2035-37	11,250,000	990,000	12,240,000
Total	\$ 20,935,000	\$ 11,407,957	\$ 32,342,957

2018 General Obligation School Bonds

The 2018 General Obligation School Bonds were issued on June 28, 2018 in the amount of \$21,510,000. Principal to be paid each February 1, starting February 1, 2020. Interest payable August 1 and February 1. Interest rates range from 3.00% to 5%. Date of maturity is February 1, 2038.

The annual cash flow requirements of principal and interest on the 2018 General Obligation School Bonds are as follows:

NOTES TO FINANCIAL STATEMENTS

Note 9. Long-Term Debt, Capital Leases, and Other Financing Arrangements (con't)

<i>Year Ended June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2020	\$ 875,000	\$ 946,673	\$ 1,821,673
2021	1,090,000	902,923	1,992,923
2022	590,000	848,423	1,438,423
2023	900,000	818,923	1,718,923
2024	1,030,000	773,923	1,803,923
2025-29	4,420,000	3,024,613	7,444,613
2030-34	1,020,000	2,489,794	3,509,794
2035-38	11,585,000	1,704,250	13,289,250
Total	\$ 21,510,000	\$ 11,509,522	\$ 33,019,522

2019 General Obligation School Bonds

The 2019 General Obligation School Bonds were issued on March 20, 2019 in the amount of \$6,160,000. Principal to be paid each February 1, starting February 1, 2020. Interest payable August 1 and February 1. Interest rates range from 4% to 5%. Date of maturity is February 1, 2030.

The annual cash flow requirements of principal and interest on the 2018 General Obligation School Bonds are as follows:

<i>Year Ended June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2020	\$ 315,000	\$ 256,143	\$ 571,143
2021	835,000	283,900	1,118,900
2022	455,000	250,500	705,500
2023	475,000	227,750	702,750
2024	500,000	204,000	704,000
2025-29	2,910,000	618,250	3,528,250
2030	670,000	33,500	703,500
Total	\$ 6,160,000	\$ 1,874,043	\$ 8,034,043

Capital Leases

Lease purchase obligations of the District are reflected in the General Long-Term Debt Account Group.

On July 22, 2018, the District entered into a lease purchase agreement with Dell Financial Services for computers. The agreement calls for yearly lease payments of \$163,077. Annual payments will be made through the Educational Fund. At June 30, 2019 the principal balance of the lease was \$303,857.

NOTES TO FINANCIAL STATEMENTS

Note 9. Long-Term Debt, Capital Leases, and Other Financing Arrangements (con't)

On June 2, 2015, the District entered into a lease purchase agreement with De Lage Landen Public Finance, LLC for the lease of storage hardware. The agreement calls for yearly lease payments of \$12,952 through November 2019. Annual payments are made through the Educational Fund.

The following is a schedule of future minimum lease payments under capital leases:

<i>Year Ended June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2020	\$ 160,791	\$ 15,238	\$ 176,029
2021	155,528	7,549	163,077
Total	\$ 316,319	\$ 22,786	\$ 339,105

Note 10. Legal Debt Margin

Equalized Assessed Valuation, 2018 Tax Year	\$ 929,508,951
Statutory Debt Limitation (13.8% of Equalized Assessed Valuation)	\$ 128,272,235
Less: Qualifying Debt	(96,981,759)
Legal Debt Margin	\$ 31,290,476

Note 11. Interfund Loans and Transfers

The following interfund loan activity occurred during the year ended June 30, 2019:

	<i>Balance, Beginning</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balance, Ending</i>
Interfund Loans	\$ -0-	\$	\$ -0-	\$ -0-

During the fiscal year ended June 30, 2019, the District transferred \$452,893 from the Working Cash Fund to the Educational Fund for general operating purposes.

Note 12. Deposits and Investments

The District is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act and Sections 8-7 of the School Code of Illinois. According to the District's investment policy, the District can invest as allowed by the statute in authorized depositories.

NOTES TO FINANCIAL STATEMENTS

Note 12. Deposits and Investments (con't)

Custodial Risk Related to Deposits with Financial Institutions

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's general investment policy regarding collateralization is to have all amounts deposited or invested covered by collateral in excess of federal depository insurance. The District has obtained collateral to secure deposits in excess of FDIC coverage.

As of June 30, 2019, none of the District's deposits were exposed to custodial credit risk.

Deposits

The District's deposits include demand deposits, savings accounts and certificates of deposit. As of June 30, 2019, the bank balance was \$34,591,179, which includes the funds of the District, the Special Education Association of Adams County, Quincy Area Vocational Technical Center, and West Central Regional System. The deposits of the District's reporting entity are insured or collateralized with securities held by the District, its agent, or by the pledging financial institution's trust department or agent in the name of the District. As of June 30, 2019, \$736,803 of the District's deposits is covered by Federal Deposit Insurance and \$33,854,376 is covered by specific collateral agreements.

As of June 30, 2019, the depository banks used by the District, the Special Education Association of Adams County, the Quincy Area Vocational Technical Center, and the West Central Regional System had pledged \$33,854,376 of the bank balance in federal securities to secure the District's deposits in excess of the amount insured by the FDIC. The pledged securities are held by an independent financial institution in the District's name. In addition, a portion of the District's deposits are collateralized as part of a collateralization pool.

Investments

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities and the money market fund are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent, but not in the District's name. The District does not have a policy for custodial credit risk.

NOTES TO FINANCIAL STATEMENTS

Note 12. Deposits and Investments (con't)

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates other than limiting agreements to periods of 330 days or less.

As of June 30, 2019, the District had the following investments and maturities:

Investment Type	Book Value	Fair Value	Investment Maturities (in years)	
			Less than 1	1 to 5
ISDLAF+(Inv Pool) US Govt Money Market Northern Institutional Gov	1,933,248	1,933,248	1,933,248	
Portfolio Money Market	236,313	236,313	236,313	
Corporate Bonds	-	-		
Common Stocks	159,569	490,281	490,281	
Mutual Funds-Equity	36,878	46,488	46,488	
Certificates of Deposit	114,156	114,156	74,960	39,196
Total	2,480,164	2,820,486	2,781,290	39,196

The net difference in book value and fair value of investments of \$340,322, is the Storby Scholarship, which is reported at cost. (See Note 14)

As of June 30, 2019, the District's investment types are not rated.

Credit Risk and Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Disclosures are required for any issuer that represents 5% or more of total investments, exclusive of mutual funds, external investment pools and investments issued or guaranteed by the U.S. government. The District's investment policy places no limit on the amount the District may invest in any one issuer. As of June 30, 2019, investment types totaling over 5% were the ISDLAF + (Investment Pool), Northern Institutional Gov Portfolio money market, common stocks and certificates of deposit.

NOTES TO FINANCIAL STATEMENTS

Note 12. Deposits and Investments (con't)

ISDLAF+ (Investment Pool)

During the year ended June 30, 2019, the District maintained an account with the Illinois School District Liquid Asset Fund Plus (also known as ISDLAF+). ISDLAF+ is an external investment pool created in cooperation by the Illinois Association of School Boards, the Illinois Association of School Business Officials, and the Illinois Association of School Administrators. Its primary purpose is to provide School Districts, Community College Districts, and Educational Service Regions with an alternative investment vehicle that will enable them to earn a competitive rate of return on fully collateralized investments, while maintaining immediate access to invested funds.

ISDLAF+ also provides a Fixed Income Investment Program that allows investors to purchase investment instruments including certificates of deposit of banks and thrift institutions ("CDs"), commercial paper and bankers' acceptances.

At June 30, 2019, the District had \$1,933,248 invested with the ISDLAF+ Multi-Class Series of investments.

The certificates of deposit are covered by FDIC or fully collateralized.

Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value, as a result of changes in foreign currency exchange rates. The District had no foreign currency risk as of June 30, 2019.

Note 13. 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. Significant losses are covered by commercial insurance for all major programs: property and liability. The District is part of an insurance pool for workers' compensation coverage. During the year ended June 30, 2019, there has been no significant reduction in insurance coverage. Also, settlement amounts have not exceeded insurance coverage.

Note 14. Sam Storby Scholarship Fund

The District received \$200,000 for the establishment of a scholarship fund to benefit the boys and girls basketball teams. Under the terms of the bequest, the principal must remain intact, but the interest may be used for scholarships. The total bequest has been deposited into a trust account at Mercantile Trust, Quincy. The scholarship fund is accounted for as a non-expendable trust fund. The fund is recorded at cost, which at June 30, 2019, was \$432,760.

NOTES TO FINANCIAL STATEMENTS

Note 15. Joint Agreements

The District participates in joint agreements with the Special Education Association of Adams County, Quincy Area Vocational Technical Center and the West Central Regional System, Education for Employment, along with other school districts. The District's pupils benefit from programs administered under these joint agreements, and the District benefits from jointly administered grants and programming. The District is the administrative district for all three of these joint agreements.

The Special Education Association of Adams County, the Quincy Area Vocational Technical Center and the West Central Regional System, Education for Employment, issue a publicly available financial report that includes financial statements and other information. That report may be obtained by writing to any of the above at 1416 Maine Street, Quincy, Illinois.

Note 16. Recently Issued and Adopted Accounting Standards

In the fiscal year ending June 30, 2019, the District implemented GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, GASB Statement No. 81 – *Irrevocable Split- Interest Agreements*, GASB Statement No. 82 – *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*, GASB Statement No. 83 – *Certain Asset Retirement Obligations*, GASB Statement No. 85 – *Omnibus 2017*, GASB Statement No. 86 – *Certain Debt Extinguishment Issues*, and GASB Statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* and all had no impact on the District's financial statements.

The Governmental Accounting Standards Board (GASB) has approved the following:

Statement No. 84, *Fiduciary Activities*

Statement No. 87, *Leases*

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

Statement No. 90, *Majority Equity Interests- and amendment of GASB Statement No. 14 and No. 61*

When they become effective, application of these standards may restate portions of these financial statements.

NOTES TO FINANCIAL STATEMENTS

Note 17. Commitments and Contingencies

Grant Programs

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2019 may be impaired.

In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Litigation

The District is named in various claims and legal actions in the normal course of its activities. Based upon counsel and management's opinion, the outcome of such matters is not expected to have a material adverse effect on the District's financial position or changes in fund balance.

Salaries Payable

Certain employees have the option of being paid their salary over ten or twelve months. For those employees who opted for twelve months of salary payments, the last two payments will be paid in July and August of 2019. This results in salaries due at June 30, 2019 of \$4,469,072. This liability is not reflected in the financial statements.

Vacation Pay

Vacation pay is considered to be an expenditure in the year paid. Eligible support staff receive vacation pay. At June 30, 2019, the estimated unused vacation liability is \$317,939.

Sick Pay

Sick pay is considered to be an expenditure in the year paid. Accumulated sick pay benefits are available to eligible employees to use in future years. Sick pay does not vest if not used during the term of employment with the District.

Capital Project and Construction Commitments

The District entered into various contracts for school building construction and improvements to be completed over several years totaling \$75,448,897. As of June 30, 2019, the District had construction in progress of \$2,311,349 and approximately \$3,347,086 in outstanding health & life safety project commitments.

NOTES TO FINANCIAL STATEMENTS

Note 17. Commitments and Contingencies (con't)

Operating Leases

The District participated in several operating leases for postage meters, driver's education vehicles, copy machines and Fiber Optic WAN and internet. Rental expenses consisted of \$274,149 for the year ended June 30, 2019.

Future minimum lease payments under these agreements as of June 30, 2019, are as follows:

Year Ended June 30,	Amount
2020	506,575
2021	515,559
2022	277,228
2023	135,082
2024	42,959

The District has entered into operating leases for buses. Lease expenses consisted of \$804,891. As of June 30, 2019, the District's future leasing commitments for buses by fiscal year were as follows:

Year Ended June 30,	Amount
2020	898,786
2021	899,786
2022	1,881,309
2023	1,218,316
2024	574,534

Note 18. Subsequent Events

Events that occur after the Statement of Assets and Liabilities Arising from Cash Transactions (statement) date, but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement date require disclosure in the accompanying notes. Management evaluated the activity of Quincy Public School District No. 172 through October 21, 2019, the date which the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

COMBINING SCHEDULE OF ASSETS, LIABILITIES, FUND BALANCE
AND OTHER CREDITS ARISING FROM CASH TRANSACTIONS

ALL TRUST AND AGENCY FUNDS

June 30, 2019

	Flexible Benefit Plan Fund	Junior High Activity Fund
ASSETS		
Cash and Cash Equivalents	\$ 95,870	\$ 59,756
Investments		
Total Assets	<u>95,870</u>	<u>59,756</u>
LIABILITIES		
Due to Other Organizations		59,756
Total Liabilities	<u>0</u>	<u>59,756</u>
FUND BALANCE AND OTHER CREDITS		
Net Assets Available for Benefits	<u>95,870</u>	
Total Liabilities, Fund Balance and Other Credits	\$ <u>95,870</u>	\$ <u>59,756</u>

High School Activity Fund	Convenience Funds	Scholarship Funds	Total
\$ 94,400	\$ 10,519	\$ 1,158	\$ 261,703
<u>107,450</u>		<u>439,466</u>	<u>546,916</u>
<u>201,850</u>	<u>10,519</u>	<u>440,624</u>	<u>808,619</u>
<u>201,850</u>	<u>10,519</u>	<u>440,624</u>	<u>712,749</u>
<u>201,850</u>	<u>10,519</u>	<u>440,624</u>	<u>712,749</u>
			<u>95,870</u>
\$ <u>201,850</u>	\$ <u>10,519</u>	\$ <u>440,624</u>	\$ <u>808,619</u>

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

SCHEDULE OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FIDUCIARY FUND TYPE - EXPENDABLE TRUST FUND
FLEXIBLE BENEFIT PLAN FUND

Year Ended June 30, 2019

Additions to Plan Assets Attributed to:	
Employee Contributions	\$ 5
Interest on Investments	<u>1,021</u>
Total Additions	1,026
Deductions from Plan Assets Attributed to:	
Insurance Premium Payments	<u>85</u>
Net Increase/(Decrease)	941
Net Assets Available for Benefits, July 01, 2018	<u>94,929</u>
Net Assets Available for Benefits, June 30, 2019	<u><u>\$ 95,870</u></u>

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended June 30, 2019

	Balance 7/1/2018	Receipts	Dis- bursements	Balance 6/30/2019
JR. HIGH SCHOOL ACTIVITY FUND				
9010 PTA Donations	\$ 778	\$ -	\$ 594	\$ 184
9100 Drama Club	320	-	-	320
9105 QJHS T-shirt Sales	407	-	-	407
9110 Art Club	1,320	330	1,434	216
9115 QJHS School Store	46	237	201	82
9120 Shop Donations	9	-	9	-
9125 Beta Club	1,531	-	1,531	-
9130 LDS Instructional	188	-	188	-
9140 8th Student Council	4,858	5,471	2,729	7,600
9150 Health Fitness	62	-	62	-
9160 German Club	12	-	12	-
9170 Junior Hi-Lights	753	50	803	-
9185 QJHS Green House	2,387	-	309	2,078
9190 6th Student Council	5,721	4,458	1,821	8,358
9200 7th Student Council	7,947	1,269	2,571	6,645
9210 Spanish Club	100	-	100	-
9221 Sports Donation	318	651	638	331
9222 Extra Curricular General	6,756	903	1,631	6,028
9225 EMH Program	3,171	-	3,171	-
9350 Ed Program	22	254	-	276
9400 Attendance Office Miscellaneous	127	1,610	1,737	-
9410 Cheerleading	2,986	5,644	4,460	4,170
9510 Student Planner	1,665	-	-	1,665
9550 Cross Categorical	-	4,086	-	4,086
9555 Faculty	-	2,031	-	2,031
9560 Foreign Language	-	112	-	112
9612 Reading/English	62	-	62	-
9613 Washington D.C. Fund	1,083	18,326	19,251	158
9614 PBIS	2,048	3,174	831	4,391
9620 Canada Fund	643	-	643	-
9640 Phil Fleming Memorial	125	-	125	-
9651 TMH Candy	686	-	686	-
9652 Yearbook	1,435	5,253	2,147	4,541
9660 Europe Trip Fundraiser	8,153	3,842	11,995	-
9675 Flower & Gift/Retirement/Staff PTA	119	379	412	86
9690 Mercantile Grant/Gayle Roskamp	65	-	65	-
9700 Counselors Fund	2,475	4,734	3,424	3,785
9705 QJHS Fitness Room	36	-	36	-
9710 Interest	1,569	637	-	2,206
Total Jr. High School Activity Fund	\$ 59,983	\$ 63,451	\$ 63,678	\$ 59,756

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended June 30, 2018

	Balance 7/1/2018	Receipts	Dis- bursements	Balance 6/30/2019
HIGH SCHOOL ACTIVITY FUND				
9125 AP Exams	\$ 18,115	\$ 31,042	\$ 49,157	\$ -
9130 Art Club	429	500	51	878
9140 BETA Club	2,295	1,480	1,191	2,584
9145 Classroom Books	96	-	96	-
9147 Cross-Categorical Tier 1	27	-	27	-
9150 Custodian Fund	3,745	716	487	3,974
9160 Choose Life	4,091	749	1,000	3,840
9165 Family Fund	175	275	163	287
9170 Flower Fund	73	829	310	592
9175 Gay Straight Alliance	570	-	145	425
9180 German Club	1,353	930	796	1,487
9195 Key Club	580	642	273	949
9222 Mercantile Booster	4,225	3,500	2,608	5,117
9225 Revolving	156	617	742	31
9230 National Honor Society	1,745	3,290	4,248	787
9240 PALS	536	72	210	398
9250 Pay It Forward	403	-	403	-
9251 P.K. Memorial Marque Donation	516	-	516	-
9252 PE Curtain	270	-	270	-
9253 PE Locks	2,382	6,865	9,247	-
9254 Prince Donations	228	-	228	-
9256 Positive Behavioral Intervention Suppc	6,162	7,469	2,607	11,024
9270 Quippi	11,693	14,301	11,916	14,078
9280 Quiz Bowl	3,288	-	3,288	-
9283 Social Committee	-	135	135	-
9285 Safe Driving Grant	200	-	200	-
9290 Spanish Club	936	130	486	580
9292 Sparkle	2,213	2,792	2,697	2,308
9295 Special Project	4,226	-	4,226	-
9300 Special Education	1,333	4,550	1,415	4,468
9310 Student Council	12,877	38,524	36,948	14,453
9311 Summer School Store	375	-	374	1
9320 TMH	419	-	419	-
9400 Special Ed Foods Skills	2,506	-	2,506	-
QAVTC Accounts:				
9510 Diesel Tech Club	388	530	918	-
9520 Auto Mechanics Club	960	-	960	-
9530 Building Trades Club	2,644	-	2,644	-
9540 QAVTC - Childcare	1,109	1,037	2,146	-
9550 Commercial Foods Club	3,776	-	3,776	-
9570 QAVTC - Projects	722	540	1,262	-
9575 QAVTC - Project Lead The Way	4,109	840	4,949	-
9580 Drafting Club	34	-	34	-
9590 Electronics Club	3,103	-	3,103	-
9610 Graphic Arts Club	3,361	4,373	7,734	-
9620 Health Occupations Club	1,050	5,289	4,478	1,861

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended June 30, 2019

	Balance 7/1/2018	Receipts	Dis- bursements	Balance 6/30/2019
HIGH SCHOOL ACTIVITY FUND - cont.				
QAVTC Accounts (con't):				
9650 National Tech Honor Society	\$ 8	\$ -	\$ 8	\$ -
9660 Welding Club	4,341	748	5,089	-
9680 Agriculture	9,787	15,749	16,735	8,801
9690 Broadcasting	585	-	585	-
9800 Interest	2,799	1,544	-	4,343
9770 Anatomy	238	-	238	-
9775 Economics Club	-	557	215	342
9780 Zoology	35	375	410	-
9790 Physics	2,169	1,259	3,427	1
Scholarship Funds:				
9710 Class of 1929 Memorial Fund	1	500	500	1
9715 Derick Douglas Basketball Camp Scholarship	107	-	-	107
9720 Mathematics Scholarship Fund	210	-	-	210
9730 Paul Miller Scholarship Fund	17	-	-	17
9735 Paul Miller Advertising	33	1	-	34
9740 Steven Davis Snider Scholarship Fund	535	-	-	535
9750 Rob McIntyre Scholarship Fund	14	2,000	-	2,014
9760 Cozean Scholarship	1	500	500	1
Other	101	-	12	89
Reunion Funds:				
Class of 1984 Memorial Fund	479	2	-	481
Class of 1977	4,942	2	38	4,906
Class of 95	496	-	-	496
Class of 1968	5,550	12,240	15,890	1,900
Subtotal High School Activity Fund	\$ 141,942	\$ 167,494	\$ 215,036	\$ 94,400
High School CDs				
Bagusin Scholarship Fund - CD	\$ 2,290	\$ 13	\$ -	\$ 2,303
Class of 1929 Memorial Fund - CD	25,681	182	500	25,363
Cozean Scholarship - CD	21,670	134	500	21,304
Derick Douglas Basketball Camp Scholarship - CD	1,967	10	-	1,977
Mathematics Scholarship Fund - CD	3,668	26	-	3,694
Rob McIntyre Scholarship Fund - CD	16,667	89	2,000	14,756
Steven Davis Snider Scholarship Fund - CD	32,244	247	-	32,491
Student Council - CD	5,530	32	-	5,562
Subtotal High School CDs	109,717	733	3,000	107,450
Total High School Activity Fund	\$ 251,659	\$ 168,227	\$ 218,036	\$ 201,850

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

CONVENIENCE FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended June 30, 2019

	Balance 7/1/2018	Receipts	Dis- bursements	Balance 6/30/2019
CONVENIENCE FUNDS				
Bus Barn	\$ 2,409	\$ 401	\$ 0	\$ 2,810
Maintenance Dept.	6,642	2,714	3,214	6,142
Adams County CEC	<u>1,567</u>	<u></u>	<u>0</u>	<u>1,567</u>
Total Convenience Funds	<u>\$ 10,618</u>	<u>\$ 3,115</u>	<u>\$ 3,214</u>	<u>\$ 10,519</u>

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

SCHOLARSHIP FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended June 30, 2019

	Balance 7/1/2018	Receipts	Dis- bursements	Balance 6/30/2019
SCHOLARSHIP FUNDS				
F.E. Holum Scholarship	\$ 6,625	\$ 81	\$	\$ 6,706
Storby Scholarship	422,252	90,124	79,616	432,760
Clarence Montgomery Scholarship	<u>1,151</u>	<u>12</u>	<u>5</u>	<u>1,158</u>
Total Scholarship Funds	\$ <u>430,028</u>	\$ <u>90,217</u>	\$ <u>79,621</u>	\$ <u>440,624</u>

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

EDUCATIONAL FUND

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS,
OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2019	2018	2017
RECEIPTS			
Local Sources:			
Property Tax	\$ 17,402,774	\$ 16,779,802	\$ 16,077,466
Replacement Tax	3,910,471	3,614,727	4,451,345
Interest	123,356	50,722	33,930
Other	3,574,019	3,351,694	2,671,832
State Sources:			
General State Aid/Evid Based Funding	15,823,665	15,204,795	12,624,845
Other	3,005,145	4,334,609	3,502,568
Federal Sources	9,817,358	8,971,446	8,539,441
Total Receipts	<u>53,656,788</u>	<u>52,307,795</u>	<u>47,901,427</u>
DISBURSEMENTS			
Instruction:			
Regular Programs	17,671,565	19,752,280	18,867,718
Pre-K Programs	1,723,131	453,110	442,329
Special Education Programs	7,503,614	10,006,448	9,902,590
Special Education Programs Pre-K	275,376	104,499	109,309
Remedial & Supplemental			
K-12	2,325,071	1,576,440	1,716,230
Remedial & Supplemental			
Pre-K	68,588		
Adult/Continuing Education		3,426	1,957
CTE Programs			3,000
Interscholastic	1,659,709	1,108,248	1,171,290
Summer School	166,786	96,843	98,922
Gifted			
Driver's Education	303,453	190,650	150,388
Bilingual	23,659	24,254	26,928
Truant Alternatives	29,638	46,755	46,077
Spec Educ-Priv Tuition	3,273,469	2,804,059	2,622,362
Supporting Services:			
Pupils	4,952,406	3,640,717	2,568,558
Instructional Staff	1,995,306	1,861,845	2,091,865
General Administration	616,306	396,959	497,884
School Administration	4,148,598	2,821,200	2,929,988
Business	3,517,878	3,345,322	3,573,483
Central	599,247	785,585	791,761
Other	471,033	64,812	25,870
Community Services	445,003	210,669	190,240
Payments to Other Govts	512,024	539,866	514,643
Debt Service			
Total Disbursements	<u>52,281,860</u>	<u>49,833,987</u>	<u>48,343,392</u>
Receipts Over (Under)			
Disbursements	\$ <u>1,374,928</u>	\$ <u>2,473,808</u>	\$ <u>(441,965)</u>

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

EDUCATIONAL FUND (con't)

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS,
OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2019	2018	2017
Receipts Over (Under) Disbursements (From Previous Page)	\$ 1,374,928	\$ 2,473,808	\$ (441,965)
OTHER FINANCING SOURCES (USES)			
Abolishment of Working Cash	452,893	439,261	420,875
Abatement of Working Cash	466,934		
Other Sources of Funds	(163,077)		
Other Uses of Funds			
Total Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing (Uses)	2,131,678	2,913,069	(21,090)
FUND BALANCE, BEGINNING	3,391,420	478,351	499,441
FUND BALANCE, ENDING	\$ 5,523,098	\$ 3,391,420	\$ 478,351

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

OPERATIONS AND MAINTENANCE FUND

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS,
OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2019	2018	2017
RECEIPTS			
Local Sources:			
Property Tax	\$ 4,608,298	\$ 4,568,313	\$ 4,377,093
Replacement Tax	733,213	677,761	678,608
Interest	32,696	14,275	7,941
Rentals	32,389	31,828	38,037
Other	137,031	211,232	116,217
State Sources		100,000	
Federal Sources			
Total Receipts	<u>5,543,627</u>	<u>5,603,409</u>	<u>5,217,896</u>
DISBURSEMENTS			
Supporting Services:			
Facilities Acquisition & Constr. Services	1,732	11,700	33,127
Operation and Maint. of Plant Services	<u>4,899,049</u>	<u>5,059,890</u>	<u>5,468,710</u>
Total Disbursements	<u>4,900,781</u>	<u>5,071,590</u>	<u>5,501,837</u>
Receipts Over (Under) Disbursements	642,846	531,819	(283,941)
OTHER FINANCING SOURCES (USES)			
Taxes Transferred to Capital Projects			
Sale of Fixed Assets	<u>41,803</u>		
Total Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing (Uses)	684,649	531,819	(283,941)
FUND BALANCE, BEGINNING	<u>493,309</u>	<u>(38,510)</u>	<u>245,431</u>
FUND BALANCE, ENDING	<u>\$ 1,177,958</u>	<u>\$ 493,309</u>	<u>\$ (38,510)</u>

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

TRANSPORTATION FUND

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS,
OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2019	2018	2017
RECEIPTS			
Local Sources:			
Property Taxes	\$ 1,811,606	\$ 1,757,044	\$ 1,683,497
Fees	302,438	254,748	269,002
Interest	9,805	6,258	2,065
Other	58,095	39,450	46,704
State Sources:			
State Aid:			
General State Aid/Evid Based Funding		200,000	150,000
Regular/Vocational	677,649	1,152,387	525,252
Special Education	552,418	825,784	572,122
Early Childhood-Block Grant	149,029		109,080
Federal Sources:	10,390		
Total Receipts	<u>3,571,430</u>	<u>4,235,671</u>	<u>3,357,722</u>
DISBURSEMENTS			
Support Services:			
Pupil Transportation	3,555,555	3,634,497	3,636,072
Other Support Services	<u>3,632</u>	<u>18,549</u>	<u>17,150</u>
Total Disbursements	<u>3,559,187</u>	<u>3,653,046</u>	<u>3,653,222</u>
Receipts Over (Under) Disbursements	12,243	582,625	(295,500)
FUND BALANCE, BEGINNING	<u>408,174</u>	<u>(174,451)</u>	<u>121,049</u>
FUND BALANCE, ENDING	<u>\$ 420,417</u>	<u>\$ 408,174</u>	<u>\$ (174,451)</u>

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
Quincy, Illinois

SCHEDULE OF EQUALIZED ASSESSED VALUATIONS,
TAX LEVIES, RATES, EXTENSIONS AND COLLECTIONS

June 30, 2019

	Year of Levy		
	2018	2017	2016
TAX LEVIES			
Educational	\$ 17,546,240	\$ 17,027,360	\$ 16,289,520
Bond and Interest	6,206,163	5,604,659	5,531,415
Operations & Maintenance	4,768,000	4,627,000	4,426,500
Pension/IMRF	1,250,000	1,471,917	1,422,086
Transportation	1,907,200	1,850,800	1,770,600
Working Cash	476,800	462,700	442,650
Fire Prevention & Safety	476,800	462,700	442,650
Special Education	381,440	370,160	354,120
Tort/Liability Insurance	2,350,277	2,238,504	2,132,083
Social Security	1,500,000	1,948,581	1,855,920
Leasing	476,800	462,700	442,650
Combined Total	<u>\$ 37,339,720</u>	<u>\$ 36,527,081</u>	<u>\$ 35,110,194</u>

MAX RATES				
TAX RATES				
Educational	1.84000	1.84000	1.84000	1.84000
Bond and Interest	RTP	0.67443	0.62331	0.63390
Operations & Maintenance	0.50000	0.50000	0.50000	0.50000
Pension/IMRF	RTP	0.13449	0.16206	0.16135
Transportation	0.20000	0.20000	0.20000	0.20000
Working Cash	0.05000	0.05000	0.05000	0.05000
Fire Prevention & Safety	0.05000	0.05000	0.05000	0.05000
Special Education	0.04000	0.04000	0.04000	0.04000
Tort/Liability Insurance	RTP	0.25286	0.24646	0.24190
Social Security	RTP	0.16138	0.21454	0.21057
Leasing	0.05000	0.05000	0.05000	0.05000
Combined Total		<u>3.95316</u>	<u>3.97637</u>	<u>3.97772</u>

		Year of Levy		
		2018	2017	2016
TAX EXTENSIONS				
Educational	\$	17,102,965	\$ 16,712,545	\$ 16,217,797
Bond and Interest		6,268,887	5,661,466	5,587,207
Operations & Maintenance		4,647,545	4,541,452	4,407,010
Pension/IMRF		1,250,097	1,471,976	1,422,142
Transportation		1,859,018	1,816,581	1,762,804
Working Cash		464,754	454,145	440,701
Fire Prevention & Safety		464,754	454,145	440,701
Special Education		371,804	363,316	352,561
Tort/Liability Insurance		2,350,356	2,238,573	2,132,111
Social Security		1,500,042	1,948,646	1,855,968
Leasing		464,754	454,145	440,701
		<u>36,744,976</u>	<u>36,116,990</u>	<u>35,059,703</u>
Combined Total	\$	<u>36,744,976</u>	<u>36,116,990</u>	<u>35,059,703</u>
TAX COLLECTIONS				
Educational	\$	16,666,838	\$ 16,164,836	
Bond and Interest		5,645,994	5,575,076	
Operations & Maintenance		4,529,034	4,392,609	
Pension/IMRF		1,467,957	1,417,481	
Transportation		1,811,606	1,757,044	
Working Cash		452,893	439,261	
Fire Prevention & Safety		452,893	439,261	
Special Education		362,307	351,409	
Tort/Liability Insurance		2,232,443	2,125,156	
Social Security		1,943,325	1,849,893	
Leasing		452,893	439,261	
		<u>36,018,183</u>	<u>34,951,287</u>	
Combined Total	\$	<u>36,018,183</u>	<u>34,951,287</u>	
EQUALIZED ASSESSED VALUATIONS	\$	<u>929,508,951</u>	<u>908,290,482</u>	<u>881,402,008</u>

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

DISTRICT/JOINT AGREEMENT NAME Quincy Public School District No. 172	RCDT NUMBER 01-001-1720-22	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER 066-004993	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable) Roy Webb		NAME AND ADDRESS OF AUDIT FIRM Zumbahlen, Eyth, Surratt, Foote & Flynn, Ltd. 1395 Lincoln Ave Jacksonville	
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code) 1416 Maine Street Quincy, Illinois		E-MAIL ADDRESS: vflynn@zescpa.com	
62301		NAME OF AUDIT SUPERVISOR Valerie L. Flynn	
		CPA FIRM TELEPHONE NUMBER 217-245-5121	FAX NUMBER 217-243-3356

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

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

THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:

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

ZUMBAHLEN, EYTH, SURRATT, FOOTE & FLYNN, LTD

Certified Public Accountants

CYNTHIA S. FOOTE, CPA

VALERIE L. FLYNN, CPA

ADAM R. WITHEE, CPA

SUZANNE M. STECKEL, CPA

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AMERICAN INSTITUTE OF CPA

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

Board of Education
Quincy Public School District No. 172
Quincy, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Quincy Public School District No. 172 as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Quincy Public School District No. 172's basic financial statements and have issued our report thereon dated October 21, 2019. Our opinion was adverse because financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Quincy Public School District No. 172'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 Quincy Public School District No. 172's internal control. Accordingly, we do not express an opinion on the effectiveness of Quincy Public School District No. 172's internal control.

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

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Quincy Public School District No. 172'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.

Zundellen, Eyer, Summitt, Footh & Flynn, Ltd.

Jacksonville, Illinois
October 21, 2019

ZUMBAHLEN, EYTH, SURRATT, FOOTE & FLYNN, LTD

Certified Public Accountants

**CYNTHIA S. FOOTE, CPA
VALERIE L. FLYNN, CPA
ADAM R. WITHEE, CPA
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Quincy Public School District No. 172
Quincy, Illinois

Report on Compliance for Each Major Federal Program

We have audited Quincy Public School District No. 172's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Quincy Public School District No. 172's major federal programs for the year ended June 30, 2019. Quincy Public School District No. 172's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Quincy Public School District No. 172's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Quincy Public School District No. 172's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Quincy Public School District No. 172's compliance.

Opinion on Each Major Federal Program

In our opinion, Quincy Public School District No. 172, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Quincy Public School District No. 172 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 Quincy Public School District No. 172's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Quincy Public School District No. 172'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

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

Zimmerman, Eytz, Summitt, Fiske & Fagan, Ltd.

Jacksonville, Illinois
October 21, 2019

Quincy Public School District No. 172
01-001-1720-22

RECONCILIATION OF FEDERAL REVENUES
Year Ending June 30, 2019

Annual Financial Report to Schedule of Expenditures of Federal Awards

TOTAL FEDERAL REVENUE IN AFR

Account Summary 7-8, Line 7	Account 4000	\$	9,827,748
Flow-through Federal Revenues			
Revenues 9-14, Line 112	Account 2200		-
Value of Commodities			
Indirect Cost Info 29, Line 11			270,284
Less: Medicaid Fee-for-Service Program			
Revenues 9-14, Line 264	Account 4992		(567,742)
AFR TOTAL FEDERAL REVENUES:		\$	9,530,290

ADJUSTMENTS TO AFR FEDERAL REVENUE AMOUNTS:

Reason for Adjustment:

Medicaid Admin Fee Not Included in AFR Revenues	\$	8,051

ADJUSTED AFR FEDERAL REVENUES	\$	9,538,341
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Total Current Year Federal Revenues Reported on SEFA:			
Federal Revenues	Column D	\$	9,538,341

Adjustments to SEFA Federal Revenues:

Reason for Adjustment:

ADJUSTED SEFA FEDERAL REVENUE:	\$	9,538,341
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DIFFERENCE:	\$	-
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Quincy Public School District No. 172
01-001-1720-22
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2019

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/17-6/30/18 (C)	Year 7/1/18-6/30/19 (D)	Year 7/1/17-6/30/18 Pass through to Subrecipients (E)	Year 7/1/17-6/30/18 Pass through to Subrecipients (F)	Year 7/1/18-6/30/19 Pass through to Subrecipients (G)			
U.S. DEPT. OF EDUCATION PASSED THROUGH ILLINOIS STATE BOARD OF EDUCATION										
	Title I - Low Income (\$4,015 Prepayment)	18-4300-00	1,447,217	628,034	1,531,685				0	
	Title I - Low Income (\$7,399 Prepayment)	19-4300-00		1,787,526					2,071,868	2,445,705
	Title I - Neglected Private	18-4305-00	49,666	12,526	50,667			186,496	2,443,469	2,903,872
	Title I - Neglected Private	19-4305-00		52,404					62,192	63,727
	Title I - Delinquent Private	18-4306-00	44,154	11,375	48,177				52,405	65,029
	Title I - Delinquent Private	19-4306-00		56,125					55,529	57,917
	Total CFDA 84.010A (M)		1,541,037	2,547,990	1,630,529	0	0	186,496	4,744,934	5,610,378
	Title IV - 21st Century Community Learning Centers	18-4421-00	142,207	125,155	222,643				267,362	269,655
	Title IV - 21st Century Community Learning Centers	19-4421-00		159,720					237,620	269,655
	Total CFDA 84.287C (M)		142,207	284,875	222,643	0	0	0	504,982	539,310
U.S. DEPT. OF EDUCATION PASSED THROUGH SPECIAL EDUCATION ASSOCIATION OF ADAMS COUNTY	Title II - Teacher Quality (\$897 Prepayment)	18-4932-00		7,682					8,268	11,029
	Title II - Teacher Quality (\$311 Prepayment)	19-4932-00							311	311
	Total CFDA 84.367A		0	7,682	0	0	0	0	8,579	11,340
	Fed. Sp. Ed. IDEA Room and Board	18-4625-00	161,680	107,078	205,500				268,758	N/A
	Fed. Sp. Ed. IDEA Room and Board	19-4625-00		196,359				24,194	242,003	N/A
	Total CFDA 84.027A (M)		1,021,352	1,641,764	1,188,667	0	0	24,194	2,708,760	3,819,876

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

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

The accompanying notes are an integral part of this schedule.

- ¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- ² When the CFDA number is not available, the auditees should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- ³ When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)
- ⁴ The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

Quincy Public School District No. 172
01-001-1720-22
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2019

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/17-6/30/18 (C)	Year 7/1/18-6/30/19 (D)	Year 7/1/17-6/30/18 Pass through to Subrecipients (E)	Year 7/1/17-6/30/18 Pass through to Subrecipients (F)	Year 7/1/18-6/30/19 Pass through to Subrecipients (G)			
Fed. Sp. Ed. Preschool Flow-Through	84.173	18-4600-00	71,184	21,556	90,238		2,502		92,740	92,740
Fed. Sp. Ed. Preschool Flow-Through	84.173	19-4600-00		77,469			77,469		77,469	94,383
Total CFDA 84.173 (M)			71,184	99,025	90,238	0	79,971	0	170,209	187,123
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			1,092,536	1,740,789	1,278,905	0	1,575,870	0	2,878,969	4,006,999
U.S. DEPT. OF EDUCATION PASSED THROUGH ILLINOIS DEPARTMENT OF HUMAN SERVICES										
Rehabilitation Services-STEP	84.126	W46CWF00009	34,636	740	35,376				35,376	53,091
Rehabilitation Services-STEP	84.126	X46CXF00009		41,733			49,994		49,994	53,091
Total CFDA 84.126			34,636	42,473	35,376	0	49,994	0	85,370	106,182
U.S. DEPT. OF EDUCATION PASSED THROUGH ILLINOIS STATE UNIVERSITY										
Illinois Partnership Advancing Rigorous Training Grant	84.363	A14-0017-S002	34,902	71,797	105,723		976		106,699	106,699
Total CFDA 84.363			34,902	71,797	105,723	0	976	0	106,699	106,699
TOTAL U.S. DEPT. OF EDUCATION			2,845,318	4,695,606	3,273,176	0	4,845,667	0	8,329,533	10,380,908
U.S. DEPT. OF HEALTH AND HUMAN SERVICES- DIRECT PROGRAMS										
Head Start (\$1,503,012 Received FY17, \$1,593,648 Spent FY17)	93.600	05CH10019-02-02	314,331		223,695				0	1,825,293
Head Start	93.600	05CH10019-03-02	1,595,344	400,880	1,704,642		291,582		1,996,224	1,996,224
Head Start	93.600	05CH10019-04-01		1,634,182			1,694,309		1,998,289	1,998,146
Total CFDA 93.600			1,909,675	2,035,062	1,928,337	0	1,985,891	0	5,811,856	5,819,663

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

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

The accompanying notes are an integral part of this schedule.

- 1 To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- 2 When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- 3 When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. \$200.510 (b)(2)
- 4 The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

Year Ending June 30, 2019

QUINCY PUBLIC SCHOOL DISTRICT NO. 172
01-001-1720-22
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)
Year Ended June 30, 2019

Note 6: Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements-Expenditures

Total expenditures per schedule of expenditures of federal awards	\$ 9,724,561
Government donated commodities not reported in financial statements	<u>(270,284)</u>
Total federal expenditures per statement of revenues received, expenditures disbursed, other financing sources (uses) and changes in fund balance	<u>\$ 9,454,277</u>

Note 7: Reconciliation of "Final Status" Column

7/1/17-6/30/18 Expenditures Per SEFA	\$ 7,560,670
7/1/18-6/30/19 Expenditures Per SEFA	9,724,561
Obligations Per SEFA	514,670
7/1/16-6/30/17 Expenditures Not On SEFA (Head Start, 05CH4139/49, CFDA 93.600)	<u>1,593,648</u>
FINAL STATUS PER SEFA	<u>\$ 19,393,549</u>

Quincy Public School District No. 172
01-001-1720-22
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

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

INTERNAL CONTROL OVER FINANCIAL REPORTING:

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

FEDERAL AWARDS

INTERNAL CONTROL OVER MAJOR PROGRAMS:

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

Type of auditor's report issued on compliance for major programs: Unmodified
(Unmodified, Qualified, Adverse, Disclaimer⁷)

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

IDENTIFICATION OF MAJOR PROGRAMS:⁸

CFDA NUMBER(S) ⁹	NAME OF FEDERAL PROGRAM or CLUSTER ¹⁰	AMOUNT OF FEDERAL PROGRAM
84.010A	Title I	2,927,909
84.287C	Title IV	282,339
84.027, 84.173	Special Education Cluster (IDEA)	1,575,870
Total Amount Tested as Major		\$4,786,118

Total Federal Expenditures for 7/1/17-6/30/18

\$9,724,561

% tested as Major

49.22%

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

Auditee qualified as low-risk auditee? X YES NO

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

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

⁹ When the CFDA number is not available, include other identifying number, if applicable.

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

Quincy Public School District No. 172
01-001-1720-22
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2019

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ 2019- _____ 2. THIS FINDING IS: ☐ New ☐ Repeat from Prior Year?
Year originally reported? _____

3. Criteria or specific requirement
N/A

4. Condition

5. Context¹²

6. Effect

7. Cause

8. Recommendation

9. Management's response¹³

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

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

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

Quincy Public School District No. 172
01-001-1720-22
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2019

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ 2019- _____ 2. THIS FINDING IS: ☐ New ☐ Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: _____

4. Project No.: _____ 5. CFDA No.: _____

6. Passed Through: _____

7. Federal Agency: _____

8. Criteria or specific requirement (including statutory, regulatory, or other citation)
N/A

9. Condition¹⁵

10. Questioned Costs¹⁶

11. Context¹⁷

12. Effect

13. Cause

14. Recommendation

15. Management's response¹⁸

¹⁴ See footnote 11.

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

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

¹⁷ See footnote 12.

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

Quincy Public School District No. 172
01-001-1720-22
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹
Year Ending June 30, 2019

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

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status²⁰</u>
2018-001, 003	Actual expenditures were allowed to exceed budgeted expenditures	Resolved. All district funds remained within budgeted expenditure totals
2018-002	Reimbursements received from the Special Education Association of Adams County are not being compared to submitted expenditure reports for agreement	Resolved
2018-004	Signed time and effort documentation was not maintained by the District	Resolved

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

¹⁹ Explanation of this schedule - §200.511 (b)

²⁰ Current Status should include one of the following:

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